



Treasury Committee

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SME alliance

Thank you for your letter of 10th March in response to mine of 9th February regarding concerns that the FCA breached the confidence of the SME Alliance.

You confirm that the FCA did not treat the SME Alliance as a whistle-blower and subsequently disclosed some of its information on individual customers with the banks accused of falsifying their records. Your reasons for doing so rest on the SME Alliance not having asked you not to share its information with the banks.

It is not clear from your letter whether the FCA raised the issue of confidentiality with the SME Alliance when first approached or clarified that it would not be treated as a whistle-blower. The SME Alliance apparently went away with the impression that its information would not be disclosed to banks. It has said that if it had been asked it "would have said 'no' for obvious reasons".

This apparent presumption that the SME Alliance would not require confidentiality seems to contradict the statement in the FCA's February 2015 note 'How we handle disclosures from whistle-blowers' that 'whistle-blowers almost always want their information and identity to be protected'. There is a risk that the measures the FCA is putting in place to improve its treatment of whistle-blowers could be undermined if informants were unsure whether or not their information was treated confidentially.

I would be grateful if you could outline how the FCA decides whether an informant is treated as a whistle-blower, whether they are told clearly of this decision, and what assurance you can give to those who are so treated that their involvement will remain confidential.

I will be placing this letter, and in due course your response, in the public domain.

RT HON ANDREW TYRÍE MP
CHAIRMAN OF THE TREASURY COMMITTEE