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Campaigners Gina and Alan Miller believe the proposed FCA Compensation Scheme for its own regulatory failure is flagrantly anti-consumer and amounts to a Non-Compensation Scheme as the proposals' conditions are unlikely to ever be met by claimants

The Financial Services Act 2012 requires the FCA to have in place a scheme to investigate complaints against them, as opposed to complaints against the businesses they regulate. It is the view of the True and Fair Campaign that the FCA's proposals for a new Compensation Scheme as detailed in their Consultation CP20/11 Complaints against the Regulators (The Financial Conduct Authority, the Prudential Regulation Authority, and the Bank of England) are unfair, immoral, and illegal.

Not only does the proposed scheme contravene the Financial Services Act 2012, it fragrantly breaches one of the FCA's five regulatory objectives under the Financial Services and Markets Act 2000, namely "The protection of consumers". It also fragrantly breaches one of its own three operational objectives, "securing an appropriate degree of protection for consumers".

Were the proposed scheme to come into force, it is unlikely that there would be any compensation payments due to the clause in 4.10 that "*we would consider making a compensatory payment only where adequate documentary evidence of the loss has been provided, and the following further conditions have been met: - we are the sole or primary cause of the loss; and - there has been a clear and significant failure by us*". It is almost certain that the FCA will never be the sole cause of the loss and it is highly unlikely to ever be the primary cause of the loss, as the primary cause will inevitably be the misconduct of a third party firm/individual rather than the FCA.

This consultation is highly damaging to the credibility of the FCA as a fit and proper regulator in terms of consumer protection, not just due to the sly manner in which it has been undertaken, or the proposed setting of arbitrary compensation caps, but the fact that the qualifying requirements for claims would be nigh on impossible for claimants to ever meet.

Gina Miller said "*The proposed reforms to the compensation scheme amount to the FCA blatantly attempting to close the door on all future compensation for financial loss suffered by victims where regulatory failure by the FCA has contributed to their loss. The rush to undertake and conclude this Consultation before publication of three major Independent Reviews, likely to detail the FCA's failures in scandals that resulted in millions of ordinary consumers suffering financial loss, is highly suspect."*

Alan Miller said *"It begs the question of who signed off this proposal for a new compensation scheme that materially limits the eligibility of complaints; and whether this person should consider their position within the FCA?"*

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Notes to Editors:

The True and Fair Campaign

Financial services are one of the UK economy's most important sectors. It represents 7.1% of GDP. It is a major contributor to the UK's public finances and employs more than 2.3 million people. With great success comes greater responsibility – a responsibility on all market participants to uphold the highest standards of probity, transparency, accountability and fairness.

Since the Financial Crisis in 2007-2008, few lessons have been learnt and there have been even fewer examples of equitable redress in relation to those guilty of a growing tide of mis-selling scandals and regulatory infractions. Worst of all, it has demonstrated a breath-taking betrayal of the trust that is rightly owed by so-called financial services professionals to their investors, employees and shareholders.

The True and Fair Campaign, set up and funded by Gina and Alan Miller in February 2012, aims to shine a light on the failures and rip-offs in the sector, and campaign for greater levels of transparency, accountability and product scrutiny, in order to improve customer outcomes.

Since its launch, the True and Fair campaign has successfully contributed text to Article 24 of MiFID II legally requiring MiFID regulated firms to show 100% of their fees and charges; contributed to Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation and The Shareholder Directive; brought to light examples of wrongdoing, poor market practice and lax regulation; and produced telling research into inflated research costs, closet indexation, illiquid funds and misleading performance reporting, amongst other topics. The Millers have also worked with regulators in Australia, across the European Union and the European Securities and Markets Authority (ESMA), as well as with UK politicians on a cross-party basis.

www.trueandfaircampaign.com