Financial Conduct Authority

# Minutes

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| Meeting: | FCA Board |
| Date of Meeting: | 28 March 2014 at 5.00pm |
| Venue: | 25 The North Colonnade, Canary Wharf, London E14 5HS and by telephone |

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| Present: | Clive Adamson | Mick McAteer |
| | Andrew Bailey | Amelia Fletcher (for part) |
| | David Harker | Jane Platt (for part) |
| | John Griffith-Jones (Chair) | Sir Brian Pomeroy |
| | Martin Wheatley | Lesley Titcomb |
| In attendance: | Set out in Annex A | |
| Apologies: | Amanda Davidson, Tracey McDermott | |

**Quorum and Conflicts**

The Meeting noted there was a quorum present and proceeded to business.

**1 Introduction**

The Chairman thanked the Board for attending the meeting at short notice.

Mr Wheatley updated the Board on the background to an issue that had occurred in the previous 24 hours:

- in advance of the business plan being published on 31 March 2014, certain journalists were briefed on some of the items included within it. One of these items was the review of fair treatment of long standing customers in life insurance firms, which had been briefed to the Daily Telegraph the previous day (Thursday 27 March); and
- the story was widely reported that day (Friday 28 March) and the share prices of a number of listed insurance firms decreased significantly. The FCA had issued a statement clarifying the detail of the review in the afternoon. The relevant shares then recovered to a large extent (although not to the previous day's levels) but some issuers had asserted that there had been a disorderly and false market in their shares for much of the day.

The Board noted the market movements and the way the information would have been released as part of the publication of the Business Plan. It discussed the possibility of other issues being raised by the Business Plan that could have a market impact and noted the Executive was checking this prior to the publication the following week.

The Chairman proposed that the Board should investigate what had happened and involve an independent law firm. The Board supported this proposal.

The Board noted its duty of care to any staff members directly affected by the review and agreed they should be provided with appropriate support.

Mr Martin advised on the potential legal position.

The Board agreed to issue a statement as follows:

"The FCA Board acknowledges the concerns of the market regarding today's press coverage of the FCA's proposed supervisory work on the fair treatment of long standing customers in life insurance. The FCA put out a statement of clarification this afternoon. The Board will conduct an investigation into the FCA's handling of the issue involving an external law firm and will share the outcome of this work in due course".

The Board noted that the relationship between the independent lawyers and the Board would be the subject of the views of the Treasury and the Treasury Select Committee (TSC).

The Board noted that Mr Griffith-Jones had alerted the office of Mr Tyrie, MP (Chair of the TSC) and would attempt to speak to him as soon as possible. Mr Griffith-Jones undertook to call the Chairmen of the affected insurance companies who had called him. Non-executive Board members interested in being involved in conducting the review were requested to contact Mr Griffith-Jones or the Secretariat.

**2 Any other business**

There was none

The meeting closed at 5.45pm

Claire Strong

<u>Deputy Company Secretary</u>

## Annex A: Attendees

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| Richard Johnson | Manager, CEO's Office |
| Sean Martin | General Counsel |
| Claire Strong | Deputy Company Secretary |
| Simon Pearce | Company Secretary |

Relevant Technical Specialists and associates also attended the meeting