

# Priscum August Newsletter



ALEX'S WEDDING

IN THIS ISSUE

## Welcome to the August Edition of the Priscum Newsletter

By Alex Wrightson

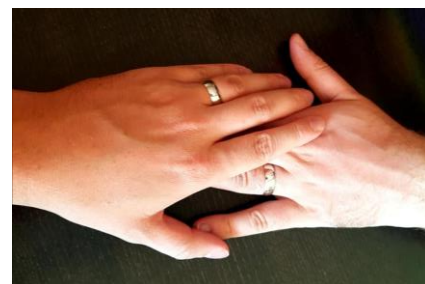
Welcome to the Priscum August Newsletter. Keith has now joined the 21<sup>st</sup> Century he has not only started switching his phone on but it actually works in the house. Not only that he has managed to get Wi fi Calling on his phone but he also has Whatsapp. Now Both Parents have Whatsapp and can video call each other from different rooms in the house. They tried calling me from their phones in the same room and had terrible feedback. I have also illustrated this with pictures of my Wedding and Honeymoon . That is more of a happy



picture than what is going on In Government at the moment. It has become clear to me that all politicians should be shot. The most important thing in todays newsleter is the Next Priscum Seminar on the 12<sup>th</sup> of September you should have had an email invite. If you would like to attend please let me know. This will be mostly about compliance issues including the senior Managers Regime. but we are also going to be launcing our Sharepoint sites. Also included is Trump has tried to buy Greenland., FCA's £18m bill to replace Gabriel Guidance for firms on the fair treatment ofvulnerable customers.



- A Date for your Diary
- Priscum Update
- Senior Managers & Certification Regime:
- FCA's £18m bill to replace Gabriel
- No Man Is an Island
- Fair treatment of vulnerable customers
- IHT take jumps 23% after decline
- Live WW2 bomb used as doorstep derails housing development
- Pensions Update
- Naughty People
- FCA Update



## Priscum Update

### A Date for your Diary for September 12<sup>th</sup> 2019

We have booked our next seminar it will be at the Old Coventrians Rugby Football Club In Coventry on Thursday September 12<sup>th</sup> 2019 **START TIME 10.30 AM prompt.** We will be discussing: Completing the New Business Register, Anti-Money Laundering Training, Anti- Bribery and Corruption Training, Adviser and staff Competency ahead of the new Senior Manager and Certification Regime coming into force on December 9th 2019. I will send out a formal invite shortly.



### Senior Managers & Certification Regime: keep up to date with the latest information

From 9 December 2019, The FCA are extending the Senior Managers and Certification Regime (SM&CR) to solo-regulated firms. You can find out more about SM&CR and how to prepare on our recently updated [webpages](#). You can also read our practical [Guidance](#) on preparing Statements of Responsibilities and Responsibilities Maps. We've published the [findings](#) of our review into the embedding of SM&CR in the banking sector. We've also published [Final Rules](#) (see our Hot Topic) and an SM&CR and culture [podcast](#).

In January 2019, in [CP 19/4](#) we consulted on changes to optimise the SM&CR. The Policy Statement summarises the feedback we received to Consultation Paper 19/4, our response to the feedback and sets out our final rules. The rules are relevant to all SM&CR firms, including CMCs. We implemented the proposed changes to the SM&CR as consulted on, which included:

- confirming that the Head of Legal function is excluded from the requirement to be approved as a Senior Manager
- clarifying the requirements and scope of the Certification Regime
- extending Senior Manager Conduct Rule 4 (SC4) to non-approved Executive Directors at Limited Scope firms

For more information on how SMCR affects solo-regulated firms, please [visit our website](#).



## Pensions Update

- [DB transfers surge ahead of FCA contingent charging ban](#)
- [Steelworkers baffled after attending FCA seminar-](#)
- [Provider caves to client pressure on pension transparency](#)
- [Defining Broken Transfers: FCA robustly defends its regulation of transfer advice](#)
- [Doctors offered cash as pension substitute](#)
- [Scottish Widows presses for pension reform](#)
- [Court hearing on pension equalisation earmarked for 2020](#)
- [We must avoid a 'Great Stink' in pensions](#)
- [New changes to doctors pensions](#)
- [Pension switching initiative to allow 'stop the clock'](#)
- [Best and worst pension default funds named](#)
- [Advisers slam state pension age proposals](#)
- [Court ruling 'raises the bar' for pensions rectification cases](#)

## Mortgage Update

- [Landlords say lending criteria obstacle to benefit claimant rentals - RLA survey](#)
- [No indication of a summer slowdown for mortgage brokers - poll result](#)
- [Landlord confidence hits seven-year low](#)
- [Second charge mortgage volumes jump 20 per cent – FLA](#)
- ['Time poor' brokers welcome chance to learn and network online – analysis](#)



- [BFS targets five more years of 25 per cent growth](#)
- [Property transactions fall 12.4%](#)
- [Residential property transactions continue to slide – HMRC](#)
- [Longer-term mortgages could increase competition and force brokers to sell insurance – Marketwatch](#)
- [Calls for FCA powers to tackle debt scams](#)
- [Live WW2 bomb used as doorstep derails housing development](#)
- [Brokers anticipate potential BoE rate cut in event of no-deal Brexit - analysis](#)
- [Lenders decline a third of customers using comparison sites – Experian](#)
- [Boris Johnson's signals on rental sector and stamp duty are good news – Young](#)

## FCA Regulation Roundup

- [Calls for FCA powers to tackle debt scams](#)
- [Revealed: FCA's £18m bill to replace Gabriel](#)



### Guidance for firms on the fair treatment of vulnerable customers

We are currently consulting on [Guidance](#) to give firms involved in the supply of retail products or services clarity on how they should treat vulnerable customers fairly.

Our Financial Lives survey found that 50% of adults show characteristics of potential vulnerability and thus may be more susceptible to experiencing harm. So this is a significant concern and protecting vulnerable consumers is a key priority for us. We want to see firms embedding the fair treatment of vulnerable customers into their culture.

Our research and engagement has shown that firms are making good progress. Despite this, there is room for improvement. We have also

found that some firms are failing to think about vulnerability or to provide a fair service to vulnerable consumers. We want to see all firms focused on ensuring vulnerable consumers have good outcomes, and greater consistency across sectors.

Rather than prescribing a checklist of required actions, the draft Guidance sets out ways in which firms can comply with our Principles for Businesses. Precisely what the Guidance means for individual firms will depend on the specific context of the firm, including, among other things, the firm's size and its customers' characteristics. We are keen to get your feedback. We're consulting on the Guidance in two stages and are asking for comments on this first stage of the consultation by 4 October 2019. We are holding two consultation events in September – for further information & to register please [visit our event website](#).



## Update on our work on pensions



On 30 July, we published a package of pensions publications designed to help consumers get better value from their pension.

We are proposing a [ban on contingent charging for pension transfer advice](#). This will help protect customers from the conflicts of interest when a financial adviser only gets paid if a transfer goes ahead. We are also looking to address the conflicts of interest when a financial adviser advising on a pension transfer stands to receive ongoing

fees. We have proposed that advisers will be required to demonstrate why any scheme they recommend is more suitable than the consumer's workplace pension scheme. Our consultation will run until **30 October 2019**.

We also published an update on our work on [non-workplace pensions](#). We found that many consumers are not engaged in pension decisions or aware of charges they are paying. Products and charges are often too complicated to compare – leading to a lack of price competition. We have outlined a package of potential measures to protect consumers, and want feedback on these by **8 October 2019**. We are aiming to consult on new rules in early 2020.

We have also published our [final rules and guidance](#) on the final tranche of remedies from the Retirement Outcomes Review, including the introduction of investment pathways.



## FCA and Practitioner Panel Survey Results



We and the [Practitioner Panel](#) have published the [findings](#) from our 2019 joint survey of FCA-regulated firms. It is carried out on our behalf by an independent market research organisation, who sent the survey to a sample of firms. The survey gives views across the financial services sector of our performance as a regulator.

It provides firms' views on how well

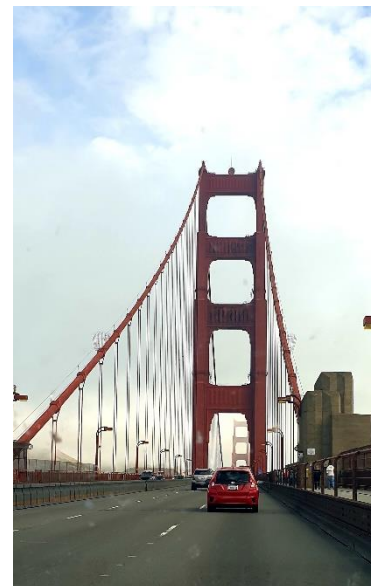
we are achieving our operational objectives:

- securing an appropriate degree of protection for consumers
- protecting and enhancing the integrity of the UK's financial system
- promoting effective competition in the interests of customers

This year, scores against the first two of these objectives have risen slightly. For competition, the confidence of fixed firms increased. But the overall score for all firms showing confidence in our ability to achieve this objective decreased from 72% to 70%.

The survey revealed some specific areas for improvement:

- We need to ensure the costs imposed on firms of providing information are proportionate to the benefits. There was a substantial increase in the proportion of fixed firms who said the number of information requests are greater than seems necessary.



- Flexible firms have overall higher satisfaction scores than fixed firms, but are less likely to agree that our staff have sufficient experience and are appropriately qualified. Since conducting the survey, we have clarified our approach to supervision. We will evaluate the impact of this work and any changes to firm views in the next survey.

We will use the results to better understand issues affecting all firms and aim to help improve how we work.

## Financial Advisers

### Fair Pricing in Financial Services

In July we published a [feedback statement](#) on our work on fair pricing in financial services.

The judgement of when pricing practices are unfair is not always straightforward. So, in line with our Mission, we developed a [fair pricing framework](#) to be transparent about how we think about this issue. This summarises the main themes from the submissions we received and provides further clarification on how we will apply our framework in practice.

We will now begin the work to formally embed this into our regulatory approach and will report further in Q4 2019/20.



### Alternatives to High-Cost Credit

As part of our wider high cost credit review, in July we [published a report](#) setting out actions and recommendations to improve the availability and awareness of alternatives to high-cost credit.

The report:

- examines the market for alternatives to high-cost credit by looking at consumer demand and the availability of alternatives
- sets out our actions following the commitments we made in our high-cost credit publications of November and December 2018
- explains our and other organisations' roles in supporting alternatives to high-cost credit

## General insurance

### Fair Pricing in Financial Services

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### Directory persons submission window opens in September

We will start the data collection phase for the new Directory in September. We held an event on 8 August for trade organisations to provide more information on the data submission process.

Banks, building societies, credit unions and insurance companies must submit their data between 9 September and 9 March next year using Connect. All other firms must submit between 9 December 2019 and 9 December 2020. This is key to developing the Directory following the publication of the [Policy Statement](#). We will publish supporting information about the process on our [website](#) from 9 September.

## Mortgage Lenders

### Fair Pricing in Financial Services

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The judgement of when pricing practices are unfair is not always straightforward. So, in line with our Mission, we developed a [fair pricing framework](#) to be transparent about how we think about this issue. This summarises the main themes from the submissions we received and provides further clarification on how we will apply our framework in practice.

We will now begin the work to formally embed this into our regulatory approach and will report further in Q4 2019/20.

### Live & Local 2019/20 events announced

We are starting a new series of monthly Q&A roundtable discussions for mortgage intermediaries and lenders across the UK, with the first stop in Glasgow on 29 October. There is no set agenda for these sessions; topics for discussion are determined by the attendees at each session.

These informal monthly 'Ask the regulator' events will conclude in March 2020. Visit our [Live & Local webpage](#) for further details and to register.

## Consumer Credit

### Alternatives to High-Cost Credit

As part of our wider high cost credit review, in July we [published a report](#) setting out actions and recommendations to improve the availability and awareness of alternatives to high-cost credit.

The report:

- examines the market for alternatives to high-cost credit by looking at consumer demand and the availability of alternatives
- sets out the actions we have taken following the commitments we made in our high-cost credit publications of November and December 2018
- explains our and other organisations' roles in supporting alternatives to high-cost credit

## Investment Managers

### EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02)

In February 2019 the European Banking Authority (EBA) published its [Final Report](#) on outsourcing arrangements.

The Guidelines are for credit institutions and investment firms subject to the EU Capital Requirement Regulations and payment and electronic money institutions. They do not apply to Account Information Service Providers as defined in PSD2.

These Guidelines apply from 30 September 2019 to all outsourcing arrangements entered into, reviewed or amended on or after this date. There are also transitional arrangements extending up to 2021.

The FCA's [FG16/5](#) remains relevant to all other firms that we authorise.

## News & Publications

### New platform to improve the way we collect data from firms

Thank you to everyone who has completed [our online survey](#) so far – there is still time to share your experience with our data collection system, Gabriel. We recently announced [plans](#) to move to a new platform for our data collection systems, which includes replacing Gabriel. We would like to hear your thoughts on the way we collect data from firms and how we can improve it. Initial changes to our platform will be technology focused, so to begin with there will be no change to the way you currently provide data to us. Send us your feedback on our [proposals](#) by **15 September 2019**.



### Inside FCA podcast: Culture and the Senior Managers & Certification Regime (SM&CR)

[Listen to our podcast](#) with FCA Executive Director Jonathan Davidson and guest Dame Jayne-Anne Gadhia on the impact of [SM&CR](#) and its role in creating a healthy financial services culture.

Former Chief Executive of Virgin Money, Jayne-Anne draws on her own experiences of firm cultures over the years, and talks about her views on how to create a healthy culture. She and Jonathan discuss how the SM&CR, including Conduct Rules and Certification, relates to culture and behaviours and how it can benefit firms.

### Advisory Group on Open Finance Launched

[The Advisory Group on Open Finance](#) met for the first time in July to look at extending Open Banking-like data sharing to a range of financial products. The Advisory Group comprises industry experts, consumer and business representatives, academics and government. The Group will be considering how Open Finance will develop, as well as the barriers and ethical and practical issues around data sharing. The Advisory Group's work will inform the FCA's Call for Input, which will shape the FCA's strategy towards Open Finance, to be published later this year.

### Credit Information Market Study launched

We have [launched a market study](#) to examine how the credit information market operates and its impact on consumers. It will focus on the following themes:

- the purpose, quality and accessibility of credit information
- market structure, business models and competition
- consumers' engagement and understanding of credit information and how it affects their behaviour

The study will assess how the sector is working now and how it may develop in the future.

We will report on our preliminary conclusions in Spring 2020 including, if necessary, a discussion of potential remedies.



### EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02)

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### Naughty people!

- [FCA bans advert and visits 20 CMCs over 'widespread poor-practice'](#)
- [FCA warns on 'unacceptable' advertising by CMCs](#)
- [Warning over fraudsters targeting SVS clients](#)
- [Regulator sees 45% drop in enforcement notices](#)



- [Regulator censures Santander and RBS over mortgage PPI failings](#)
- [PPI scandal costs industry £50bn](#)
- [Estate agent jailed after pocketing deposits](#)
- [Agent removes Google reviews following complaints](#)

- [Sipp complaints drop for first time in 6 years](#)
- [Adviser calls out 'ridiculous' Fos decision](#)
- [Snowdon renews warning on pension scams](#)
- [Employer fined £350k for re-enrolment failings](#)
- [Client poaching complaint lands at commissioner](#)
- [When conveyancing goes wrong: The £200k sent to a client instead of a lender – Syms](#)
- [Scottish Widows to compensate client after Qrops confusion](#)
- [Court concerned about client detriment in Pru annuities deal](#)
- [FSCS warns on mortgages after firm collapse](#)
- [Advice firm told to stop DB transfers falls onto FSCS](#)
- [IFA with DB transfer restriction receives 99 FOS complaints](#)
- [Collapsed Greyfriars adviser owes clients £700k](#)

## Latest News

- [Woe for Woodford as bad news hits investments](#)
- [A 'notoriously tricky tax': How to minimise liability for IHT](#)
- [Advisers urged to consider protection for HNW clients](#)
- [How to advise divorcing clients](#)
- [Advisers think multi-asset funds are good for novice investors](#)
- [IHT take jumps 23% after decline](#)
- [Open banking will change the way people think about money](#)
- [Most advisers need more education on vulnerable customers](#)
- [I'm 15 and my dad's a financial planner. I'm one of the lucky ones](#)
- [Aegon promises "significant changes" to platform](#)
- [Which warns of 'huge' advice fee disparity](#)



29<sup>th</sup> August 2019 marked the end of PPI claims against UK banks which up to the end of May had already surpassed £35.7bn. This has provided a welcome boost for UK consumer spending and the economy. While the banks will be pleased to see the end of this sorry saga, they now face the next challenge - Brexit and negative European bond yields.

### [Complaints about claims management companies](#)

The FCA published a quarterly data snapshot of complaints we've received about claims management companies (CMCs). These complaints came under the FCA on 1 April 2019, when the FCA became CMCs' regulator, and are handled by a separate part of our service with its [own website](#). This quarter, only one issue - PPI - has met the publication threshold of having 30 complaints about it received and resolved. You can read our analysis [here](#).





## No Man Is an Island



Trump to buy Greenland? Danes were scratching their heads on Friday, as rumours started that Donald Trump had floated the idea of purchasing Greenland from Denmark. Initially the news was greeted with some humour, with a former prime minister describing it as an **April Fool's Joke**. However, over the weekend, when confronted, Trump confirmed his interest in **"essentially a real estate deal"**, but **"not No1 on the burner"**.

Danish prime minister, Mette Frederiksen, replied "Greenland is not for sale. Greenland is not Danish. Greenland belongs to Greenland. I strongly hope that

this is not meant seriously."

Greenland is the world's biggest island and is home to **just 56,000 residents**. It is self-governing Danish territory that depends on Copenhagen for foreign affairs and national security but is geographically part of North America. In his statement Trump stated Greenland was "hurting Denmark very badly because they're losing almost \$700m a year carrying it".

Any move by the US to seek greater control over Greenland would spark alarm bells in Moscow. Russia has spent billions of dollars building or upgrading seven military bases in the Arctic region in an attempt by Russia to exert more control over the strategically positioned region.

Intriguingly, the US actually has a history of trying to buy Greenland, most recently in 1946 when president Harry Truman offered \$100m.

