



Issue 50 - November 2018

Welcome to the latest edition of Gem Compliance's monthly regulation newsletter. The aim of the newsletter is to present industry news in an easily digestible format. As such, not all sources of industry information and FCA publications (and no PRA publications unless specified) will be covered. Therefore, clients and associates of Gem Compliance should periodically check the FCA's and PRA's websites for regulatory developments. We hope you find this newsletter useful and should you have any compliance queries or require advice on any of these topics, please do not hesitate to contact us.

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This month has seen an increase in publications, many relating to Brexit, including draft regulations (including from HM Treasury) and FCA speeches in relation to Brexit regulatory expectations and contingency planning. Although as previously, and as at the date of issue, the fine details of the outcome of negotiations on Brexit remains unclear despite EU agreement on 25th November, until at least the next stage of a vote by Parliament taking place on 11 December.

[Minutes](#) of the FCA Board meeting of 26th and 27th September were issued which also covered Brexit planning. Amongst other matters, this also included that the Board discussed the FCA's proposed financial crime strategy. The FCA has also announced further Live and Local [events](#) are being provided for general insurance, mortgages and retail investment.

The latest edition of the [FCA Regulation Round up](#) was issued on 15 November, and the latest edition of the [FCA Policy Development Update](#) on 2nd November. The PRA has also issued its October 18 [Regulatory Digest](#)

The FOS has issued its [November 18 newsletter](#) focusing on frauds and scams, and the ICO's November [newsletter](#) has also been issued, including reference to new GDPR guidance on passwords and encryption. In addition, the Pensions Regulator has recently issued a number of new [press releases](#) regarding actions that they are taking in the pensions industry.

Finally, solo regulated firms which will be impacted by the forthcoming SM&CR from December 2019 are reminded that the earlier allocation of responsibility for implementation of conduct rules should have taken place by 1 November.

[Main features](#)

[Impact of October 2018 Budget on Financial Services](#)

The Chancellor, Phillip Hammond delivered his [Autumn Budget](#) for 2018/2019 in Parliament on 29th October and certain aspects of this may be of relevance to the financial services industry as a whole.

The following topics are some, but not all, of the topics covered in the budget relating to financial services but include:

- **Pensions – Lifetime and Annual Allowances:** These are set to increase to £1,055,000 for the 2019/2020 tax year. The annual Allowances (Standard, Money Purchase and Tapered) will remain unchanged.
- **Entrepreneurs relief:** To support longer term business investments, new qualifying conditions for [entrepreneurs relief](#) were announced. This is a relief that fixed the Capital Gains Tax rate at 10% for individuals selling interests in their businesses and personal companies. The relief is being restricted from 29th October 2019, so that when the disposal is of shares in a personal company, the relief is only available if the individual selling the business has an interest of 5% or more in both the business' distributable profits and net assets. The qualifying ownership period for this relief will also change for most disposables from 6 April 2019 onwards, increasing from one to two years.
- **Review of 'factory gating':** Draft regulations to ban pension cold calling will be laid before parliament this autumn. This follows concerns of advisers using '[factory gating](#)' tactics to gain new prospective clients by waiting outside workplaces and introducing such clients to 'unscrupulous' advisers. The Government recognised this as an important issue and will work with the FCA to ensure that this is kept under review. This issue has mainly arisen following the British Steel Pension Transfer activities.
- **FCA future consultation:** The government's Cryptoassets Taskforce has announced plans for the FCA to [consult](#) on a potential prohibition of the sale to retail consumers of derivatives referencing certain types of cryptoassets. This consultation will also include on regulatory Perimeter Guidance, clarifying which cryptoassets fall within the existing regulatory perimeter and whether the perimeter needs to be extended.
- **SME access to FOS:** The Chancellor [welcomed](#) the FCA's recent [proposals](#) announced to increase the FOS limit by £200,000 to £350,000 and also to widen access to the scheme for small to medium sized firms (SME's). The proposals are expected to come into force on 1 April 2019.
- **Contractors taxation:** Measures announced previously by the government to clamp down on tax avoidance via personal service companies (PSCs), which has already been implemented in the public sector, will also be implemented in the private sector although a year later than originally announced, so by April 2020. Therefore tax advisers have been [warned](#) that they may need to review their clients' pay

structures as the onus has shifted from PSCs to the entity that engages with them.

Update on approach to authorisation and Brexit preparations

(Speech by Sarah Papson, Director, Authorisations at the Association of Professional Compliance Consultants (APCC) Autumn Conference.)

Ms Rapson spoke at the APCC Autumn Conference and focused on two elements; namely Delivering Effective Authorisations and Preparations for Brexit.

Ms Rapson referred to the Delivering Effective Authorisations program that started over a year ago. Some of the work carried out is focused on internal changes, in terms of what the FCA do and how they do it and other work is targeted toward firms i.e. ensuring firms meet minimum standards and improving the firm experience. In addition, there is also consumer-focused work on reducing harm and creating better engagement.

Areas highlighted included:

- How the FCA measure and report their own performance. This includes a change in how KPI's have been categorised more recently with a number of different measurements now used. This also includes how many of the applications that should have been concluded each quarter were actually concluded within the service standard. Whilst there is no latitude for lowering standards, the FCA recognises it must also provide a good service to firms.
- Taking a harder line on 'vexatious' submissions. The FCA will move to refuse firms earlier on during the authorisation process where the firm has not evidenced it is 'ready, willing and organised' to operate in a regulated environment. Further guidance on what this means in practice is also available on the FCA website. This has resulted in a reduction in the average time to authorisation by 35%.
- Certain improvements that are currently in testing include improvements to the Register to make this easier to understand and in due course, consulting on proposals to introduce a 'Directory' which is a new public register of individuals working in wider financial services roles.

With regard to preparations for Brexit, at this time Ms Rapson confirmed that the starting assumption of the FCA continued to be that there would be a transition or implementation period from March 2019 to December 2020. However that as the implementation period is part of overall negotiations still, the FCA must prepare for all scenarios, including the possibility of a 'no-deal' or 'hard Brexit'. Therefore the FCA continues, with colleagues from the Bank of England amongst others, to develop a number of safeguards and contingencies.

The aim, as far as possible, and to ensure continuity and certainty, is that the same rules and laws should apply after 'exit day' as they did the day before. Therefore the FCA has been working closely to identify the various aspects of retained legislation that may need amending and there is progress of Government laying statutory instruments before Parliament to enable this. These changes in legislation will also mean changes to handbook rules which has included reviewing around 50 pieces of EU financial services regulations and 185 Binding Technical Standards. Accordingly the FCA will also try to limit other Handbook changes to those that are in line with its current business plan or are otherwise essential.

Ms Rapson also gave a summary on the temporary permissions regime for potentially more than 8,500 financial services firms that are registered as passporting into the UK. Whilst not all such firms are expected to continue to need to passport, a significant number is anticipated. Therefore processes are being designed to work with such firms to allow for future authorisations, which includes requesting firms to notify the FCA of on their passport needs. 'Landing slots' will be provided for firms to submit their applications for UK authorisation. The FCA expects the regime to operate for three years with the last landing slot in early 2021. The FCA will continue to consult on these proposals in the run up to Brexit.

Guidance has also been issued for UK based firms which carry out passported business between the UK and the EEA and this was referred to in the [speech](#). However as such firms should be aware that there are no reciprocal temporary permissions regimes in other EEA firms for UK passporting entities, firms should also consult with relevant EU regulators.

A link to the [full speech](#) is shown here.

[Other publications](#)

The FCA has issued an [update](#) on the progress of its payment protection insurance (PPI) consumer communications campaign and supporting supervisory work. The view is that the campaign has succeeded in increasing consumers' understanding of PPI and how to check if they had it, as well as awareness of the deadline for making complaints.

[FCA Occasional Paper no. 46](#) has been issued (Fixing the Fix? Assessing the effectiveness of the 4pm fix) relating to providing research and stimulating debate on trends in the foreign exchange (FX) market regarding the Closing Spot Rates in this market.

[Market Watch no. 57](#) has been issued providing news on market conduct and transaction reporting issues.

The FCA has issued [Evaluation Paper 18/2](#) regarding the impact of bringing additional benchmarks into the regulatory and supervisory regime.

Handbook notices [no. 59](#) and [no. 60](#) have been issued, with no. 59 covering changes to pension transfer rules, and no. 60 on dispute resolution and professional indemnity insurance changes.

The FCA has published a [report](#) on the UK's policy and regulatory approach to cryptoassets as part of a HM Treasury led Cryptoasset Taskforce.

FCA [data](#) shows an increase in complaints with more than 4 million complaints during the first half of 2018. This was a 10% increase compared with the previous 6 month period, although 98% of the complaints were made to only 235 firms. PPI continued to be the most complained about product, accounting for 42% of all complaints.

The House of Commons Treasury Committee has issued a [report](#) concerning regulation of lending to small and medium sized businesses and access to FOS.

The FCA has set out the issues it will focus on as part of a [market study](#) into

how general insurance firms charge their customers for home and motor insurance. The FCA has been concerned that general insurance pricing practices have the potential to cause harm to consumers, particularly those that are vulnerable. Papers include a discussion paper [DP 18/9](#) on certain fair pricing practices in financial services. This is issued alongside a market study [MS 18/1](#) and also a thematic review [TR 18/4](#). Feedback is requested by 31 January 2019.

The FCA has issued guidance regarding a [modification by consent](#) of its rules at COBS 13 Annex 2 1.9R relating to Projections within a Key Features illustration. This is intended to simplify annual statements for defined contributions schemes to meet their requirements to provide annual Statutory Money Purchase Illustrations (SMPI's).

The FCA has issued a [Dear CEO letter](#) on Remuneration for Proportionality 1 firms.

The FCA has said it is [pleased to note](#) the announcement that launches a new body, the Cost Transparency Initiative (CTI), which is intended to deliver a template for the disclosure of costs and charges to institutional investors. This will lead to improvements in the ability of institutional investors to access and assess critical information on costs.

The FCA has issued [final guidance](#) that clarifies its expectations about the handling of certain regular premium payment protection insurance (PPI) complaints. This includes the issue of a consultation paper [CP 18/33](#) giving feedback on previous consultation CP 18/18 and including final guidance.

A consultation on proposed policy changes ([CP 18/34](#)) to the way that the FCA raises fees from 2019/2020 for certain sectors has been issued. The proposals are relevant to all fee-payers but especially relevant to mutual societies, community finance organisations, credit unions, consumer credit firms and insurers. It also applies to any firms which are already, or are considering, setting up, credit rating agencies or trade repositories. Feedback is requested by 14 January 2019 and final rules will then be expected in Q1 2019.

Consultation paper [CP 18/35](#) has been issued which sets out the FCA's proposed price cap on the 'rent-to-own' (RTO) market, summarises feedback

on CP 18/12 on previous questions raised on this sector, and sets out financial rules on a point-of-sale ban on extended warranties alongside the sale of an RTO agreement. Consultation closes on 17 January 2019 and feedback is expected in March 2019.

Consultation paper [CP 18/36](#) has been issued which publishes further proposals following CP 18/28 on how the FCA will amend their Handbook and EU derived binding technical standards (BTS) if the UK leaves the EU without an implementation period in place. This also includes consultation on the approach on some non-Handbook guidance and to Handbook forms. Consultation closes on 21 December and feedback is expected by Q1 2019.

The FCA has issued a press release regarding a [survey](#) of UK consumers and their confidence to make complaints. Amongst other observations, it is considered that three quarters of consumers avoid making complaints. It lists the top 10 things that people want to complaint about – but don't.

The ECB has issued [final guides](#) to banks on their capital and liquidity management including feedback on strengthening the ICAAP processes, which the ECB will use from 2019 in their assessments.

A [report](#) has been issued providing findings on the analysis by the FCA of firms' data from the first year of annual Financial Crime returns.

The Bank of England and FCA have [announced](#) the appointment of Rushar Morzaria as the new Chair of the Sterling Risk Free References Rates Working Group.

The FCA has issued a [report](#) on its review of bank whistleblowing arrangements. The findings published contain areas of good practice observed and areas of improvement. All firms, not just banks, are encouraged to review the findings as general guidance on FCA expectations.

[Speeches](#)

Brexit: In a [speech](#) on Brexit on 25th October at the City Banquet, Andrew Bailey, Chief Executive, commented upon the current status of Brexit and financial services at that time. He indicated that the FCA was preparing for a

range of outcomes including an implementation period that smooths transition and a hard and sudden exit. However, the aim would be to avoid disruption in the event of a no deal situation.

[Speech from Nausicaa Delfas](#), Executive Director of International at the FCA regarding maintaining market confidence in relation to an update on Brexit. This includes the view that firms should take legal advice on the impact of Brexit.

[Purposeful Leadership](#): Speech by Jonathan Davidson, Director of Supervision, Retail and Authorisations at the FCA, delivered at the Consumer Credit Trade Association 2018 Conference.

[The role of regulation in encouraging good culture](#): Speech by Andrew Bailey, Chief Executive at the FCA, delivered at the Investment Association Culture Conference.

[Fairness, flexibility and the long term view](#): The FCA's vision for the mortgage market: Speech by Christopher Woolard, Executive Director of Strategy and Competition at the FCA, delivered at the UK Finance Annual Mortgage Conference.

[Conclusions from the Cryptoassets Taskforce](#): Speech by Christopher Woolard, Executive Director of Strategy and Competition at the FCA, delivered at the Regulation of Cryptocurrencies event.

[AI and financial crime: silver bullet or red herring](#): Speech by Rob Grupetta, Head of Financial Crime Department at the FCA, delivered at Illicit Financial Flows Conference.

[SFO Speech: Engage now or hide behind smoke and mirrors at your peril](#): Speech from Hannah von Dadleszen, Head of Fraud Operational Division at the Serious Fraud Office (SFO) providing an insight as to the workings of the SFO including how it decides whether to accept a case for investigation.

[Enforcement Actions & Prosecutions](#)

It was [confirmed](#) that Morrisons Supermarket has lost its challenge to a High Court judge that it was liable for a data breach that saw thousands of its

Court ruling that it was liable for a data breach that saw thousands of its employees' details posted online. The Court of Appeal recently upheld the original decision against the supermarket from December 2017. Workers had made a claim against the company after an employee stole the data including bank and salary details of nearly 100,000 staff.

The ICO has [announced](#) that Facebook has been fined £500,000 for its role in the Cambridge Analytica scandal and [said](#) that Facebook had let a serious breach of the law take place.

The Court of Appeal has [confirmed](#) in the case of Timis and Sage v Osipov that individual non-executive directors, who were responsible for the unfair dismissal of an officer deemed to be a whistleblower, can also be held personally liable for such a dismissal and not just the employer in question.

The FCA has [fined](#) Liberty Mutual Insurance Europe SE (Liberty) £5,280,800 for failures between July 2010 and June 2015 in its oversight of its mobile phone insurance claims and complaints handling processes administered through a third party. Liberty's customers were exposed to the possibility that their claims and complaints would not be handled fairly.

The FCA has issued a [final notice](#) in respect of Jonathan Matthew concluding that Mr Matthew is not a fit and proper person to perform any form of regulated activity or controlled function. This relates to his previous conviction of conspiracy to defraud in respect of fixing the USD LIBOR for which he was sentenced to four years imprisonment.

The Upper Tribunal has [upheld](#) the FCA's decision to fine and ban Stewart Ford and Mark Owen, the former CEO and sales director respectively of Keydata Investment Services Ltd. The Tribunal ruled that both had acted without integrity and had failed to deal with the then FSA in an open and cooperative way.

The Pensions Regulator (TPR) has [banned](#) two individuals for being 'incompetent' for putting pension scheme funds into suspected scam investments. Stephen Alexander Ward and Anthony Salih were both warned that they could be jailed if they act as a pension scheme trustee in the future.

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Four people have been [banned](#) by the Pensions Regulator (PR) from being pension trustees as a result of a cold calling scam that cost 245 people their pensions savings. David Austin, Susan Dalton, Alan Barratt and Julian Hanson have all been banned following their part in a £13.7m scam.

Final notices have been issued for [Andrew Hind](#) and [Martyn Dodgson](#) concluding that neither are fit and proper persons to perform any form of regulated activity or controlled function. This relates to their previous convictions of conspiracy in relation to insider dealing to acquire price affected securities on a regulated market. This arose following the FCA confiscating around £1.7m from the former Deutsche Bank investment banker and his close friend nearly two years after this conviction.

The US Department of Justice has [filed](#) a lawsuit in the US, suing UBS over 'catastrophic losses' caused by its sales of mortgage-backed securities in the run up to the last financial crisis around 2008.

[Industry News](#)

[FCA & Regulation](#)

Greyfriars Asset Management has entered into administration following the firm ceasing to carry on discretionary investment management activities from March 2018. The FCA has provided an [update](#) on the current status of some aspects of the business and also a contact point for the administrator for clients/investors.

The FCA has [confirmed](#) that some of the customers of the Mortgage Matters Partnership ('TMMP') may have been given unsuitable mortgage advice and a customer contact and redress program is now underway. Also, in response to some customer complaints, FOS has assessed a number of PPI complaints against TMMP and found in favour of the complainants.

'Rogue trader', Kweku Adoboli, who cost UBS around £1.8bn through unauthorised trades has lost his [appeal](#) against deportation to Ghana.

The High Court has [confirmed](#) that Barclays will not face trial on charges relating to the £6bn rescue package it secured from the State of Qatar at the

height of the financial crisis. This followed the Serious Fraud Office (“SFO”) earlier bringing charges against the Bank which had been dismissed previously but which the SFO had sought to re-instate.

Industry feedback has [stated](#) that FCA plans to enable managers of open-ended funds investing in illiquid assets, such as property, to more easily suspend redemptions should only be used as a last resort.

In the meantime, the FCA has also [come under pressure](#) to widen its possible ban on platform exit fees to include older style pension products. Previously in an interim report that was part of a market (MS 17/1) study into platforms, the FCA had announced it was considering banning exit fees on all investment platforms, and the FCA is now looking at how a ban would work in practice.

The investment industry is said to be less than impressed with European regulators [proposals](#) for a series of reforms to Key Information Documents (‘KIDs’). The proposed amendments include a change in approach for performance scenarios.

Ex-FSA chief, Hector Sants, has [set out](#) five calls to action ahead of the launch of the Single Financial Guidance Body, which he will be chairing. The calls to action have been put forward by the financial capability board that was set up by the Money Advice Service.

Andrew Bailey, Chief Executive of the FCA, has [warned](#) that turmoil in heavily indebted emerging market countries poses a threat to the UK. The warning comes as key indices have suffered on the back of global stock market losses recently.

The FCA has [stated](#) that its 2019 Retail Distribution Review (‘RDR’) will look at the cost of advice. In 2019, the FCA will carry out a review of its previous RDR and this will be combined with a planned analysis of the Financial Advice Markets Review (‘FMAR’). The FCA has also confirmed that it is considering an advice fee review in 2019 alongside this.

The FCA has spent around £200k on improvements to its online FCA register by the [addition](#) of a search facility to find an adviser near a consumer’s location. It also allows users to search for sector specific services and can

include 'red flags' about unauthorised firms.

Plans have been [revealed](#) by the FCA to look at ways of automating processes to identify mis-selling activity. Richard Monks, acting Director of Strategy at the FCA has stated that the FCA could use artificial intelligence (AI) and machine learning to detect non-compliant advisers.

The Competition and Markets Authority (CMA) has issued a further [working paper](#) on its investigations into the investment consultancy market. This provides updated results following consideration of representations made in response to a previous consultation on the CMA's provisional decision report. Its final report is scheduled for issue in December.

In a provisional finding, the CMA has also [accused](#) price comparison website, Comparethemarket, of keeping the cost of insurance premiums artificially high, by using contracts with insurers to stop them advertising more cheaply elsewhere.

Treasury Committee chair, Nicky Morgan, has [claimed](#) that the Financial Ombudsman Service's review into cases has not focused enough on the outcomes for clients. Following this, the FOS has since [changed its approach](#), which was considered to set an 'extremely high bar' for consumers meaning that cases had to be considered irrational as well as unreasonable for decisions to be overturned. FOS Chief Executive, Caroline Wayman, proposed an alternative test as to whether the outcome is 'safe'.

It has been [confirmed](#) that the FSCS has received 1,400 mis-selling claims over collapsed stockbroker and discretionary manager, Beaufort Securities, following this firm going into administration earlier this year, following action by both the US Department of Justice and the FCA.

The FSCS bill for a Welsh advice firm considered to have clear conflicts of interests in facilitating investments into a Ukrainian property is currently [running to](#) around £4m to date. Cumulus Investment Management directed clients into SIPP's that were invested in a Cumulus property fund, which was listed on the Bermuda Stock Exchange. The firm was ordered by the FCA to cease activity in June 2017.

Brexit

Amongst many other regulatory publications relating to Brexit during this month, the Bank of England has issued [guidance](#) on its approach to financial services legislation under Brexit and is of relevance to, amongst others, all firms authorised and regulated by the PRA. This approach has included issuing [Dear CEO letters](#) to certain sectors including to central securities depositories (CSDs).

In the meantime, one example amongst others of the impact of Brexit and/or uncertainty on financial services post Brexit was shown by M&G [suspending](#) 21 funds in late October.

AFME (The Association for Financial Markets in Europe) issued a [warning](#) including [a letter](#) to the European Commission regarding the continuing uncertainty and the aim to avoid a cliff edge in financial services in the event of a 'no-deal' scenario.

The FCA has also issued [guidance to consumers](#) on how Brexit may impact them in relation to financial services.

HMRC & Tax

It is [reported](#) that more than 500 former footballers have lost as much as £1bn through poor investment tax advice. Many footballers have been told to pay financial penalties after investment in schemes, which aimed to take advantage of tax breaks for film productions.

In the meantime, HMRC is [probing](#) around 200 footballers as part of its crackdown on tax avoidance in the sport. The investigation covers a range of areas including on image rights loopholes. In the meantime, the National Audit Office (NAO) and HMRC have [launched](#) around 100 investigations into personal service companies (PSCS's) linked to the BBC and around 800 TV and radio presenters on suspicion of tax avoidance.

In one of the largest corporate tax rulings this decade, HMRC has [won](#) a tax avoidance case against Goldman Sachs. In the meantime, the incoming Barclays chairman, Nigel Higgins is being [encouraged](#) to crack down on any such tax avoidance schemes and to state its position on tax going forward.

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In its Pension schemes newsletter [no. 104](#), HMRC has [issued an apology](#) and eventually corrected an issue in its reporting systems, which was causing beneficiaries to be incorrectly taxed on their death benefits. The newsletter also [reported](#) that it is going to be issuing repayments in excess tax overcharged taken on pension scheme withdrawals and outlined how claims should be made.

[Financial Crime](#)

HM Treasury has issued an [update](#) to its advisory notices on money laundering and terrorist financing controls in overseas jurisdictions. It has also issued [explanatory information](#) along with a draft statutory instrument regarding its plans for Money Laundering legislation following Brexit.

FATF has issued an [update](#) on the outcome of its plenary meeting in October. It has also updated and re-issued its sector specific guidance on a risk-based approach including for the [Securities](#) and [Life Insurance](#) sectors. It has also issued its [Annual Report](#) for 2017/2018.

It is [reported](#) that HSBC US has suffered a data breach that has exposed sensitive financial information including customers bank statements and account details.

In the recent publication of a court case ([Lonsdale v Nat West](#)), it has been determined that as part of a Subject Access Request, the content of a Suspicious Activity Report could be examined by the subject matter of the report, as it was deemed to include personal data as defined under the Data Protection Act 2018. Therefore it was confirmed that such a report was potentially disclosable and the disclosure of this following such a request would not amount to tipping off in such circumstances.

It has been [identified](#) following a BBC Watchdog investigation that a RBS customer had more than £4,300 stolen from her account by a fraudulent caller who answered one of her security questions wrongly. For more than a year the bank insisted that the customer had been aware of the transaction and refused to refund her

Pensions & Sipp

The Financial Services Compensation Scheme (FSCS) is in the [process](#) of paying out around £500k worth of claims relating to the collapse of British Steel IFA Active Wealth. This was the first firm to stop its pension transfer business during the British Steel pension issues in 2017. In the meantime, Mark Neale, FSCS Chief Executive, has [announced](#) during a meeting between a delegation of steelworkers, regulators and MPs, that the FSCS is considering reviewing its model for such payouts to see if increased payments could be made for steelworkers. This was in light of the FSCS [acknowledging](#) that the FCA methodology for redress is yielding disappointing payouts.

The High Court has [ruled](#) that Lloyds Banking Group must equalise its guaranteed minimum pensions (GMP) for men and women. The highly anticipated case is likely to have a significant impact on both public and private sector schemes across Britain.

Berkeley Burke has [announced](#) it is seeking leave to appeal the High Court judgement made against them in favour of FOS, which they claimed would grant 'unpredictable' new powers to FOS if not reversed. It also warned that the ruling could have a big impact on all SIPP providers as well as execution-only regulated providers.

The Government has launched a [consultation](#) on collective defined contribution (CDC) schemes. CDC schemes would involve the pooling of scheme assets and investing these collectively. Members would not be required to purchase an annuity at retirement, will share investment risk and will be able to benefit from an overall reduction in costs due to economies of scale.

The FCA has [written](#) to a number of SIPP providers following a recent [Dear CEO letter](#) from Andrew Bailey, FCA CEO, to SIPP providers regarding being able to [evidence](#) contingency planning over solvency.

The FOS's most recent newsletter (November 18) has [commented on](#) eight of the key issues in relation to pension transfer complaints. Many of the complaints centered on delays, administration and the suitability of advice.

The Pensions Advisory Service's (TPAS's) chief executive, Michelle Cracknell [has said](#) that IFA's should steer clear of using introducer firms and calling potential customers directly and instead find another way of contacting them.

Transfers out of the FCA's own defined benefit scheme have [rocketed](#) by 266% to £18m during the last year. This is at a time when the regulator has played close attention to DB transfers over the last 12 months.

[Business](#)

It is [reported](#) that a hedge fund manager, GoldenTree Asset Management, paid Boris Johnson, the former UK foreign secretary, around £94k for a 2 hour speech.

A hedge fund boss, James Cordier, the founder of Florida-based OptionSellers, has issued a [tearful apology](#) to clients via YouTube after the oil price plunge wiped out investment values.

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