



Treasury Committee

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Dr Norval Bryson
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20th June 2018

Dear Dr Bryson

Thank you for your letter of 12 June regarding the independent review of the supervision of Co-op Bank.

You note that “appropriate governance arrangements” are now in place for the review, which I understand are reflected in the Protocol for the conduct of the investigation, also published on 12 June.

I am writing to draw your attention to the part of that Protocol entitled Meetings with individuals. This requires the Reviewer to liaise with the PRA in order to arrange interviews with current and former employees of the PRA, the FSA and HMT, and to supply the PRA with an outline of the topics and list of documents to be discussed. It also states that:

Meetings will be recorded by your professional services team and a transcript provided to the individual and the PRA.

The review is intended to consider the effectiveness of the PRA and FSA’s supervision of Co-op Bank, and the role of the Treasury during the Verde bidding process. In that context, the provision of interview transcripts to the PRA risks inhibiting what interviewees are prepared to tell the reviewer. I ask that you reconsider the appropriateness of this arrangement, which risks undermining the review’s credibility and independence.

While it may in most cases be appropriate for the Reviewer to arrange meetings, including agendas, through the PRA, individuals should also be able to approach the reviewer directly if they feel it appropriate to do so. To that end, appropriate contact details for the Reviewer should be made publicly available.

I also note that the Protocol makes a distinction between the Reviewer's report, and the report which the PRA subsequently submits to the Treasury. The Treasury Committee will expect to see both reports. I am sure you agree that the passage of time since the events in question makes the case for transparency overwhelming.

I would be grateful for a response by 29 June. I am copying this letter to Mark Zelmer.

Mark Zelmer

Nicky

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