



Treasury Committee

House of Commons, Committee Office, 14 Tothill Street, London SW1H 9NB
Tel 020 7219 5769 Fax 020 7219 2069 Email treascom@parliament.uk Website
www.parliament.uk/treascom

Ms Tracey McDermott
Acting Chief Executive
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

9 February 2016

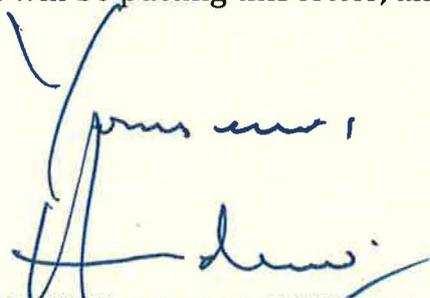
On January 25th, The Times newspaper alleged that the FCA had betrayed the confidence of whistle-blowers by passing on sensitive information to the subject of their complaints, the high street banks. Representatives of small businesses who met the FCA to voice their concerns that banks had been falsifying customer records are furious that the files they presented appear to have ended up in the hands of the banks, without their knowledge or consent.

The Parliamentary Commission on Banking Standards – which I chaired – concluded, in 2013, that the FCA ‘appeared to show little appreciation of the personal dilemmas that whistle-blowers may face’ (paragraph 799). It appears the FCA still has a great deal of work to do on this. It should, by now, have implemented the Commission’s recommendation that it accept ‘its responsibility to support whistle-blowers’ (paragraph 799).

The Commission also recommended that ‘the financial sector undergo a significant shift in cultural attitudes towards whistleblowing, from one of being viewed with distrust and hostility to one of being recognised as an essential element of an effective compliance and audit regime. Attention should focus on achieving this shift of attitude’ (paragraph 804). This objective will remain unattainable if the FCA itself does not demonstrate that it has put its own house in order, and set an example to the regulated community.

In the light of these allegations, I would appreciate your response to claims made by the SME Alliance that its representatives have been ‘badly compromised’ by the passing on of sensitive information to the banks. What progress, in your view, has the FCA made towards implementing the Parliamentary Commission on Banking Standards’ recommendation that the FCA encourage a ‘significant shift in cultural attitudes towards whistle-blowing’ (paragraph 804)?

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

A handwritten signature in blue ink, appearing to read 'Andrew Tyrie', written over a faint, illegible typed name.

RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE