



Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

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Rt Hon Andrea Leadsom MP

Secretary of State for Business, Energy and Industrial Strategy

30th October 2019

Re: BEIS Committee inquiry into Thomas Cook

Dear Andrea,

You will be aware that we launched our inquiry into the collapse of the Thomas Cook Group on 26 September. The collapse of Thomas Cook resulted in the loss of thousands of jobs, misery and uncertainty for customers and a significant cost to the taxpayer

Our inquiry has raised a number of issues, many of which we have commented on in previous Reports, especially in relation to corporate governance and audit reform. It is frustrating therefore that the Government has not acted upon previous recommendations from this Committee; appears not to have learned the lessons from previous high profile corporate failures; and has not brought forward the expected legislation required to transform the Financial Reporting Council into a more powerful regulator.

It is a matter of some regret, that given the expected dissolution of Parliament on 6 November, we are unable to report in full the extent and depth of failures in corporate governance, in audit and in government support – particularly for former employees of Thomas Cook. Our conclusions and recommendations are attached as an annex to this letter. We expect the Government to respond to our successor Committee as a matter of priority.

We encourage our successor Committee to monitor progress in the reform of corporate governance and the audit sector. Political pressure can and does draw attention to faults and flaws, but without regulators armed with the powers and resources that they need, lasting cultural change will not happen. Urgent steps need to be taken, not least the introduction of long overdue legislation to empower regulators, in order to mitigate against the worst impact of corporate failures on employees, consumers, suppliers and taxpayers.

Yours sincerely,

with my best wishes

Rachel Reeves

Rachel Reeves MP

Chair of the Business, Energy and Industrial Strategy Committee