



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

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Andrew Bailey
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11th October 2017

Dear Andrew

RBS Global Restructuring Group: skilled persons' report

The Committee has reflected carefully on the case for publishing the skilled persons' report into RBS's Global Restructuring Group, including the points raised in your letter of 11 September.

It remains of the view that, for several reasons, this is an exceptional case. These include the fact that the skilled persons' report is now in the hands of third parties; that it has been selectively reported by the media; that it may enter the public domain at any time; that the existing reviews of this matter by Clifford Chance and Lawrence Tomlinson contain conflicting findings on major questions; and that by failing to disclose key details in its initial summary of the report, the FCA would appear to have lost the confidence of many former GRG customers in any subsequent account of its findings.

Equally, the Committee also understands that section 166 reports are an important part of the FCA's supervisory toolkit, and that their effectiveness rests in part on a shared understanding that they are not normally published.

With that in mind, I am writing to propose an arrangement under which the Committee appoints a legal adviser to assess whether the FCA's forthcoming summary is a fair and balanced account of the underlying skilled persons' report. On receiving the adviser's assessment, the Committee would decide how to proceed, and the arrangement would be without prejudice to its formal powers to require that the FCA produce the report.



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The terms of reference agreed by the Committee are attached to this letter. Also attached are a proposed set of arrangements on access to information held by the FCA that would be necessary for the adviser to undertake their work.

This proposal is intended to meet the FCA's concerns about preserving the confidentiality of skilled persons' reports, and the Committee's wish to ensure that the maximum transparency is brought to this long-standing issue.

I would be grateful to know by 16 October if the FCA is content to proceed with this arrangement.

Yours sincerely

The Rt Hon. Nicky Morgan MP
Chair of the Treasury Committee