Campaigner Gina Miller Demands Independent Review of the Appointment of the Next Governor of the Bank of England and the FCA in the Face of a Catalogue of Regulatory Failures Leading to Catastrophic Consumer Detriment

The True and Fair Campaign, led by campaigner and businesswoman Gina Miller and leading fund manager Alan Miller, today publish a devastating report detailing poor regulation and consumer outcomes in UK Financial Services. In a detailed critique that focuses on Andrew Bailey's term as CEO of the Financial Conduct Authority (FCA), the True and Fair report, *Asleep at the wheel: an exposé of systemic regulatory failure and consumer detriment*, documents how ordinary investors, savers, pensioners and bank customers alike have been comprehensively and scandalously failed by the FCA on Bailey's watch.

The report scrutinises the FCA's failure to:

- Investigate a complaint by a whistle-blower against the failed HBOS Group;
- Publish its own independent investigators' report into the abusive treatment of RBS business customers;
- Respond to a whistle-blower's warnings about London Capital & Finance which collapsed leaving 11,600 retail customers with losses of up to £236 million;
- Regulate properly peer-to-peer Lendy which collapsed, costing 9,000 investors up to £90 million;
- Regulate properly illiquid funds culminating in the recent suspension of the £2.5 billion M&G Property Fund or warn consumers of the risks in a timely way; and
- Regulate the investment industry properly, leading to the Woodford scandal in which 300,000 investors lost over £1 billion.

Gina Miller of True and Fair said: *"Andrew Bailey's tenure as CEO of the FCA has been characterised by a toxic cocktail of negligence, incompetence and indifference to the needs of ordinary depositors, investors and pensioners. On his watch, hundreds of thousands of Britons have lost money – in many cases, losing their life savings which has devastated their lives, families and businesses."*

"The report we have published today makes it clear Mr Bailey is not a fit and proper person to be the next Governor of the Bank of England. Were he to be confirmed in this highly responsible and prominent role, it would be a gross betrayal of the Government's duty to protect consumers, and a textbook example of rewarding failure. Mr Bailey's successor at the FCA must satisfy policymakers and the public they are competent and committed to protecting consumers and to ending the apathetic culture within the FCA which Mr Bailey appears to have effectively institutionalised."

The Rt Hon Vince Cable said: *"This report is a damning indictment of failure by the FCA to exercise proper regulatory oversight over conduct within the banking and wider UK financial services system."*

"As Secretary of State for Business I put forward to the FCA detailed evidence on the conflicts of interest and other failures by the GRG division in RBS during and after the financial crisis. The case studies, and others brought to light subsequently, established clear evidence of systematic and widespread mistreatment of business customers by or with the knowledge of senior management. Even after endless delays, appropriate action has not been taken by the regulator. I can also confirm that I was shown, as a minister and as an MP, the evidence of serious misconduct within the Lloyds Group, HBOS- apparently known to senior management- which was never followed up by the FCA".

Anthony Stansfeld, Thames Valley Police and Crime Commissioner said: *"There has been little effort or enthusiasm by many regulatory authorities, notably the Bank of England, the Serious Fraud Office (SFO) and the FCA, to either stop these frauds or bring the perpetrators to justice. These major frauds, unlike Libor and PPI, were not skimming off the top. They have ruined thousands of companies, and families and jobs have been destroyed."* And said that *"In the UK nothing has been done. There would appear to be a systematic cover up."*

Alan Miller of True and Fair said: *"The performance of the FCA under Mr Bailey has been woeful. He has turned the FCA into the industry's lapdog: during the four calendar years of his tenure (2016 to 2019 inclusive), enforcement fines levied by the FCA fell by 78% compared to the preceding four calendar years. That says it all."*

The True and Fair Campaign now calls for urgent action to be taken to protect British consumers, including:

a) an urgent review by the new Chancellor of the Exchequer, the Rt Hon Rishi Sunak MP, of Mr Bailey's appointment as Governor of the Bank of England
b) the House of Commons Treasury Select Committee summoning Mr Bailey to address the issues raised in the True and Fair report relating to the lack of FCA regulation and enforcement of the scandals highlighted in the report
c) the Commons Treasury Select Committee calling for an independent review of the appointment process and lack of due diligence conducted in relation to the roles of Governor of the Bank of England and CEO of 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 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.

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