



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

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Andrew Bailey
Chief Executive
Financial Conduct Authority
25 The North Colonnade
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16th May 2018

Dear Andrew

TSB: IT migration

I am sure that you share my concern about the problems faced by retail and business customers following TSB's IT migration. I would be grateful if you could let me know:

- What work the FCA did before 20 April to assure itself that the IT migration had been properly planned, the new platform had been properly tested, and that effective systems and controls were in place to manage the associated risks.
- The FCA's assessment of the scale, cause and nature of the problems experienced by TSB customers, including delays and problems accessing telephone and branch banking services.
- Whether TSB's evidence to the Committee¹ is consistent with the FCA's understanding, and whether it omits any material details about the cause and nature of the problems, TSB's planning and testing before 20 April, and its response after that date.
- The FCA's assessment of the accuracy and quality of public communications by TSB and its senior management after 20 April.

¹ Including the letter from Paul Pester to the Chair, dated 27 April 2018; oral evidence from TSB to the Treasury Committee, 2 May 2018; and the letter and further written evidence from Paul Pester to the Chair, dated 11 May 2018

- The FCA's assessment of the remark by Mr Montes in evidence to the Committee on 2 May that "A project as complex as that cannot be seen as a responsibility that can be divided".
- The nature of the FCA's work on TSB since 20th April, including whether it is conducting a formal investigation in relation to the IT migration.
- The size and role of the team from the FCA located in TSB's head office, and how long they will remain there.
- Whether and to what extent the risk and scale of customer fraud at TSB has changed since 20th April.
- Whether the systems TSB uses for detecting fraud, and the systems it uses to allow customers to report fraud, are working as they should, and in line with the FCA's expectations.
- Whether the FCA is content that TSB customers have been able to use the current account switching service throughout the period since 20th April, and whether TSB has met the standards of switching speed and accuracy.
- Whether the FCA is content that TSB customers have been able to switch throughout the period under question, and that TSB is meeting the standards required under the Current Account Switch Guarantee.
- The FCA's priorities for any customer compensation and redress arrangements.

I would be grateful for a reply by 25 May. I will be placing this letter, and in due course your response, in the public domain.

Yong Siwungh
Nicky Morgan

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