

Rt Hon Nicky Morgan MP  
Chair, Treasury Select Committee  
House of Commons  
London  
SW1A 0AA

2 February 2018

Dear Nicky

I am writing following your hearing with Sir Howard Davies and Ross McEwan of Royal Bank of Scotland (RBS) on 30 January.

I welcome the statement made by Ross McEwan at the hearing - that RBS will not object to the FCA publishing the skilled person's report into the treatment of small and medium-sized enterprise customers transferred to its Global Restructuring Group produced by Promontory.

The FCA has announced that, on this basis, we are content to publish the report. As you know, it is not our normal practice to publish "skilled person's reports" - these are prepared in the expectation that their content will remain confidential - but we understand the degree of public concern about the activities of GRG. I hope will be helpful therefore, ahead of our hearing on 7 February, to set out our next steps.

#### Our current investigation

The FCA is in the process of carrying out a more focused investigation following our review of the skilled persons report, and we are considering whether there is any basis for further action within our powers. Once this investigation is complete, we would hope to publish the report as soon as we have obtained any remaining consents needed.

#### Legal requirements

The Financial Services and Markets Act 2000 restricts when the FCA can disclose non-public information. Section 348 provides that confidential information received by the FCA cannot be disclosed without the consent of both the person from whom that information was obtained, and the person to whom the information relates.

RBS and Promontory's commitment that they will consent to the publication of the report is a significant step forward. Having now obtained RBS' agreement to publish the report, we will approach others who have provided information contained within the report, or those to whom the information relates, to allow us to publish that information.

We also need to ensure that any individuals identified are not criticised in a public report without giving those individuals a fair opportunity to respond to that criticism.

RBS consent

Finally, I would offer a reflection on why RBS's change of position on publication of the s166 report has enabled us to go ahead. This is also relevant to the question that was asked at the hearing on whether we had asked RBS for consent to publish.

As I think is clear, throughout this process, RBS did not agree with many of the findings in the report. The degree of opposition from RBS to the substance of the report made publication of the full report an unlikely prospect - given that we needed the consent of RBS before we could consider approaching any individuals for their consent. Publishing the full skilled person's report would be unlawful without getting the necessary consents from all affected parties. I am pleased that RBS's consent will allow us, upon completion of our focused investigation, to take the matter forward with the other parties.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Andrew", written over a horizontal line.

**Andrew Bailey**  
**Chief Executive**