



Treasury Committee

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Dear Martin,

IT systems failures at RBS

I wrote to the FSA at the time of the IT failures at RBS in 2012. The regulators subsequently fined RBS for that failure. Worryingly, history appears to be repeating itself. On 17 June 2015, RBS reported that some customer payments had gone “missing”. It also said that it was working to get “these payments updated for affected customers no later than Saturday”.

I expect that the new Treasury Committee will want to have answers from the FCA on a number of questions, including:

- Is this problem related to the one in 2012?
- What action does the FCA intend to take to deal with what appear to be recurring problems with the IT at RBS?
- What assessment has the FCA made as to whether this failure at RBS may be symptomatic of a wider problem with IT infrastructure in UK banks, or whether RBS is particularly vulnerable?
- Was the FCA approached by RBS in the days running up to 17 June to warn you of a potential IT system failure and, if so, what action did you take and what advice did you give?
- Does the FCA consider that recovery three days later is acceptable for a failure in transactions that should be part of a bank’s ordinary service to customers?
- Are you working with the PRA on this problem and on bank IT problems more generally, and if so what steps are being taken?

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

RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE