

REGULATION NEWS

ISSUE 39

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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.

In the last month of 2017, just before MiFID II and PRIIPs take effect, the FCA has maintained its high publication rate. A number of speeches were also given on various topics including artificial intelligence. [Speaking at the ICI Conference in London](#), on the topic of cyber security breaches, Megan Butler, director of supervision – investment, wholesale and specialists at the FCA, confirmed the FCA doesn't want to get in the way of firms resolving such issues but the FCA expects to be notified when attacks occur, as soon as businesses become aware of them.

The [December edition](#) of the FCA's Regulation Round-up was issued and the [Policy Development Update](#) page was updated on 1st December.

The Financial Ombudsman Service published its [draft plans and budget for 2018-19](#), where it warns that its current operating model is unsustainable and the way it is funded will need to change in the "not-too-distant future". In addition, the Information Commissioner published the [December issue](#) of its newsletter.

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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Main features

- * PS17/25 - FAMR Implementation Part II and Consultation on Retiring FG12/15 and FG14/1
- * The FCA's Approach to Authorisation
- * CP17/40 - Individual accountability: Transitioning FCA firms and individuals to the Senior Managers & Certification Regime
- * CP17/42 - The Duty of Responsibility for Insurers and FCA Solo-Regulated Firms
- * PS17/27 - Insurance Distribution Directive Implementation – Feedback to CP17/23 and Near-Final Rules
- * FCA Speeches, Press Releases and Other Publications
- * Enforcement Actions and Prosecutions
- * Industry News

Industry News

ESMA updates Q&A information on EMIR implementation.
[Click here for updated Q&A.](#)

Joint committee of ESAs updates Q&A on PRIIPs KID.
[Click here for updated Q&A.](#)

ESMA releases slides from its webinar on the legal entity identifier (LEI) requirements under MiFID II.
[Click here for slides.](#)

The FCA is in talks with the government and industry representatives to create ways of allowing people to see and move their money more easily using cutting edge digital technology. The tech is referred to as a 'digital passport' and the aim of the initiative is to allow people to invest and buy products more easily since their information will come in a standardised format that they can share. The project will be part of the FCA's regulatory sandbox.
[Click here for article.](#)

The Pensions Regulator's inspection teams have been visiting businesses across the country to ensure employers were complying with their auto-enrolment duties..
[Click here for article.](#)

Whilst speaking at a seminar in London in November, Brian Corr, head of the retail competition department at the FCA, admits that whilst it is important for the regulator to allow the market to provide consumers with a choice, there is a potential problem regarding the mis-selling of pensions.
[Click here for article.](#)

After research by Which? found 63% of advice firms on Unbiased claimed to employ certified financial planners but did not have a single adviser with the qualification from the CISI, the CISI has threatened disciplinary and/or legal action against any advisers fraudulently misrepresenting themselves.
[Click here for article.](#)

OECD warns BoE to be wary about increasing interest rates much further because the current 3 per cent inflation rate is likely to lead to lower consumer spending, weaker economic growth and a rise in unemployment.
[Click here for article.](#)

The FCA has said that it expects firms will still be able to benefit from passporting between the UK and EEA after the point of exit and during the implementation phase despite the Guardian reporting that EU chief negotiator, Michael Barnier, said "In leaving the single market, they [the UK] lose the financial services passport."
[Click here for article.](#)

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The Financial Advice Market Review (FAMR) was launched jointly by HM Treasury (HMT) and the FCA in August 2015 to explore ways in which the government, industry and regulators could take steps to stimulate the development of a market that delivers affordable and accessible financial advice and guidance to everyone, particularly those who do not have significant wealth or income. The final report was published in March 2016 setting out a series of recommendations designed to tackle the barriers to consumers accessing advice and guidance. An FCA Consultation Paper followed ([CP17/28](#)), which made proposals to implement three of the recommendations, including:

- * Handbook changes arising from recent amendments to the definition of advice on investments in the Regulated Activities Order (RAO);
- * Guidance on personal recommendations; and
- * Guidance arising from experiences of the FCA's Advice Unit.

The FCA also proposed new Guidance on insistent clients designed to address concerns raised by firms.

The Policy Statement summarises the feedback received to CP17/28 and confirms publication of final Handbook rules and Guidance, which will take effect from 3 January 2018. (The Advice Unit guidance has been published as part of [FG17/8 Streamlined advice and consolidated guidance](#).)

The FCA is also using this Policy Statement to consult on retiring two pieces of non-Handbook Guidance, due to them being superseded by MiFID II, on inducements and conflicts of interest (FG14/1), and on independent and restricted advice (FG12/15). More information on this is provided in chapter 5 of the Policy Statement. In order to help firms navigate the non-Handbook guidance, the FCA has set out relevant resources on its [website](#).

In general, respondents to CP17/28 were supportive of the proposals, and the FCA will be proceeding largely as planned, with the exception of the PERG material on personal recommendations, which the FCA will consider further and finalised guidance will be published in a separate Policy Statement early in the New Year.

Relevant firms are advised to consider how the amendment to the RAO, which takes effect on 03/01/18, affects them by considering the changes outlined in chapter 2 of the Policy Statement. Advice Unit guidance and insistent clients are covered in chapters 3 and 4 respectively.

[Click here for Policy Statement.](#)

The FCA's Approach to Authorisation

The FCA describes 'authorisation' as "the gateway for firms, and individuals with specific functions within those firms, that want to provide any of a broad range of financial services and products." The FCA wants to ensure its regulation of firms, including its authorisation process, keeps pace and evolves with the financial services industry. Therefore, the FCA is keen to learn how and when regulation creates unnecessary barriers to new firms wishing to enter the market.

In its 'Approach to Authorisation' the FCA explains:

- * The basis for, purpose of, and its approach to authorisation;
- * How it evaluates whether firms meet the Threshold Conditions and individuals are 'fit and proper';
- * The circumstances that will lead the FCA to refuse and cancel applications;
- * How it promotes effective competition and helps firms respond effectively to regulatory change; and
- * How it can improve its approach and measure its performance.

The FCA has a major programme underway to improve its approach to authorisation and has four specific goals in mind:

1. **Act where the most difference is made** – prioritise focus on areas which can have the biggest impact on outcomes in the market and prevent harm where possible;

(continued on page 3, left-hand column)

Industry News (continued)

'Father of Sipp,' John Moret, estimates there could be 10,000 Sipp related claims in the pipeline but as many as 50,000 investors with potential grounds to complain.

[Click here for article.](#)

In the case of Tiuta International versus De Villiers Surveyors, the Supreme Court has ruled that lenders can recover all losses resulting from negligent valuations. The case involves lending by Tiuta of a £2.2m loan, subsequent additional borrowing of £500k, and a second loan for £2.5m structured as a re-financing arrangement, to a borrower on a potential property development, on the basis of two valuations provided by De Villiers. When the term of the second facility expired, £2.84m was outstanding and the sale of the property was only expected to achieve £2.1m. At this point Tiuta instigated proceedings against the surveyor for its loss claiming the second valuation was carried out negligently.

The Supreme Court ruled that, while the second advance was designed to pay off debts, Tiuta would have lost the sums that had been outstanding under the first facility in any event. Alexandra Anderson, partner at law firm RPC, said: "This decision makes clear that a valuer who overvalues a property can only be responsible for the difference that their negligence made to the Claimant's position."

[Click here for article.](#)

UK Finance, the trade body that represents the finance and banking industry, has said fraudsters are now contacting members of the public, usually by phone, claiming to be from the police or in some cases the fraud team within their bank. Victims are asked to take part in fake undercover operations by visiting their local bank branches, withdrawing large sums and handing the sums to the 'police' for analysis.

[Click here for article.](#)

National advice firm, LEBC, calls for the chancellor to waive tax on long-term investments for those breaching their lifetime pension allowance.

[Click here for article.](#)

ESMA publishes the final report of its peer review on certain aspects of the compliance function requirements under MiFID I.

[Click here for Final Report.](#)

A Sipp provider, Carey Pensions, whose due diligence process has been criticised by the FOS as part of its determination of a complaint, has blamed the FS register for preventing the provider from carrying out the proper checks on the directors of an unregulated Spanish business called CL&P. One of CL&P's directors, Terence Wright, has been the subject of a warning since 2010. In a statement Carey Pensions said:

"We did an FCA search and on the FCA website at this time, and we are talking in 2012, nothing would come up because you had to put in Terry Wright. We had searched for Terence Wright. "The ombudsman decided we should have put in all the variations. When we identified he was on the watchlist we stopped doing business with them [CL&P]."

[Click here for article.](#)

Adviser network Tenet introduces policy of keeping files for 80 years in order to address the absence of a 'long-stop' on claims meaning advisers have unlimited liability for their work.

[Click here for article.](#)

In the Court of Appeal, HMRC has defeated a nearly £44m tax avoidance film scheme sold by Goldcrest Pictures, the firm behind films such as Chariots of Fire, Gandhi and Twilight.

[Click here for article.](#)

The FCA's Approach to Authorisation (continued)

2. **Improve the support provided to firms to help them meet minimum standards** – make good quality regulatory decisions while supporting firms and individuals to meet, and continue to meet, its rules and conditions, and keep those that don't out of the market;
3. **Improve its focus on service** – make it easier for firms and individuals to engage fully with the FCA and ensuring its decision-making is adaptive, transparent, timely and consistent.
4. **Become more digital and innovative** - e.g. by improving the Authorisation pages on its website, making the Handbook easier to navigate and using technology to improve the public register.

The FCA also describes how it uses authorisations as a tool, primarily to prevent harm from occurring, by ensuring that all regulated firms and individuals meet common sets of minimum standards, but also to improve conduct standards and culture, and promote competition and innovation.

The FCA has requested answers to its questions by 12/03/18.

[Click here for Approach document.](#)

CP17/40 - Individual accountability: Transitioning FCA firms and individuals to the Senior Managers & Certification Regime (SM&CR)

Earlier this year, the FCA consulted on how the SM&CR will apply to firms and individuals ([CP17/25](#)). Consultation Paper 17/40 focuses on how the FCA will move sole-regulated firms and their senior staff over to the new regime. (The FCA is consulting separately on moving insurers to the SM&CR – see [CP17/41](#).)

The proposals in this Consultation Paper do not extend to approved persons and individuals at Appointed Representatives (ARs) of affected firms because the Bank of England and Financial Services Act 2016 does not currently provide the FCA with the power to extend the regime to ARs. However the FCA states the provisions of the Approved Persons Regime (e.g. relevant governing functions and CF30 customer function) will still apply to ARs. The FCA also states that Principal firms will remain fully responsible for their ARs meeting the FCA's rules, and Senior Managers at the Principal firm level must make sure this happens. The FCA also directs ARs to read chapters 6 and 7 of CP17/40.

The transition process is being called 'conversion' and the majority of firms (most Core and Limited Scope firms) will not need to submit anything to the FCA because the FCA will automatically convert individuals approved under the Approved Persons Regime to Senior Management Functions. Enhanced firms will need to submit a Conversion Notification (Form K), Statement of Responsibilities and Responsibilities Map. Firms are therefore advised to check their firm categories using the Firm Checker Tool (available in both CP17/25 and CP17/40) before they read this Consultation Paper.

Other proposals are covered in chapter 7 and involve consequential amendments to the FCA Handbook to ensure the transition to the new regime is effective. These amendments include:

- * changes necessary to keep the Approved Persons Regime for Appointed Representatives – e.g. incorporation of Approved Person Regime application sections into the newer forms to reduce the number of forms overall;
- * changes to SUP 10C, to reflect the extension of the SM&CR to FCA solo-regulated firms and insurers;
- * some changes to clarify how the regime applies to different types of firms;
- * consequential changes to the Enforcement Guide (EG) and the Decision Procedure and Penalties Manual (DEPP);
- * additional guidance on the SMF24 – Chief Operations function; and
- * changes to the Glossary.

The FCA previously proposed that only Senior Management Functions holders would appear on the FS Register. However, in light of the concerns raised in relation to Certification Staff not appearing on the register, the FCA has confirmed it is in the process of considering the feedback to decide the right approach.

(Continued on page 4, left-hand column)

Industry News (continued)

Newton, one of the 4 fund managers being investigated by the FCA for allegedly breaking competition rules, has fired one of its fund managers for the rigging of share prices.

[Click here for article.](#)

Stephen Barclay, the economic secretary to the Treasury, told Parliament that negotiations were under way with the European Union to bring Bitcoin under anti-money laundering and counter-terrorist financing regulation. It follows increasing concerns that digital currencies can be used to enable cybercrime. While there is little evidence at the moment of them being used to launder money, the Treasury expects this to grow.

[Click here for article.](#)

The Pensions Ombudsman reports that it has been inundated with complaints from members of the British Steel Pensions Scheme (BSPS) regarding the scheme but not concerning the advice received on pension transfers.

[Click here for article.](#)

HMT publishes advisory note on AML and CTF controls in higher risk jurisdictions.

[Click here for Advisory Note.](#)

Risk Transformation Regulations 2017, which implement a new regulatory and supervisory framework for insurance linked securities (ILS) in the UK, have been published.

[Click here for the Regulations.](#)

Complaints Commissioner (CC) criticises the FSA/FCA over its handling of concerns that a Cypriot firm that had passported into the UK was conducting regulated activities beyond the scope of its authorisation. The investigation found, that from April 2011 there were growing concerns both in terms of the business that it was doing and because it was not providing cross-border services but had "established" itself in the UK. The CC said:

"The FSA/FCA made numerous attempts to deal with the problem, but that there appeared to be a reluctance to bring the matter to a head. While it is clear that the regulator was properly concerned about potential consumer detriment, the records do not suggest that anyone stood back, established the facts, and considered what the best options were, until the second half of 2013. The result was that the situation – and the potential risk – were allowed to continue for too long."

The investigation also revealed further weaknesses in the FS Register, which didn't show the restrictions and limitations placed on the firm in question.

[Click here for article.](#)

A firm's complaint that it shouldn't have to pay a £250 late GABRIEL filing penalty because it claimed not to have received a reminder from the FCA, has been thrown out by the CC. The FCA insisted it had sent two reminders but the firm said it was "unfair" that the regulator only sends emails when communicating with firms without using "read receipts".

[Click here for article.](#)

Tax expert warns that bitcoin investors could face a tax shock. A spokesperson for the tax authorities is reported to have separately confirmed that any gains are liable for capital gains tax at the normal rate, and they do not see the need for any "bespoke" rules for bitcoin trading "at this stage".

[Click here for article.](#)

UK Government publishes Anti-Corruption Strategy for 2017-2022.

[Click here for Strategy.](#)

CP17/40 (continued)

Comments are requested by 21/02/18 and a Policy Statement containing feedback and final rules will be published in the summer of 2018. The Treasury will announce the date the new regime is to start and the FCA will subsequently communicate the date by which appropriate conversion documentation for enhanced and some core firms (by exception) will need to be submitted.

[Click here for consultation paper.](#)

CP17/42 - The Duty of Responsibility for Insurers and FCA Solo-Regulated Firms

When taking disciplinary action against a Senior Manager – whether under the Conduct Rules, the Duty of Responsibility (see Chapter 2) or otherwise – the FCA will consider the Senior Manager's Statement of Responsibilities and, if applicable, the relevant firm's management responsibilities map when determining the extent of the Senior Manager's responsibilities in the firm at the time of the contravention.

The Duty of Responsibility was introduced in the 2016 Act and came into force on 10 May 2016. It currently applies to Senior Managers of banking firms and, subject to agreement by the Treasury, will also apply to Senior Managers of insurers and FCA solo-regulated firms when the SM&CR is extended.

The Duty of Responsibility specifies that the FCA can take action against a Senior Manager where:

- * there was a contravention of a relevant requirement by the Senior Manager's firm;
- * at the time of the contravention or during any part of it, the Senior Manager was responsible for the management of any of the firm's activities in relation to which the contravention occurred; and
- * the Senior Manager did not take such steps as a person in their position could reasonably have been expected to take to avoid the contravention occurring or continuing.

When enforcing the Duty of Responsibility, the burden of proof lies on the FCA to show that the Senior Manager did not take the steps a person in their position could reasonably have been expected to take to avoid the firm's breach occurring or continuing.

The Decision Procedure and Penalties Manual (DEPP) in the Handbook already sets out (in DEPP 6.2.9-A G to 6.2.9-F G) relevant guidance concerning this duty. Changes to this guidance were proposed in earlier Consultation Papers (see chapter 3 for a list) relating to the extension of the SM&CR that will have the effect of applying the guidance in DEPP 6.2 to Senior Managers of insurers and solo-regulated firms. Therefore, the FCA does not think further changes are required and this Consultation Paper (CP17/42) sets out the factors that were taken into account when producing the guidance in DEPP 6.2. However, in CP17/42 the FCA is seeking industry views on whether or not further changes are needed.

Comments are requested by 21/02/18 and a Policy Statement containing feedback and final views on whether any further changes need to be made, beyond those already proposed in the July Consultation Papers, will be published in 2018.

The FCA has assumed that the extension of the SM&CR to insurers will commence in late 2018, followed by commencement of the regime for FCA solo-regulated firms in mid to late 2019. The FCA anticipates that the extension of the Duty of Responsibility will align with these assumptive start dates. The actual commencement date will be announced and set by the Treasury in due course.

[Click here for Consultation Paper.](#)

Industry News (continued)

The Home Secretary has announced plans for a new national economic crime centre (NECC) for the UK, based within the National Crime Agency (NCA).

[Click here for press statement.](#)

EIOPA publishes editable template for the Insurance Product Information Document (IPID).

[Click here for template IPID.](#)

European Commission adopts further Delegated Regulation amending list of high-risk third countries under MLD4.

[Click here for adopted Delegated Regulation.](#)

Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No 2) Regulations 2017 published.

[Click here for updated Regulations.](#)

UK Finance publishes four sets of guidelines on implementing MiFID II product governance and retail costs and charges requirements.

[Click here to access guidelines.](#)

Enforcement Actions and Prosecutions

FCA fines former Bank of America Merrill Lynch International Limited (BAML) bond trader, Paul Walter, £60k for market abuse. Walter engaged in market abuse by creating a false and misleading impression as to supply and demand in the market for Dutch State Loans (DSL) on 12 occasions in July and August 2014. On 11 occasions, Walter entered a series of quotes that became the best bids on BrokerTec, an electronic trading platform, giving the impression that he was a buyer in a DSL. Other market participants who were tracking his quotes with algorithms followed him in response and raised their bids. Mr Walter then sold to those other participants and cancelled his own quote. On one further occasion Walter did the opposite. Market participants were affected by Walter's trading because his trading strategy manipulated their prices and led to them either buying or selling DSLs at worse prices than they could otherwise have done. The FCA found that Walter didn't know his conduct amounted to market abuse but the FCA considered he was negligent in not realising that it did.

[Click here for press release.](#)

The FCA has stopped Larksway Investments Ltd from acting as an insurance intermediary for breach of Principle 11 – failing to deal with the regulator in an open and cooperative way about its concerns involving:

- * the way Larksway is, and has been, handling insurance premiums received from its customers;
- * its ability to meet its liabilities (make payments) as they fall due; and
- * its ability to operate its banking arrangements adequately.

[Click here for FCA article.](#)

FCA commences civil proceedings against Avacade Limited (in liquidation), trading as Avacade Investment Options, and Alexandra Associates (U.K.) Limited, trading as Avacade Future Solutions. The allegations include making misleading statements and carrying out regulated activities in respect of pension investments in the UK without FCA authorisation or exemption, and communicating financial promotions without the required authorisation or approval. Proceedings have also commenced against Craig Lummis, Lee Lummis and Raymond Fox for being knowingly concerned in the firms' breaches.

[Click here for press release.](#)

This Policy Statement sets out the FCA's response to the feedback received to [Consultation Paper 17/23](#) (the second of three Consultation Papers on the Insurance Distribution Directive (IDD)).

In this Policy Statement the FCA summarises its approach to making:

- * changes to its rules to implement the IDD requirements for life insurance business generally, including additional requirements related to the distribution of insurance-based investment products (IBIPs):
 - ➔ firms' general obligations (Chapter 2)
 - ➔ information disclosure to customers (Chapter 3)
 - ➔ inducements (Chapter 4)
 - ➔ suitability (Chapter 5)
 - ➔ appropriateness (Chapter 6)
- * changes to its rules to implement requirements in the IDD that apply to life and non-investment insurance business, including:
 - ➔ conflicts of interest (Chapter 7)
 - ➔ product oversight and governance (Chapter 8)
 - ➔ requirements relating to the protection of customers' money (chapter 9)
 - ➔ professional requirements relating to the good repute of employees of insurance distributors (Chapter 10)
- * additional Handbook changes relating only to non-investment insurance business, including information disclosure requirements and the insurance product information document (IPID) (Chapter 11)
- * consequential amendments to other parts of the Handbook (Chapter 12)

A number of proposals in CP17/23 were subject to additional proposals in CP17/33. The FCA needs to consider some of these issues – which include conflicts of interest, inducements and product governance – in light of feedback to CP17/33. Therefore, it is not including near-final rules or a detailed response to feedback for these matters in this Policy Statement.

The FCA reports that most respondents supported its proposals or asked for further guidance. Therefore, in general, the FCA plans to implement the consultation proposals with only minor changes to the rules it consulted on. The minor changes reflect amendments made to implement MiFID II and the Financial Advice Market Review (FAMR).

In response to concerns raised about the lack of time available to firms to implement the IDD requirements, the FCA confirms that the timetable is set by the European Commission and the FCA cannot offer an extension to the UK alone. Although the European Parliament has suggested a delay to implementation and this is currently being considered at EU level, the FCA is continuing to work on the assumption that the implementation date remains 23 February 2018.

The FCA aims to publish the third Policy Statement in January 2018 and firms affected by these changes are reminded that they will need to ensure compliance with the requirements from 23 February 2018.

[Click here for Policy Statement.](#)

FCA Speeches

“From maps to apps: the power of machine learning and artificial intelligence for regulators” by Stefan Hunt, Head of Behavioural Economics and Data Science at the FCA

[Click here for speech.](#)

“Regulatory Priorities for Retail Banking” by Karina McTeague, Director of Retail Banking Supervision at the FCA

[Click here for speech.](#)

“The future of competition and regulation in retail banking” by Christopher Woolard, Executive Director of Strategy and Competition at the FCA

[Click here for speech.](#)

Enforcement Actions and Prosecutions (continued)

Alec Hope charged with perverting the course of justice in relation to a restraint order made at Southwark Crown Court on 2 April 2012 and a confiscation order made against him by Southwark Crown Court on 12 February 2016. Hope was sentenced to 7 years in prison in 2015 for running a multi-million pound fraudulent investment scheme to fund his lavish lifestyle and given a further 603 days' imprisonment in 2016 for failing to pay the full value of a confiscation order made against him.

[Click here for press release.](#)

Four found guilty of running an investment scheme that led to more than 300 investors losing just over £1.4m. Between February 2009 and early 2014, brokers cold-called investors, many of whom were vulnerable, retired individuals, and mis-sold them shares in Symbiosis Healthcare Plc (“Symbiosis”). Despite promises to investors of large profits, and extravagant claims about the investment opportunity through the operation and expansion of a network of medical clinics in Dubai and elsewhere, in reality the shares in the company were, in effect, worthless. Each of the four defendants, of whom one was a medical doctor, played an instrumental role in the systematic and prolonged misleading of investors, helping to create a wholly misleading impression as to the value and prospects of Symbiosis.

[Click here for press release.](#)

FCA action against Park First Limited and related entities (Park First) for promoting and operating airport car parking investment schemes without appropriate authorisation and approval. Park First has agreed to stop operating and promoting the original schemes and is now offering investors in the Gatwick and Glasgow car parks the choice of:

- * getting their initial investment back; or
- * moving into a new Lifetime Leaseback scheme

The Lifetime Leaseback scheme, which relates to the same car parks as the original scheme, is not a collective investment scheme and is therefore not regulated.

Given the circumstances of this case, the FCA will not take further action at this time but reserves the right to do so if it appears action is appropriate.

[Click here FCA article.](#)

FCA fines Bluefin Insurance Services Limited (Bluefin) £4m (with 30% early settlement discount) for having inadequate systems and controls and failing to provide information to its customers about Bluefin's independence in a way that was clear, fair and not misleading. Bluefin, a large insurance broker that was wholly owned by the insurer AXA UK Plc during the period in question, held itself out to be ‘truly independent’ in the advice it provided and the insurers it recommended to customers. However, Bluefin's independence was compromised by its culture, which promoted business strategies, including a policy that focused on increasing the business placed with its parent company, over treating customers fairly. Bluefin also failed to implement adequate systems and controls to manage the conflicts connected to Bluefin's ownership.

[Click here for press release.](#)

The directors of Speed-e-Loans Limited, a payday loan company, have all been disqualified from acting as directors for a total of 20 years after breaching their fiduciary duties, their duties of care, skill and diligence. The Insolvency Service found the company had received funds from private investors through pension liberation schemes at a time when the firm was not solvent and had ceased lending to new clients.

[Click here for article.](#)

FCA Speeches (continued)

“Assessing the value of financial advice” by Megan Butler, Director of Supervision - Investment, Wholesale and Specialists at the FCA

[Click here for speech.](#)

“Effective global regulation in capital markets” by Megan Butler, Director of Supervision - Investment, Wholesale and Specialists at the FCA

[Click here for speech.](#)

“Using artificial intelligence to keep criminal funds out of the financial system” Rob Gruppetta, Head of the Financial Crime Department at the FCA

[Click here for speech.](#)

Other FCA Publications

[CP17/39](#) - Quarterly Consultation Paper No 19

[Minutes](#) for FCA Board meeting on 18th and 19th October

[Final Summary Report](#) on an independent review of Royal Bank of Scotland Group's treatment of small and medium-sized enterprise customers referred to the Global Restructuring Group

[Report](#) on the compliance function in wholesale banks

[Research Report](#) - Shining a light on illegal money lending: consumer experiences of unauthorised lending in the UK

[Update](#) on response to PPI campaign

[Handbook Notice 50](#)

[Market Watch 55](#)

[PS17/26](#) - Information about current account services

[FS17/4](#) - Distributed Ledger Technology: Feedback statement on Discussion Paper 17/03

[CP17/43](#) - Credit card market study: persistent debt and earlier intervention remedies - feedback to CP17/10 and further consultation

[CP17/44](#) - PSR regulatory fees

[FCA's Quarterly KPIs: 2017/2018](#)

[FCA Approach to competition](#)

Enforcement Actions and Prosecutions (continued)

Six individuals found guilty in £2.7m boiler room scam. The defendants are due to be sentenced at Southwark Crown Court at a later date and confiscation proceedings will follow. Due to reporting restrictions the defendants cannot yet be named.

[Click here for press release.](#)

FCA fines AIM listed firm, Tejoori Ltd, £70k (with 30% early settlement discount) for failing to inform the market of inside information, relating to the sale of its shares in one of its investments following a compulsory share acquisition of this investee business, as required by Article 17(1) of the Market Abuse Regulation.

[Click here for press release.](#)

The FCA has opened a joint investigation with the City of London police into FCA-authorized firm, HBFS Financial Services. The FCA has also restricted HBFS from advertising and taking on any new business. However, it is able to continue to serve its existing clients. In a statement, the regulator advised HBFS's customers to check the status of any investment made through HBFS and if they have concerns to contact City of London police. One man has already been arrested in connection with the probe.

[Click here for article.](#)

FCA Press Releases

[FCA statement on LIBOR panels](#)

[FCA statement of objections to four asset management firms for allegedly breaking competition law](#)

[Bank and FCA launch next phase of sterling Libor transition work](#)

[Protect your pension pot from risky investments and scams](#)

[FCA reveals next round of successful firms in its regulatory sandbox](#)

[Further success in reducing pension funds' costs and charges](#)

[FCA statement on RBS GRG report publication](#)

[FCA statement providing update on its work on financial advice given to members of the British Steel Pension Scheme \(BSPS\)](#)

[FCA publishes final rules to make it easier for people to compare bank accounts](#)

[FCA consults on how firms and individuals will transition to the Senior Managers and Certification Regime](#) (Also see Main Features for CP17/40 and CP17/42)

[FCA publishes update on proposed new rules to help credit card customers in persistent debt and asks for further views.](#) (CP listed and linked in left-hand column)