Andrew Tyrie MP
Chairman of the Treasury Committee
Committee Office
7 Millbank
London SW1P 3JA

15 September 2014

Dear Andrew,

Thank you for your letter of 2 September 2014 asking about our work on retrospective action.

Over the first half of 2014, we undertook work on the perceived ‘expectations gap’ between regulators and industry. This work considered how any differences in understanding between regulator and industry might affect the quality of products and services that consumers receive, or inhibit consumer-friendly innovation. We recently published the outcomes of this work, and as you note in your letter, this has fed into Project Innovate, launched in July this year.

We have remained interested to hear from firms about times when they believe the FCA (and FSA) applied its rules retrospectively. Building on the insight gathered through this work and Project Innovate, we launched a ‘Call for Examples’ in our August Regulation Round-up, which is sent to all regulated firms.

Our Call for Examples, which is open for comment until 10 October 2014, asks respondents to provide one or more examples of retrospective application of rules by the FCA or the FSA, and detail on what in particular justifies the label ‘retrospective’ in this example. Information can be found on our website here:


The responses we receive to this exercise will be analysed and will make a significant contribution to our continuing work in this field. We will of course continue to communicate our approach on these complex issues to the industry and to the Committee.

Martin Wheatley
Chief Executive

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