True and Fair Campaign 10-Point Action Plan – Towards a Better UK Financial Services Sector

10 Point Action Plan the FCA should adopt to protect and enhance the integrity of the UK financial system and transform the choices and outcomes for UK consumers

1. Suspend *Consultation CP20/11: Complaints against the Regulators (The Financial Conduct Authority, the Prudential Regulation Authority, and the Bank of England)* until all three major Independent Reviews are published: the findings of the Independent Reviews must be allowed to inform the debate and context of the Consultation.

2. Close the loophole that permits companies, particularly sales and marketing agents, to become *"appointed representatives*" and conduct activities of a regulatorily approved firm even though they are not FCA-approved. The *status quo* is corrosive to consumer confidence; misleads customers and imperils their financial security; and is highly damaging to the FCA and the credibility of its register.

3. Bring boiler room scams urgently within the regulatory perimeter of the FCA. It is not acceptable that an alarming and growing incidence of scammers purport to be FCA-regulated or in the process of becoming regulated and are aggressively marketing fake or inappropriate financial products to the financially vulnerable.

4. Introduce a 100% of transparency of holdings rule so consumers in the pensions and investment industry are guaranteed the basic consumer right of knowing where their money is being invested. This requirement has been in force since 2004 in the USA.

5. Update and amend the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 to provide for a register of all those seeking to lobby the FCA. The revolving door between the FCA and leading market participants makes it imperative that the FCA's independence is publicly reaffirmed and its pro-consumer credentials are shown to be beyond reproach.

6. Take steps to close the advice gap by reviewing the unfair increase in FSCS levies (Financial Services Compensation Scheme) which penalises market participants who behave properly to the benefit of those who do not.

7. Provide the necessary resources, including additional funding and staffing, to the Regulator's Complaints Team to improve its performance and speed up the delivery of outcomes for complainants.

8. Follow the example of US mutual funds, which have boards on which a majority are independent directors whose primary responsibility is to look after the interests of the fund's shareholders and to serve as independent watchdogs. This would promote the development of a sustainable culture of honesty, treating customers fairly, passing back economies of scale and eradicating conflicts of interest.

9. Ensure the FCA begins urgently to name and fine businesses that do not comply with basic aspects of its rulebook including firms that do not comply with MiFID II Costs and Charges legislation, those that operate closet index funds, and those involved in greenwashing, to restore trust in the industry, providers and products.

10. Require the FCA urgently to ban all funds with daily or weekly dealing, from investing any further money into unquoted investments, directly held physical properties, or listed shares with nominal levels of trading activity, as a proportionate response to recent scandals that have adversely affected millions of UK retail investors.