



## Treasury Committee

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

1 June 2016

*Dear Ms McDermott,*

### **CROWDFUNDING**

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

- Where does the responsibility lie for ensuring that accurate information is conveyed to potential investors through crowdfunding platforms?
- Are sufficient incentives placed on crowdfunding platforms accurately to assess the creditworthiness of borrowers and firms seeking investment through crowdfunding platforms?
- What is the FCA's assessment of consumers' understanding of the level of risk associated with the investment opportunities offered through crowdfunding platforms?
- To date, what impact has the growth of crowdfunding made on competition within the financial sector and what is the likely impact should the growth continue?

I have written to the Deputy Governor for Prudential Regulation, Andrew Bailey with respect to prudential 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.

*AT* RT HON ANDREW TYRIE MP  
CHAIRMAN OF THE TREASURY COMMITTEE