

## Minutes

**Meeting:** FCA Board

**Date of Meeting:** 27 February 2025

**Start time:** 9:15

**Venue:** Meeting held in Boardroom and via Microsoft Teams

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**Members Present:** Ashley Alder (Chair)      Nikhil Rathi  
Aidene Walsh      Richard Lloyd  
Alice Maynard      Sam Woods  
Bernadette Conroy      Sophie Hutcherson  
Bryan Zhang

**In attendance:** Set out in Annex A

**Presenters:** Set out in Annex A

**Apologies:** Liam Coleman

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### 1. Standing Items/ General Business

#### *Declarations of Interest*

- 1.1 The meeting noted there was a quorum present and proceeded to business.
- 1.2 No interests were declared in the items to be discussed.

#### *Actions Log*

- 1.3 The Board noted the action log and approved the closure of completed actions.
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*Minutes of previous meeting*

- 1.4 The Board approved the minutes of the meetings held on 30 January 2025.

## **2. Reports**

*Audit Committee*

- 2.1 The Board noted the update from the FCA Chair on behalf of the Chair of the Audit Committee on the meeting held on 20 February 2025. The Committee had focused on:
- i. The NAO Audit planning report on the 2024-25 financial statements, the impact of any delays and the need for the Audit Committee to be informed ahead of any overrun of the audit.
  - ii. The Internal Audit update, which had focussed on a review of the FCA payroll processes, review of how the FCA discharges its responsibilities in respect of the Pension Trust and the Risk Responsive Audit Review of the Digital Services Framework (DSF) programme.
  - iii. Recommendations to the Board in relation to Section 73 of the Financial Services Act 2012 for the FCA to investigate and report on possible regulatory failures.
  - iv. Proposals to move resources to the Complaints function to speed up the resolution of complaints and regulatory failure assessments.

*Oversight Committee*

- 2.2 The Board noted the update from the Chair of the Oversight Committee on the various meetings held in February 2025. The Committee had focused on arrangements for enhanced scrutiny of the Financial Ombudsman Service following the departure of the CEO, whilst interim arrangements are in place.

*Policy and Rules Committee*

- 2.3 The Board noted the update from the Chair of Policy and Rules Committee on the meeting held on 6 February 2025. The Committee had discussed:
- i. An appropriately refocused approach towards supporting economic growth and competitiveness and innovation.

- i. Reflections from the Chair of the Cost Benefit Analysis (CBA) panel since the CBA Panel was created and discussions regarding the future pipeline of work.

*PRA*

- 2.4 The Deputy Governor for Prudential Regulation & CEO of the PRA updated the Board on the PRA's plans in relation to stress testing activity in 2025.

*Chair*

- 2.5 The Board noted the update from the FCA Chair on activity since the previous Board meeting, which included:
  - i. Discussions with HM Treasury regarding forthcoming FCA policy proposals.
  - ii. Discussions with the Executive regarding enforcement transparency proposals.
  - iii. HM Treasury had been notified that the FCA's Strategy 2025 was scheduled to be published in quarter 1 of the financial year. The FCA was engaging with HM Treasury to ensure the strategy took account of the Government's forthcoming Financial Services Growth & Competitiveness Strategy.
  - iv. The FCA Chair would be meeting with the All-Party Parliamentary Group on Investment Fraud and Fairer Financial Services (APPG) Chairs on 31 March 2025.

*CEO*

- 2.6 The CEO briefed the Board on several topical issues, including:
    - i. The FCA was working at pace in relation to agreed growth initiatives, as set out in the letter to the Prime Minister.
    - ii. Implementation of new rules on Diversity & Inclusion data had been paused, in light of the new Employment Rights Bill.
    - iii. The FCA had written to the Business and Trade Committee Chair explaining the role of the FCA as a Listing Authority and the Prospectus Rules.
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- iv. An update on the mortgage market rule review.
- v. An update on motor finance commission complaints work.
- vi. Steps to improve records management along with assurance from the Executive team that regulatory records would be retained in accordance with the FCA's records management policy.

2.7 The COO briefed the Board on the Quarterly Performance of the FCA including:

- i. There had been an underspend in the budget for 2024-25 of £40 million. Reasons for the underspend included slower than forecast hiring, high levels of contingency against the Digital Services Framework (DSF) which ultimately had not required drawdown, reduced contributions to pensions deficit and the speed of delivering of some change projects. The papers also noted a lower employer pension contribution given the strength of the funding position, which had been agreed with trustees after last year's budget was approved.
- ii. The Board noted the update on performance metrics, strategic commitments & project portfolios, and externally published operating service metrics, particularly the improved performance service levels for Authorisations determinations ahead of statutory deadlines, and open supervision caseloads.
- iii. The Board noted the increase in regulatory returns and were assured that work was being conducted to focus on reducing firm burden, including data decommissioning, which was a core part of Strategy 25. However, the FCA would need to be transparent regarding areas where additional or more timely data was required to enable the FCA to be a data led regulator and reduce any data gap risks, this would be conducted as efficiently as possible through investment in technology.
- iv. The Board welcomed the report and made some suggestions about how future reports could be presented.

#### *Independent Panels Monthly Report*

2.8 The Board noted the reports from the independent panels, including the panels' perspectives on the FCA's proposed strategy and forthcoming policy proposals.

### 3. Strategic Discussion

#### *Strategy 25 – Strategy Publication*

##### 3.1 Vision statement:

- i. The Board agreed the vision statement reflected the ambitions of the FCA but asked that when articulating 'rebalancing risk' within the strategy, the nuanced views of multiple stakeholders be clearly explained.
- ii. The Board approved the vision statement for 2030: Deepening Trust, Rebalancing Risk, Supporting Growth and Improving Lives.

##### 3.2 Outcomes and metrics:

- i. The Board agreed that the revised document reflected the steers that had been provided to the team at the last Board meeting, and that the outcomes and metrics were now ambitious, and realistic.
- ii. The Board approved the outcomes and metrics for Strategy 25.

##### 3.3 Publication of the Strategy:

- i. The Board noted the proposed publication date. The Board requested the team consider the most appropriate timeline, taking other significant communications into account, to ensure the Strategy launch would have maximum impact.
- ii. The Board agreed to delegate approval of the Strategy publication to the FCA Chair, Chief Executive and Chief Operating Officer.

### 4. Decisions of the Board

#### **Rules, Guidance and Technical Standards to be determined:**

##### *Rules and guidance to be determined.*

##### 4.1 The Board resolved to make the following instruments:

- i. **Sustainability Labelling and Disclosure of Sustainability-Related Financial Information (Amendment) Instrument 2025.** To make minor amendments to the Environmental Social and Governance (ESG) sourcebook in CP24/8 and CP24/26.

- ii. **Consumer Credit (Regulatory Reporting) (Amendment) Instrument 2025.** To support firms' ability to meet the FCA's proposed 3 new Product Sales Data (PSD) returns, by amending SUP 16, by theme.

### **Finance Report**

#### *Final Business Plan*

- 4.2 The Board were provided with the final version of the Business Plan for the Financial Year (FY) 2025/26.
- 4.3 The Board noted that the proposed uplift of 2.5% to Ongoing Regulatory Activities (ORA) fees aligned with inflation figures as of December 2024. The increase in fees would ensure that the reserve balance was maintained in line with the Board target of 6-10% and ensure the FCA was not building a funding gap into FY26/27.
- 4.4 The Board noted the ambition that any perimeter changes in-year would be managed within existing headcount where possible, therefore significant prioritisation choices would need to be made. A paper on risk acceptance would be presented to the Risk Committee on 13 March 2025 covering resourcing and people risks, risk acceptance and risk management.
  - i. The Board approved the FY25/26 budget and parameters.
  - ii. The Board approved an uplift of 2.5% to ORA fees.
  - i. The Board approved the planned approach for the Change Portfolio.

### **Other decisions**

#### *FCA Pension Plan – Master Trust Business Plan*

- 4.5 The Board were presented with the paper informing them of the requirement to review and update, on an annual basis or when a significant change occurs, the FCA Pension Plan Master Trust Business Plan.
  - i. The Board approved the draft FCA Pension Master Trust Business Plan.
  - ii. The Board agreed to delegate the authority to the FCA Audit Committee Chair to agree any final changes with the Trustee.

*Authorisation Gateway Forms and Digital First Full Investments Case*

- 4.6 The Board were presented with the Gateway Forms and Digital First Full Investment Case, which had been updated following a materiality, feasibility and external assurance review.
- i. The Board approved the Full Investment Case for the Authorisation Gateway Forms and Digital First, with a total cost of £55.5 million.
  - ii. The Board noted the post-project warranty period and future Business as Usual (BAU) costs from 2027 of £2.533 million per annum, which would be formally agreed in the business planning for 2026/27.

*Section 73 of the Financial Services Act 2012*

- 4.7 The Board were presented with a paper setting out the Audit Committee's recommendation and Risk and Compliance Oversight's analysis and conclusions on Part 1 of the test under Section 73 of the Financial Services Act 2012. The Board agreed that Part 1 of the test under Section 73 of the Financial Services Act 2012 had not been met in the cases presented.

**5. Items for noting:**

*Approach to Annual Report and Accounts 2024/25*

- 5.1 The Board noted the approach to the Annual Report and Accounts 2024/25.

*FCA SICGO Report 2024/25 – approach on structure and plan*

- 5.2 The Board noted the format, structure and timing of the SICGO report 2024/25 and the planned response to the Treasury remit letter and SICGO metric reporting.

*Written Procedures*

- 5.3 The Board noted the following decision taken since the last meeting:
- i. The FCA Board approved the appointment of Sophie Hutcherson, FCA Non-executive Director, to the Audit Committee.

**6. Any other Business: Appointment of FCA Company Secretary**

- 6.1 Following an external competitive process, the Board approved the appointment of Toby Hall as the permanent Company Secretary of the FCA.

There being no further business the meeting closed.



**Annex A: Attendees, presenters and observers**

**In attendance:**

David Geale – Executive Director, Payments & Digital Finance  
 Emily Shepperd – Executive Director, Chief Operating Officer  
 Jessica Rusu – Executive Director, Chief Data, Information, and Intelligence Officer (Items 5 -7 only)  
 Sarah Pritchard – Interim Executive Director, Consumers and Competition (Items 1-5 only)  
 Simon Walls – Interim Executive Director, Markets (Items 4.6-7 only)  
 Sheree Howard – Executive Director, Authorisations  
 Stephen Braviner Roman – Executive Director, Corporate Governance, Legal and Risk & Compliance Oversight  
 Steve Smart – Executive Director, Enforcement and Market Oversight  
 Therese Chambers – Executive Director, Enforcement & Market Oversight  
 Toby Hall – Director, Company Secretary (Items 1-5 only)  
 Graeme McLean – Head of Department, Chief Executive Office  
 Katie Ellis – Manager, Private Secretary, Chairs Office

**Presenters and observers:**

<b>Item 1 – Standing Items / General Business</b>	No attendees
<b>Item 2 – Reports</b>	No attendees
<b>Item 3 – Strategic Discussion</b>	Helen Bower-Easton - Director Kate Collyer – Director David Cross – Manager Graeme Reynolds – Director
<b>Item 4 – Decisions of the Board</b>	<b>Rules and guidance to be determined.</b> No attendees  <b>Final Business plan</b> Craig Chapman - Director Jane Cowland - Manager Helen Bower-Easton - Director Kate Collyer - Director

	<p><b>FCA Pension Plan – Master Trust Business Plan</b> No attendees</p> <p><b>Authorisations Gateway Forms and Digital First Full Investment Case</b> Michelle Hatton – Director Dominic Cashman - Director Jagpal Jheeta - Director Hannah Lipscombe-Mitchell – Head of Department Phil Nixon – Head of Department Nick Apps - Manager</p> <p><b>Section 73 of the Financial Services Act 2012</b> No attendees</p>
<b>Item 5 – Items for noting</b>	No attendees
<b>Item 6 - Any other Business</b>	No attendees

Other relevant associates were also in attendance.