

THE COMPLIANCE JOURNAL

Regulatory Round Up - February 2021



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Welcome to the first Commercial Express Compliance Journal of 2021. This edition gives you a summary update on some of the regulatory developments from the last couple of months which we hope you will find useful, and we will aim to bring you more regular updates throughout the year.

Helen Holyoake, Risk Compliance and Agency Manager

Financial Conduct Authority

FCA reminds firms to regularly review regulatory permissions

The FCA issued a reminder to firms in January 2021 to review their regulatory permissions and ensure they are up to date. Firms are required to complete an annual attestation to the FCA to confirm that the information held on the Financial Services Register is correct, or amend / request changes if required. By reviewing permissions and only maintaining those needed firms can provide assurance that they will continue to meet the threshold conditions, and demonstrates effective oversight of the business. It also helps firms to meet obligations under the Senior Managers Regime and ensures accurate information is being provided to customers. It also means that firms do not pay unnecessary fees for unused or out of date permissions. The FCA has issued this reminder now as new powers in the Financial Services Bill, which is currently making its way through Parliament, means the FCA will be able to act more quickly

where it considers firms are no longer carrying out regulated activities.

With the new powers, where the FCA believes that a firm is not carrying on a regulated activity, it will be able to serve notice on the firm, asking for a written response within 14 days. If the firm does not respond the FCA will be able to publish a second, public notice, explaining it appears that the firm is not carrying on a regulated activity and can then vary or cancel the firm's permissions after 1 month.

To see the full statement, see: <https://www.fca.org.uk/news/statements/fca-reminds-firms-regularly-review-regulatory-permissions>

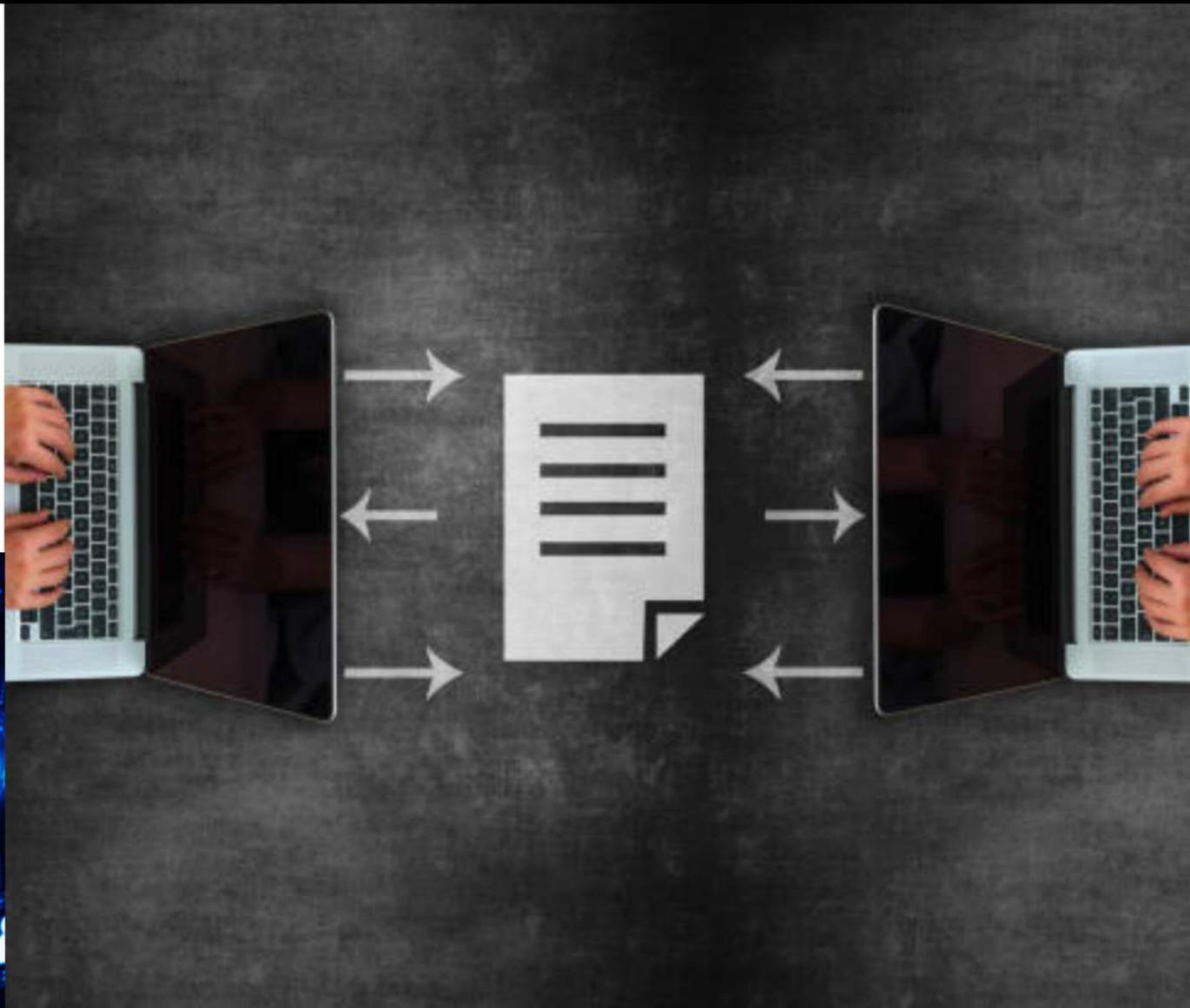


Data Protection

Data Sharing Code of Practice

In December, the ICO published its Data Sharing Code of Practice, which provides advice to businesses and organisations about how to carry out responsible data sharing. The ICO notes that the sharing of data can lead to economic and social benefits such as growth, technological innovations, and more efficient and targeted services. The code provides information on how organisations and businesses can confidently share data in a Fair, Safe and Transparent way where such benefits are identified. The guide aims to help practitioners through the practical steps they need to take to share data while protecting people's privacy, and also aims to dispel many of the misunderstandings about data sharing along the way. Alongside the code the ICO have launched a Data Sharing Information Hub which provides additional targeted resources and support.

Further information can be found at: <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2020/12/ico-publishes-new-data-sharing-code-of-practice/>



Financial Ombudsman Service 2021/22 Plans and Budget

The FOS has issued a draft consultation on its 2021/22 Plans and Budget. The consultation was open until 16th January 2021 and final plans and budget are expected to be published by 31st March 2021. The FOS anticipates it will receive approximately 160,000 complaints during the year (reduced on prior year as PPI complaints come to a conclusion). There is reference to an increased trend in complainants who are vulnerable, with many complainants being in financial difficulty and who are unhappy with the treatment they have received from firms. Covid-19 has also generated an increased number of complaints being referred to the FOS regarding travel insurance, event insurance and claims under Section 75 of the Consumer Credit Act relating to refunds for cancelled trips and activities. With regards to complaints from SME's, the FOS advise that more than 1000 complaints have been received which involve rejected claims under BI Insurance - the FOS are continuing to work with the FCA to understand the implications of the FCA's test case on those complaints they have received.

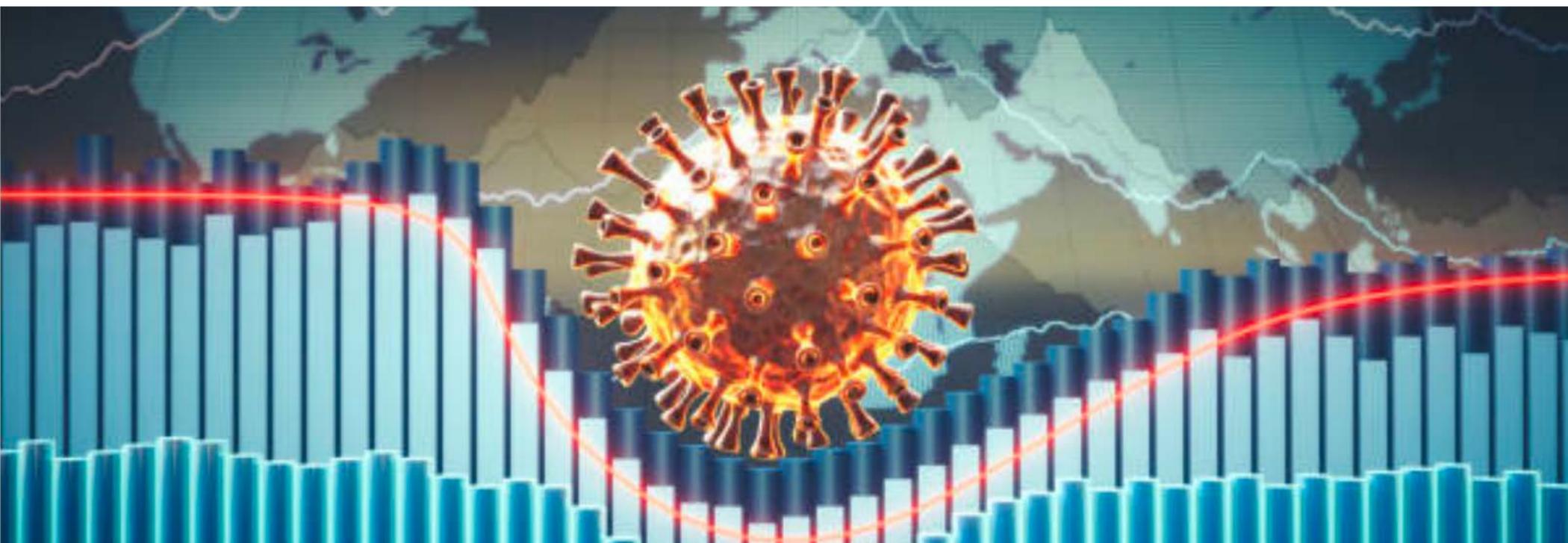
In terms of strategic priorities for the FOS during 2021/22, the key aims are set out as being enhancing their service, preventing complaints and unfairness from arising and developing their capabilities for the future. The draft consultation also set out 4 potential funding structures for the FOS for 2021/22. It also sets out 'potential' 2022/23 funding scenarios dependent on the structure agreed for 2021/22 - these are indicative only and will be subject to consultation in late 2021. The 4 potential scenarios are as follows:

1. Increase both the case fee and levy in 2021/22. The individual case fee for complaints referred to the FOS would increase to £750. The proposal then for 2022/23 would be no further increases on Levies or case fees.
2. Increase only the levy in 2021/22. The cost for cases referred to the FOS would remain at £650

3. Increase only the case fee in 2021/22 to £750 and maintain levies at the current rates. Indications are that the levy would then increase the following year, but the case fee would remain the same.

4. Increase neither the case fee or levy in 2021/22, however both would increase the following year.

The full document can be viewed at <https://www.financial-ombudsman.org.uk/who-we-are/governance-funding/strategic-plans-budget>



Just for Fun

Conduct Rules Word Search:

So, can you remember the Conduct Rules?

Why not test your memory - Fill in the blanks below and then find your answers in the grid.

You must act with _____

You must act with due _____ & _____

You must be _____ & _____ with the _____, _____ and other _____

You must pay due _____ to the _____ of _____ and _____ them _____

You must observe proper standards of _____

Answers:
You must act with INTEGRITY
You must act with due SKILL, CARE & DILIGENCE
You must be OPEN & COOPERATIVE with the FCA, FRA and other REGULATORS
You must pay due REGARD to the INTERESTS of CUSTOMERS and TREAT them FAIRLY
You must observe proper standards of MARKET CONDUCT



C	E	H	S	K	I	L	L	W	N	X	P	E	S	S
A	E	C	N	E	G	I	L	I	D	E	V	R	D	T
R	H	L	G	L	M	D	Q	Y	R	I	P	L	A	S
E	T	R	E	A	T	Y	T	E	T	I	R	O	E	E
X	C	S	R	A	J	I	G	A	B	U	R	T	D	R
E	L	K	B	R	R	U	R	D	F	C	C	U	N	E
V	E	G	X	G	L	E	K	G	C	A	S	C	V	T
T	I	U	E	A	P	F	C	A	G	R	I	P	T	N
Z	M	T	T	O	D	R	A	G	E	R	O	R	B	I
G	N	O	O	D	L	B	Z	M	Y	Z	U	G	L	A
I	R	C	L	V	B	T	O	W	P	J	Q	B	E	Y
S	D	W	H	U	B	T	C	U	D	N	O	C	S	K
I	Y	D	L	Q	S	Q	V	U	M	D	S	U	I	E
C	B	Y	D	U	Z	J	H	Z	V	D	I	P	A	D
F	K	Z	C	Y	Q	P	J	E	T	W	N	B	T	X

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