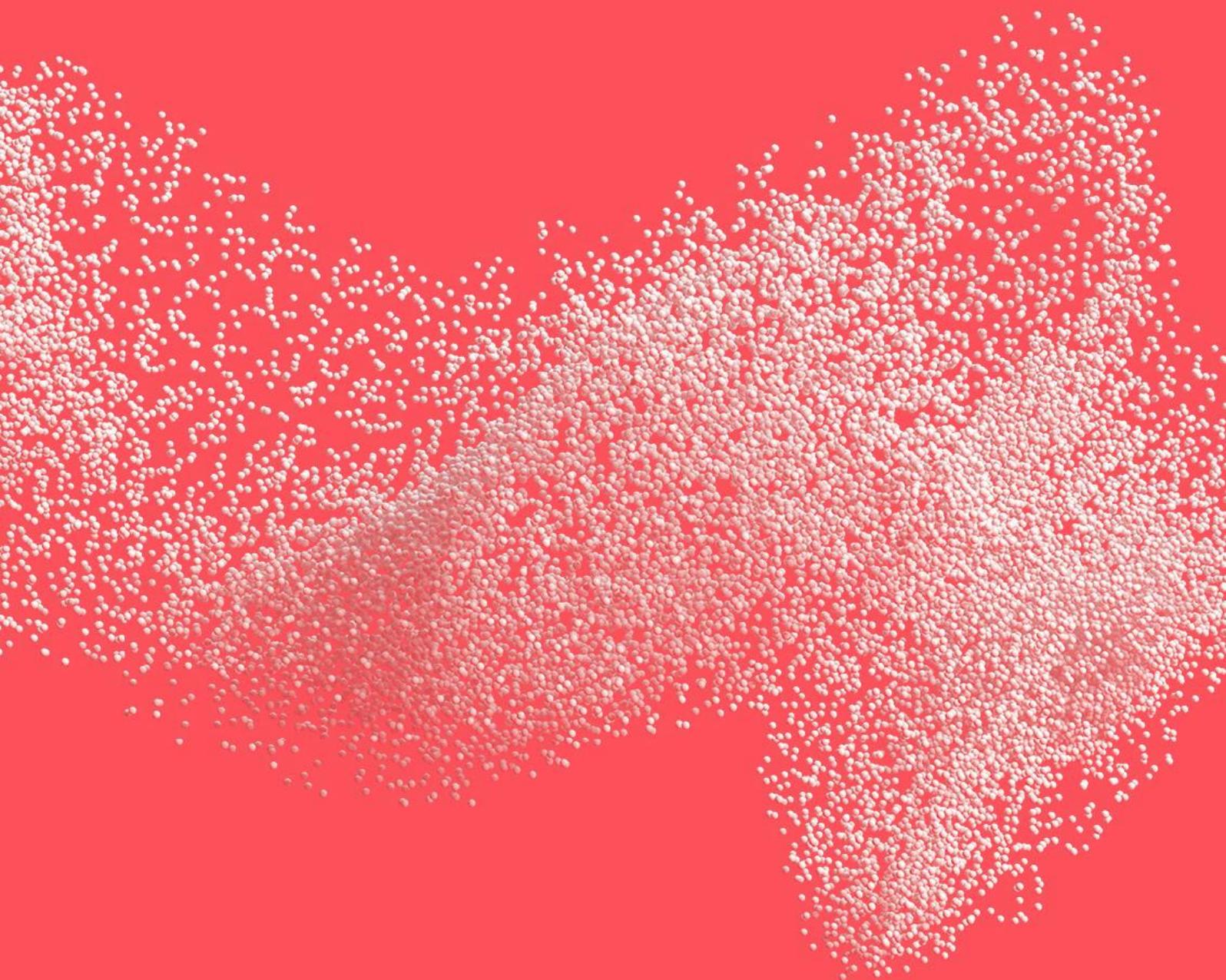


Financial Services Alerter

SEPTEMBER 2020



FCA publishes statement on key workers and working from home

On 24 September 2020, the Financial Conduct Authority (FCA) published a [statement](#) containing information about the COVID-19 pandemic, key workers, and working from home. The FCA urges employers to issue letters to all individuals they identify as key workers, should it be necessary for these individuals to provide evidence in the future. The FCA also updated its [statement](#) relating to work travel and responsibilities of senior managers under the Senior Managers and Certification Regime (SM&CR). Senior managers are expected follow changes in the applicability of local and national lockdown restrictions and to review and update employee working arrangements.

FCA publishes CP on approach to international firms

On 23 September 2020, the Financial Conduct Authority (FCA) published a [Consultation Paper](#) (CP) setting out its approach to international firms providing or seeking to provide financial services that require authorisation. The FCA is not proposing Handbook rule changes in the CP but rather wishes to ensure that firms understand the minimum standards and factors that it will consider in making an assessment.

FCA publishes CP on handbook changes

On 22 September 2020, the Financial Conduct Authority (FCA) published a [Consultation Paper](#) (CP) proposing handbook changes following its general insurance market study. The CP focuses on the following issues:

- pricing
- product governance
- auto-renewal and;
- reporting requirements.

The deadline for responses is 25 January 2021 and the FCA intends to publish a Policy Statement in Q2 2021.

FCA publishes speech on new UK financial regulation model

On 21 September 2020, the Financial Conduct Authority (FCA) published a [speech](#) on the evolution of a new model for financial regulation in the UK. The speech focuses on:

- COVID 19
- reform of the FCA and;
- the future of regulation.

FCA publishes call for input on consumer investments market

On 15 September 2020, the Financial Conduct Authority (FCA) published a [call for input](#) on the consumer investments market to consider areas where the consumer investment market is not working well for customers and to seek views on what changes the FCA can make to improve protections and outcomes in this market. The following issues are addressed:

- making the mass market work well
- higher risk investments
- fair compensation and;
- competition and innovation.

The deadline for responses is 15 December 2020.

FCA publishes webpage on temporary relief for publishing fund reports and accounts

On 9 September 2020, the Financial Conduct Authority (FCA) published a [webpage](#) extending the deadline for publishing fund reports and accounts. The FCA intends to end the temporary relief in annual and half-yearly fund reports and accounts and sets out guidance for firms in the following instances:

- Funds with an annual or half-yearly accounting date on or before 31 August 2020.
- Funds with an annual or half-yearly accounting date on or before 31 September 2020.
- Funds with an annual or half-yearly accounting date after 30 September 2020.

FCA publishes statement on its second survey of firms' financial resilience

On 10 September 2020, the Financial Conduct Authority (FCA) published a [statement](#) announcing that it will survey firms to understand the change in their financial resilience in light of COVID 19. The survey will be emailed to the relevant firms between 16 and 22 September 2020 and its completion is mandatory. FCA encourages firms with queries to contact the FCA's Contact Centre.

FCA, PRA and BoE publish statement announcing the appointment of new Complaints Commissioner

On 9 September 2020, the Financial Conduct Authority (FCA) published a [statement](#) announcing that the Prudential Regulatory Authority (PRA) and Bank of England (BoE) had appointed Amerdeep Somal as the Complaints Commissioner (CC). Ms Somal will be responsible for overseeing the investigations into complaints made against the FCA, PRA and the BoE. The CC role is independent from the three organisations.

FCA publishes a webpage on general insurance value measures

On 8 September 2020, the Financial Conduct Authority (FCA) published a [webpage](#) on the fourth set of data in its general insurance value measures pilot. The FCA is concerned about the value of personal accident and key cover add-on insurance. The FCA publishes the data in order to encourage firms to compete on broader elements of product value than just price.

FCA publishes market issue 65

On 7 September 2020, the Financial Conduct Authority (FCA) published [issue 65](#) of Market Watch on conduct and transaction reporting issues. In it, the FCA reminds firms of its confidentiality information requirements, urges them to safeguard legally privileged documentation and highlights the need for firms to take note of their transaction reporting observations and review their transaction reports for completeness and accuracy.

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FCA publishes Dear CEO letter on supervision strategy

On 4 September 2020, the Financial Conduct Authority (FCA) published a [Dear CEO letter](#) on its supervision strategy for personal and commercial lines of insurance intermediaries' portfolios. The FCA sets out its view on the key risks such as, insufficient or unclear information and inappropriate sales tactics that firms could pose to consumers and markets. The following were identified by the FCA as common themes in the drivers of harm:

- ineffective governance and oversight of business
- business models that provide poor control over sales, conflicts of interests and renewals and;
- incentive arrangements that do not support positive conduct.

FCA publishes webpage on digital sandbox pilot

On 2 September 2020, the Financial Conduct Authority (FCA) published a [webpage](#) on its pilot of a digital sandbox to support innovative firms tackling challenges caused by COVID-19. The sandbox will promote the development of proofs of concept in a digital testing environment around three use cases:

- detecting and preventing fraud and scams
- supporting the financial resilience of vulnerable consumers and;
- improving access to finance for small and medium-sized enterprises.

FCA publishes final notice

On 1 September 2020, the Financial Conduct Authority (FCA) published a [final notice](#) to Julian Rifat a former senior trader at Moore Europe Capital Management LLP. The FCA bans Mr Rifat from performing any function relating to any regulated activity carried on by an authorised person, exempt person or exempt professional firms after he was convicted of insider dealing.

PRA publishes webpage on 2020 annual assessment of category 5 credit unions

On 9 September 2020, the Prudential Regulatory Authority (PRA) published a [webpage](#) setting out the findings of its 2020 assessment of [category 5 credit unions](#). The PRA concludes that such firms have no capacity to cause disruption to the UK financial system by failing or by carrying on their business in an unsafe manner. The PRA also set out its expectations concerning credit risk for large credit unions and its expectations concerning bad debt provisions and calculation of regulatory capital, for small unions.

PRA publishes Dear CEO letter

On 1 September 2020, the Prudential Regulatory Authority (PRA) published a [Dear CEO letter](#), urging firms to be operationally ready for the temporary permissions regime (TPR). From 31 December 2020, the TPR will take immediate effect and firms that have submitted a valid notification or a Part 4A application will automatically enter the regime. Firms are encouraged to engage with the PRA on a pro-active basis and contact the PRA if they do not have a specific PRA supervisor.

OCC publishes final report containing recommendations to the FCA

On 1 September 2020, the Office of the Complaints Commissioner (OCC) published a [final report](#) in relation to a complaint made about the Financial Conduct Authority (FCA). The complaint relates to the FCA's failure to comply with the Equality Act 2010, the Public Sector Equality Duty 2011 and make reasonable adjustments for mental ill consumers. The FCA was unable to investigate the complaint because these issues are not covered by its complaints scheme.

BoE publishes PS on fees regime for FMI supervision

On 16 September 2020, the Bank of England (BoE) published a [Policy Statement](#) (PS) on the fees regime for the supervision of financial market infrastructure (FMI) that will apply for the 2020/21 fee year. The PS sets out:

- final fee rates
- how the BoE will apportion the surplus and shortfalls from 2019/2020 FMI fee year and;
- amendments to the special project fee.

BoE publishes webpage on its research agenda

On 1 September 2020, the Bank of England (BoE) published a webpage setting out its agenda for research identifying key areas for new research, with priority topics for 2021. 2021 topics include:

- Monetary toolkit
- Open economy and prudential framework
- Future of finance
- Transformed world

BoE publishes webpage on TPR

On 1 September 2020, the Bank of England (BoE) published a webpage on the temporary permissions regime (TPR), highlighting key requirements for UK branches of firms and more generally, highlighting its approach to the TPR. The webpage contains information on the following areas:

- BoE's supervisory approach to firms
- Threshold conditions
- Senior Managers and Certification Regime (SM&CR)
- Financial Services Compensation Scheme (FSCS) protection and;
- Status Disclosures

CMA publishes statement on 2002 SME undertakings

On 8 September 2020, the Competition and Markets Authority (CMA) published a [statement](#) addressing the non-compliance of Lloyds Bank with the [behavioural undertakings](#) on the supply of banking services to SMEs. Lloyds has agreed to become compliant to a number of measures, including:

- writing to clients to inform them that if they opened a Business Current Account (BCA), they have the ability to switch to another provider, at any time.
- reminding customers that retain the BCA, of any other available options they may have, two months prior to any newly introduced charges.

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