

Minutes

Meeting: FCA Board
Date of Meeting: 25 February 2021
Venue: Meeting held via Microsoft Teams

Present: Charles Randell (Chair) Alice Maynard
Liam Coleman Nikhil Rathi (*from 10:20*)
Bernadette Conroy Tommaso Valletti
Jeannette Lichner
Richard Lloyd

In attendance: Set out in Annex A

1 Quorum and declarations of interest

- 1.1 The meeting **noted** there was a quorum present and proceeded to business.

2 Nexus Programme Funding Request

- 2.1 The Board was briefed on the progress of the Nexus Programme and discussed the request for additional funding required for the programme to commence in April whilst supporting the data centre exit timelines and year-end audit.
- 2.2 The Board considered the risks associated with the accompanying data freeze and integration of systems. It received assurances that thorough testing had been done and that interim processes were being introduced to enable the cutover to the new system.
- 2.3 The Board **approved** an uplift to the investment case range for the Nexus Programme.
- 2.4 The Board **approved** an uplift to the Workday contract value and approved management of remaining changes in line with the Delegation of Financial Authorities (DOFA), limited to 10% of the original contract value.
- 2.5 The Board **approved** a contingency budget, delegated to the COO, to cover the risk of a short delay.

3 Report from the PRA

- 3.1 Mr Woods briefed the Board on the business of the PRA that was of relevance to the FCA.

4 Report from the Chief Executive

- 4.1 Mr Rathi briefed the Board on a number of topical issues, including:
-

- i. Credit & Consumer Investments: The work being undertaken to improve credit guidance and consumer protection.

5 Pre-paid funeral plans: Our approach to Regulation

- 5.1 The Board was briefed on the proposed approach to regulating the pre-paid funeral plan market and the accompanying rules intended for consultation.
- 5.2 The Board considered the risks associated with taking the sector into regulation and discussed measures for an assertive authorisations and supervisory strategy to mitigate harm to consumers.
- 5.3 The Board was **supportive** of the proposed approach and strongly endorsed an assertive and transparent approach being taken to regulating this market. The importance of clear preparatory communications with firms and consumers was also discussed.
- 5.4 The Board **noted** that a holistic strategy to regulate the market will be presented to the Board after consultation.

6 General Insurance Pricing Practices

- 6.1 The Board was briefed on the responses received subsequent to the consultation paper which proposed a package of remedies to address the harms identified in the general insurance pricing practices market study. In addition, the Board was briefed on a proposal to introduce a phased implementation period for the pricing intervention remedies to enable firms to comply with the new rules and improve practice standards.
- 6.2 The Board considered the consultation responses and the potential risks associated with delaying the implementation period. Whilst the balance between the speed and quality of implementation was acknowledged, the Board discussed the importance of clear accompanying communication emphasising that the FCA would be closely monitoring implementation plans and would use its powers in the event of non-compliance.
- 6.3 The Board **approved** the phased implementation of the pricing interventions based on a shorter deadline to comply than was proposed by the industry as well as strong incentives for firms to comply early.
- 6.4 The Board **approved** announcement of a change to the implementation period of the pricing intervention to the market.

7 Rules and Guidance and Technical Standards to be determined

- 7.1 The Board **resolved** to make the following instruments:
 - i. Consumer Credit (Debt Respite Moratorium) Instrument 2021 (FCA 2021/4)
 - ii. Handbook Administration (No 55) Instrument 2021 (FCA 2021/5)
 - iii. Supervision Manual (Reporting No 15) Instrument 2021 (FCA 2021/6)

8 Decisions of the Board

- 8.1 The Board agreed to approve the minutes of the meeting held on 28 January 2021 by written procedure.
- 8.2 The Board **agreed** the action log.
- 8.3 The Board **approved** the appointment of Penny James as the Deputy Chair of the FCA Practitioner Panel from 1 March 2021 to 31 August 2023.
- 8.4 The Board **approved** the reappointment of Marshall Bailey as Chair and NED of the FSCS for a further 3 years from 1 April 2021.
- 8.5 The Board **approved** the PSR's annual plan publication & budget 2021-22.

9 Monthly Reports from the Independent Panels

- 9.1 The Board **noted** the reports from the Independent Panels.

10 Reports from Chairs of Board Committees

- 10.1 The Board discussed the report from the Chairs of the Joint Audit & Risk Committee meeting of 9 February 2021.

11 Papers for noting

- 11.1 The Board noted the paper on the ongoing engagement of the Executive with the Panels.

12 Any other business

- 12.1 There being no further business the meeting closed.

Annex A***Attending for all, or substantially all of the meeting:**

Andrea Bowe	Chief of Staff and Joint Director of Transformation
Megan Butler	Executive Director, Transformation
David Cross	Private Secretary, Chief Executive Office
Nausicaa Delfas	Executive Director, International
Sheree Howard	Executive Director, Risk and Compliance Oversight
Sean Martin	General Counsel
Sheldon Mills	Executive Director, Consumers and Competition.
Simon Pearce	Company Secretary
Ian Runacres	Private Secretary to the Chair
Mark Steward	Executive Director, Enforcement and Market Oversight
Andrew Whyte	Director, Communications

Attending for the following items:

2	David Godfrey William Hague Keren Oser Sarah Shapcott	Director, Finance Director, HR and Transformation Head of Department, Finance Manager, Business Technology Solutions
6	Matt Brewis Richard Sutcliffe Nike Trost Marta Lipska Sarah Hayes	Director, Insurance and Conduct Specialists Funeral Plans Project Sponsor Head of Department, Policy Project Accountable Executive Head of Department, Credit and Lending Authorisations
7	Robin Jones Pritheeva Rasaratnam Andy Clarke Martin Boffey	Director, Review Implementation, Complaints & Assurance Head of Department, Independent Investigations & Assurance Interim Head of Department, Complaints Head of Department, International & Governance, GCD
8	Kate Collyer Edward Oxley Jason Pope Alex Roy Matt Brewis Venetia Jackson	Chief Economist and Interim Director of Competition Manager, General Insurance Policy Technical Specialist, General Insurance Policy Head of Consumer and Distribution Policy Director, Insurance and Conduct Specialists Technical Specialist, General Counsel Division

* Relevant associates and professional business support staff were also in attendance.