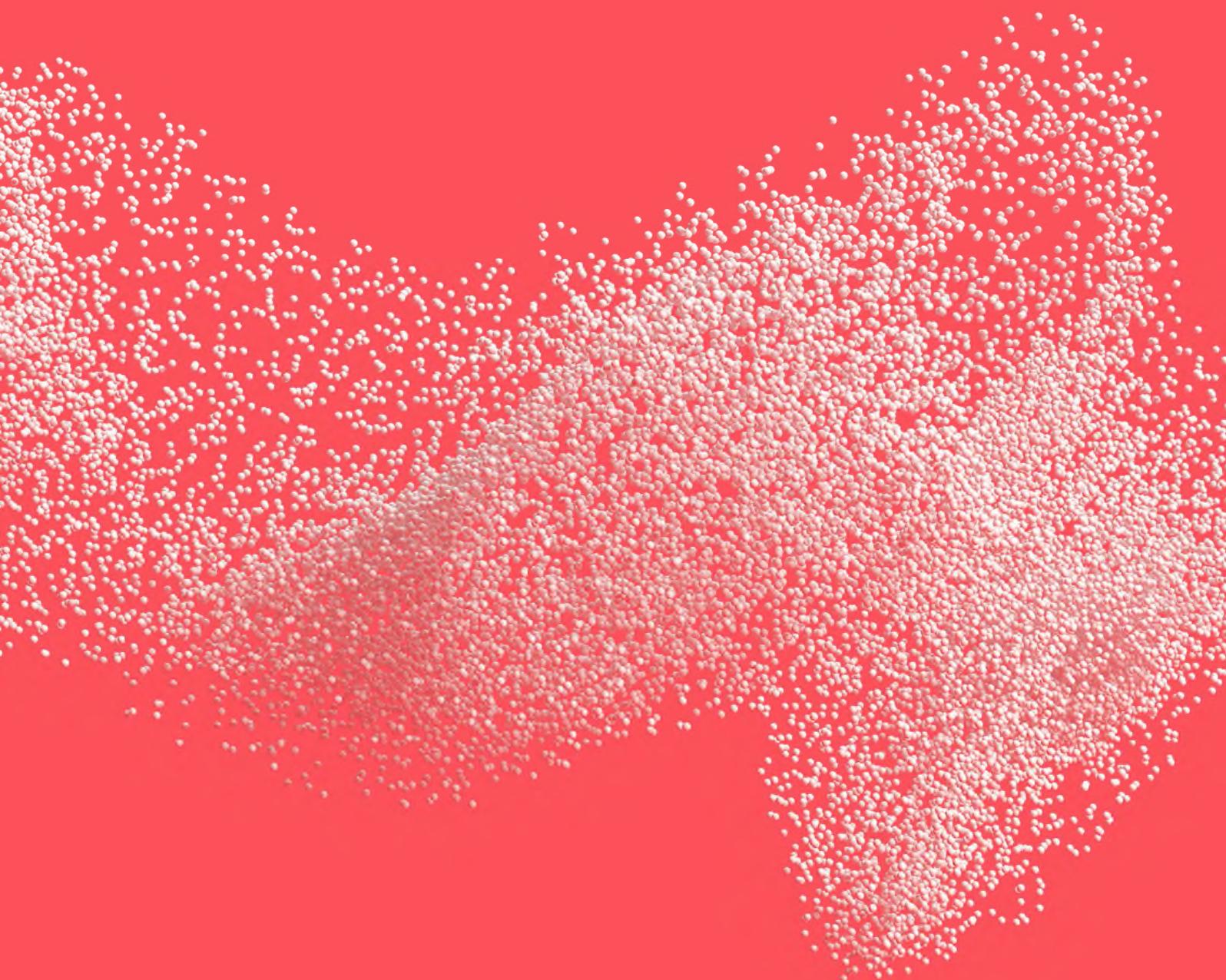


Financial Services Alerter

JUNE 2020



FCA publishes Handbook Notice 78

On 26 June 2020, the Financial Conduct Authority (FCA) published [Handbook Notice 78](#) setting out changes in the following areas of the FCA handbook:

- Conduct of Business Sourcebook (Pension Transfers)
- Individual accountability (FCA-Authorised Benchmark Firms) FCA publishes expectations about strong customer authentication under PSD2
- Handbook Administration
- Variation of Permission and Cancellation Form (Miscellaneous Amendments)
- Collective Investment Schemes Sourcebook (Miscellaneous Amendments).

FCA updates its webpage on Business Interruption Insurance Test Case 24

On 24 June 2020, the Financial Conduct Authority (FCA) updated its [webpage](#) on the High Court test case concerning business interruption insurance. The FCA published in its webpage:

- a summary of the court case
- a timetable for the case and;
- the individual defences of the defendants

FCA and PSR publish a statement on access to cash

On 16 June 2020, the Financial Conduct Authority (FCA) and the Payment Systems Regulator (PSR) published a [statement](#) updating their joint approach to access to cash. The FCA and PSR have taken a number of actions including:

- delivering a better understanding of cash access
- overseeing the communication with people and businesses and;
- focusing on the needs of the vulnerable.

FCA publishes a speech on having financial system to support recovery

On 16 June 2020, the Financial Conduct Authority (FCA) published a [speech](#) "A financial system to support the recovery", given by Charles Randell, Chair of the FCA and the PSR, including comments on:

- loans to small businesses
- consumer debt
- retail investments and;
- digitalisation

FCA publishes a statement on remedies under complaints scheme

On 16 June 2020, the Financial Conduct Authority (FCA) published a statement on its approach to remedies under the complaints scheme established under Part 6 of the Financial Services Act 2012. The statement covers the:

- remedies the FCA applies
- factors the FCA considers when determining the remedy
- matters that remedies will not address

FCA publishes statement on MiFIR open access regime

On 11 June 2020, the Financial Conduct Authority (FCA) published a [statement](#) on the open access regime for trading and clearing exchange traded derivatives (ETDs), under MiFIR. The FCA states that trading venues and central counterparties will be subject to the MiFIR open access regime where they offer trading and clearing of ETDs.

FCA finalises guidance framework for assessing adequate financial resources

On 11 June 2020, the Financial Conduct Authority (FCA) published [finalised guidance](#) on its framework to assess adequate financial resources. The guidance also clarifies the meaning of 'adequate financial resources' and is relevant to all FCA regulated firms subject to the Threshold Conditions (COND) or the Principles for Business (PRIN) in the FCA's Handbook.

FCA publishes statement on one-off increase to levies

On 9 June 2020, the Financial Conduct Authority (FCA) published a [statement](#) on a one-off increase to levies to part-fund government debt advice services. The statement comes in light of HM Treasury's [announcement](#) that an additional £37.8m will be made available to debt advice service providers in 2020-2021 to enable them to service people who are struggling financially.

FCA to survey firms on financial resilience

On 3 June 2020, the Financial Conduct Authority (FCA) published a [statement](#) announcing that it will be surveying firms' financial resilience, in light of COVID-19. The FCA will send out the survey between 4 and 8 June 2020 to around 13,000 firms.

FCA publishes a feedback statement and guidance for mortgage customers

On 2 June 2020, the Financial Conduct Authority (FCA) published a [feedback statement](#) with guidance on temporary financial relief for mortgage customers, in light of COVID-19. The FCA also published a complementary [final updated version](#) of its guidance relevant to mortgages addressing a number of issues including clarification:

- that firms should agree with customers forms of support other than a payment deferral
- that the lender should reduce the amount of the payment demanded from a customer where there is a disagreement between the parties and the customer cannot afford to repay
- for customers in payment shortfall within the scope of all aspects of the guidance
- of the information that firms should provide their customers to enable them to make informed decisions.

FCA publishes statement on business insurance interruption test case

On 1 June 2020, the Financial Conduct Authority (FCA) published a [statement](#) setting out its expectations of insurers and insurance intermediaries when handling claims and complaints for business interruption policies, in light of COVID-19. The guidance proposes the following steps:

- identify implications of the test case on their decisions to reject claims
- keep policy holders informed of the test case and its implication for policies, claims and settlement offers and;
- treat policy holders fairly when the test case is resolved.

FCA publishes supervisory notices to Cypriot investment firms

On 1 June 2020, the Financial Conduct Authority (FCA) published a [statement](#) barring four Cypriot firms from continuing to offer high risk contracts for difference (CFDs) to investors in the UK.

The firms were found to have acted in a manner clearly prejudicial to the interest of investors in the UK by marketing products in an unfair, unclear and misleading way.

BoE and PRA publish statement on ESRB recommendations

On 8 June 2020, the Bank of England (BoE) and the Prudential Regulatory Authority (PRA) published a [joint statement](#) on the restriction of distributions during COVID-19 on the recommendation of the European Systemic Risk Board (ESRB). ESRB's recommendation urges certain financial institutions to refrain from paying remuneration to material risk takers and from making dividend distributions.

PRA publishes statement regulatory reporting and disclosure requirements

On 26 June 2020, the Prudential Regulatory Authority (PRA) published a [statement](#) on regulatory reporting and disclosure amendments, in light of COVID-19. The PRA will accept delayed submissions of certain regulatory returns made on or before 31 May 2020, but expects firms to have adjusted to the new ways of working. Moving forward, the publication timeline for Pillar 3 disclosures should not be affected by COVI-19.

PRA publishes statement on reporting and disclosure of exposures

On 24 June 2020, the Prudential Regulatory Authority (PRA) published a [statement](#) on the application of the European Bank Authority (EBA) guidelines on reporting and disclosure of exposures. The EBA guidelines address data gaps associated with the measures taken in response to COVID-19, to ensure an appropriate understanding of institutions' risk profiles.

PRA publishes statement on use of electronic signatures

On 2 June 2020, the Prudential Regulatory Authority (PRA) published a [statement](#) on the use of electronic signatures by firms to evidence forms and other documents delivered to it. The PRA confirms that, in light of COVID-19, firms may use electronic signatures instead of "wet" signatures.

The OCC publishes a final report on FCA's fraud responsibilities

On 2 June 2020, the Office of the Complaints Commissioner (OCC) published a [final report](#) on discussing a complaint made against a decision taken by the Financial Conduct Authority (FCA). The FCA deemed the complaint to fall outside its remit and suggested that the Serious Fraud Office or the policy would be in a better position to deal with it.

FOS publishes strategy for 2020 to 2025

On 3 June 2020, the Financial Ombudsman Service (FOS) published a document setting out its strategy for 2020-2025, outlining three strategic priorities:

- Enhancing the service
- Preventing complaints and unfairness arising
- Building an organisation with the capabilities needed for the future.

The FOS acknowledges the challenges posed by COVID-19 and confirms that it will adapt its plans as necessary throughout the duration of the strategy.

UK Finance publishes technical briefing on impact of MiFIR third-country regime

On 17 June 2020, UK Finance published a technical briefing on the impact of the third-country equivalence regime under the Market in Financial Instruments Regulation (MiFIR) on the provision of the UK-EU cross-border financial services after Brexit. The briefing outlines the implications for UK firms if the European Commission makes an equivalence decision in respect of the UK and the implications for EU firms if the UK makes a corresponding equivalence decision.

FSB publishes report on too-big-to-fail reforms

On 29 June 2020, the Financial Stability Board (FSB) published a [report](#) setting out results from its evaluation of the too-big-to-fail reforms for systemically important banks. The FSB identified that the evaluation did not examine the implications of the recent economic and financial developments arising out of the COVID-19 pandemic as the report was completed before the outbreak. Despite the many areas where progress has been made, the FSB notes that gaps remain, which need to be addressed.

