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19 September 2005

Our ref: KW/CP 05/11

Dear Sean

CP 05/11* Enforcement Process Review**

The Panel welcomes the opportunity to comment on the proposals resulting from Enforcement Process Review. This response does not focus on the rule changes being proposed in the consultation paper, but instead highlights one or two concerns that remain following the Panel's observations on the Enforcement Process Review Issues Paper published in March this year.

Consumer representation – the Panel acknowledges that the overall duty of Regulatory Decisions Committee members is to make decisions based on what is in the public interest. However Panel members remain concerned that the weight of practitioner involvement can have an impact on the perception of the RDC. The Panel feels that the RDC should have members who are from completely outside the industry to be classed as 'non-practitioners'. The Panel was concerned that currently former practitioners can be considered non-practitioners. Those former practitioners on the committee should be incorporated into the practitioner category.

Settlement cases – in its response to the Issues Paper the Panel suggested that an RDC member should retain an oversight function of all settlement discussions. However, the Panel can see the merit in complete separation between FSA and RDC in the settlement negotiation process and agrees with the proposals. The Panel feels that for the sake of consistency of decisions, the RDC should be fully informed of the background to all settled cases.

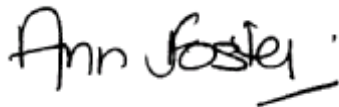
Publication of information about decisions – the Panel feels that the more information in the public domain about enforcement cases the better. It originally suggested that some issues may be capable of being publicised even before the final decision is reached. However, Panel members recognise the reasons why information cannot be made public during the investigation stage. The Panel would however urge the FSA to consider every option available for giving publicity to those issues which give rise to ongoing consumer detriment even if this is during an investigation. There are

occasions when consumers should be alerted to a particular issue; this should be possible on a no-names basis in some cases. The Panel would also urge the FSA to consider alternative options available for consumers other than financial redress.

The Panel noted that the changes being proposed to the Approved Persons regime will impact on the number of persons against whom enforcement action can be taken. It will submit a response to CP 05/10 in due course.

The Panel is generally pleased with the outcome of the Review and feels the changes being proposed should help to speed up the enforcement process, which will benefit consumers.

Yours sincerely,

A handwritten signature in black ink that reads "Ann Foster". The signature is written in a cursive style with a horizontal line underneath the name.

Ann Foster
Chairman, FS Consumer Panel