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2<sup>nd</sup> February 2016

(By E-mail)

Our Ref: FOI4353

Dear

### **Freedom of Information: Right to know request**

Thank you for your request under the Freedom of Information Act 2000 (the Act), for information about our decision to discontinue the thematic review (which you characterise as an "inquiry") in relation to culture in banks ('the project'), specifically:

*"How the decision to shelve the inquiry was reached, including; 1.a any evidence that supported the decision, and specifically; 1.b how the previously perceived need for investigation has been obviated."*

Before answering your request, I would first like to clarify one point about the decision made on the project. You refer to the FCA having "*shelved the inquiry*" on banking culture. In fact, the decision we made was not to continue the project once the initial phase was completed rather than to undertake a second phase. We decided the best way to support and drive on-going efforts to improve culture is to continue to engage individually with firms to encourage their delivery of cultural change as well as supporting other initiatives outside the FCA.

I will now turn to your request. You have asked for an explanation of how the decision to discontinue the project was reached, including "*any evidence*" that supported our decision. The FCA appeared before the Treasury Select Committee (TSC) on 20 January to explain the rationale for the decision you are enquiring about. As part of the TSC's inquiry, we provided the TSC with the relevant documents upon which the decision was made. These documents have now been published on the Parliamentary website. Links to these documents can be found below, including an email explaining the nature of the documents.

- An email explaining what the documents are: <http://www.parliament.uk/documents/commons-committees/treasury/Email-from-FCA-to-Committee-Clerk-140116.pdf>

- An email chain confirming the decision to close the project: <http://www.parliament.uk/documents/commons-committees/treasury/FCA-decision-Redacted-email-chain.pdf>
- The decision paper: <http://www.parliament.uk/documents/commons-committees/treasury/FCA-decision-paper.pdf>
- Two versions of the draft ExCo paper (v39 and v47), together with two versions of an attached power point: <http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-A.pdf>  
<http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-A-annex.pdf>  
<http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-B.pdf>  
<http://www.parliament.uk/documents/commons-committees/treasury/ExCo-paper-version-B-annex.pdf>

You also asked "*how the previously perceived need for investigation has been obviated*". As the documents above show, a focus on culture in banking continues to be a priority for the FCA and this position is unchanged. However, as noted above, we decided the best way to support and drive on-going efforts to improve culture is to continue to engage individually with firms to encourage their delivery of cultural change as well as supporting other initiatives outside the FCA.

Lastly, I have also included a link to a paper we published detailing the rationale for the decision and the wider context of our ongoing focus on culture: <http://www.fca.org.uk/your-fca/documents/foi/foi4350-information-provided>

I hope this answers your questions. If you have any further queries please contact me.

Yours sincerely

**Information Access Team**