

Minutes

Meeting:	FCA Board	
Date of Meeting:	25 January 2017	
Venue:	25 The North Colonnade, Canary Wharf, London E14 5HS	
Present:	Andrew Bailey	John Griffith-Jones (Chair)
	Catherine Bradley	Jane Platt
	Amelia Fletcher	Bradley Fried
	Sam Woods	Christopher Woolard
In attendance:	Set out in Annex A	
Apologies:	Sarah Hogg	Ruth Kelly

Quorum and Conflicts

The meeting noted there was a quorum present and proceeded to business.

1 Minutes of the FCA Board – for approval

The Board approved the Minutes of the FCA Board meetings held on 7 and 8 December 2016, subject to a minor amendment.

2 Minutes of the FCA Board – for noting

The Board noted the following minutes:

- draft minutes of the MAS Oversight Committee meeting held on 22 November 2016;
- draft minutes of the Audit Committee meeting held on 1 December 2016;
- draft minutes of the External Risk and Strategy meeting held on 7 December 2016; and
- draft minutes of the PSR Board meeting held on 7 December

3 Minutes of the PSR Board – oral update

- 3.1 Mr Griffith-Jones provided an oral update on the matters discussed at the PSR Board meeting held on 19 January 2017, noting the PSR Board discussed the supervision of payment systems and the resilience of Payment Service Providers more generally.

4 Matters arising

The Board noted the progress with the matters arising at previous meetings.

5 Report from the Chief Executive

The Board received an update from the Chief Executive on matters including:

- An amendment made to the FCA Register which now highlights that customers should contact a firm's home state regulator for information on enforcement actions that have been taken against the relevant firm. This was in response to the Consumer Panel's concern about the lack of information on the FCA Register about passported firms. A working group has been convened to consider this matter further
- An update on developments in relation to LIBOR panels
- Staff turnover. The Board requested further detail in relation to staff turnover figures

6 Report from the PRA

Mr Woods updated the Board on various matters including the impact of Basel processes on firms' capital planning and other specific bank-related issues.

7 Monthly reports from the Independent Panels

The Board noted and discussed the following points:

- All of the Panels had reported positive interactions with the FCA in relation to the Mission and were working on their submissions to the consultation
- The Practitioner, Smaller Business Practitioner and Consumer Panels' views that the FCA should work with firms to develop consistent terminology and language in consumer communications around the important changes relating to ring-fencing. The Board shared the Executive's view that effective communication was primarily the responsibility of the banks concerned
- The Smaller Business Practitioner Panel's concern about the increasing volume of communications released by the FCA, which was becoming overwhelming for small firms. The Board noted that the Executive was considering ways to help firms focus on items of particular relevance to them
- The Consumer Panel's views on the merits of a duty of care for financial services providers

8 Complaints Commissioner interim update

The Board received the report, noting the Commissioner's comments. The Board asked the Executive to review compensation for direct financial loss under the Complaints Scheme with the Commissioner.

9 Update on Complaints handling

The Board was presented with a paper addressing issues raised in the Complaints Commissioner's interim report and an update on the progress made by the Complaints Team on process improvements since the Commissioner's annual report in June 2016.

The Board noted the actions being taken to address the volume of complaints under review by the team as well as the longer term plans for a more systematic quality assurance process and triaging of complaints, increased visibility of the Complaints team and understanding of the complaints scheme throughout the organisation. Work had begun

with the Continuous Improvement team from BTS Division to scope a project of process improvement and help implement the team's Business Plan and Internal Audit recommendations.

The Board acknowledged that there was considerable learning for the organisation from complaints which should be fed back to the business and agreed to monitor progress of handling complaints via the Board's quarterly performance report.

10 PPI Complaint Handling

The Board received an update on the proposed rules and guidance in relation to PPI complaints handling that addressed questions asked by the Board at the December meeting.

The Board also requested that the communication messages in relation to the PPI timetable should be circulated to the Board.

11 Using Risk tolerance to measure and monitor risks to the FCA's objectives

The Board was presented with a paper outlining proposals to develop a risk tolerance framework as a tool to support prioritisation of the FCA's intervention and as a means to enhance the organisation's risk management approach in order for the FCA to better understand, prioritise and manage key risks to its objectives.

The Board noted the proposal and the benefits that could be derived from an organisational risk tolerance framework and requested that further work on the details of the proposal were developed for further consideration.

12 Update on business planning and prioritisation & FCA 2017/2018 Budget

The Board was presented with an update on business planning and prioritisation and the 2017/2018 Budget.

The Board noted the corporate priorities and the associated divisional plans and applied resource, noting where changes in focus had become necessary.

After discussion, the Board agreed the budget. The Board also agreed the Corporate Priorities outlined in the paper.

13 "Striking the Balance" – a report by the Committee on Standards in Public Life

The Board noted that the Committee on Standards in Public Life (CSPL) had issued its report, "Striking the Balance", in September 2016, which reviewed how regulatory bodies in the UK uphold the seven principles of public life. The FCA was one of the regulatory bodies invited to participate in the review.

The Board noted that the FCA adhered with substantially all the CSPL recommendations in whole or in part. Areas where it did not fully follow the recommendations were in relation to public disclosure of meetings with government and the regulated sector, public disclosure of gifts and hospitality received by all staff and the process for departing board members and senior executives.

The Board accepted the Executive's explanation for not being fully compliant in these areas but requested that consideration be given to what other regulators do in relation to publishing gifts and hospitality of non-executive directors and the terms and conditions for departing board members and senior executives.

14 Rules & Guidance to be determined

The Board passed the resolutions set out in Annex B.

15 Decisions of the Board

The Board agreed:

- the appointment of Nick Lord and Karen Johnston as members of the Regulatory Decisions Committee for an initial three-year term from 1 February 2017 until 31 January 2020;
- the reappointment of Robin Keyte as a member of the SBPP from 1 January 2017 to 31 December 2019
- the appointment of Darko Hajdukovic as a member of the Listing Authority Advisory Panel for three years, from 1 February 2017 to 31 Jan 2020

16 Minutes of Executive Committee meetings

The Board noted the minutes of the Executive Committee meetings held on 21 September, 22 and 29 November, and 6 and 12 December 2016

17 Forward Agenda

The Board noted the forward agenda.

There being no further business, the meeting closed.

Alana Christopher
Deputy Company Secretary

ANNEX A: Attendees

Alison Barker	HoD, Supervision, Infrastructure & Trading Firms (items 12 & 15)
Megan Butler	Director, Supervision, Investment, Wholesale & Specialists
Alana Christopher	Deputy Company Secretary
Jennifer Dalby	Manager, Business Planning & Prioritisation (for item 14)
Nausicaa Delfas	Director, Chief Operating Officer
Simone Ferreira	HoD, Event Supervision (item 12)
Barbara Frohn	Director, Risk & Compliance Oversight (item 13)
David Godfrey	Director, Finance (item 14 and 18)
Rob Gruppetta	HoD, Supervision, Financial Crime (item 15)
Nick Holloway	Manager, GCD Investment, Insurance and Redress (item 12)
James London	Manager, Financial Crime – Risk & Policy (item 15)
Sean Martin	General Counsel
Jose Morago	Head of Department, Risk & Compliance Oversight (item 13)
Simon Pearce	Company Secretary
Chris Preston	Manager, Event Supervision - Complex Events 2 (item 12)
Alex Roy	Manager, Strategy & Competition, Strategy Development (items 12 and 13)
Adam Stage	Manager, Risk Appetite Team (item 13)
Mark Steward	Director, EMO
Emma Stranack	HoD, Business & Consumer Communications (item 12)
Antony Townsend	Complaints Commissioner (item 9)

ANNEX B: Resolution

The Board of the Financial Conduct Authority resolves to make the following instruments:

Handbook Administration (No 44) Instrument 2017 (FCA 2017/1)

Conduct of Business (Lifetime Mortgages) Instrument 2017 (FCA 2017/2)

Alternative Investment Fund Managers Directive (Reporting) Instrument 2017 (FCA 2017/3)

Decision Procedure and Penalties Manual and Enforcement Guide (Review) Instrument 2017 (FCA 2017/4)