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By email: dp20-02@fca.org.uk

Dear Paul and Hillary

The Financial Services Consumer Panel's (the Panel's) response to the FCA's New UK Prudential Regime for Investment Firms Discussion Paper

Given the value and importance of the UK's investment industry it is crucial that a new UK Regime is established after the transition period which will ensure that markets still work well for consumers. The Panel supports the FCA's aims for the new prudential regime.

An approach that is more tailored to UK investment firms, and considers risks and potential harm to the client and market, as well as the firm itself should, in turn, improve outcomes for consumers in the long-run.

While the Panel supports innovation and proportionate regulation, the FCA should ensure the same levels of governance and security for investors of new firms are maintained.

The Panel welcomes, and supports, greater transparency and an increased focus on capital, liquidity and risk management to ensure a sound operating market where investors' money is adequately protected. The benefits of the new regime highlighted on page seven of the discussion paper would appear to create a better outcome for both industry and consumers. These benefits should *also* lead to a reduction in industry costs and we encourage the FCA to ensure that these cost reductions are passed on to consumers through reduced pricing.

Yours sincerely

Wanda Goldwag

Chair, Financial Services Consumer Panel