
Business Plan

2014/15



Business Plan

2014/15

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Putting consumers
at the heart of what we do

Foreword



As we move into our second year as the Financial Conduct Authority (FCA), we can reflect on our achievements over the last 12 months as well as looking ahead to the challenges that await us.

As a new regulator, we have established ourselves with firms, stakeholders and the public through the quality of our work. We have made good progress in advancing our objectives, embedding consumer protection, market integrity and the promotion of competition into everything we do.

We have used our powers to make interventions in the market place to ensure the interests of consumers are put first. From interest-only mortgages, general insurance add-ons and introductory interest rates on savings accounts, we have acted swiftly to facilitate changes in the industry that benefit people up and down the country.

There must be no let-up in the pace of our activities for 2014/15.

In taking over the regulation of the consumer credit industry, we effectively double the number of firms we regulate. We have prepared for this extensively, including engaging throughout the preparation with the firms that are new to our regime and making guidance available, so they know what to expect

There are still many challenges ahead. The global financial crisis may be receding but industry-wide culture change does not happen overnight. If the first year has seen the concept of good conduct go to the top of the agenda in boardrooms across the City, in our second year we must push for this culture change to feed through from trading floors to high street bank branches.

from us and what we will expect from them. This will continue to be a significant focus for us in the coming year as we begin to authorise consumer credit firms and introduce new areas of policy, such as price caps for payday lenders.

There are still many challenges ahead. The global financial crisis may be receding but industry-wide culture change does not happen overnight. If the first year has seen the concept of good conduct go to the top of the agenda in boardrooms across the City, in our second year we must push for this culture change to feed through from trading floors to high street bank branches – all firms must continue to put the best interests of their consumers at the heart of their business models.

Within our competition objective we will continue to develop our work around market studies, broadening our reviews to previously unvisited sectors. We will continue to be forward-looking and take a judgement-based approach to emerging risks. We intend to take proportionate and decisive early action to mitigate harm to both consumers and the industry.

Over the next year we will also be undertaking new responsibilities as we broaden our regulatory scope, as well as implementing the requirements set out in the Financial Services (Banking Reform) Act 2013. This will include a change to the way in which authorised persons operate in the industry, bringing about greater accountability and transparency.

Significant change will also come with the establishment of the Payment Systems Regulator (PSR), which will operate within our existing structure and have responsibility for the £75 trillion payment services industry.

Our priorities surrounding the industry's legacy issues will see us continuing the work underway in areas such as securing consumer redress for mis-sold payment protection insurance (PPI) and interest rate hedging products, as well as ensuring our key reforms in the investment advice and mortgages market are realised to their full effect.

The second year as the FCA will be an exciting one and I am confident that as an organisation we will undertake both our existing and new responsibilities to great effect.



Martin Wheatley,
Chief Executive Officer

Executive summary

Our strategic objective is to ensure that the relevant markets function well. To support this, we deliver our work through three operational objectives:



To secure an appropriate degree of protection for consumers.



To protect and enhance the integrity of the UK financial system.



To promote effective competition in the interests of consumers.

We aim to advance our objectives by continuing to be judgement-based, forward-looking and pre-emptive in assessing potential and emerging risks. We respond promptly and effectively to wrongdoing that threatens market integrity or causes harm to consumers, and we ensure that our rules and actions promote competition in the market in the interest of consumers.

We aim to maintain a successful financial system, where firms can thrive and consumers can place their trust in transparent and open markets.

Our *Business Plan* sets out how we will shape our activities, integrate new responsibilities, implement and improve our models and systems, develop our people and ensure that our priorities remain focused on achieving our objectives.

New activities

During 2014/15 we will assume a number of new activities:

- We will integrate **consumer credit** into our activities when we take over responsibility for this from the Office of Fair Trading (OFT) on 1 April 2014, which will affect around 50,000 consumer credit firms. We will have a direct impact on significantly higher numbers of consumers, ensuring that they are treated fairly when obtaining credit or debt advice. We will apply our rules and actions proportionately to raise standards in this sector.
- We will work with the Prudential Regulation Authority (PRA) to implement the measures set out in the Financial Services (Banking Reform) Act 2013 to give effect to the recommendations of the Parliamentary Commission on Banking Standards,

We will start preparing for the operational launch in April 2015 of a new regulator to oversee the UK's payment systems, which will be an economic regulator for retail payment systems in the UK. It will become a separate legal entity with its own statutory objectives and board, under the FCA.

such as the **Senior Managers and Certified Persons Regimes**. The accountability of individuals in positions of responsibility needs to be improved and overall standards of governance raised. The new regime will increase the attention and importance placed on this by deposit takers and the individuals that will need to adhere to it.

- We will start preparing for the operational launch in April 2015 of a new regulator to oversee the **UK's payment systems**, which will be an economic regulator for retail payment systems in the UK. It will be a separate legal entity with its own statutory objectives and board, under the FCA. The Payment Systems Regulator will have objectives to promote competition and innovation, and to ensure responsiveness to consumer needs.

Other key activities

We will be guided by our short and long-term view of risks in setting our priorities, as well as continuing to deliver the vision we set out in the *Journey to the FCA*. We will do this in the following ways:

- We will continue to advance our new **competition** objective, working to build orderly and competitive financial services markets. **Market studies** are an important tool to achieve this and we will use these in both wholesale and retail markets. We will use them to analyse competition and weaknesses

in the markets that we regulate, ultimately to help consumers to exercise choice and access good value products and services. Areas of new focus for us in 2014 will be wholesale markets and parts of the consumer credit market, including credit cards.

- We will continue to embed our risk-based **supervision model** through proactive structured assessment of firms, event-driven work (i.e. dealing with emerging problems) and **thematic reviews**. These will be on sectors or products that may put consumers at risk, or on areas where we believe market participants are conducting themselves in ways that may threaten the integrity of markets. We will build credibility and trust in our supervisory practices, and influence a change in the culture to ensure that good outcomes for consumers and market participants are at the heart of firms' business models. Key areas of focus will include the treatment of customers in life insurance, consumer credit and benchmarks.
- From April 2015 we will become a concurrent regulator, which means that we will be able to enforce competition law in financial services concurrently with the Competition and Markets Authority (CMA), enabling us through our regulatory tools to promote competition and make markets work well.
- We will, with the PRA, look at the changes set out in our 2013 review of requirements for firms entering into or expanding in the banking sector to assess the impact on **lowering barriers to entry and expansion in banking** and what more can be done.



We will implement our Mortgage Market Review (MMR), the majority of which will come into effect on 26 April 2014, including significant changes for intermediaries and lenders.

- We will consult on prudential requirements for **personal investment firms**. We will consider the case for a 15-year time limit on complaints to the Financial Ombudsman Service to review whether the current arrangements are delivering the best outcomes for consumers overall.
- Europe and the wider international arena will continue to heavily influence our work. We will continue to engage with key international policy development and be an active member of the policy-making European regulatory bodies. This year we will embed the **Alternative Investment Fund Managers Directive (AIFMD)** and prepare for the implementation of the second **Markets in Financial Instruments Directive (MiFID 2)**, which covers the regulation of investment services. We will also continue to cooperate with other regulators to pursue cross-border enforcement.
- We will increasingly focus on how well firms analyse consumer complaints about **payment protection insurance (PPI)** and proactively contact those who may have been mis-sold but have yet to complain. We will also continue our work to ensure that firms' ongoing complaint-handling processes generally deliver fair redress and that any poorly handled complaints are reassessed and remediated where necessary.
- We will undertake a post-implementation review of the **Retail Distribution Review (RDR)**, carrying out research throughout 2014/15 using regulatory data, publicly available data, and specially commissioned industry and consumer research to assess the effect of the RDR against its objectives following the first 12 months of the rules being implemented. This will be carried out in parallel with work on any expectations gap and advice boundaries.
- We will implement our **Mortgage Market Review (MMR)**, the majority of which will come into effect on 26 April 2014, including significant changes for intermediaries and lenders.
- We will continue to enhance the effectiveness of the **listing regime**, including ensuring that there is appropriate protection for minority shareholders to be able to exercise their rights.
- We will continue to take tough and meaningful action against firms and individuals who fail to follow our rules. Raising standards of behaviour in the financial services industry by making clear the consequences of non-compliance and the benefits of doing the right thing remains central to our approach. We are committed to using our **enforcement tools** effectively to help us achieve our aims and objectives.
- We will deliver on our commitments to establish a robust framework of supervision for **LIBOR** – covering both the submitting banks and the new administrator. We will continue to contribute to international benchmark reform, focusing on the Financial Stability Board's (FSB's) reviews of interbank interest rate benchmarks and **FX benchmarks**. In the EU we will continue to support the Treasury as it negotiates a European Regulation for benchmarks.
- We will continue to assess **anti-money laundering (AML)** processes and controls in major banks and those staff responsible for them. We will extend this during 2014/15 to some smaller firms that might present high levels of money laundering risk, as well as carrying out focused thematic work. We will also continue to engage internationally to influence a Fourth Money Laundering Directive.

- We will be clear, consistent and constructive in our **communications**, engaging directly with consumers, firms and stakeholders as appropriate. We will gather information from a wide variety of external stakeholders to capture emerging consumer issues and implement changes in our business in the interest of both consumers and firms. We will look to change the behaviour of firms and consumers by delivering our messages through robust and creative communications.
- Investing in **our people** remains a priority, delivering training and support to attract, motivate and retain the top talent in our market sector. In 2014/15 we will bring in and integrate new staff to deliver our consumer credit regime, and we will embed cultural change programmes that consider the diverse needs of all our employees.
- We will carry out work to determine whether the relationship between our Handbook and firms' perceptions of it works in the interest of consumers. This **expectations gap** includes, for example, whether the understanding of rules around non-advised and advised sales encourages internet-based sales and whether disclosures can be made simpler and work better for consumers.

By focusing on these specific initiatives and priorities in 2014/15 – and by intervening to target underlying root causes of risk – we aim to strengthen and improve conduct standards in the UK financial services industry. We will continue to ensure that the right firms are authorised to enter the market and that their day-to-day activities and processes are fair and transparent. We will act where we find that consumers could be, or are, being harmed or market integrity is not being maintained.

For a full view of our thematic work, market studies and current EU initiatives, please see Annexes 1 and 2.

We will gather information from a wide variety of external stakeholders to capture emerging consumer issues and implement changes in our business in the interest of both consumers and firms.

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Delivering consumer protection

Enhancing market integrity

Building competitive markets

1.

Achieving our objectives

Making retail and wholesale markets work well means ensuring that the whole financial industry is run with integrity and that consumers can trust the firms we regulate to have their best interests at heart by providing them with appropriate products and services.

To do this we currently supervise the conduct of approximately 26,000 businesses – and for nearly 23,000 of these we also consider whether they meet prudential standards that reduce potential harm to the industry and consumers if they fail.

From 1 April 2014 we take over the regulation of the consumer credit industry from the Office of Fair Trading. This will affect approximately 50,000 consumer credit firms, including payday lenders and debt-management companies, who will be new to our regulatory regime.

We carry out more intensive regulation than previous regimes were able to. We use our supervisory model, authorisations process and the wide range of market intelligence and firm data that we gather as a radar to help identify and prioritise risks to our objectives.

By using our statutory powers and rigorous analysis – and by regularly engaging with various stakeholders, including regulated firms and individuals, statutory panels, trade and professional associations, consumer bodies, and consumers themselves – we can understand what is at the core of firms' business models and cultures. Where we find poor practice we use our supervisory and enforcement tools to mitigate risks and secure redress for consumers where necessary.

As we conduct our business we aim to ensure our processes minimise the impact on our resources and the burden on firms, so we focus our time on activities that add value. An important part of this is speaking directly to the firms we regulate and acting on the feedback we receive, so we expect firms to have an open, honest and active relationship with us.

We use our supervisory model, authorisations process and the wide range of market intelligence and firm data that we gather as a radar to help identify and prioritise risks to our objectives.

Our approach **We take a proportionate regulatory approach, prioritising our work on the areas and firms that pose a higher risk to our objectives.**

When we decide whether to **authorise** a firm, we measure how well we believe it will meet our expectations and the risk it poses to our objectives – if it does not meet our standards, we do not allow it to enter the market.

We are the gateway to the financial markets – if a firm or individual wants to carry out regulated activities in the financial markets, it must meet the conditions set out in legislation and comply with our rules. For example, our principles for businesses are integral to how we expect firms to behave.

We make a judgement on the risk a firm poses to our objectives, taking into account the customer journey, assessing firms' business models where appropriate and ensuring that key individuals are able to embed the right culture in the firm. We focus our efforts and resources on the firms and issues that pose a higher risk to our objectives, while seeking to encourage innovation and reduce any barriers to entry presented by our regulations.

We gather intelligence and insight from a wide variety of firms and external consumer and market sources to identify emerging risks across the industry – for example, our sources include consumer organisations, complaints, letters from MPs, trade bodies, the media, whistleblowers and data we already hold. We analyse this information to look for early indicators of potential problems across industry sectors.

We use our insights to identify effective actions that we can take to improve outcomes for consumers and the market. We will continue to build and develop the sources of information we gather and use it to see and recognise the early indicators of risks in financial markets. We are developing improved systems and processes to help us more effectively analyse the information we have.

As we **supervise** firms, our focus is to make sure that consumers are at the heart of a firm's business. We make risk-based judgements about whether the firm's business model and how it is run results in fair treatment for consumers, that it doesn't harm market integrity and, for those firms that we prudentially regulate, that it is financially sound. We intervene early where we see poor behaviour to take action to prevent harm to consumers and markets and secure redress where appropriate.

Our supervision focuses on firms' culture, looking at their business models to ensure that consumers are at the heart of what they do and that remuneration practices do not incentivise employees to put quick profit first, at the expense of consumers getting products and services that meet their needs or of the integrity of the market. We also ensure that senior individuals carrying out significant functions are accountable for their firm's conduct and compliance.

Our risk-based model enables us to find and deal with the root causes of issues in the markets to deliver a forward-looking approach that puts the interests of the consumer and market integrity at its heart. We carry out thematic work and market studies to investigate themes and specific products across the financial sectors and, where we find problems, we intervene early to prevent harm to consumers.

We also undertake specialist markets supervision, looking at firms that hold client assets, market conduct and market infrastructure, including recognised investment exchanges, multilateral trading facilities and the capital markets of listed issuers and sponsors.

If we find poor practice, we use our **enforcement** powers to ensure that firms and individuals that don't follow our rules do not damage consumer interests or the integrity of and confidence in our markets.

Our enforcement powers further enable us to deter firms and individuals from wrongdoing by making it clear that there are real and meaningful consequences for poor practice.

Where we find bad practice, we have the power to impose fines, withdraw or cancel authorisation, stop firms or individuals from carrying out regulated activities, apply for injunctions and restitution orders, and prosecute certain financial crimes. We can also act to secure redress for consumers where they have suffered unfair financial loss because of a firm's misconduct.

We will, with our credible deterrence approach, take effective, targeted action across the range of our regulatory responsibilities in support of our objectives. We have already delivered significant outcomes following intensive work on the attempted manipulation of the LIBOR benchmark rate, as well as fines and prohibitions for mis-selling and anti-money laundering (AML) failings.

In 2014/15 we will continue to focus on the accountability of boards and senior people in firms that carry out Significant Influence Functions (SIFs), as well as firms that fail to do what they say they will or are repeat offenders. We will devote resources to tackling those who abuse the market, including through criminal prosecutions.

We take over the regulation of the consumer credit market from the Office of Fair Trading on 1 April 2014, which will affect up to



50,000
consumer credit firms

New responsibilities

In 2014/15 we will continue to focus on culture and people – embedding transparency, fairness and confidence into our organisation and the firms we regulate. We must also monitor the key risks to our objectives that we have identified, deal with an increasingly complex and important international agenda, and make sure we have strong and reliable operational systems to support the way we work.

Regulating consumer credit

We take over the regulation of the consumer credit market from the Office of Fair Trading on 1 April 2014, which will affect up to 50,000 consumer credit firms. We have consulted on our proposals for these firms and published a policy statement setting out our final rules and when they come into force, which can be found on our website.

We have a programme of specific work that we intend to focus on in 2014/15 and beyond, including carrying out work on a possible market study into the credit card market, thematic work into high-cost short-term credit (including payday loans) and implementing a cap on the cost of high-cost short-term credit (which will come into effect on 2 January 2015).

Preparing to enforce competition law

We continue to develop our internal capabilities and processes to achieve competitive financial markets in which customers have access to a range of appropriate, good value products and services, and firms have access to the markets without unnecessary barriers to entry.

From April 2015, alongside our current regulatory tools, we will have the powers to enforce competition law in financial services concurrently with the Competition and Markets Authority (CMA). We will be preparing for this

throughout 2014/15, including training existing staff, recruiting new staff, strengthening our internal processes and building a close relationship with the CMA.

We will carry out market studies into particular products and services to promote effective competition in the markets we regulate.

Making changes to the approved persons regime

When a person in a firm wants to take up a position of responsibility we have a process in place for assessing that they are fit and proper to do so. We look at: their honesty, integrity and reputation; their competence and capability; and their financial soundness.

The Financial Services (Banking Reform) Act 2013 will have a significant impact on the way we regulate firms and individuals.

This includes introducing a Senior Managers Regime in deposit-taking institutions (including banks) to ensure that the most important responsibilities are assigned to specific, senior individuals who can then be held accountable for them.

We intend to create a Senior Managers Regime that:

- encourages and incentivises senior persons to take accountability for their actions
- raises the overall standards of governance in firms
- strengthens our ability to hold senior managers to account for the conduct in their institution

We will also introduce a Certified Persons Regime for individuals not included in the Senior Managers Regime but who are performing a role that involves, or might involve, a risk of significant harm to a firm or its customers.

We will consult on our proposals, and seek to apply the regime proportionately while ensuring there are no gaps in regulation. Our approved persons regime will continue alongside this for non-deposit-taking firms and we will consider how to ensure it is as effective as possible.

Regulating payment systems

In 2014 we will set up a new regulator to supervise the UK's payment systems that will become fully operational in April 2015. It will be based at the FCA, but as a separate legal entity, with its own board and its own objectives to promote the interests of the people that use payment systems and promote competition and innovation in the market. We will appoint the regulator's board (the Treasury will also approve the chair and managing director) and must approve its annual plan and budget.

Ongoing activities

Participating in the global regulatory system

Maintaining our engagement and effective influence internationally will continue to be a significant priority for 2014/15. We will actively engage in international debates and rulemaking, to ensure that standards set (on consumer protection, market integrity, and prudential matters within our scope) are consistent with our objectives. In doing so we will engage in a positive way, coordinating effectively and working closely with the Prudential Regulation Authority (PRA), the Bank of England, the Treasury and other Government departments.

In 2014/15 we will continue our participation in the rule and policy-setting European and international regulatory forums, ensuring we are at the heart of setting appropriate standards in Europe and internationally and influencing the wider regulatory agenda. In particular, as a member of the board of supervisors at the European Securities and Markets Authority (ESMA), and as an active member of the International Organisation of Securities Commissions (IOSCO) and the Financial Stability Board (FSB).

As well as our engagement in committees and on sectoral legislation, we will build on and maintain relationships with key stakeholders around the globe. Where possible, we will use these relationships to share information, ideas and good practice to find the best solutions. We will cooperate on supervisory and enforcement matters and the development of international standards.

We will continue to focus on establishing the FCA as a credible contributor to and influential member of the global regulatory community by engaging early in debates, taking the leading roles in negotiating and drafting standards, and proactively recommending areas where EU or international-level rules would be most appropriate. This will be particularly important in helping to guide the agendas of the incoming European Commission and European Parliament.

We will also continue to support a strong secondment programme to EU and global institutions, enabling our staff to develop their skills, share their knowledge and experience, and bring this experience back to the FCA.

For a full view of our current EU initiatives, please see Annex 2.

We will continue to focus on establishing the FCA as a credible contributor to and influential member of the global regulatory community by engaging early in debates, taking the leading roles in negotiating and drafting standards, and proactively recommending areas where EU or international-level rules would be most appropriate.



We will continue to work with other UK bodies, including:

- Prudential Regulation Authority**
- Bank of England**
- Financial Ombudsman Service**
- Financial Services Compensation Scheme**
- Competition and Markets Authority**
- Money Advice Service**
- Department for Work and Pensions**
- The Pensions Regulator**

We also engage with the **Serious Fraud Office**, the **National Crime Agency**, the **City of London Police** and other enforcement agencies

Coordinating with other UK authorities

We have a statutory Memorandum of Understanding with the PRA that sets out clear responsibilities for each regulator against which we regularly monitor performance, including quarterly joint reviews by the CEOs. We will continue to coordinate and cooperate with the PRA across all relevant activities, which we actively and jointly oversee.

We will continue to work with the Bank of England, the Financial Ombudsman Service, the Financial Services Compensation Scheme, the Competition and Markets Authority and the Money Advice Service. As a member of both the UK Regulators Network and the UK Competition Network, we will continue to be engaged with broader regulatory issues and priorities.

We also engage with the Serious Fraud Office, the National Crime Agency, the City of London Police and other enforcement agencies when taking action against firms and individuals that may have committed financial crime.

Reforming pensions

The roll-out of automatic enrolment brings a new set of challenges to the UK pensions market. We are taking an active role in developing new policy to protect pension savers, working closely with both the Department for Work and Pensions and The Pensions Regulator (TPR).

We lead on the regulation of personal pensions, including work-based personal pensions, with TPR leading on occupational pensions. We continue to have a joined-up approach and look for opportunities to work together that are of benefit to the industry, firms and consumers.

We are continuing our work on the individual personal pensions market, including Self-Invested Personal Pensions (SIPPs). We have increased our focus on the market for retirement products, such as annuities, with the launch of a major competition study and work to tackle poor sales practices.

Enforcing our rules

We will continue to use the full range of our criminal, civil and regulatory powers to support our priority of securing better results for consumers and reinforcing our commitment to ensuring markets function well.

Our enforcement approach will focus on reinforcing proper standards of retail and wholesale conduct, ensuring that firms put consumers at the heart of their businesses and tackling issues that pose a higher risk to our objectives. To meet these aims, our key enforcement priorities for 2014/15 will include:

- taking decisive action where firms fail to manage risks effectively or observe proper standards of market conduct
- removing from the industry the firms or individuals that fail to meet our standards
- continuing to pursue the firms or individuals who abuse UK markets by using our criminal and civil powers
- taking action where firms fail to treat customers fairly, penalising those who are responsible and ensuring that effective redress is delivered quickly
- continuing to pursue major investigations into LIBOR and the FX markets, working with other agencies in the UK and overseas
- taking robust action against consumer credit firms that do not meet our standards
- taking action against firms that target consumers with unauthorised products

2.

Protecting consumers

We will secure an appropriate degree of protection for consumers.

We have seen that consumers can be treated unfairly by financial services firms in a number of ways, such as through excessive charging, bad advice or unfair contract terms. For example, we've identified some potential risks where firms may not consider the best interests of their existing customers or where the growth of the consumer credit market could lead to unaffordable debts for consumers (see our *Risk Outlook 2014*).

Part of our responsibility is to protect consumers from the firms and individuals that may cause them harm. We act to ensure that a firm has its customers at the heart of how it does business, giving them appropriate products and services, and putting their protection above profits or remuneration.

To make sure consumers are protected and treated fairly, we monitor which firms and individuals are able

to enter the financial markets, making sure that they meet our standards before we authorise them. We then supervise how they work and stop those that are not meeting our standards from carrying out the activities that we regulate. We step in to take action where we become aware that unauthorised firms are selling financial products to investors.

Where we find that firms are not following our rules, we intervene. This can mean stepping in to impose penalties, to stop them from trading or to secure redress, and ensure that consumers receive the information they need in the right way, so they can make the best decisions for themselves. We know that getting the right information to consumers in the right way is not always straightforward, as our work has shown that in financial markets many consumers are prone to systematic behavioural biases.

To protect consumers we will:

Build our understanding of financial consumers, test the way they make financial decisions and design behaviourally informed interventions

Thoroughly monitor the financial markets and the firms that enter them

Identify and understand current and emerging risks

Use our supervision model to drive cultural change in the firms we regulate

Enforce our rules to deter firms and individuals from wrongdoing and secure redress for consumers where appropriate

Communicate via consumer bodies and third parties or directly to consumers when we want to alert them to a risk or an issue



Key activities for 2014/15

Putting consumers at the heart of what we do

We use consumer and market insights to improve outcomes for consumers. This means building relationships with consumer organisations, looking for trends in firms, products and sales, and analysing market research and behavioural economics data to inform our policy-making and regulation.

We will be clear, consistent and constructive in our communications, engaging directly with consumers when required. We will draw information from a wide variety of external stakeholders, including consumer bodies and complaints, to capture emerging consumer issues and implement changes in our business in the interest of consumers, the advice sector and the firms we regulate.

In 2014/15 we will use our new retail consumer spotlight segmentation model, which identifies and segments most of the UK population based on their financial attitudes. We can use this to identify potential problems in financial promotions and take informed and proportionate action to prevent harm to consumers. We will also use it to ensure our communications are targeted and relevant to the consumer. We will make our model available for firms, consumers and other external stakeholders to engage with.

We will speak directly to consumers through our consumer helpline. This engagement will increase significantly when we begin taking calls for consumer credit. We have also begun changing the way people can contact us so we can reach them appropriately, such as through web-chat or social media.

We will carry out work to determine whether the relationship between our Handbook and firms' perceptions of it works in the interest of consumers. This 'expectations gap' work will consider, for example, whether the understanding of rules around non-advised and advised sales encourages internet-based sales and whether disclosures can be made more simple and work better for consumers.

Guarding the gateway to the financial markets through authorisation

We monitor the gateway to the financial markets by assessing firms as they apply to us to be authorised. We use all the relevant information available to us to gain a thorough understanding of their internal culture, their

business models and the way they treat their customers. A key part of this is ensuring that certain individuals are accountable for the behaviour of the firm, placing the onus on them to ensure good conduct. We analyse how much risk a firm may pose to our objectives and prioritise our resources where we see potential or actual harm being caused to consumers or markets.

We do this to prevent firms from entering the market that we believe may pose a significant risk to consumers or to the market itself through poor behaviour. Before we allow them to do business, they must address our concerns and we must be confident they have the right leadership and good practices in place to provide value and good outcomes for their customers. By assessing firms as they set up their business, we can ensure they embed a culture of putting customers at the heart of their business from the beginning.

In 2014/15 we will continue to embed a conduct assessment into our authorisations process, which includes ensuring that firms meet our threshold condition for business models. We will also improve our processes by using our new INTACT system to deliver an effective and robust platform to collect firm and consumer intelligence.

We will continue to focus on enhancing individual accountability in firms and we expect to make changes to our approved persons regime for both deposit-taking institutions and financial services firms more generally to further strengthen our process.

From 1 April 2014 all consumer credit firms that transfer into our regime from the Office of Fair Trading will be subject to our rules and principles for businesses to ensure they will meet our standards for this sector.

Driving a consumer-focused culture in firms through supervision

We use supervision to make sure that good outcomes for consumers are at the heart of a firm's business. We take an informed, forward-looking, evidence-based approach to identify the most urgent and important current and emerging risks in the financial markets. It is through this that we maintain a clear understanding of firms' business models, strategy, culture, products, operations, governance and prudential health.

Our overall approach is to engage with firms to conduct proactive firm supervision, working with them where we consider that change is necessary. We also look

We prudentially supervise around



23,000 wholesale and retail firms

to minimise the potential harm to consumers and market stability that could be caused by them being under financial strain or failing.

across the financial markets sector by sector, analysing the risks we find and, using specialist thematic teams, addressing the ones that are common to more than one firm or more than one sector.

We prudentially supervise around 23,000 wholesale and retail firms to minimise the potential harm to consumers and market stability that could be caused by them being under financial strain or failing. We will continue to focus on ensuring that these firms have enough liquidity and capital available to have an orderly wind-down if they fail. We work closely with the Prudential Regulation Authority on prudential matters.

Our supervisory work

In 2014/15 we will proactively supervise firms, using our risk-based approach to ensure they have embedded a culture that promotes the fair treatment of consumers and market integrity. Where we find that the behaviour of firms or individuals is causing potential harm in the industry, we will use our resources to take action.

In particular we will look at the robustness of firms' governance and risk management processes, their

market abuse controls, the revenues that firms generate from their existing customers, and how they monitor sales practices.

We carry out thematic work to investigate issues in specific products and sectors – identifying the root causes of risks to our objectives. We analyse our findings and decide whether to explore supervisory, policy or enforcement action to put right any problems that we uncover. This not only helps us to protect consumers, but also supports and enhances market integrity, and promotes effective competition.

Our general insurance thematic work will also focus more on wholesale activities, recognising the connection between retail and wholesale participants in general insurance markets, with many retail general insurance products coming from wholesale insurance providers. In particular, we will consider the impact on personal lines and small commercial customers who buy products provided by wholesale firms.

For a full view of our ongoing and upcoming thematic work please see Annex 1.



Retail banking Unauthorised transactions

We will look at whether consumers that suffer unauthorised transactions are getting fair outcomes. We will ensure that firms are not placing unreasonable obstacles or responsibilities on their customers, or unfairly rejecting claims.

Packaged bank accounts

We will review how banks have implemented the packaged bank account rules that we introduced in March 2013 and how they are dealing with past complaints. These require firms to ensure that the product is appropriate for the customer, that the customer knows if they are eligible to claim, and that they are provided with an annual insurance eligibility statement.

The impact of cost-cutting initiatives on different consumer groups

In the first half of 2014/15 we will review cost-cutting initiatives that affect a significant number of customers. For example, a number of banks are starting to withdraw paper statements from customers without thinking through the impacts on those without access to the internet.



Long-term savings and pensions

Effective due diligence for retail investment advice

We will look at whether investment advisers are carrying out appropriate due diligence to ensure that consumers are sold suitable products and services.

Sales practices at retirement

We will carry out work looking at sales practices that consumers experience at retirement, the results of which will feed into our wider work on retirement income products.

Fair treatment of long-standing customers in life insurance

We will assess whether firms are operating historic (often termed 'legacy' or 'heritage') products in a fair way and whether they have adopted strategies that exploit existing customers.

Governance of with-profit funds

We will review whether firms have effectively implemented the changes we made to our with-profits rules in 2012. We will assess how adequate their with-profits governance arrangements are for a particular aspect of their business.

Use of in-house funds in wealth management firms

We will assess how wealth managers and private banks effectively control the conflicts of interest that arise when client assets are invested in in-house investments.

Risk at client take-on in contract for difference providers

We will assess the risks arising from the client take-on procedures in firms offering contract for difference products.



Mortgage and consumer lending

Forbearance practices and the treatment of customers in arrears in the high-cost short-term lending market

We will review the arrears management processes of high-cost short-term credit firms and how customers are treated when they are in financial difficulty.

Suitability of advice in debt management firms

We will look at the suitability of advice given by debt management firms, including how incentive structures and the use of lead generators may affect consumers.

Mortgage Market Review (MMR) post-implementation testing

We will review areas such as how firms are implementing our new affordability rules and how they give advice to customers. We will also look at how firms may be finding ways to avoid the rules.

Hybrid equity release products

We will look at the development of hybrid equity release products as a potential solution to the interest-only maturity issue.

Maturity of interest-only mortgages

We will look at a sample of smaller firms to determine if customers are being treated fairly in line with the guidance we published in August 2013.

Governance over mortgage lending strategies

We will review governance, risk management and strategies of the firms with recent risk appetite changes across a sample of the lender population.



General insurance and protection

Commercial claims

Building on findings from current retail claims work, we will consider whether commercial customers' expectations are met in the claims process, where poor behaviour could have a wider impact on trust in the market, as well as leading to poor customer outcomes.

Cover holders

We will look at distribution chains in firms that operate in wholesale markets, but also looking through to the impact on retail and small commercial customers. We propose to look into the key risks in complex distribution chains and the mixed responsibilities in them, including the cultural risks relating to product design, sales and post-sales handling. We will also aim to improve the way intermediaries identify and manage conflicts of interest.

Premium finance

We will review insurers' and intermediaries' sales practices and disclosures when selling premium finance to consumers alongside general insurance products. This follows on from our previous work on commercial premium finance and aligns to our new responsibility for the regulation of consumer credit from April 2014.

Motor legal expenses insurance

We will ensure that firms have embedded the recommendations we made in 2013 in this market.

Mobile phone insurance

We will ensure that firms have embedded the recommendations we made in 2013 in this market.

Protection of client money by small firms

We will look at the extent to which firms are currently holding client money without the appropriate permissions and protections.



Cross-sector

Managing the performance of staff

Following our work on financial incentives we will look at how firms manage the performance of their sales staff and whether pressure put on staff (through, for example, sales targets) increases the risk of mis-selling.

Resilience against cyber attack

In response to the Financial Policy Committee recommendation, we will work with the Treasury, the Prudential Regulation Authority (PRA) and the Bank of England to assess and test the Financial Services Critical National Infrastructure's resilience to cyber-attacks.

Visibility of IT resilience and risks at board level

We will assess how far individual firms have progressed against the feedback they were given after our 2012 'dear chairman' exercise. We will do this jointly with the PRA and the Bank of England. The aim is to assess how well firms manage their own exposure to risks, to what extent IT risks are discussed at board level, and whether boards have the skills and expertise to challenge executive decisions.

Enforcing our rules

Despite our thorough assessment of firms as they enter the market and our supervision of them according to the risk they pose to consumers, some firms will continue to break the rules. By paying close attention to culture and governance issues in firms, we will pick up potential problems early and intervene to prevent harm to consumers.

In 2014/15 we will focus in particular on the accountability of individuals carrying out significant influence functions in firms, as well as consumer protection, anti-money laundering, anti-bribery, wholesale conduct and market abuse.

We will also take over ongoing consumer credit enforcement cases from the Office of Fair Trading, proactively looking out for firms in this sector carrying out unauthorised business and taking action where firms do not meet our standards.

Preventing financial crime

Where we find evidence of financial crime we will intervene and take action, and seek redress for consumers where appropriate. For example, we will target consumer fraud, such as boiler room or carbon credit scams, liaising with the police and other enforcement agencies where necessary to punish financial crime and deter firms and individuals from future wrongdoing.

Our supervisory work on firms' anti-money laundering (AML) controls is increasingly focusing not only on whether processes are followed, but also on the quality of judgements about money laundering risk and the

Where we find evidence of financial crime we will intervene and take action, and seek redress for consumers where appropriate.

firms' AML culture. Where we find significant issues, we will continue to intervene, for example by restricting firms' high risk business or by taking enforcement action.

Protecting client money and custody assets (CASS)

Our intensive supervision of firms holding client money and custody assets will continue to reduce the impact of firm failure on the rest of the market and consumers. We will also begin supervising consumer credit firms, such as debt management firms and peer-to-peer lenders that hold client money.

Our rules for firms that hold their customers' money and custody assets sit in the CASS chapter of our Handbook. In 2014, we will continue with our review of the client assets regime for investment business and publish new rules to strengthen existing protections for consumers and enhance the integrity of UK financial markets.

We will also publish the new CASS 5A chapter, replacing the existing rules covering how insurance intermediaries should deal with client money.

These new rules aim to increase the level of consumer protection by giving firms more detail about how clients' money should be held and protected, and bringing in new requirements around how to use and operate non-statutory trusts. We will conduct thematic work in this sector to ensure firms are complying with current requirements.

Carrying out equality impact assessments

We will continue to carry out equality impact assessments to demonstrate that we have taken into account the potential impact of our policies and decisions, and that we comply with the Equality Act 2010.

By doing this we embed an inclusive culture in our processes, and make sure that the interests of all consumers are protected. We will ensure that our staff are fully trained on unconscious bias and diversity, and we will consider the impact of what we do on our own colleagues, the firms we regulate, the markets we enhance and the consumers we protect.

3.

Enhancing market integrity

We will protect and enhance the integrity of the UK financial system.

We aim to support and empower a healthy and successful financial system, where firms can thrive and consumers can place their trust in transparent and open markets.

Our work focuses on ensuring that financial markets provide appropriate levels of access and information to satisfy the needs of the consumers and firms that use them. We aim to ensure that firms have a resilient infrastructure, with strong risk management, individual accountability and a responsible culture.

As was evident during the financial crisis, the integrity of the UK financial markets is heavily reliant on the security and activity of the wider European and international financial system. Influencing and shaping international policy is therefore critical and much of our markets and wholesale regulation is shaped by European policy developments.

In particular, in 2014/15 we will continue to work on defining the regulatory rules that will underpin EU legislation and prepare for their implementation, as well as continue ongoing work on the review of our client asset regime and listing rules.

Key activities for 2014/15

Thematic work in wholesale banking and investment management

As part of our supervisory work we carry out thematic reviews to investigate issues in specific products and sectors – identifying the root causes of risks to our objectives. We analyse our findings and decide whether to take action to put right any problems that we uncover.

For a full view of ongoing and upcoming thematic work, please see Annex 1.



We will continue to work on defining the regulatory rules that will underpin EU legislation and prepare for their implementation, as well as continue ongoing work on the review of our client asset regime and listing rules.



Wholesale banking and investment management

Conflicts of interest in investment banks

We will look at how firms effectively control the conflicts of interest that can exist between their obligations to clients and sales and the trading positions they take.

Controls over flows of information in investment banks

We will look at how firms effectively ensure that the confidential information they receive in one part of the business is not used by another business area in an abusive way.

Market abuse controls in asset managers

We will look at how firms ensure trading activity is consistent with our expectations of market conduct.

Trader controls around benchmarks

We will look at how firms effectively reduce the risk of traders manipulating benchmarks.

Agency responsibilities of asset managers

We will ensure that asset managers are acting as good agents and taking proper account of investor interests.

Supervising conduct in wholesale markets

In 2014/15 we will increase the intensity with which we supervise wholesale conduct to ensure transactions between more sophisticated market participants do not have a harmful impact on market integrity. Through this we will also help prevent risks from the wholesale markets causing harm to retail consumers.

We will use a range of tools to deliver this work, including policy development, international engagement and firm-specific assessments of investment banks, trading firms and asset managers.

In 2014 we will:

- publish our findings on best execution, which included investment firms' execution quality, monitoring and systems and controls in several markets to support consumer protection and market integrity

- publish feedback and policy proposals in relation to our public consultation on changes to our use of dealing commission rules (CP13/17), which arose from previous work on conflicts of interest in the asset management industry
- publish the results of our thematic work and the outcome of the broader public debate on the future of the use of dealing commission regime
- continue our ongoing thematic work on risks arising from conflicted remuneration practices, complex business models and products in wholesale markets that exploit irregularities in the information available to firms and consumers
- continue to engage with stakeholders and firms in an open and constructive way

Engaging in international and European policy debates

In addition to our role as the UK's representative at the European Securities and Markets Authority (ESMA), we will engage with European and global standards-setters where their work is relevant to our objectives. In particular we will actively participate in the work of the European Banking Authority (EBA) and European Insurance and Occupational Pensions Authority (EIOPA) on conduct and consumer protection issues. We will also contribute to the work of the International Organisation of Securities Commissions (IOSCO) and the EBA where it is relevant to FCA-regulated investment firms.

We will increase the intensity with which we supervise wholesale conduct to ensure transactions between more sophisticated market participants do not have a harmful impact on market integrity.

We will focus on implementing some major sets of EU legislation and supporting standards, including the implementation of the Alternative Investment Fund Managers Directive (AIFMD) and the CRD IV package of legislation for FCA investment firms.

We will continue our work with the:

- Financial Action Task Force (FATF)
- International Organisation of Insurance Supervisors (IAIS)
- International Organisation of Securities Commissions (IOSCO)
- International Financial Consumer Protection Organisation (FinCoNet)
- Financial Stability Board (FSB)
- Organisation of Economic Cooperation and Development (OECD)

As well as this we will continue to engage with the European Supervisory Authorities (ESAs) and the European Systemic Risk Board (ESRB).

With a new European Parliament due to be elected in May 2014 and a new European Commission to follow in November 2014, we are expecting a new agenda and new initiatives in 2014/15, as well as some current initiatives to be carried forward, such as the revised Insurance Mediation Directive (IMD 2), the revised Payment Services Directive (PSD 2), the Regulations on money market funds and long-term investment funds, the Fourth Money Laundering Directive and a new Wire Transfer Regulation.

We will continue to engage and influence proposals for a Fourth Money Laundering Directive, and will lead for the UK at the Anti-Money Laundering Committee (AMLC)

of the Joint Committee of the European Supervisory Authorities, which produces guidelines to support the implementation of the Directive across Europe.

We will focus on implementing some major sets of EU legislation and supporting standards, including the implementation of the Alternative Investment Fund Managers Directive (AIFMD) and the CRD IV package of legislation for FCA investment firms.

For a view of our current EU initiatives please see Annex 2.

Technical standards

In most cases EU legislative initiatives are supported by technical standards, many of which will continue to be developed in 2014/15. We will continue to play a leading role in advising the European Commission and drafting technical standards. These will include:

- Supporting measures under MIFID 2 (which includes the associated regulation – MIFIR) where we will chair the ESMA Secondary Markets Committee and continue our participation in all the ESMA taskforces developing these technical standards.
- Measures under the Market Abuse Regulation, where we will engage across the range of ESMA work being undertaken.
- Benchmarking, where we will lead the policy work with the Financial Stability Board (FSB), IOSCO and ESMA on benchmarks, as robust governance and conduct standards are vital for market confidence and consumer protection.

- Measures under the EU Regulation on Packaged Retail Investment Products, where we will continue to work in the Joint Committee of the European Supervisory Authorities (ESAs) to develop supporting standards and templates for the key information document to be set.
- Primary market-focused supporting measures under the Transparency Directive and Prospectus Directive.
- CRD IV – continuing fundamental reviews of the regime for non-bank investment firms, where we will work with the EBA on the technical standards as they apply to investment firms and the forthcoming European Commission review on the applicability of CRD IV to investment firms.

Implementing the Alternative Investment Fund Managers Directive (AIFMD)

In 2014/15 we will continue to implement the AIFMD. This Directive aims to enhance supervisory practices among global regulatory authorities so they can act to secure market stability by preventing risks from building up in the financial system.

The harmonised rules it brings in will improve cross-border competition by making it easier for European Economic Area (EEA) firms to trade, and improve protection for investors by bringing in new disclosure and reporting rules to improve standards and transparency.

Preparing to implement the Markets in Financial Instruments Directive (MiFID) and Market Abuse Regulation (MAR)

MiFID is the EU legislation that covers buying, selling and the organised trading of financial instruments. MAR is a non-criminal regime barring insider dealing and market manipulation and requiring surveillance and public disclosure of inside information and directors' dealings.

These revised regimes will help promote a more responsible financial system and strengthen investor protection in the EU. This year we will be engaged in significant work with ESMA on the implementing measures, preparing for Handbook changes and making practical changes to ensure we can carry out our responsibilities before implementation in 2016/17.

Central Securities Depository Regulation (CSDR)

CSDR is EU legislation that introduces a harmonised authorisation and supervision regime for central securities depositories (CSDs) in Europe.

The legislation promotes market integrity and efficiency by harmonising the transfer and settlement of securities transactions by CSDs. We will participate in ESMA to work on the measures for implementing the regulation during 2015.

Delivering our responsibilities as the UK's listing authority (UKLA)

We are the listing authority for the UK. Our listing regime is the gateway for firms that want to raise cash by issuing securities to the wider public. The listing rules help to protect consumers and deliver market integrity by ensuring high standards of market practice and appropriate disclosure. In 2014 we will complete a review of our listing rules following our consultation in November 2013 (CP13/15).

Supervising sponsors

We can require a firm issuing securities (an issuer) to appoint a sponsor firm in certain circumstances. Sponsor firms play a critical role in our listing regime, helping to ensure high standards of due diligence for premium listed companies to deliver the appropriate levels of consumer protection and market integrity.

While issuers are responsible for complying with our rules, sponsors help by advising them on their obligations by overseeing their due diligence process and providing an effective challenge to forecasts and statements made by the issuer.

We are consulting on proposals to clarify our expectations of sponsors and the standards of competence we will hold them to, ensuring that issuers and investors can have confidence in the sponsor regime. We will publish our final rules in 2014.

Protecting markets against abuse

We expect market participants to act as the first line of defence against market abuse and not to rely solely on us to monitor financial crime.

In 2014/15 we will continue work to detect and minimise abusive behaviour in the markets we regulate by:

- overseeing the suspicious transactions that firms are required to report
- overseeing trading venues' surveillance systems
- continually enhancing our own surveillance systems

- taking tough action against those who abuse the markets

We aim to educate and inform firms in a variety of ways, such as through our forums, *Market Watch* newsletter, our participation in industry panels and our external engagement. We will continue to consider and use the most appropriate channels of communication.

Extending our anti-money laundering (AML) assessments

In 2014/15 we will continue our Systematic Anti-Money Laundering Programme (SAML) assessments of major banks.

We currently conduct 'deep-dive' assessments of four banks each year, undertaking detailed testing and extensive interviewing of key staff responsible for implementing AML processes and controls. In 2014/15 we will extend this to some smaller firms that might present high levels of money laundering risk. We will also continue to publish AML thematic work.

Enhancing our whistleblowing activity

We want to promote a culture whereby people feel prepared to speak up about wrongdoing within a firm.

Whistleblowing is an important part of this as it gives us a direct insight into practices that are taking place in firms. It is through such information that we are able to begin investigating an issue that otherwise may only have emerged once wrongdoing such as fraud has been committed.

In 2013, there was a 65% increase in the number of actionable pieces of intelligence we received from whistleblowers. We have put more resources in place and enhanced our processes to deal with this effectively.

In 2014/15 we will consider whistleblowing trends and identify under-represented sectors where we can direct an outreach programme to encourage whistleblowers to come forward. We will improve our transparency by providing feedback to whistleblowers where possible, coupled with regular reporting on whistleblowing trends.

The Parliamentary Commission on Banking Standards has made a number of recommendations in relation to whistleblowing in firms and how we handle whistleblowers. In 2014 we will carry out work to implement and supervise whistleblowing changes in firms.

In 2013, there was a



65%

increase in the number of actionable pieces of intelligence we received from whistleblowers. We have put more resources in place and enhanced our processes to deal with this effectively.

4.

Building competitive markets

We will promote effective competition in the interests of consumers.

Our competition objective was new with the creation of the FCA in April 2013. We have shaped our approach around the benefits of increased competition for consumers, which includes better value, genuine choice, quality products and services, and useful innovation in financial services.

The balance we have to strike is in ensuring that only those firms that are able to meet certain requirements are authorised, while also not imposing excessive regulatory barriers that may then restrict new entrants and thereby inhibit competition, diversity and choice in the market.

We use market studies as a tool to analyse the effectiveness of competition in the markets we regulate, closely examining particular markets to explore any concerns we have. Where we find problems we can intervene, for example through making rules or guidance, or using our enforcement powers.

Key activities for 2014/15

Building our internal structure

In 2014/15 we will continue to embed promotion of effective competition into our regulatory approach. This will include more competition training to the organisation, a joined-up approach between our market studies and thematic work, and assessing the competition implications of all policy proposals.

Studying the markets

We carry out market studies by gathering specific information from a variety of stakeholders, including firms, intermediaries, trade bodies, consumers and consumer bodies. We engage with firms before we send them information requests so they find it easier to respond and we get better quality information. We also have close relationships with consumer groups, which together with our own research will help us get the insights we need to understand the consumer experience.

If we find that competition is not working effectively and that we need to take action, we can now use our regulatory powers to intervene, such as through rule-making guidance or enforcement.

From April 2015 we will have concurrent powers with the Competition and Markets Authority (CMA) to enforce competition law. We will be preparing for this throughout 2014/15.

What our market studies cover needs to largely remain flexible so that we can deal with emerging issues and prioritise our resources as necessary. These will include further work into the wholesale markets to determine appropriate areas for future wholesale market studies.

If we find that competition is not working effectively and that we need to take action, we can now use our regulatory powers to intervene, such as through rule-making guidance or enforcement.

In 2014/15 we will:

- complete our study into **cash savings accounts**, looking at which consumers switch accounts, how often, why and whether the information available to new and existing customers allows them to make informed choices
- complete our study into **income products at retirement**, looking at whether customers shop around and are getting the most appropriate and best value product for their needs
- as part of our new **consumer credit responsibilities**, we will be looking at aspects of the credit card market
- make an initial assessment of competition issues in **wholesale markets** as part of a competition review of the wholesale sector, identifying potential candidates for market studies and taking action as required

For a full view of our ongoing and upcoming market studies, please see Annex 1.

Working with other competition authorities

From April 2015 we will have concurrent powers with the Competition and Markets Authority (CMA) to enforce competition law. We will be preparing for this throughout 2014/15, including training existing staff, recruiting new staff, strengthening our internal processes and building a close relationship with the CMA.

Competition cases and issues will be dealt with by the FCA or the CMA, as appropriate. We will work together to share knowledge to ensure that we effectively investigate and analyse competition concerns.

We will also continue to participate fully in the UK Competition Network and develop increasingly strong relationships with the Directorate-General for Competition of the European Commission in preparation for joining the European Competition Network.

Updating our Handbook

We are reviewing our Handbook of rules and guidance to take into account our objective to promote competition in the interest of consumers. We will engage externally and consult as necessary before making any changes, seeking to ensure that our regulation minimises any barriers to entry for new firms.

The Payment Systems Regulator will develop its own regulatory approach once it is established. Its objective will be to promote the interests of the people that use payment systems and promote competition and innovation in the market.

5.

Regulating consumer credit

We will regulate the consumer credit industry from 1 April 2014.

Taking over the regulation of consumer credit in April 2014 will bring around 50,000 consumer credit firms into our regime – effectively doubling the number of firms we regulate. This is a significant challenge for us, as we will be applying our regime to many firms that have not dealt with us before to protect a widely diverse range of consumers with varying degrees of financial choices.

In 2013/14 we undertook extensive work to understand the consumer credit market and the people that use it, and we have set out our new rules for firms and identified our supervisory priorities.

The successful integration of consumer credit firms is a key priority for us to increase standards, restore public faith, and ultimately contribute to and uphold a robust UK financial market. We will ensure a safe and proportionate transition of firms from the Office of Fair Trading regime to our own, while also enabling businesses to be ready to fulfil their regulatory responsibilities.

We want to ensure that consumers continue to have access to the services they need, while protecting them from harmful lending practices that could lead to spiralling debt which they struggle to repay.

Taking over the regulation of consumer credit in April 2014 will bring around 50,000 consumer credit firms into our regime – effectively doubling the number of firms we regulate.

We will have stronger powers and more resources than the Office of Fair Trading to regulate this industry and we expect all firms to comply with our principles for businesses from 1 April.

Our supervisory approach is risk-based and proactive to allow us to identify consumer harm quickly, and where we find evidence of consumers suffering due to poor services and products, we have powers of intervention that we will use to take action – including enforcement action and securing redress for consumers where necessary.

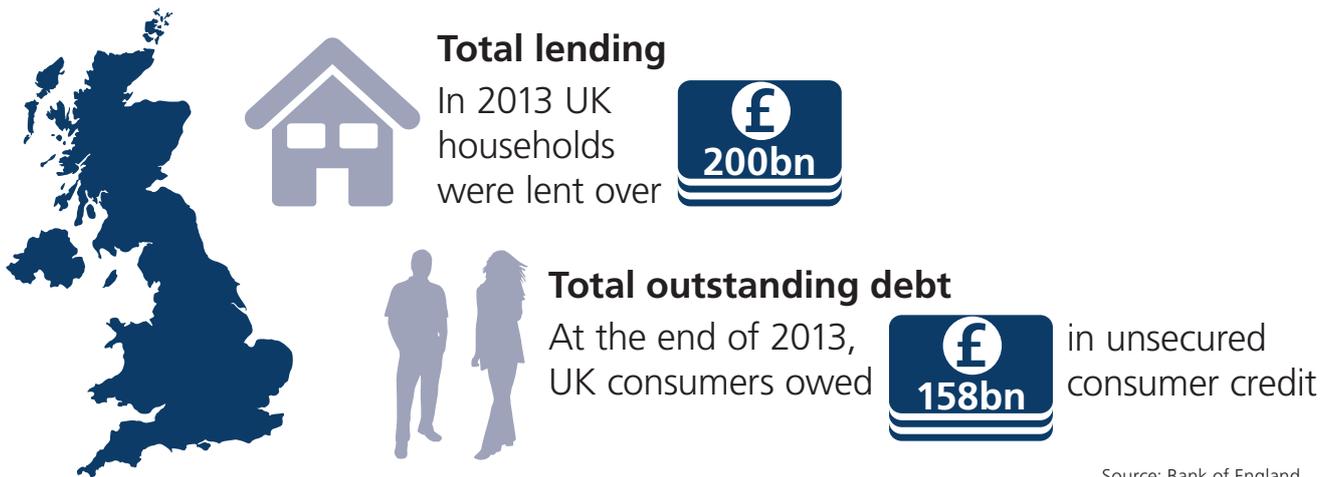
We have also carried out significant work to effectively bring over the information and market knowledge held by the Office of Fair Trading and create the systems and processes we need, training and recruiting our people to deliver our consumer credit programme.

Understanding consumers

Understanding consumer experiences, needs and outcomes, as well as firm behaviour, business models and competition is crucial to make consumer credit markets work well.

Consumer research helps us to understand what consumers want and expect, the role that credit plays for them in different circumstances at different points in their lives, and how it can either help them or lead them into difficulty.

Similarly, firm research gives us a better understanding of what firms are doing, their business models, the dynamics of competition, how the markets are evolving and why.



Source: Bank of England

Our research addresses the issues of interest to us in a practical way so that we can use it to quickly build evidence in areas that we are particularly concerned about. It helps us to identify and understand the market mechanisms, firm and consumer behaviours that may be driving poor consumer outcomes.

Integrating consumer credit firms into our regime

We will make sure that firms that are new to us fully understand what it means to be regulated by us, as well as what is expected of them to deliver their regulatory obligations. Coming into our regime means that firms or individuals providing consumer credit or related services must have sustainable and well-controlled business models, underpinned by a culture based on doing the right thing for their customers and meeting our standards.

From 1 April 2014 and until March 2016, all firms that want to continue carrying out regulated credit activities will have to apply for full authorisation. We will exclude from the market any firms that we believe may pose a significant risk to consumers or the market's integrity. For the first time, the senior management of consumer credit firms will have to seek approval, and the governance structures and business practices of firms will be subject to rigorous assessment.

We will apply a proportionate risk-based approach to the supervision of consumer credit firms, both in the interim period and once they are fully authorised. We focus on the firms and sectors that pose the greatest risks to our objectives and apply a forward-looking approach, seeking to anticipate risks and preventing

harm wherever possible, as well as tackling significant immediate harm wherever we find it.

From 1 April, existing Office of Fair Trading guidance will become FCA rules and guidance. We are introducing additional rules to address key risks in the high-cost short-term credit (including payday lending) and debt management sectors. Where we find breaches of these rules, we will take swift action. We will carry forward a number of existing Office of Fair Trading investigations, sustaining momentum to ensure that we finish cases and secure improved outcomes for consumers as quickly as possible.

Alongside this, we will continue to expand our understanding of the risks faced by consumers of credit and related services. We will continue to build effective partnerships with consumer organisations, trade bodies and local authority trading standards services to ensure we have an effective intelligence network, spotting and responding to new issues early.

Authorising consumer credit firms

In 2014 we will begin putting all consumer credit firms through our authorisation process to ensure that they meet our standards. Our process will be proportionate to take into account higher and lower-risk firms.

We will assess applicants against our threshold conditions, which are more stringent than the current Consumer Credit Act fitness test. Firms within sectors will be instructed to apply at the same time – this will enable us to compare firms with their peers, which will further inform our assessment. Once they are authorised, firms will have to regularly report on a number of things, including the amount of business they take on and the number of complaints they receive. Individuals

in key positions will need to be pre-approved before they are able to perform their proposed roles and held to account where there are failings.

To enable us to determine a large number of authorisation applications in a relatively short period of time, we are recruiting more people, as well as bringing across some staff from the Office of Fair Trading. We will provide our people with training to deal with new and diverse business models consistently.

Key activities for 2014/15

Tackling risks in high-cost short-term credit (including payday lenders)

We will tackle harm to consumers who are most at risk – those who are already struggling to pay their loans – while developing new measures that will seek to prevent unaffordable and irresponsible lending to consumers for the future.

We will:

- consider the role for the regulator in facilitating real-time data sharing, if the currently evolving market-led solutions to this prove to be ineffective
- consult on the introduction of price caps on what payday lenders can charge
- take over ongoing investigations from the Office of Fair Trading and respond to new cases, applying appropriate sanctions where we find firms are non-compliant
- begin thematic work on arrears management processes and how customers in financial difficulties are treated
- identify and address poor financial promotions
- visit firms, including the top five high-cost short-term credit lenders to check that they are adhering to our new policy rules, in particular the restrictions on rollovers and continuous payment authorities

and the obligation to conduct an affordability assessment that will address incentives for firms to make money by making unaffordable loans

- take a detailed look at firms' business plans, how they operate and their track record through our authorisations process, drawing on all the available evidence

Addressing issues with credit cards and overdrafts

We will carry out a market study in 2014/15 assessing whether competition is effective (see Chapter 4) in the credit card market and whether consumers have access to credit cards that are affordable and deliver good value for money.

We will address issues concerning overdrafts, including considering making new policy rules that build on the Government's agreed measures with industry (e.g. opt-outs and text alerts). We will proactively supervise banks and building societies' overdrafts at a firm-by-firm level and we will provide evidence to and work with the newly formed Competition and Markets Authority (CMA).

Improving financial promotions

We will review financial promotions across the consumer credit market to ensure that they are not misleading, unclear or unfair.

Improving debt management

We want to improve the quality of debt management services where needed, while ensuring access to markets for firms and increasing consumers' awareness. To do this we will act to identify and deal with poor behaviour. In 2014 we will meet with debt management firms to make our expectations clear to them early on. We will also begin thematic work assessing the quality of advice provided across the sector.

Enhancing standards for logbook loans

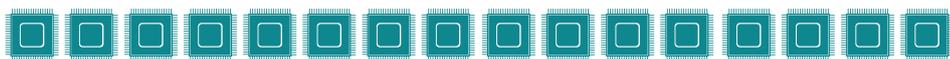
The logbook loans sector is small, but we have evidence of some very poor consumer outcomes in it. In 2014/15 we will apply a demanding authorisations approach to ensure only responsible firms remain in the market. This will be supported by appropriate event-driven supervision and enforcement to maintain standards.

6.

Potential risks to our objectives

We identify key forward-looking areas where potential risks to our objectives may arise. Some of these we will address, some we will monitor over time and take action if we consider it necessary. For more information and detailed analysis on these areas and the keys drivers behind them, please see our *Risk Outlook 2014*.

Technology may outstrip firms' investment, consumer capabilities and regulatory response



While using new technology can help firms and consumers, the rate at which it develops and the way it is used and understood could lead to significant risks.

As technology develops and the way in which consumers engage with financial markets changes, so do the products and services that firms offer, and so we too must change how we respond to the emerging risks that are created as a result.

The speed of technological developments creates challenges for firms over the controls they put in place and the protection they are able to provide for their

consumers. Adopting and developing technology can also lead to firms allocating more investment in new opportunities rather than fixing some of the legacy problems that have built up over time.

Firms that are new to the markets may be more able to take advantage of new technologies, which could alter the competitive landscape and create better outcomes for consumers by responding directly to changing consumer needs and demands.



Poor culture and controls continue to threaten market integrity

The flaws exposed in benchmark rate setting have demonstrated that market confidence can quickly be eroded by poor wholesale conduct, and that the impact of poor conduct, in and outside our regulatory perimeter, is far-reaching.

The manipulation of benchmarks that contribute to price formation, has revealed the wide range of poor outcomes that can result from the failure of firms to adopt a holistic approach to identifying and mitigating the conduct risk arising from their activities. It has exposed how quickly trust and confidence in the integrity of markets and in the price formation process can be undermined.

The culture of firms, underpinned by the incentive structures they use, continues to determine whether these risks are adequately addressed or whether poor conduct is able to flourish where, for example, it is not expressly prohibited.

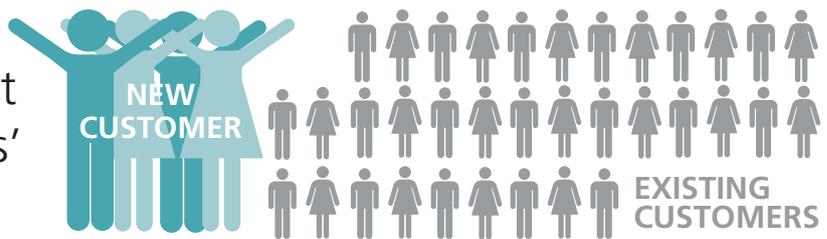
Our work will continue to focus on areas where we are not seeing the level of change we would expect, given the examples of poor conduct we have seen in recent cases. This includes a wide range of activities, business models and market structures that have the potential to damage trust in the integrity of our markets and cause detriment to consumers with a range of sophistication.

Our work will continue to focus on areas where we are not seeing the level of change we would expect, given the examples of poor conduct we have seen in recent cases.

In 2014/15 we are carrying out several thematic reviews to address potential issues in firms' conduct:

- **conflicts of interest in investment banks**
We will look at how firms effectively control the conflicts of interest that can exist between their obligations to clients and sales and trading positions they take.
- **controls over flows of information in investment banks**
We will look at how firms effectively ensure that the significant confidential information they receive in one part of the business is not used by another business area in an abusive way.
- **market abuse controls in asset managers**
We will look at how firms ensure trading activity is consistent with our expectations of market conduct.
- **trader controls around benchmarks**
We will look at how firms effectively reduce the risk of traders manipulating prices.
- **cover holders**
We will look at distribution chains in firms that operate in wholesale markets, but also look at the impact on retail and small commercial customers. We propose to look into the key risks in complex distribution chains and the mixed responsibilities in them, including the cultural risks relating to product design, sales and post-sales handling. We will also aim to improve the way intermediaries identify and manage conflicts of interest.
- **managing the performance of staff**
Following our work on financial incentives we will look at how firms manage the performance of their sales staff and whether pressure put on staff (through, for example, sales targets) increases the risk of mis-selling.

Large back books may lead firms to act against their existing customers' best interests



Firms with large back books could take advantage of consumer inertia and make it difficult for them to switch, or not be clear about pricing, charging or different product options.

Firms may use the value they get from existing customers to support low rates and introductory offers for new customers. So they may not offer existing customers the best or most appropriate rates and products.

Some consumers may become trapped in unclear contracts and complex charging systems, leading to them paying higher rates or buying or retaining unwanted products through targeted sales. Where consumers hold legacy products, which are no longer

widely available from other providers, there is a higher risk that they pay more due to their inability to switch. If customers do not or cannot switch, firms are not incentivised to compete or develop new products.

In 2014/15, we will look into whether life insurance firms are operating historic (often termed 'legacy' or 'heritage') products in a fair way and whether they have adopted strategies that are not in the best interests of existing customers. We will also complete our market study into cash savings accounts, looking at which consumers switch accounts, how often, why and whether the information available to new and existing customers allows them to make informed choices.



Retirement income products and distribution may deliver poor consumer outcomes

Consumers buy decumulation products – such as annuities – rarely or only once, so they do not have the opportunity to build up their knowledge or learn from their mistakes.

The decisions consumers need to make are very complex, which can make it hard for them to compare their options. For example, this may lead to them failing to shop around for their annuity provider and many consumers choose their existing provider when another may be better for them.

In this market, consumer biases and information problems could be leading to competition not working well for consumers. Although we have not seen much innovation in decumulation products to date, the 2014 Government Budget announcements may encourage

innovation in some decumulation products in the future to meet changing consumer needs.

As responsibility for long-term spending needs is increasingly transferred to consumers, the number of financial products available is likely to increase in quantity and complexity, which could make decision-making more challenging. The number of financial products available is likely to increase and become more complex, which could lead to consumers buying or being sold unsuitable products.

In 2014/15, we will be undertaking further work into retirement income products, such as annuities, particularly in light of the 2014 Government Budget announcements. As part of this, we will carry out supervisory work on sales practices in the annuities market.



In sectors such as logbook lending, where we have evidence of some very poor consumer outcomes, we will apply a demanding authorisations approach to ensure only responsible firms remain in the market.

The growth of consumer credit may lead to unaffordable debts



As household incomes continue to be squeezed post-crisis, the consumer credit market is growing fast, which we regulate from 1 April 2014.

As economic conditions improve, growing consumer and lender optimism is likely to increase consumer borrowing. However, as household debt remains high and is growing, there is increased risk that this further borrowing will be unsustainable for some, particularly for households that already have high levels of debt.

These risks in consumer credit markets are also in part driven by consumers not having sufficient information or sufficient understanding of consumer credit products, from being prone to behavioural biases in the products that they choose and use, and from firms not treating consumers fairly by exploiting these weaknesses.

In 2014/15 we will review the arrears management processes of firms in the high-cost short-term

lending market and how customers are treated when they are in financial difficulty. We will also look at the suitability and/or incentive structures of debt management firms, including the use of lead generators, to help us understand how this affects consumers.

We will look into the consumer credit market where we see potential harm to our objectives, such as with credit cards or overdrafts.

In sectors such as logbook lending, where we have evidence of some very poor consumer outcomes, we will apply a demanding authorisations approach to ensure only responsible firms remain in the market. This will be supported by appropriate event-driven supervision and enforcement to maintain standards.

In 2014/15 we will also consult on the introduction of price caps on what payday lenders can charge.



Terms and conditions may be excessively complex

The difference between what firms can offer consumers and what consumers need from financial products may increase. One of the ways this may materialise is in product terms and conditions.

We will look at whether consumers have the amount of protection they believe they have and what they can do about changes in terms and conditions. We want to be sure that there are no obstacles to consumers being

able to leave a product or service in a firm's terms and conditions that are not made clear to the consumer at the point of sale.

We will also look at whether complex terms and conditions are compounded by marketing material or product labelling that makes it difficult for consumers to compare products or does not reflect the complexity of the product.

House price growth that is substantial and rapid may give rise to conduct issues



As demand for housing rises, and in the absence of sustainable housing supply, house prices could rise further relative to incomes and rents.

If consumers believe that house prices will keep rising, they could be pressured to take on more debt to extract equity or buy homes. As the economy and house prices improve, interest rates are likely to rise, which could lead to an increase in the cost of loans.

Our Mortgage Market Review will help to limit unaffordable lending practices, but we do not know how effective our rules will be when the market is growing. In a rapidly growing market, over-confidence in future price growth could lead firms to gradually

loosen underwriting standards to maintain a share of the growing market.

In 2014/15 we will review how the market has responded to the Mortgage Market Review – for example, how firms are implementing our new affordability rules and how they give advice to customers. We will look at how firms may be finding ways to avoid the rules. We will look at the development of hybrid equity release products as a solution to the interest-only maturity issue, as well as the governance over mortgage lending strategies. We will also look at a sample of smaller firms to determine if customers are being treated fairly in line with the guidance we published on interest-only mortgages in August 2013.

7.

How we operate

We will lead by example to influence positive change within our own organisation and others from 1 April 2014.

Our people are our biggest asset. In 2014/15 we will continue to invest in attracting, motivating and retaining the top talent in our market sector. This will include an extensive education programme, comprising technical academies, management training and the development of a new FCA diploma.

Our diversity agenda also helps us develop better protection for consumers and improved ways of working, making us a stronger and more effective regulator. We will lead by example by continuing to establish a fair and transparent culture in our own business.

We will be an inclusive employer of choice

We have a strong commitment to diversity and inclusion in all our practices, allowing staff to develop and progress without barriers, so they can be the best they can be. Valuing difference is part of our inclusive culture and makes us a stronger organisation as we can better reflect and understand the markets we regulate.

We will continue to carry out equality impact assessments on all of our processes, policies and actions to ensure that they do not have a disproportionate effect on consumers in protected diversity groups.

We will:

- support the work of our employee-run staff network groups and make specialised training available
- promote flexible working and help our staff to have a healthy work-life balance
- continue to carry out equality impact assessments on all of our processes, policies and actions to ensure that they do not have a disproportionate effect on consumers in protected diversity groups

We will support our staff to engage with their community

As part of our community affairs programme, we will give our staff the chance to be involved in their community by allowing them to use 28 hours per calendar year for community volunteering projects.

We will have regular discussions with staff who are volunteering, connecting what they learn from their experiences with our core functions to help us understand financial services consumers.

We will be a more sustainable organisation

We will develop our processes to reduce waste, continually aiming to improve our resource and energy-efficiency. Our staff will be aware of how to recycle throughout the building and engaged with our commitment to a policy of zero waste to landfill.

We have a good history of energy management and we have reduced our energy consumption by a third since 2006. We will continue to look for new ways to use energy more efficiently.

We will invest in our people

Over the coming year we will continue to prioritise investing in our people. We will encourage and enable our staff to continually update and develop their capabilities, experience and career paths.

We will establish a series of technical academies, which will provide training and offer certificated development for staff at all levels. Delivering strong, structured technical education through a core curriculum will also set us on the right path to develop an FCA diploma that all staff will be able to strive for.

We will deliver a new approach for executive and management development, providing managers with the right tools to develop their people. We will also implement our Employee Value Proposition, determining and highlighting how we attract and retain employees and secure our reputation as a career destination within the industry.

We will invest in our information systems

To be effective we need the operational infrastructure in place to support our technology, so in 2014/15 we will continue to invest in our Information Systems Investment Programme (ISIP), which ensures that our systems are able to support our key regulatory functions.

We are updating the way firms apply for authorisation to us by updating our Online Notifications and Applications system (ONA) with a new 'Connect' portal as part of the INTACT (INTElligent Application of Case management Technology) system. This will significantly improve the way we interact with firms. It will do this by capturing more of the information we need at the start of the process so it will be much less likely that we will need to go back to the firm, and it will support more advanced risk modelling so that more cases can be automatically handled. It will also mean that a number of existing systems are consolidated onto one resilient platform, so we can effectively collect detailed and accurate data.

The INTACT system will enable us to begin authorising consumer credit firms from 1 April 2014 and support contact centre activity through a fast, reliable and intuitive platform that also captures consumer intelligence. In October 2014 we will start using it to process a significantly higher volume of authorisations.

We will achieve value for money (VFM)

Our VFM strategy, which has been agreed and endorsed by our Board, covers all our activity. It is an overarching framework that encompasses our culture, behaviour, decisions and outcomes.

Our overarching VFM strategy is to maximise our impact on our statutory objectives and desired outcomes, while minimising costs. It focuses on continuous improvement and ongoing development of our VFM regime, which is an important step in improving outcomes for consumers. We will achieve this by delivering year-on-year improvements in effectiveness, efficiency and economy.

We will be implementing a number of VFM initiatives throughout the year, and will monitor, measure and report on them. We will be focusing on embedding VFM into our culture, so that VFM implications are considered in everything we do. We will also work together with the National Audit Office (NAO) and address recommendations coming from its review of the FCA.

We will measure our performance

To be an open and transparent regulator we must be held to account, not only as set out in the statutes that govern us, but also more broadly. There are many ways that we will do this, including a board to hold us to account, statutory panels, a complaints scheme, and a requirement to report to the Treasury in the event of a regulatory failure.

We publish an annual report in which we set out what we have done to advance our statutory objectives, and a wide range of other performance measures. These include reporting how we have delivered on the commitments we made in our *Business Plan* and information on our operational performance, such as authorisations data, stakeholder feedback, our service standards, our annual enforcement performance account and our annual diversity report. We are also developing a key facts publication aimed at making our work more transparent.

We have a pragmatic approach to performance, which takes into account the appropriate use of our resources. This means we are likely to be less reliant on the sort of large research programmes specifically designed by us for performance measurement and make more use of research and analysis by other organisations e.g. financial research surveys.

8.

Our budget for 2014/15

Our annual budget reflects the cost of the resources we need to deliver our vision and objectives in 2014/15.

The key elements of our budget are:

- the cost of our core operating activities (Ongoing Regulatory Activity – ORA), the largest element of which is our people
- the total amount we charge the industry to fund our plans (Annual Funding Requirement – AFR)
- the development of our information systems to deliver new regulatory and operational requirements
- the costs of delivering the new consumer credit regime and setting up the new Payment Systems Regulator
- our new competition objective

People

We will be increasing our headcount to help us deliver our competition objective and consumer credit regulation. This includes those people transferring over to us from the Office of Fair Trading.

We will focus on integrating new staff, making the most of their skills and experience while ensuring that their career development here aligns with our culture and the value we place on continual personal improvement.

Operating costs

Our budget for the year is £452m, an increase of £6.3m (1%), driven by embedding our new competition team to deliver our competition objective.

We have kept the costs that we inherited from the FSA at the same level as last year, whilst continuing to upgrade and improve our information systems (IS) and technology platform. To fund our IS plans (including the delivery of the INTACT system) we have re-prioritised, made savings and made a number of operating efficiencies.

Ongoing Regulatory Activity (ORA) expenditure

| Operating costs (ORA) | 2013/14 £m | 2014/15 £m |
|-----------------------------------|--------------|--------------|
| Staff costs | 261.3 | 263.8 |
| IS costs | 76.4 | 88.2 |
| Depreciation | 44.0 | 42.5 |
| Accommodation and office services | 32.9 | 30.6 |
| Enforcement case costs | 16.3 | 11.0 |
| Professional fees | 18.0 | 18.1 |
| Training, recruitment, travel | 12.3 | 12.8 |
| Printing and publications | 3.6 | 3.6 |
| Other costs | 4.4 | 4.6 |
| Sundry income | (23.5) | (23.2) |
| Total | 445.7 | 452.0 |

Capital expenditure

Our capital expenditure budget reflects the ongoing delivery of the Information Systems Investment Programme (ISIP) and the INTACT system.

Capital expenditure

| Capital expenditure | 2013/14 £m | 2014/15 £m |
|-------------------------------|-------------|-------------|
| IT systems development | 27.7 | 21.7 |
| IT infrastructure | 15.0 | 22.6 |
| Property, plant and equipment | 2.3 | 2.2 |
| Total capital | 45.0 | 46.5 |

Annual Funding Requirement

Our Annual Funding Requirement for 2014/15, excluding the cost of setting up our consumer credit regime, is £446.4m. This includes our operating costs and the additional scope changes we need to embed the Alternative Investment Fund Managers Directive (AIFMD). Offsetting our costs is £10.0m returned to fee payers as a result of an underspend against our budget in 2013/14.

Annual Funding Requirement

| Annual Funding Requirement (AFR) | 2013/14 £m | 2014/15 £m | Movement £m |
|--|--------------|--------------|-------------|
| ORA budget | 445.7 | 452.0 | 6.3 |
| Funding for regulatory reform implementation | 2.6 | 0.0 | (2.6) |
| Recovery of scope change activities | 3.3 | 4.4 | 1.1 |
| Less: | | | |
| Underspend | (19.5) | (10.0) | 9.5 |
| Total AFR | 432.1 | 446.4 | 14.3 |
| Financial Penalty Rebate | (38.2) | (43.6) | (5.4) |
| Fees payable | 393.9 | 402.8 | 8.9 |

Consumer credit

In 2014/15 we will incur an estimated £41m for taking over consumer credit. These costs are being ring-fenced and are not included as part of ORA or AFR in 2014/15.

Once the consumer credit regime is fully operational (in 2016/17), we intend to recover these costs from authorised consumer credit firms over a number of years.

Payment Systems Regulator

We are currently setting up the new Payment Systems Regulator (see Chapter 1). Any set-up costs incurred in 2014/15 will be recovered by the new regulator in due course once it is fully operational.

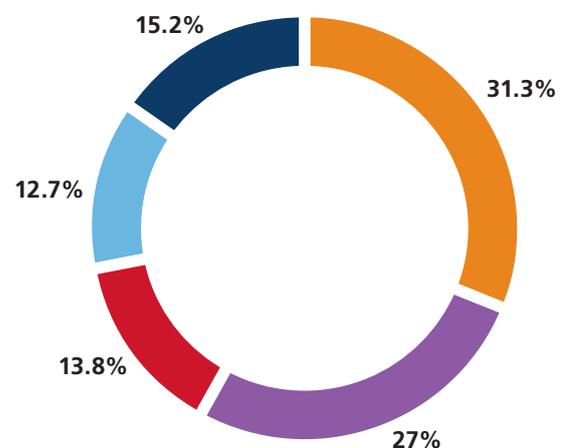
Applying financial penalties

We must pay to the Exchequer all financial penalties that we receive, less the enforcement costs that we incurred in generating these penalties.

These retained penalties are used to reduce our fees for firms, apart from the fees of the penalty payer themselves. We estimate the financial penalty rebate to be £43.6m in 2014/15.

Impact on our fee payers

Every year we consult on how we allocate our Annual Funding Requirement (AFR) between fee-blocks and our fee rates for the forthcoming financial year. The chart below reflects how we will be funded by industry sector as proposed in our March 2014 consultation paper.



- Investment (inc CASS), mortgage & general insurance intermediaries
- Accepting deposits mortgage providers & principle[al] position taking
- Insurance providers
- Fund managers & operators of schemes
- Other

Annex 1

Current and planned thematic work and market studies

P44

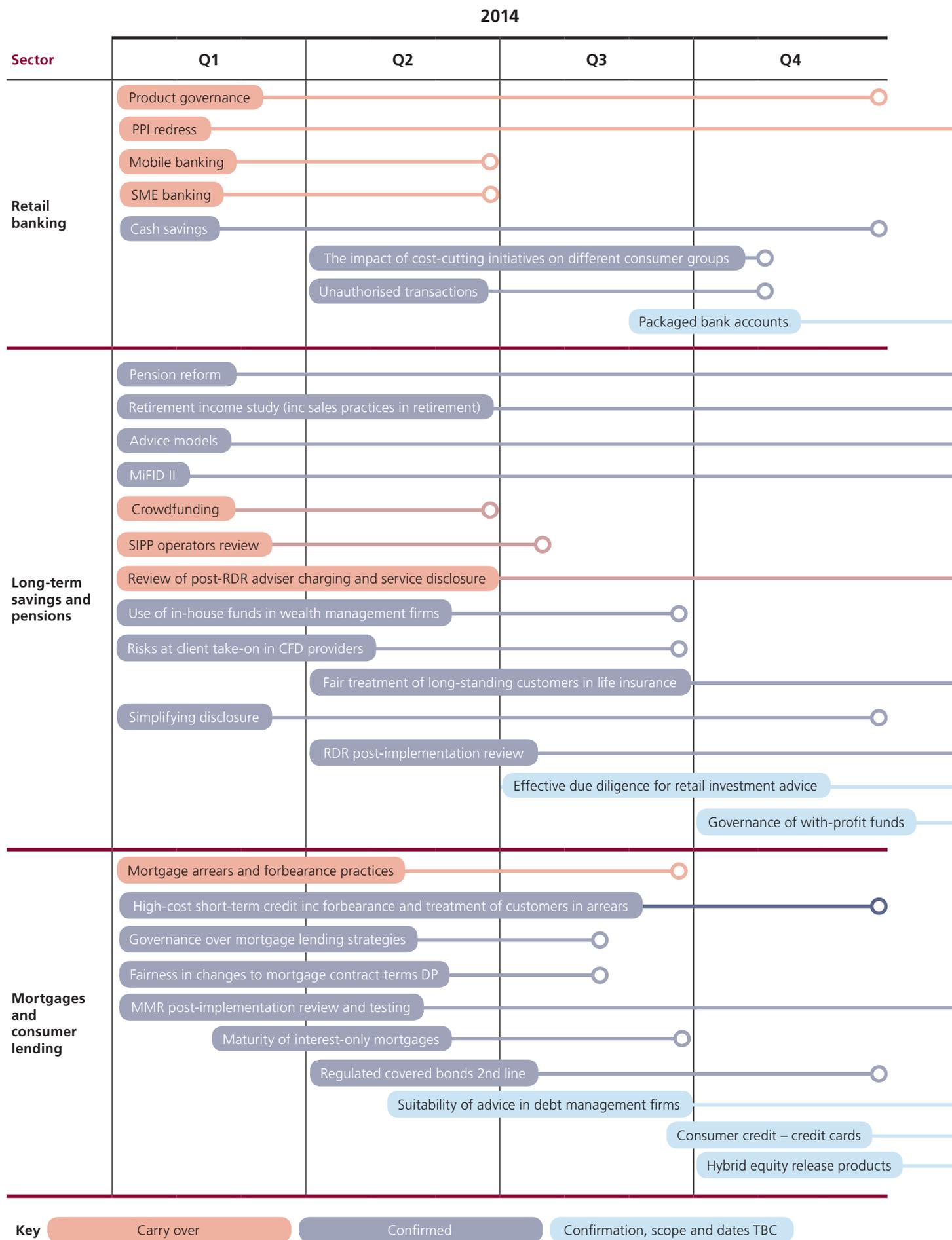
Annex 2

Current EU initiatives

P48

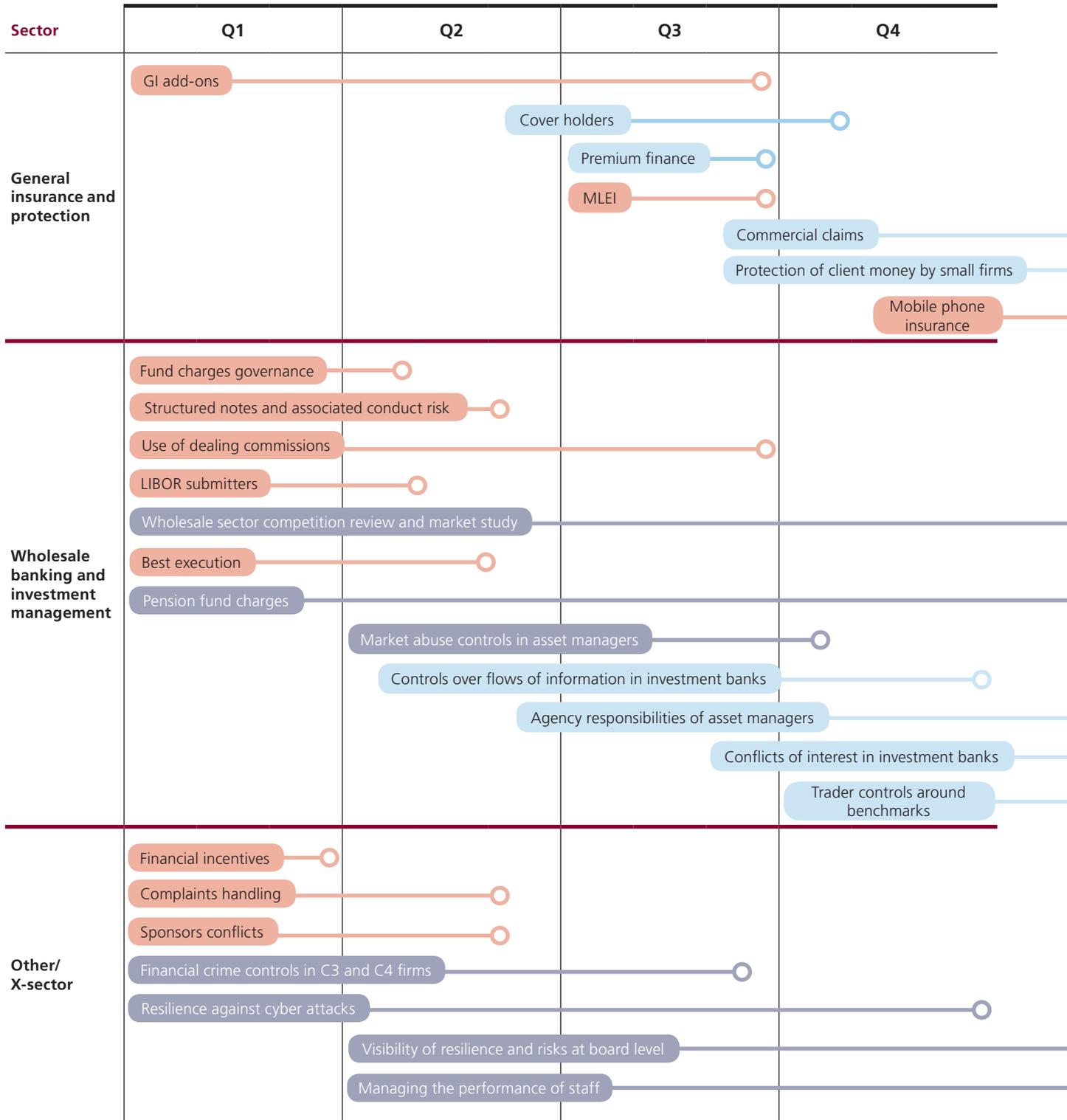


Annex 1 – Current and planned thematic work and market studies



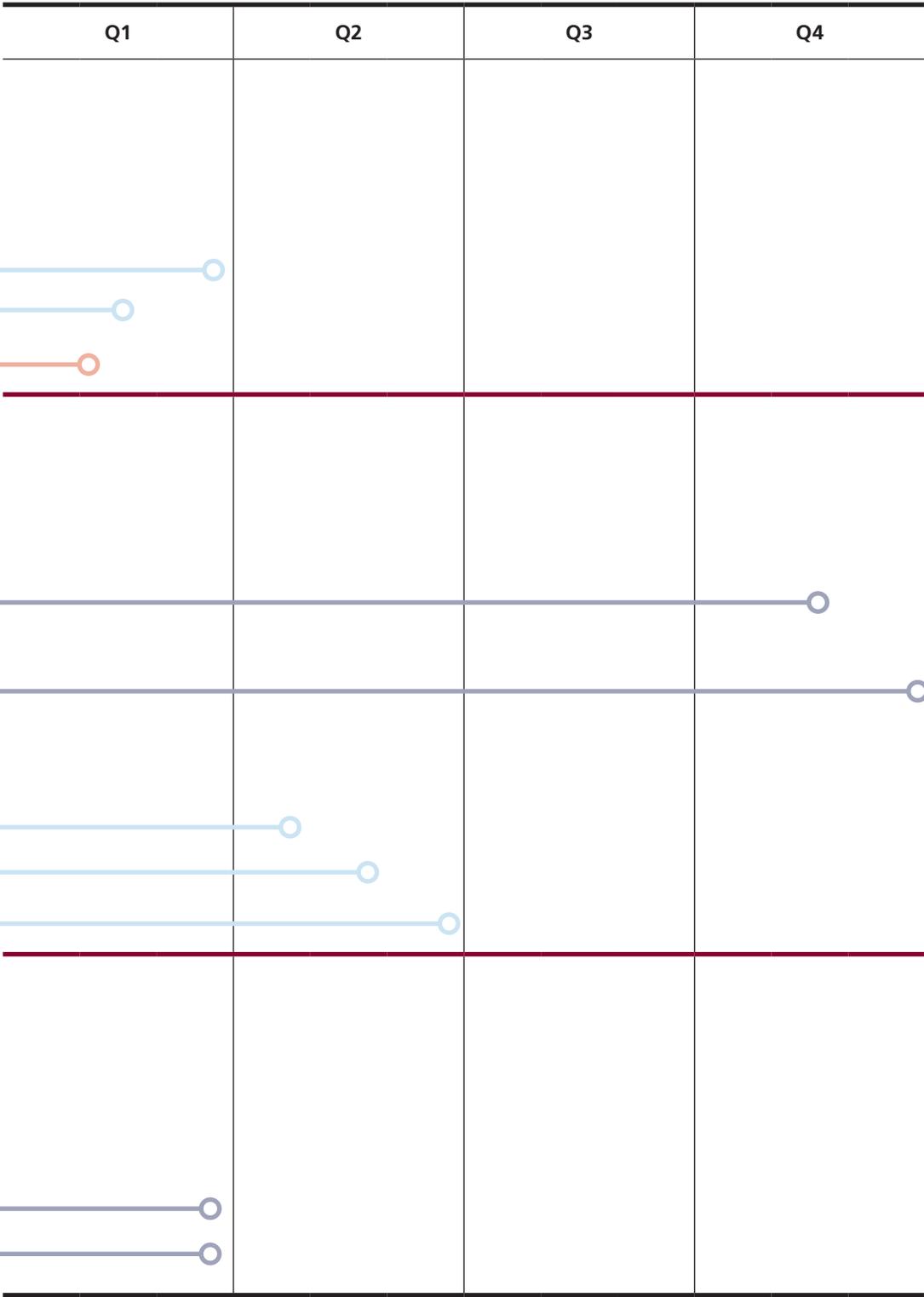
Key Carry over Confirmed Confirmation, scope and dates TBC

2014



Key Carry over Confirmed Confirmation, scope and dates TBC

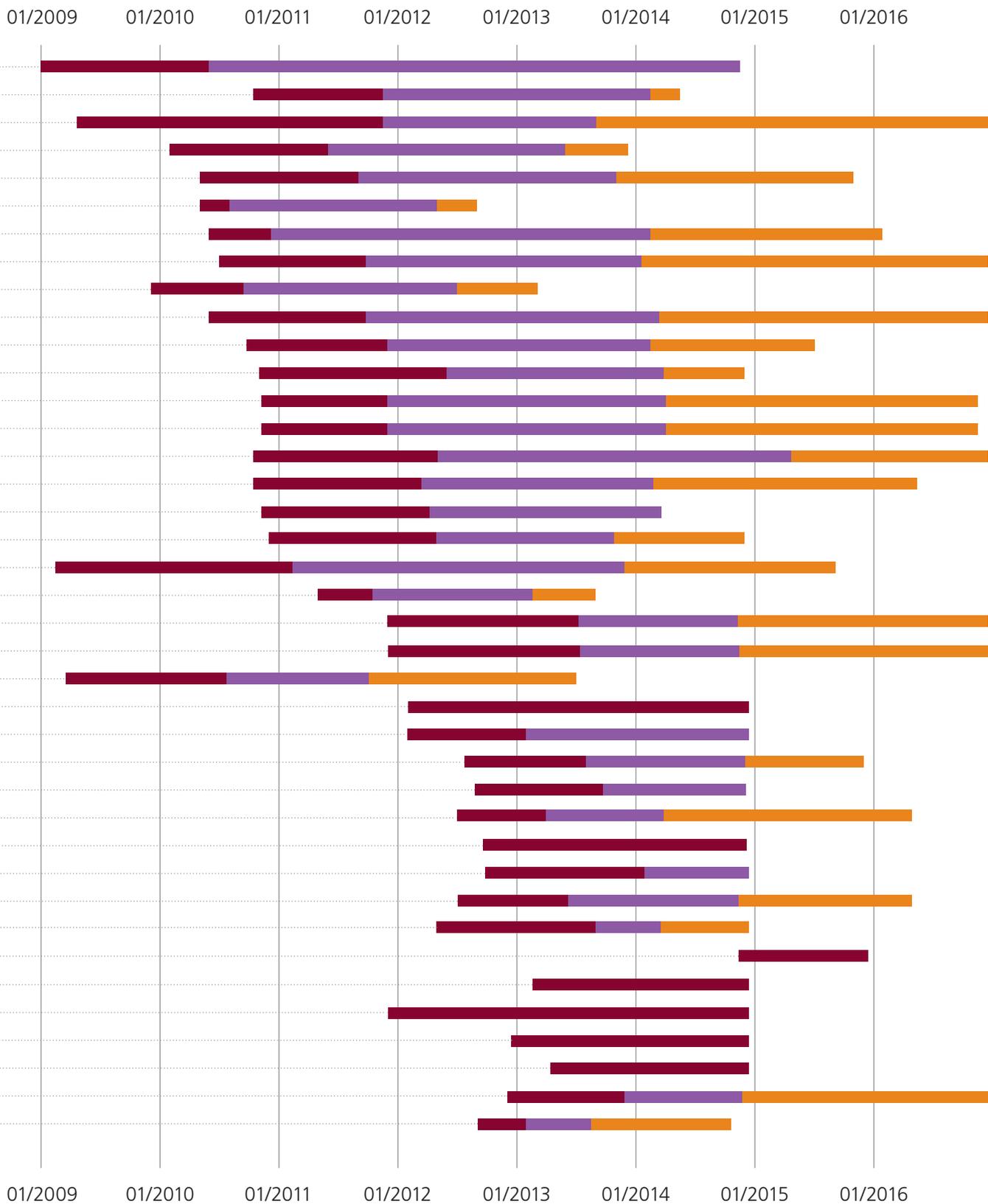
2015



Annex 2 – Current EU initiatives

- Consultation/drafting
- Negotiation
- Transposition/technical standards

| | |
|---|--|
| Investor compensation scheme Directive | |
| Audit Regulation | |
| Market Abuse Directive | |
| Capital Requirements Directive IV | |
| Transparency Directive II | |
| Short selling Regulation | |
| Omnibus II | |
| Market Abuse Directive II | |
| European Market Infrastructure Regulation (EMIR) | |
| Market Abuse Regulation | |
| Revised Data Protection Regulation/Directive | |
| UCITS V | |
| Markets in financial instruments Regulation (MiFIR) | |
| Markets in Financial Instruments Directive II (MiFID II) | |
| Insurance Mediation Directive II (IMD II) | |
| PRISPS | |
| Central Securities Depositories Regulation (CSDR) | |
| Bank Recovery & Resolution Directive | |
| Mortgage Credit Directive (CARRP) | |
| Venture Capital Funds and Social Entrepreneurship Fund Regulation | |
| Regulation on interchange fees (MIFs) | |
| Payment Service Directive II (PSD II) | |
| Financial Conglomerates Directive II | |
| Shadow banking legislative proposals | |
| Money laundering Directive IV (IV MLD) | |
| Regulation on Money Market Funds (MMF) | |
| EU Benchmarks Regulation | |
| Payment Accounts Directive | |
| Recovery and regulation of non bank financial institutions | |
| Proposals on benchmarks and market indices | |
| Long-term Investment Funds Regulation | |
| Banking union (SSM) | |
| E-money Directive (2E MD) | |
| Securities Law Directive | |
| Institutions for Occupational Retirement Provisions Directive | |
| ESFS review | |
| Consumer Credit Directive review | |
| Bank structural reform | |
| Banking union (SRM) | |



Financial Conduct Authority

