

Annual Report

2023/24

FCA

Practitioner Panel

Practitioner Panel Annual Report 2023-24

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Chair's foreword

This report covers the period from April 2023 to March 2024. I formally became Panel Chair on 1 August 2023, after being Acting Chair between January and July 2023.

Last year, I observed that the need to be responsive to volatility in the external environment had necessarily shaped Panel agendas, alongside its identified focus areas. This year, as the cost-of-living crisis transitioned, we continued to monitor developments affecting consumers and businesses while also applying wider focus to emerging risks as part of our regular 'environment scanning'. This consideration has complemented our 'core' areas of focus, which we revised in November 2023.

Our areas of focus this year, as set out in the Introduction to this Annual Report, have steered the Panel's approach to engaging with the FCA. That included aligned priority work stemming from the FCA's primary and secondary objectives. During the year we have continued to apply an outcomes-focussed approach, consistent with the Consumer Duty, to our support and constructive challenge of proposed interventions.

This year saw the first major milestone for implementation of the Consumer Duty, with hard work preparing for the open books and products deadline leading to a smooth transition on 31 July 2023. We engaged regularly with the FCA leading up to and following implementation to give visibility to shared issues and seeking clarification where required. We will

continue to engage with the FCA as part of preparation for the 31 July 2024 deadline on closed products and services. We also welcomed the recognition that embedment of the Duty will take time and will need to allow for the consideration of feedback and application of learnings as part of an iterative process. In this context, we emphasised the importance of the FCA taking a proportionate supervisory approach as the Duty is embedded. The FCA and industry are both learning as the work embeds and reflecting those lessons in ongoing engagement will increase the positive impact of the Consumer Duty.

Other key work this year included the development of the Advice Guidance Boundary Review (AGBR) proposals. We expressed our strong support for the aims and ambition of this work noting it offers a once in a generation opportunity to help millions of UK savers who currently fall into the 'advice gap'. This is the first major policy initiative which leverages the Consumer Duty, and we welcomed the focus on outcomes at the heart of the approach. The Panel also highlighted several areas of policy work under development which intersect with, and will need to be aligned to, the AGBR, such as the Future Disclosure Framework, Sustainability Disclosure Requirements and investment labels, and pensions dashboards.

Throughout the year we emphasised the importance of retaining focus on operationalising the FCA's secondary international competitiveness and

growth objective alongside progression of its primary objectives. This included looking at potential opportunities for simplifying or streamlining existing regulation to encourage investment and innovation and being mindful of where interventions could have unintended consequences. We emphasised the need for broader and ongoing strategic discussions about the UK's attitude to trade-offs between risk and reward, and the importance of government, policy makers, regulators and industry working together to tackle the various legal, regulatory, cultural, and consumer education issues that are acting as blockers to growth and competitiveness.

Developments in technology, including the rapid development of Artificial Intelligence (AI) and the continued evolution of the role of Big Tech companies across sectors, including many operating as critical third parties, continues to be a central area of interest for the Panel. Each presents

both opportunities and risks, given much of this provision sits outside the regulatory perimeter and is playing out across borders. Getting the balance right to enable an environment where innovation can flourish, while also addressing disparities that could create an uneven competitive environment and protecting consumers, represents significant challenge. That challenge is not confined to the financial services sector, and we encouraged the FCA to align with other jurisdictions and across organisations as needed to identify shared solutions and opportunities.

These areas of focus from the past year remain highly relevant, and I look forward to continuing to guide the Panel's continued constructive engagement with the FCA as it looks forward to developing its next Strategy for 2025.

Matt Hammerstein
Acting Chair, FCA Practitioner Panel



Introduction

The FCA Practitioner Panel is a statutory panel for the Financial Conduct Authority (FCA). It is one of a number of panels which the FCA is required to establish by the Financial Services and Markets Act. Alongside the Smaller Business, Markets Practitioner and Listings Authority Advisory Panels it represents the interests of practitioners and provides advice to the FCA on the extent to which its policies and practices are consistent with its general duties.

The Panel meets on a regular basis to provide senior-level industry input into the FCA's policy and regulatory development, with membership selected to reflect the major sectors of the UK financial services industry. It focuses predominantly on issues with a strategic cross-sectoral impact and provides advice and feedback directly to the FCA Board and Executive.

The Panel supports the FCA in its work to improve diversity, and in its objective of seeking diversity in all its forms to be represented across the Practitioner Panel itself.

Panel Strategy

The Panel's objective is to improve the impact of the FCA's work in the following areas of focus:

- Help the FCA specify and balance its primary and secondary objectives through its objectives and priorities.
- Challenge areas of potential misalignment between the FCA's work and its stated objectives. Apply our collective expertise to ensuring desired outcomes are delivered – helping

shape "what good looks like" overall and through individual interventions.

- Ensure the FCA's collective work is coherent, as well as sufficient and appropriate to deliver its overall objectives.
- Ensure FCA policy is well designed and will deliver expected benefits to consumers and metrics, including through appropriate and proportionate supervision.
- Track developments in approach and impact and identify emerging gaps proactively.
- Support the FCA with its own transformation.

Within this framework the Panel had seven priority areas:

1. Better understanding and influencing the FCA's approach to prioritisation ensuring there is a clear connection between objectives, priorities and activities driving desired outcomes.
2. Embedment and maturation of the Consumer Duty, including:
 - a. Approach to "Closed products"
 - b. Application of "fair value" assessments
 - c. FOS alignment and effectiveness of "wider implications" framework
 - d. Areas of risk in terms of misalignment/ misunderstanding
 - e. Simplification of the existing FCA rulebook

3. Revised approach to the provision of advice and guidance, including:
 - a. Clear specification of the societal challenge and the desired outcomes
 - b. Explicit articulation of challenge from consumer and firm perspectives
 - c. Recognition that “advice” and “guidance” will require different approaches
 - d. Proportionate approach to addressing each challenge
4. More clear and consistent approach to policy and its proportionate application, including:
 - a. Encourage applying lessons learned from past policy
 - b. Data-based outcome tracking to identify potential gaps
 - c. Highlight where supervisory approach to implementation may not align with intended policy design and outcomes sought
5. Effective consideration of perimeter, including:
 - a. Big Tech
 - b. Critical Third Parties
 - c. c. Crypto
 - d. Appropriate transition for “challenger” organisations
 - e. Unsecured credit (credit reference agencies; buy-now-pay-later)
6. Embracing the future of data and technology (especially AI), including:
 - a. Tackling financial crime, fraud, scams and online safety
 - b. Regulatory principles/ systems and controls
 - c. Development frameworks/ Sandboxes
 - d. Digital identity
7. Practical application of secondary objective on competitiveness and growth.

1



Better understanding
and influencing the
FCA's approach to
prioritisation

In December the Panel re-set its priorities for 2024, including seeking to better understand and support the FCA in how work is prioritised, being clear on the objectives of initiatives and how these link to the desired outcomes and vision, as well as how success will be measured.

Strategic prioritisation – outcomes-focused approach

The Panel welcomed the opportunity to provide its thinking on the FCA's approach to planning its work for 2024-25, including possible economic scenarios and identified drivers of change. Delivering the significant volume of work encompassed by the FCA's 13 commitment areas will be challenging, particularly as the 4 'accelerated' commitments are large and discrete topics. The Panel expressed concerns about pressure on the capacity and capability of the FCA and industry, especially smaller firms, in delivering large volumes of reform at pace, and the need for proportionality. In this context the Panel encouraged the FCA to maintain a strong focus on what can be realistically absorbed and be ready to deprioritise work as needed.

Joint FCA and Practitioner Panel survey

Each year the Panel and the FCA launch a joint survey to gather feedback from UK financial services firms on how the FCA is doing in regulating the industry, and current issues. The data collected in the joint survey provides invaluable feedback for the FCA to reflect on how and where it can improve its performance and how it communicates with firms.

This year the Panel worked closely with the FCA to produce a survey that was significantly shorter than in previous years to ensure relevance and incentivise greater participation. Responses to the [2022-23 joint survey](#) helped inform this approach, alongside alignment to the FCA's priority commitments. The Panel encouraged the FCA to maintain strong focus on how each question is linked to outcomes and be clear on how the results may inform next steps.

FCA Outcomes and Metrics

The Panel welcomed the significant progress made on developing a comprehensive array of metrics across the FCA's 13 commitment areas. The Panel encouraged the FCA to continue revising and streamlining these, considering when and where best to leverage more advanced analytical approaches such as counterfactuals, causal chains and logic models, and set targets to ensure that time and attention is focused on the right areas.

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Embedment of the Consumer Duty

There were a number of key milestones for implementation of the Consumer Duty in 2023, including completion of reviews by manufacturers by 30 April and implementation applying to new and existing products or services by 31 July

Clarity on expectations

In the lead up to and following the 31 July deadline for implementation of new and existing products and services, the Panel highlighted queries relating to the interplay of new responsibilities and requirements with existing structures. This included clarifying the remit of Consumer Duty Board champions in the context of the responsibilities of the Executive and the Board, to reduce the potential for confusion and misalignment. The Panel also encouraged focus on what is needed to support longer-term implementation, including gathering case studies where there are identified ambiguities and anticipated difficult scenarios e.g. the potential for conflict in interpretation of GDPR responsibilities alongside the Consumer Duty, recognising applying learnings should be an iterative process as the Duty is embedded.

Alignment with the Financial Ombudsman Service (FOS)

Emphasising the importance of the FCA and the FOS working closely together to ensure a consistent and complementary approach to implementation of the Consumer Duty was a key area of focus for the Panel throughout the year. The Panel encouraged the FCA to continue to use the Wider Implications

Framework to help identify and mitigate issues and concerns at an early stage, and to share guidance with industry, including examples of good and poor practice. Increased transparency around expectations should help provide firms with greater certainty about how they need to evidence outcomes and identify appropriate metrics.

Fair value

Under the Consumer Duty firms must undertake fair value assessments as a way of demonstrating if the price a consumer pays for a product or service is reasonable compared to the overall benefits they can expect to receive. As examples are gathered, the Panel encouraged the FCA to build on existing guidance to help firms interpret what constitutes 'fair' price and value, and in particular how to assess non-financial benefits such as service and quality.

Opportunities for simplification of the rule book

The implementation of the principles-based Consumer Duty provides opportunity for a less prescriptive approach to financial regulation. The Panel encouraged the FCA to consider proposals for new rules, or changes to existing rules, in the context of the Consumer Duty, with the aim of streamlining and simplifying the existing Framework. The Panel highlighted the opportunity to unlock potential productivity and innovation by making targeted updates to existing rules, taking an outcomes-focussed approach.

3



Revised approach to
the provision of advice
and guidance

Advice Guidance Boundary Review

In December 2023 the FCA published a discussion paper on the Advice Guidance Boundary Review which set out policy proposals aimed at ensuring that consumers can get the help they want, at the time they need it, and at a cost that is affordable, to help them make informed financial decisions.

The Panel supported the aims and ambition of the proposals which have the potential to help millions of UK savers who currently fall into the “advice gap”. In its response to the discussion paper the Panel emphasised that clearly setting out the delineation between Holistic Advice, Simplified Advice and Targeted Support will be important so that firms, consumers, the FCA and the FOS have a consistent understanding of key matters such as what each service covers, its limitations, where fees apply and where accountability sits. The Panel welcomed that the concept of ‘Targeted Support’ presents opportunities for firms to engage with consumers at scale and deliver support at a lower cost. It will be important that the rules around this provision are not too prescriptive to allow room for firms to innovate and develop solutions that support a better consumer experience. The Panel also encouraged greater ambition to realise the potential of Simplified Advice and provided specific feedback focussing on the workability and commercial viability of the proposals, including recommending that pensions decumulation be included in scope as

pension investment and retirement decisions are where people need the most help. The framework should enable firms to provide consumers with ‘bitesize’, less expensive, components of advice which are targeted to need and address specific questions.

The Panel’s feedback identified a number of key matters for further attention. Importantly, it will be critical that the FCA and the FOS work closely to ensure alignment on interpretation of the rules for all forms of advice and support in order to build firm and consumer confidence in the process. Clarification is also needed on the extent to which the Consumer Duty overlaps with the AGBR proposals and how to balance any further prescriptive requirements with the existing rulebook. In the Panel’s view successful outcomes should be the key focus, with the Consumer Duty at the heart of the regulatory approach. The Panel also encouraged further thought and clarification of how, and when, firms will be able to use consumer data and proactively engage with consumers and encouraged that a proportionate approach is taken when setting out advisers’ training and competency requirements. Finally, ongoing thought and clear communications will be needed around how the AGBR intersects with other policy work in development e.g., Disclosure Reform, Pensions Dashboards and ISA Simplification.

Asset Management regime

In Spring 2023 the FCA invited views on how to improve the UK's asset management regulation to create a more modern and tailored regime that better meets the needs of UK markets and consumers.

Responding to the discussion paper proposals the Panel was supportive of mostly copying existing regulation as stands into the FCA rules, while highlighting there is the opportunity to make adjustments to the regime to encourage investment and remove barriers to growth in keeping with the new secondary international competitiveness and growth objective. Any changes will need to be carefully considered bearing in mind the importance of continuity and regional operability. The UK is well regarded internationally for its robust regulatory framework, and it is vital that the strengths of the current system are not lost.

Future Disclosure Framework

In December 2023 the FCA set out its thoughts on Preparing for the future of Consumer Investments. This was followed by the publication in January 2024 of a statutory instrument on the UK Retail Disclosure Framework to replace the packaged retail and insurance-based investment products regime (PRIIPs).

The Panel expressed its support for taking a hybrid approach to the development of the Future Disclosure Framework, relying primarily on the

Consumer Duty with some mandatory disclosures. How the new disclosure rules will work in practice, including interaction with the AGBR, updates to rules for SDR and investment labels and taking a proportionate supervisory approach to implementation of the Duty, will be key. Further work will also be needed on the prominence of risk warnings, thinking carefully about the consumer journey and layering of information. As part of wider work, there is the opportunity to create the conditions for a thriving consumer-centred financial services sector which drives firms to compete on the quality of their information delivery and stimulate innovation. The Panel encouraged the FCA to ensure there is alignment and integration of these discrete but related streams of work and maintain focus on outcomes.

Enhancing comparability of pension choices

In July the FCA, with the Department of Work and Pensions and The Pensions Regulator, published a joint feedback statement on policy proposals to require work trustees and managers of DC-relevant occupational pension schemes and the providers and Independent Governance Committees of workplace personal pension schemes to disclose, assess and compare the value for money their workplace pension scheme provides

The Panel expressed support for the aims of the Pensions Value for Money Framework proposals to increase comparability, transparency, and

competition across DC pension schemes. It welcomed that the proposals would require trustees and managers of DC schemes to prioritise member outcomes when making decisions about people's savings and investment to help drive improvements in household financial resilience. The Panel encouraged a principles-based approach, consistent with the Consumer Duty, identifying the minimum information trustees and managers of DC schemes need rather than placing requirements around benchmarking. It also emphasised the importance of CBA, noting the potential for currently proposed requirements to place significant financial burden on firms. The Panel highlighted that beyond this work there was a need to enable pension schemes to provide greater support to clients to improve their decision making, which would require a change in the advice / guidance boundary, so it would be important that the development of the Framework was aligned to the wider AGBR work.

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Approach to policy
and its proportionate
application

Sustainability Disclosure Requirements (SDR) and investment labels

In November 2023 the FCA published a Policy Statement setting out final rules and guidance to improve trust and transparency to the market for sustainable investment products.

The Panel expressed its support for the intentions of the FCA's work in this area and stressed the importance of ensuring there is coherence and alignment to enable smooth operations with the EU and other international markets. It welcomed that industry feedback has been taken on board in the revised proposals which allow for a more principles-based approach and make it easier for firms to use an ESG label with appropriate disclosure. The Panel encouraged the FCA to continue to engage with industry to resolve outstanding questions, such as the possible extension of SDR to portfolio management, and to provide comprehensive guidance on how it should be applied in practice.

Senior Managers and Certification Regime

In May 2023 the Panel responded to a joint FCA/PRA discussion paper on the Review of the Senior Managers and Certification Regime (SM&CR), which invited views on possible changes to operational aspects of the SM&CR seven years after its implementation

The Panel's key observation was that there was no need for wholesale changes to SM&CR, as the regime had achieved good outcomes and was broadly fit for purpose. The conduct rules had been useful in supporting minimum standards of behaviour across the industry, role profiles, descriptions and accountability at senior levels had improved, and it was now well embedded. The Panel highlighted there was opportunity to make some adjustments which could improve efficiency, consistency and proportionality, such as streamlining the approvals process for Senior Manager Function appointments, reviewing the effectiveness of the certification regime and applying an outcomes-focussed and CBA approach to potential tweaks.

Diversity and inclusion in the financial sector

In December 2023 the FCA and PRA launched a joint consultation on proposals to introduce a new regulatory framework on Diversity and Inclusion (D&I) in the financial sector.

The Panel expressed its strong commitment to the ambition to drive greater diversity, equity and inclusion in the financial sector including gaining a better understanding of the UK workforce demographics, widening the financial services talent pool and fostering healthy and inclusive workforce cultures.

A key theme of the Panel's response was to caution against a one-size-fits-all,

prescriptive approach and be mindful that imposing strict regulatory oversight of this activity could have inadvertent consequences. The Panel provided specific feedback on matters including the collection and monitoring of D&I data, the approach to target setting and disclosures, methods for establishing and measuring a culture of financial inclusion, and solo entity reporting.

Access to cash

In December 2023 the FCA set out its proposals for how access to cash will be supported in an increasingly digital world and sought feedback on a new regulatory regime which would require banks and building societies designated by the Government to assess and fill gaps, or potential gaps, in cash access provision that significantly impact consumers and businesses.

The Panel's response to the proposals emphasised the importance of the regime being outcomes-led, based on a robust understanding of needs that is supported by data to support having cash solutions in the right place. The Panel also highlighted the importance of the regime being responsive to change recognising need may be affected by shifts in participation or representation by designated entities, changes in consumer behaviour, demographic movements and other socioeconomic developments.

The introduction of new rules in this area provides an opportunity to encourage a more open conversation about the future vision for access to cash and

banking, noting that this is not just a commercial issue but one which has a wider societal impact. In the Panel's view, with material changes to the economic and social environment it is no longer appropriate that only a small number of institutions are relied on to address social vulnerability and financial inclusion challenges. It will be important to put the right incentives in place now to drive change that delivers sustainably good consumer outcomes.

Capital deduction for redress – Personal Investment Firms

In November 2023 the FCA consulted on proposals to require personal investment firms (PIFs) to be more prudent and set aside capital for potential redress liabilities at an early stage.

The Panel welcomed the FCA's proposals which support the 'polluter pays' principle, targeting the small percentage of firms responsible for large redress payouts. The Panel highlighted that further testing as part of a phased implementation will be needed to ensure the policy achieves its intended outcomes. It will be important that any new requirements are introduced gradually to allow firms sufficient time to identify and quantify potential redress liabilities and build up enough capital to meet the requirements.

The Panel also expressed support for the proposal to move towards a more comprehensive prudential regime for PIFs to increase minimum capital requirements, though noted that a proportionate approach will be needed

as allowing for the accrual of too much capital could pose its own risks. It also cautioned that robust modelling to avoid undue impact on small to mid-tier advisers many of which operate on slim capital.

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Effective consideration of the perimeter

Crypto and financial promotions

In June 2023 the FCA published its rules and guidance for cryptoasset financial promotions. This set out that cryptoassets can be marketed to UK consumers subject to certain restrictions in addition to the overarching requirement that financial promotions must be fair, clear and not misleading.

The Panel welcomed the clear outcomes and objectives set out in the policy and encouraged the FCA to articulate the vision for cryptoassets at a broader level. In the Panel's view crypto is an inherently risky and volatile asset and there is need for clear messages to consumers about the risk of buying it. Creative approaches are needed to target potential buyers of cryptoassets, and in this context the Panel applauded the FCA's initiative to team up with "finfluencers" to educate them about the risks involved in promoting financial products. It discussed how working with global regulators to prevent harm without being seen to validate crypto as a product will be essential but will also be a significant challenge.

Big Tech

In November 2023 the FCA published a Call for Input seeking examples and evidence of the Potential competition impacts from the data asymmetry between Big Tech and firms in financial services.

The Panel welcomed the Call for Input noting that inconsistent access to information across competitors has the

potential to have serious impact on competition in financial services. The ability of Big Tech to access private and public retail data (e.g. via Open Banking and Credit Reference Agencies) and combine it with Artificial Intelligence and advanced analytics provides it with significant advantage over financial services firms and could create the conditions for market dominance.

The Panel highlighted that data asymmetry also has the potential to impact on wholesale markets as access to privileged retail information, such as purchase and sales data, could influence price discovery. It suggested there may be a role for the FCA in making a judgement about when there is potential for parties to make use of information to the detriment of consumers or competitors, and potentially vetting access to this data.

Other issues posed by data asymmetry include that the data held by Big Tech may be useful to verify identity and aid in the detection and prevention of fraud, however this is not currently shared. While financial services firms have responsibilities under the Consumer Duty to prevent harm and deliver good outcomes, Big Tech sits outside the regulatory perimeter and is not accountable in this way.

The Panel emphasised there is a need both to address existing disparities and to consider how to approach the emergence of future imbalances. This is a delicate balance, recognising also the importance of maintaining an environment where innovation and growth can flourish and realising

the potential benefits Big Tech offers to consumers.

Critical Third Parties

In December 2023 the FCA, PRA and Bank of England jointly set out proposed operational risk and resilience requirements and standards for critical third parties (CTPs) in order to manage risks to the stability of, or confidence in, the UK financial system that could arise from a failure in, or disruption to, a CTP's services.

The Panel supported that CTPs be required to meet robust operational risk and resilience standards to help safeguard the provision of critical services that financial services firms depend on. It observed that CTP firms may range from Big Tech suppliers of cloud provision to smaller providers technology support and niche sector-specific services and welcomed that the FCA is seeking to take a balanced approach to introducing the new requirements.

Alongside operational resilience risk, the Panel highlighted that where firms are reliant on CTPs for the provision of key services there are implications for the FCA's secondary international competitiveness and growth objective. It is important that critical services are offered on a fair and equal basis so as not to inhibit competition and innovation by current incumbents or prevent new entrants to the market. Where CTPs are also Big Tech companies, there are also particular challenges which may affect a wide range of global financial services firms, and the Panel encouraged the FCA to align with other jurisdictions as needed to seek to identify shared solutions.

6



Embracing the future of data and technology

Risks and opportunities of artificial intelligence (AI)

A joint feedback statement by the FCA and the Bank of England published in October 2023 summarised responses to a discussion paper on AI and Machine Learning looking at potential benefits and risks of AI and views on regulatory approach.

The Panel identified the impact on financial services of Generative AI as a new risk for ongoing monitoring, particularly given the scale and pace of developments. The challenge was to both harness the opportunities, looking at potential benefits to consumers and industry, and assess and mitigate risks. The Panel expressed its support for a technology-neutral and pro-innovation approach to future-proof against the rapid developments in AI.

The Panel welcomed the FCA's plans to introduce a Digital Sandbox to allow firms to test end to end approaches in a safe environment. It will also be important that industry and regulators learn from overseas jurisdictions, both to help identify risks and to ensure the UK remains competitive as things develop. The Panel highlighted that firms will be responsible for all services they provide, including those delivered by complex models, so retaining focus on consumer outcomes and having good governance in place will be key. Alongside this, regulators and industry have a collective responsibility to deliver financial education for consumers about the services being provided by AI to ensure people understand the risks they

own as part of their engagement in financial services.

Digital Identity

The Panel believes that the UK has an important opportunity to define how a form of “digital identity” could help UK consumers and businesses interact more safely and securely online than they do today. This should help address the negative effect, on both productivity and growth and on consumer confidence, of a continued growth in fraud and scams, and reduce the risk that consumers may begin to disengage with the digital economy, undermining the UK's competitiveness and growth potential.

A digital identity could take the form of a simple, consistent and secure way for consumers and businesses to ensure that whoever they are interacting with is who they claim to be. The Panel highlighted there are opportunities for financial services firms to innovate in this area and support better consumer and societal outcomes. However, greater strategic clarity is needed around this work: who is leading it, what the desired social policy outcomes are, what the strategy is for delivering those outcomes, and what is the regulatory framework that could enable its accelerated development. The Panel expressed concern there is risk that the UK is falling behind and that the solution may be defined by global firms which sit outside the regulatory perimeter and have no dedicated focus on ensuring good outcomes for UK consumers. Rectifying this will require collaborative effort across Government, regulators and industry.

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Practical application
of secondary objective
on competitiveness
and growth

The Financial Services and Markets Act 2023 which came into effect in June set out a new secondary objective for the FCA of 'facilitating, subject to aligning with relevant international standards: 1) the international competitiveness of the economy of the UK (including in particular the financial services sector), and 2. Its growth in the medium to long term'. In July the FCA published a statement setting out its view of how its work to support 7 'key drivers' of productivity will support the secondary objective and how it planned to report on progress against the objective

The Panel welcomed the opportunity to explore with the FCA key drivers of productivity, and how to operationalise the new objective. Discussions during the year looked at potential opportunities for simplifying or streamlining existing regulation to encourage investment and innovation. Alongside this, the Panel emphasised the importance of maintaining the strengths of current regulation and encouraged alignment with EU rules where practicable. This included recommending a light touch 'lift and shift' approach to the repeal of firm-facing provisions in retained EU law to minimise disruption and uncertainty.

The Panel also emphasised the need for broader and ongoing strategic discussions about the UK's attitude to risk/ reward and barriers to UK competitiveness. It highlighted there was a diminishing appetite to invest in the UK stemming from a wide range of factors beyond the complexity of the regulatory framework including capital requirements, conservative attitudes, and reputational issues. It emphasised that it is vital that government, policy makers, regulators and industry work together to tackle the various legal, regulatory, cultural, and consumer education issues that are acting as blockers to growth and encouraged the FCA to particularly focus on those areas within its control or influence where it can drive change and make a difference.

Tracking progress against the new secondary competitiveness and growth objective will be vital. The Panel encouraged the FCA to continue to build on and refine the metrics in this area with a stronger focus on measuring international investment and industry productivity, which the Panel believes are the heart of the UK's competitiveness and growth potential.

List of Practitioner Panel members

Matt Hammerstein

Chief Executive Officer
UK Corporate Bank and Head of Public
Policy & Corporate Responsibility
Barclays
Panel Chair from 01.08.23

Chirantan Barua

Chief Executive, Scottish Widows and
Chief Executive, Insurance, Pensions
& Investments, Lloyds Banking Group
Member from 29.01.24

Amanda Blanc

Group Chief Executive
Aviva plc
Member until 31.12.23

Debbie Crosbie

Chief Executive
Nationwide Building Society

Suvro Dutta

Partner, Financial Services
KPMG LLP (UK)
Member until 31.03.24

Sean Hagerty

Managing Director
Vanguard Europe

Alasdair Haynes

Chief Executive
Aquis Exchange plc

Christopher Hill

Senior Adviser to Boston Consulting
Group and Non-executive director of
Quilter plc

Nasreen Kasenally

Chief Executive Officer
UBS Asset Management (UK) Ltd
Member from 01.10.23

David Lindberg

Chief Executive, Retail Banking
NatWest Bank Group
Member from 26.05.23

Andy Mielczarek

Chief Executive
Chetwood Financial Limited
Member and Chair of Smaller Business
Practitioner Panel from 01.06.22

Cristina Nestares

Chief Executive
Admiral UK
Member from 26.05.23

Julie Page

Chief Executive
AON UK Limited
Member until 29.02.24

Michelle Scrimgeour

Chief Executive
Legal & General Investment Management
Member until 30.09.23

Paul Stockton

Chief Executive
Rathbones Group Plc
Member from 01.07.23

Steve Treloar

Chief Executive
Allianz Personal
Member until 01.06.23

Panel diversity statement

The FCA has agreed to adopt diversity targets for all the FCA's Independent Panels. These targets reflect those introduced by the FCA in April 2022 for the board and executive management of listed companies:

- At least 40% of each Panel are women
- At least one of the senior positions (Chair, Deputy Chair or equivalent) across the Panels is held by a woman
- At least one member of each Panel is from an ethnic minority background

Against these targets, we can report that as of 31 March 2024¹:

- 14% of the Practitioner Panel are women.
- Across all the Independent Panels, the target for at least one senior position to be held by a woman is exceeded.
- All 5 Independent Panels meet the target that at least one member is from an ethnic minority background

The Panel supports the FCA in its objective of improving diversity in the appointments it makes to all the independent Panels.

¹ These figures are based on the data disclosed. Disclosure of diversity information is voluntary. Data is reported across all Panels where disclosure on an individual Panel basis would lead to the release of personally identifiable information.

Practitioner Panel

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Practitioner Panel

