

Transparency Task Force Inaugural Meeting

Time: 16:00 to 18:00, Tuesday 25th September

Place: Newgate Communications, Sky Light City Tower, 50 Basinghall Street, London, EC2V 5DE

Attendee Introductions:

Andy Agathangelou- Founder of the TTF

John Howard (chair) - Former chair of the Financial Services Consumer Panel, non-executive director of Financial Ombudsman Service and Ofgem.

Alistair Kellie- Founding partner of Newgate Communications

Susan Flood- Victim of pension scams; part of the ARK Campaign Group

David Weeks- Co-chair of the Association of Member Nominated Trustees

JB Beckett- Experienced fund strategist and UK Director of the Association of Professional Fund Investors

John Rosling- Head of thought-strategy at Contextis Index.

Sue Lewis- in her personal capacity

Henry Tapper- Director at First Actuarial and AgeWage

Julia Dreblow- Founder of SRI Services and Fund EcoMarket

General thoughts about TTF:

The mission statement on the TTF website: “To improve Trust and Understanding in Financial Services by greater Transparency” needed sharpening to fit the TTF purpose. It was felt that the TTF wasn’t in a position to improve trust only the industry could achieve this.

- The ideal that the industry will reform itself was agreed to be unachievable
- The TTF is ‘shining the torch’ on unethical practice

Agreement: All members agreed that the mission statement needed sharpening to fit the TTF purpose.

The TTF’s legal identity; future options could be:

- 1) A Community Interest Company (CIC)
 - To be registered as such, any excess profit must be shared with the community which the company represents. Very good for social responsibility
 - It was agreed that a clear statement of intention is necessary for this status
- 2) A Certified B Corporation
 - This legally requires the business to balance purpose and profit while considering the social and environmental impact of their decisions.
 - The TTF would then keep their limited company status
 - B Corp status is a kind of Kitemark.
 - B Corp status is the middle ground between charity and corporation
- 3) A Charity
 - Charitable status was agreed to be the ultimate goal, but not at this early stage



- Being a charity would put the TTF on the radar of other charities, creating a potential source of income

Agreement: Members agreed on the CIC status, and that the TTF should aim to become a charity in the future.

Options for formal governance structure:

Having two separate boards for management and fundraising was discounted as spreading resources too thinly

TTF has cost Andy 50k per year for the last 3 years in terms of net loss of income

- 1) Consultancy provided by TTF itself
 - Using TTF expertise, especially Andy as consultancy is Andy's area.
 - Members were uncomfortable with TTF being both 'game keeper and poacher' when it came to charging a fee for consultancy work; i.e. it would be more straightforward if TTF did not provide a service that evaluated the level of transparency in organisations, could lead to conflicts
 - John Rosling paralleled this to Blueprint who never charge those they help
- 2) Transparency Kite-mark
 - It was queried whether there is a market for a Transparency Kite-mark
 - The TTF may be too small to gain the necessary support from regulators
 - Alistair offered the example of the Fairlife Foundation
 - Kite-marking was agreed to be overused and outside of the TTFs experience
- 3) Think-tank
 - Crowdsourcing was considered a possibility if the TTF became a think-tank
 - The strong potential for influence was noted- a delegation of 10 people will be going to the Bank of England the day after this meeting
 - An ACTION was agreed to research the funding of other consumer-facing models such as Which?, Money Saving Expert and The Resolution Foundation
 - It was agreed that Andy's unifying personal nature can be capitalised upon
- 4) Lobbying
 - Potentially part of Think-tank identity
 - Persuading regulators to drive pro-consumer reform, using TTF's influence
 - It was discussed whether the TTF should be consumer-facing instead
 - Requires strong credibility and perhaps larger size. TTF too small currently.

Agreement: Most members supported the TTF becoming a Think-tank.

Potential targets for funding:

- 1) The Big Four accounting firms who ought to have a natural interest in Transparency (or smaller accounting firms)
 - The Big Four are under pressure to improve their accountability and transparency
 - To add competitive element, it was suggested that the TTF focus on the Next Four (or other smaller accountancy firms)
- 2) Big Data Companies
 - E.g. Reuters or Bloomberg
 - Data companies collect data across the industry



- It was agreed that Andy alone could not create a database, but that Chris was in a position to do so

Summary:

1. The TTF needs a formal structure, establishing this will help to create more credibility.
2. Lobbying/Consultancy/Think-tank, It was decided that the TTF has several capabilities including being a Thinktank
3. Potential targets for fundraising include the Big Four (and smaller audit firms), individual donors seeking to support the cause of transparency, large data companies e.g. Reuters and Bloomberg
4. Re-drafting the TTF mission statement is necessary

Actions:

By next meeting:

1. Seek legal advice to determine a formal structure for the TTF
2. Draft the application to become a CIC and circulate around the board for feedback before submission