



Treasury Committee

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1 June 2016

Dear Mr Bailey,

CROWDFUNDING

I would be grateful if you could examine a couple of issues relating to crowdfunding and in detail, set out the PRA's approach to the risks and opportunities afford in the growth of this and related sectors.

- What is the PRA's assessment of the crowdfunding sector's resilience to potential economic shocks?
- What have been the prudential impact of the financial sector's increased exposure to unsecured loans through crowdfunding platforms and what may these be in the future if the current growth rate persists?

I have written to the Acting Chief Executive of the FCA, Tracey McDermott with respect to conduct risk, and am copying the letter to the Chancellor of the Exchequer.

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

RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE