OPEN LETTER

Wednesday, May 18th, 2022, by email only to: Nikhil.Rathi@fca.org.uk and others

Nikhil Rathi
Chief Executive
The Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Re: The Rally for Better Financial Regulation

Dear Nikhil,

I trust you're well.

The Rally for Better Financial Regulation is taking place in London on Tuesday, May 24th, 2022.

We have organised the Rally because we believe the financial sector is profoundly important to the wellbeing of society, to economic stability and to political stability too; but we also believe that the UK cannot have the financial sector it needs and deserves if the regulatory framework that governs it is poor.

We believe that the Financial Conduct Authority could, and should, be doing a much better job, particularly in relation to providing an appropriate degree of consumer protection.

The main banner that we intend to use at the Rally has these words:

The Rally for Better Financial Regulation, because the Financial Conduct Authority is not fit for purpose, and needs to be reformed, or replaced.

In addition to the main banner, we plan to use eighteen double-sided placards.

Each of the thirty-six messages on the placards begin with the words:

! WANTED ! A Financial Conduct Authority

…and they are then completed as follows:

- ***…that doesn't have a cosy relationship with banks, UK Finance and the Treasury which results in inappropriate influence***
- ***…that doesn't put The City before citizens, which results in its failure to provide consumers with appropriate protection***
- ***…that doesn't cheerlead for the companies it is supposed to regulate, as part of the "competitiveness agenda"***
- ***…that doesn't risk another financial crisis through deregulation, as part of the "competitiveness agenda"***
- ***…that introduces a Private Right to Action to help consumers get compensation if they are ripped off***
- ***…that consults on a Duty of Care, as per the wishes of Parliament in the Financial Services Act 2021***
- ***…that isn't blocking justice and compensation for the victims of fraud and mis-selling of Interest Rate Hedging Products***
- ***…that isn't morally bankrupt, whereby a Judicial Review is needed to get it to make banks pay the compensation owed***
- ***…that treats consumer protection as a priority and actively engages with consumer groups***
- ***…that doesn't let down savers and investors, and leaves fraud victims high and dry***
- ***…that doesn't ignore the evidence of malpractice, malfeasance, misconduct, and mis-selling given to it***
- ***…that doesn't use "we can't look at individual cases" as an excuse for inaction***
- ***…that uses the Senior Management Certification Regime to penalise those that cause harm; and thereby deters others***
- ***…that is interventionist and enforces proactively and potently, instead of "closing the door after the horse has bolted"***
- ***…that doesn't let those truly guilty of LIBOR rigging to be let off the hook, while allowing the innocent to be jailed***
- ***…that wants justice for the LIBOR scapegoats, in light of the BBC's new "LIBOR Tapes" evidence***
- ***…that is fit for purpose, honest, transparent, and accountable***
- ***…that backs an independent and effective Financial Ombudsman***
- ***…that is subject to inquiries into its regulatory failure cases, such as Woodford, Blackmore Bond, Connaught and so on***

- ***…that is subject to an independent, judge-led investigation into its catastrophic handling of Blackmore Bond***
- ***…that doesn't let mortgage books get sold to aggressive, predatory, exploitative, and unregulated vulture funds***
- ***…that gets justice for the "Mortgage Prisoners" who have endured years of suffering, despite their innocence***
- ***…that doesn't try to cover up its failings and escape its responsibilities by hiding behind "lessons learned" reviews***
- ***…that doesn't "mark its own homework" by appointing the people that review its work***
- ***…that doesn't destroy whistle-blowers' careers and lives***
- ***…that is answerable to Parliament and consumers***
- ***…that doesn't have a toxic culture that's hostile to challenge from its own staff and dismissive of criticism from others***
- ***…that admits its Transformation Programme will not fix the fundamental conflicts that cause it to underperform***
- ***…that doesn't force innocent firms to pay an exorbitant "regulatory failure tax" to pay for its own failings***
- ***…that isn't riddled with Revolving Door problems, whereby FCA staff leave and go to work for firms they were regulating***
- ***…that properly supervises the debt market, ensuring that lenders aren't using misleading APR figures***
- ***…that stops the financial sector being the worst violator, see https://violationtrackeruk.goodjobsfirst.org/top-industries***
- ***…that mandates for transparency on costs and charges in pensions and investments***
- ***…that isn't prone to chronic and catastrophic regulatory failure, with thousands losing life-changing sums of money***
- ***…that isn't changing its complaints scheme to prevent the people it harms getting the compensation they deserve***
- ***…that doesn't block the Transparency Task Force being included in its Consumer Network***

We have used a sincere, considered and evidence-based approach to determine what the statements and inferences should be in the wording of our banner and placards. When taking that approach, we have been able to draw on the growing mountain of evidence about the Financial Conduct Authority that has been accumulated. That evidence is **available to view here**.

It is my firm belief that whilst the statements and inferences in the banner and placards are necessarily blunt and hard-hitting, they also accurately reflect the inevitable conclusions that any independent, objectively-minded and evidence-based person would come to, if he or she were to **properly study the evidence that is available**, which even includes testimony from existing and former Financial Conduct Authority staff.

However, if you were to provide conclusive evidence that any of our campaign messages are wrong, I will make any necessary adjustments and issue a corresponding public statement and apology.

Please note that whilst we think there is a great deal wrong with the Financial Conduct Authority, we do not believe the general staff are to blame at all. The overwhelming, vast majority of Financial Conduct Authority employees are honest, ethical, and hard-working professionals doing the best job they can. Rather, we believe the Financial Conduct Authority is "wrong at the top."

For clarity, we do not believe that you caused the problems identified: they existed long before you joined. But you have failed to remedy them - or even, in our view, and those of many other stakeholders, to make significant inroads into solving the real, underlying problems. Indeed, in too many cases, the Financial Conduct Authority under your leadership has failed to even acknowledge the existence of longstanding injustices and dysfunctions, let alone set out along the path toward fixing them.

As per **the dialogue that we have had since your appointment**, the **Transparency Task Force** sees itself as a critical friend to the Financial Conduct Authority and I do hope **The Rally for Better Financial Regulation** helps to articulate in no uncertain terms the scale of the remediation and transformation that we believe is necessary.

We remain willing to help in any way we can, so please don't hesitate to ask for our input, which we are happy to provide on a voluntary and unpaid basis. Perhaps the very least that we can do is to help you fully understand our perspective **and the perspective of the participants**, even if you don't agree with them.

Your thoughts please.

I look forward to hearing from you.

Yours sincerely,

AP Agathangelou

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#therallyforbetterfinancialregulation