

Enforcement annual performance report

2018/19

Enforcement annual performance report

Contents

1	Introduction	4
2	Overview of enforcement action	5
3	Retail conduct	11
4	Wholesale conduct	12
5	Confiscation orders	14
6	Unauthorised business	15
7	ScamSmart	16
8	Threshold Conditions	17
9	Law and policy	19
10	International cooperation	20
11	National Economic Crime Centre	21
12	Joint Money Laundering Intelligence Taskforce (JMLIT)	22
13	Firm feedback	23

1 Introduction

This overview of the FCA's enforcement activities during 2018/19 is based on our commitment to strengthen financial markets and keep them working well, so that consumers are protected and can use them with confidence. It complements the wider [FCA Annual Report for 2018/19](#).

Like last year, we have focused on the essential enforcement developments and achievements, so you'll find chapters on retail and wholesale conduct, as well as information on the confiscation orders we made. You can also read about our work to counter unauthorised business, and the way we reinforce our Threshold Conditions. We also explain how we partner with other authorities, both internationally and in the UK to successfully regulate financial markets and to tackle wrongdoing. If you are interested in upcoming enforcement plans, see '[Law and policy](#)'.

Previous years' reports on enforcement are available on [our website](#), in addition to updates on our [enforcement actions and prosecutions](#). In April 2019, we published our final [Approach to Enforcement](#). We sought views on this paper and we reflected your feedback in the [Feedback Statement](#). We also published revised criteria for [opening an investigation](#).

We are proud to protect consumers and hope this account provides a helpful and clear flavour of our work this year. If you would like more information please [contact us](#).

This report is backed up throughout with statistics and graphics, as well as case studies to illustrate how we conduct enforcement actions. We are continually developing as a regulator, so we've included a chapter on how firms experience enforcement activity, which will inform how we work with them in future.

2 Overview of enforcement action

In 2018/19, we issued 265 Final Notices (243 against firms and individuals trading as firms and 22 against individuals), secured 288 outcomes using our enforcement powers (276 regulatory/civil and 12 criminal) and imposed 16 financial penalties totalling £227.3m (see Figure 2.1).

Figure 2.1: Financial penalties imposed

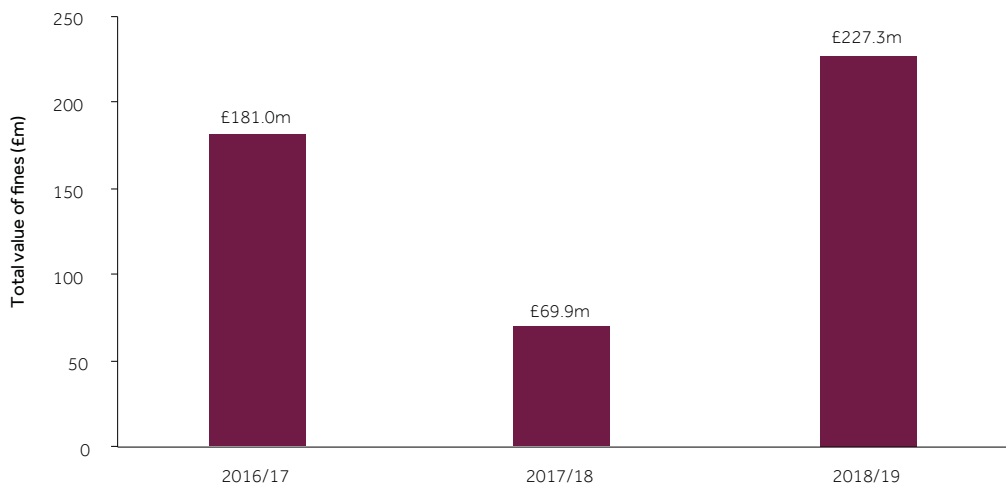


Table 2.1: Financial penalties imposed

	2016/17	2017/18	2018/19
Number imposed	15	16	16
Total value	£181.0m	£69.9m	£227.3m
Number imposed against firms	6	6	8
Total value imposed against firms	£180.1m	£69.0m	£147.1m
Number imposed against individuals	9	10	8
Total value against individuals	£0.9m	£0.9m	£80.2m

Transparency

To support our commitment to being a transparent regulator, we provide details of the length and cost of our enforcement activities (based on cases that closed in the year).

Regulatory and civil cases

Case length

Contested cases take a significantly longer time to resolve than settled cases.

Table 2.2 shows the average length of time civil and regulatory cases take from the date we began the investigation to the date of closure, whether it was resolved by agreement, referred to the RDC or Tribunal, or closed with no further action (NFA).

Table 2.2: Average length of regulatory and civil cases

Year	Average length of cases resolved by agreement (months)	Average length of cases referred to RDC (months)	Average length of cases referred to Tribunal (months)	Average length of all cases, including NFA cases (months)
2016/17	23.2	33.6	61.2	17.6
2017/18	32.3	59.4	52.4	19.1
2018/19	29.1	50.8	74.1	17.5

Case costs

Table 2.3 shows the average cost of our civil and regulatory cases. The resource required for each case varies depending on factors including scale and complexity. The cost of regulatory cases we have conducted can range from around £2,000 to over £1m.

Table 2.3: Average cost of regulatory and civil cases

Year	Average cost of cases resolved by agreement (£000s)	Average cost of cases referred to RDC (£000s)	Average cost of cases referred to Tribunal (£000s)	Average cost of all cases, including NFA cases (£000s)
2016/17	240.9	122.9	251.7	182.9
2017/18	290.5	469.0	712.4	137.8
2018/19	195.2	253.5	447.3	103.4

Criminal cases

Case length

Table 2.4 shows the average length of time for a criminal case. Criminal cases can take significantly longer to resolve than regulatory cases.

Table 2.4: Average length of criminal cases

Year	Average length of criminal cases in the wholesale area (months)	Average length of criminal cases in the UBD area (months)	Average length of all criminal cases (months)
2016/17	75.6	N/A	75.6
2017/18	59.8	57.7	58.2
2018/19	126.0	25.7	75.9

The average length of criminal cases in the wholesale area for 2018/19 relate to one case, Operation Tabernula, the main elements of which closed in the period.

Case costs

Table 2.5 shows the average cost of our criminal cases. Generally, we pursue fewer criminal cases in comparison to regulatory action. But the costs for individual criminal cases can be significantly higher than regulatory cases.

Table 2.5: Average cost of criminal cases

Year	Average cost of criminal cases in the wholesale area (£000s)	Average cost of criminal cases in the UBD area (£000s)	Average cost of all criminal cases (£000s)
2016/17	886.0	N/A	886.0
2017/18	1601.6	939.3	1160.1
2018/19	14342.7	122.0	7232.4

Again, the average cost of criminal cases in the wholesale area for 2018/19 relate to one case, Operation Tabernula.

Figure 2.2: Enforcement case movements

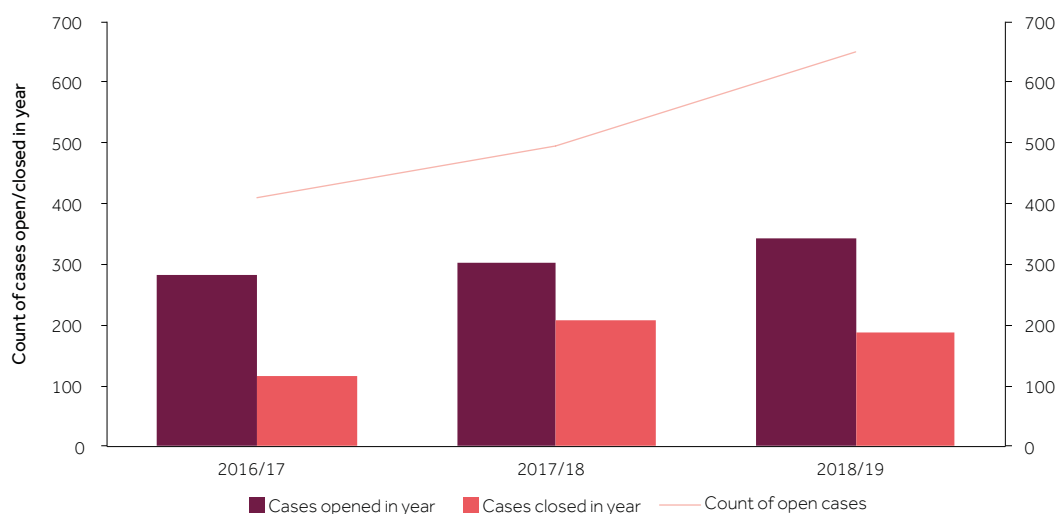


Table 2.6: Case movements

Cases may involve multiple parties and include both firms and individuals.

Type of case	Open at 1 April 2018	Opened during year	Closed during year	Open at 31 March 2019
Retail conduct	78	54	31	101
Retail lending	3	3	1	5
Client money/assets	9	8	3	14
Financial crime	76	29	17	88
Mis-selling	19	6	0	25
Culture/governance	61	20	11	70
Financial promotions	7	3	0	10
Wholesale conduct	30	9	8	31
Insider dealing	73	62	39	96
Market manipulation	24	26	17	33
Listing rules/Prospectus rules/DTR breaches	17	3	8	12
Misleading statements	16	16	3	29
Benchmarks	1	0	1	0
Unauthorised business	77	101	42	136
App. to revoke/vary permission or approval	5	3	8	0
Totals (excluding TCT cases)	496	343	189	650

We have restated open cases as at 1 April 2018 to reflect a small number of ongoing cases we have re-classified. We have also adjusted the total from 504 (as originally stated in the 2017/18 report) to 496 to reflect 8 cases that we removed for technical reasons

when implementing a new case management system. TCT (Threshold Conditions Team) cases involve regulated firms that fail to meet the FCA's minimum standards ie Threshold Conditions. See Chapter 8.

Table 2.7: Tribunal statistics

In some instances, a person who receives a statutory notice from us has the right to make a reference to the Tribunal. It is independent of the FCA and will consider the case afresh. References can be made for both disciplinary matters such as market abuse, and non-disciplinary matters eg applications for Part 4A permission by firms seeking authorisation. In disciplinary cases, once the RDC has issued a Decision Notice, the subject may choose either to accept the outcome, in which case a Final Notice will be issued, or refer it to the Tribunal.

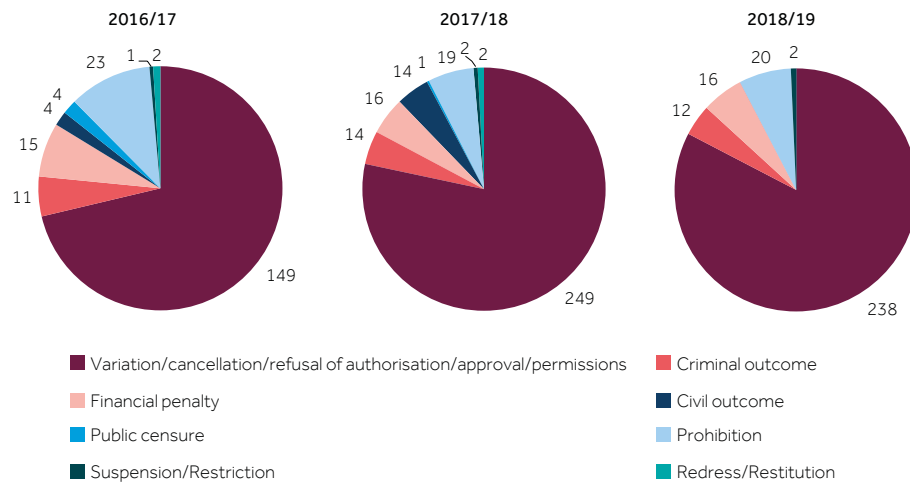
Type of cases/references	Live	Outcome		
		Tribunal decision	Dismissed without substantive hearing	Withdrawn
TCT	1			1
Authorisation		1		1
Market abuse				
Regulatory	13	6	1	2
Validation Order		49		
Totals	14	56	1	4

Regulatory cases included here include both disciplinary cases against firms and individuals. They also include non-disciplinary cases, eg where it is alleged we should have provided a copy of a statutory notice in line with section 393 of the Financial Services and Markets Act 2000 (FSMA).

A 'validation order' is an industry term referring to a notice allowing an agreement to be enforced or a notice allowing money paid or property transferred under the agreement to be retained. A relevant firm may seek a 'validation order' where agreements entered into when carrying on a credit-related regulated activity are unenforceable because of section 26, 26A or 27 of FSMA. We can only grant a 'validation order' if we consider it 'just and equitable'. A person aggrieved by the granting of a 'validation order' – eg a customer that entered into the agreement in question – can refer the matter to the Tribunal.

45 of these decisions relate to the same 'validation order'.

Figure 2.3: Published outcomes by financial year



The financial year of an outcome is based on the date it was publicised.

3 Retail conduct

Protecting consumers is at the heart of our Retail and Regulatory investigations. Our varied portfolio of casework reflects our drive to achieve fair and just outcomes in response to misconduct. We continue to focus on pensions cases to help change industry behaviour, ensure customers are treated fairly and secure redress when there is poor conduct. In addition, our money laundering investigations aim to strengthen the UK financial system and make it inhospitable to people who abuse it by laundering the proceeds of crime.

Case study

Tesco Personal Finance plc (Tesco Bank)

In October 2018, we fined Tesco Bank £16,400,000 for failing to exercise due skill, care and diligence in protecting its personal current account holders against a cyber attack. This took place in November 2016.

Cyber attackers exploited deficiencies in Tesco Bank's design of its debit card, its financial crime controls and in its Financial Crime Operations Team to carry out the attack. Those deficiencies left Tesco Bank's personal current account holders vulnerable to a largely avoidable incident that occurred over 48 hours and which netted the cyber attackers £2.26m.

For more see our [press release](#).

4 Wholesale conduct

Our Wholesale Markets play a critical role in the UK economy. It is essential that market participants have faith in the integrity of the market and that our markets are – and are held to be – operating fairly, effectively and demonstrably clean of abuse. Where we suspect that the integrity of the market may be threatened we investigate to determine if serious misconduct has occurred. Our detection capabilities mean we can start our investigations swiftly. Our investigatory portfolio shows that threats to market integrity can come from a range of business models – from international investment banks through to small brokers.

In the primary markets, we are investigating several cases where we suspect that companies have misled the market by concealing the truth about their financial position. In many cases we are also examining the conduct of the company's directors.

In the secondary markets, we have some insider dealing cases under investigation and in litigation. Our investigations range from cases involving persons in positions of trust who may come across inside information as part of their job and seek to misuse it, through to cases where, we suspect, individuals may seek to access and exploit inside information in a systematic way.

We also consider conduct in the Wholesale market in the broadest context. So our investigations cover a variety of issues, including manipulation across a range of asset classes and failure to manage conflicts of interest appropriately.

We require firms to be aware of their responsibilities to reduce the risk of harm and to support us in combatting it. Our portfolio therefore includes cases where firms have failed to have effective systems and controls to mitigate the risk they may be used to enable financial crime, to ensure accurate transaction reporting and to ensure the timely reporting of suspicious transactions to us in line with our rules.

Our wholesale markets are global. We recognise that harm can be caused to our markets by those acting in bad faith anywhere in the world. We have invested heavily in forging and maintaining strong relationships with partners overseas. So we can collaborate closely with regulators and law enforcement agencies around the globe.

Case study

Paul Stephany

Initial Public Offerings and placings play a vital role in helping companies raise capital. In February 2019, we acted against a fund manager, Paul Stephany, for his actions which risked undermining this. On two separate occasions, Mr Stephany submitted orders as part of a book build for shares that were to be quoted on public exchanges. Before the order books for the new shares closed, Mr Stephany contacted other fund managers at competitor firms and attempted to influence them to cap their orders at the same price limit as his own orders.

We found that Mr Stephany risked undermining the integrity of the market and the book build by trying to use the fund managers' collective power. Mr Stephany failed to observe proper standards of market conduct. We also found that he acted without due skill, care and diligence by failing to properly consider the risks of engaging in these communications.

For more information see our [press release](#).

5 Confiscation orders

Following almost every FCA prosecution, convicted defendants are subject to confiscation proceedings. This is when the Crown Court decides how much the defendant has benefitted from their criminal conduct. In certain circumstances, a defendant's benefit can extend beyond the amount obtained from their offence(s) if they are deemed to have a criminal lifestyle.

Once it has quantified a defendant's benefit, the Court must then decide whether the value of the defendant's interest in assets is equal to or less than the benefit from their criminal conduct. The source of the funds used to acquire those assets is irrelevant. The Court can take legitimately acquired assets into account. The Court will then decide on the amount and order the defendant to pay that sum within a specified period. This is called making a confiscation order.

Table 5.1: Confiscation orders in 2018/19

Date	Defendant	Amount
11 May 2018	Martyn DODGSON	£1,074,236
11 May 2018	Andrew HIND	£624,521
11 June 2018	Benjamin WILSON	£31,905.33 (increased from £1)

The order for Benjamin Wilson was a reconsideration, not an original confiscation order. The original confiscation order was made in February 2014 when Wilson was sentenced.

Case study

Samrat Bhandari, Dr Muhammad Aleem Mirza, Michael Moore and Paul Moore were prosecuted for FSMA offences in 2017 for their roles in operating an investment scheme that led to more than 300 investors in Symbiosis Healthcare plc suffering losses of just over £1.4 million.

Michael Moore and Paul Moore had pleaded guilty before trial and this has joined up with confiscation matters arising from a separate prosecution by Kent Police for fraud offences. Samrat Bhandari and Dr Muhammed Mirza were convicted following a trial.

We have now served our confiscation statements on the defendants and have final confiscation hearings scheduled for later this year. Numerous parties are expressing an interest in assets likely to be used to satisfy any subsequent confiscation orders. Restraint Orders are in place on three of the defendants to preserve assets, pending the outcome of the final hearings.

6 Unauthorised business

We continue to tackle firms and individuals who seek to carry on regulated activities without authorisation. Our Unauthorised Business Department (UBD) received the highest number of reports about potential unauthorised activity in a single year in 2018/19 (16,600 received – 25% increase on last year).

We attribute this increase to two main factors:

- Firstly, the ongoing success of our ScamSmart campaign – more consumers recognise potential investment scams and know how to report them.
- Secondly, the proliferation of fraudulent online trading platforms, generally based outside of the UK but targeting UK consumers. These platforms offer fast trading and high returns. They use social media to target investors and present themselves as a natural, more sophisticated, progression to online gambling.

One of the most prevalent types of online trading fraud in recent years has involved binary options, a high-risk, fixed odds method of investing on the financial markets. Binary options were brought within our regulatory remit in January 2018 and soon after UBD embarked on a major proactive piece of work looking into more than 200 unauthorised binary options trading firms.

While the vast majority of these entities were based outside our jurisdiction, several appeared to have some form of UK presence and we subsequently launched investigations into them. Three of these nine investigations are ongoing, including one large multi-jurisdictional one in which one of the key suspects has been arrested. 521 consumer warnings have been published.

As a result of our consumer education initiatives and proactive investigation work, binary options are no longer actively promoted to UK consumers.

Outside of our binary options work, we opened a further 11 investigations during the year so 20 in total. Of the matters that were not progressed to investigation stage, we were able to resolve a further 132, the majority of which were concluded through correspondence with the unauthorised firm. We published 521 consumer alerts – the highest in a single year – in matters where resolution with the unauthorised firm was not possible.

Case study

Operation Tidworth

We have had some notable successes in the criminal courts this year. Six defendants in Operation Tidworth were sentenced in September 2018 to terms of imprisonment totalling 28.5 years. They were convicted for offences including conspiracy to defraud, fraud by misrepresentation, money laundering, perverting the course of justice and issuing invitations to engage in investment activity contrary to section 21 of FSMA. The convictions resulted from our investigation into a series of boiler room companies operating out of rented offices in London's docklands area, selling shares in companies that owned land in Madeira.

For more information see our [press release](#).

7 ScamSmart

Protecting consumers from investment and pension scams, is a priority for us. A core component of this is delivered through our ScamSmart behaviour change campaign.

ScamSmart aims to give at-risk consumers the information, knowledge and tools to stop them falling victim to investment and pension fraud. We use TV, print, radio and digital advertising, as well as press activity and partner communications to build awareness of the risks of investment and pension fraud. We work with a range of partners including crime prevention organisations, banks and other financial firms, pension providers and consumer groups.

The ScamSmart website gives consumers tips on how to spot the techniques used by fraudsters and hosts the FCA Warning List. This tool helps users find out more about the risks of an investment or pension opportunity and search a list of firms that we know are operating without our authorisation.

Case study

Pension Scam Campaign

Highly sophisticated scammers lure people into transferring their pensions into fraudulent schemes, stealing an average of £91,000 per victim. People have reported receiving cold-calls, offers of free pension reviews and promises that they would get high rates of return – all of which are key warning signs of scams.

In August 2018, we launched a new ScamSmart campaign in partnership with The Pensions Regulator (TPR) to raise awareness of pension scams. The campaign urged the public to be on their guard when receiving unexpected offers about their pension and to check who they are dealing with.

The pensions scams campaign showed the contrast between the impact on the victims of pension scams, and the lifestyles enjoyed at their expense by the criminals. Using television, radio and social media adverts, it urged anyone who is contacted about their pension to visit ScamSmart before they transfer any funds, so that they don't end up becoming the victim of a scammer.

Following the campaign launch, visitors to the ScamSmart website increased by 462%, to an average of 3,145 visits per day. Additionally, during the campaign over 370 pensions holders were warned about an unauthorised firm after using the Warning List.

8 Threshold Conditions

We take action against firms and individuals that do not meet our minimum standards (the Threshold Conditions for firms and the Fit and Proper test for individuals). This year, we cancelled 226 firms' permissions to conduct regulated business, and prohibited 7 individuals, and in one of these prohibitions (Darren Cummings) we also fined the individual. We continue to see a steady increase in referrals, due to the continuing high number of consumer credit firms failing to pay fees or submit regulatory returns. Referrals have risen from 218 in 2015/16, to 1,294 in 2017/18 to 2,036 in 2018/19.

Recurring breaches of our minimum standards relate to:

- lack of adequate resources (including professional indemnity insurance, financial and non-financial resources)
- failures to comply with Financial Ombudsman Service awards
- convictions of offences involving fraud and dishonesty
- directors' disqualifications
- non-submission of regulatory returns, and
- non-payment of fees

Table 8.1: Threshold Conditions cases in 2018/19

Threshold Conditions Team (TCT) cases	Open at 1 April 2018	Opened during the year	Closed during the year	Open at 31 March 2019
FSMA firm cases	45	56	64	37
PSD firms	3	39	38	4
Consumer Credit firms	222	2036	2013	244
4MLD firms	3	10	8	5
UKLA firms	0	0	0	0
AIFMD firms	0	0	0	0
TCT cases total	273	2141	2123	290

TCT (Threshold Conditions Team) cases involve regulated firms that fail to meet our minimum standards ie the Threshold Conditions.

PSD (Payment Services Directive) cases involve enforcement action against firms failing to comply with the Payment Services Regulations.

4MLD cases involve enforcement action against firms who fail to comply with the Money Laundering Regulations.

UKLA cases involve companies whose listing of securities have been suspended and we are seeking to cancel the listing of those securities.

AIFMD cases involve referrals of firms registered under the Alternative Investment Fund Managers Directive.

Case study

Darren Cummings

We prohibited and fined Mr Cummings £29,300 for knowingly making a number of false and misleading statements to us concerning his qualifications and experience. Mr Cummings also fabricated evidence of his qualifications and submitted it to us, to give the misleading impression that he had attained the appropriate qualifications to provide investment advice to retail customers.

For more information see our [Final Notice](#).

9 Law and policy

On 24 April 2019, we published our final Approach to Enforcement document, following a consultation, and published revised criteria that we consider when deciding whether to open an investigation.

During 2018/19, we provided enforcement-related legal and policy input on a range of FCA-wide projects including a Discussion Paper on a Duty of Care to consumers, the development of a regulatory framework for Claims Management companies, final guidance on the Duty of Responsibility for Insurers and FCA solo-regulated firms, Extending the Senior Managers and Certification Regime to Insurers and the application of the SM&CR to firms' Legal Functions.

We developed and consulted on several proposed enforcement-related changes to the FCA's Handbook arising from the implementation of EU Regulations including the EU Securitisation Regulation 2018 and the Capital Requirement Regulation Amendment and the Payment Services Directive 2018.

We continued to input on Brexit related workstreams including Handbook amendments (to correct post-Brexit deficiencies), the establishment of a Temporary Permissions regime and the establishment of regulatory regimes for Credit Rating agencies. We advised on enforcement-related aspects of key financial services legislation including the EEA Passport Rights and Transitional Provision Regulations, the Gibraltar Regulations, the Market Abuse Regulations, the European Market Infrastructure Regulation and the Credit Rating Agencies Regulations.

10 International cooperation

Many of our investigations have a global angle, and the underlying misconduct we tackle often reaches across multiple jurisdictions. Effective collaboration with international regulators and law enforcement agencies is vital to the work that we do, and we dedicate significant resource to building, maintaining and strengthening international cooperation.

Our action in respect of Total Debt Relief Ltd (TDR) is a good example of the value these international relationships bring. We obtained a compulsory court order for the winding up of TDR on public interest grounds. We had taken action to obtain an urgent High Court Order to appoint a Provisional Liquidator for the firm to protect customers' money. After learning that substantial sums of money had been transferred from TDR's client account to a North American bank (via third parties), we contacted the U.S. Securities and Exchange Commission and the Office of the Comptroller of the Currency to help us contact the bank quickly. This helped mitigate the risk of further transfers away of clients' funds. The Provisional Liquidator applied to the UK courts for a worldwide freezing order and subsequently began recovery proceedings.

In 2018/19, we received around 1,000 requests and proactive disclosures from overseas enforcement agencies and provided significant investigative assistance to our international counterparts, including conducting interviews and obtaining bank records and transaction data. This enabled us to fulfil our international obligations to help other regulators and, in doing so, to play our part in worldwide efforts to tackle financial services misconduct.

International groups like the International Organisation of Securities Commission's (IOSCO) committee on enforcement and the exchange of information (C4) play a key role by providing a platform for discussion on important and emerging issues in enforcement. We actively engage in and support IOSCO's work, and are currently the Vice-Chair of C4.

11 National Economic Crime Centre

In late 2017, we seconded staff to the design team for the National Economic Crime Centre (NECC), where they worked alongside representatives from the National Crime Agency, Serious Fraud Office, City of London Police, HM Revenue and Customs and the Crown Prosecution Service. The NECC launched in October 2018 as part of the Government's Economic Crime Reform Programme.

Since the launch, we have seconded three staff with financial crime experience to work within the NECC on both tasking and coordination and market abuse, fraud and money laundering threats. The NECC aims to improve the national approach to information sharing and to develop enhanced capabilities. Engagement with the private sector is also a NECC priority.

12 Joint Money Laundering Intelligence Taskforce

The Joint Money Laundering Intelligence Taskforce (JMLIT) is a public-private partnership established in 2015 between law enforcement agencies and the financial sector. The JMLIT, which has since been incorporated into the NECC, aims to detect, prevent and disrupt money laundering and financial crime in the UK.

We have been a JMLIT member since its inception. The public-private partnership provides a forum to discuss the risks which are perceived to exist within the financial sector, how the sector is being abused and any vulnerabilities which may be exploited by criminals. The forum also allows us to engage proactively with members to make the financial markets a hostile environment for money laundering and financial crime.

As a result of the success of the JMLIT to date, its membership has grown, as has the level of law enforcement engagement and the volume of cases discussed.

13 Firm feedback

At the end of an investigation we give the subjects an opportunity to comment on the practical and procedural aspects of the process, and the general impact of the investigation. These feedback meetings focus on the handling of the case by our staff and decision makers, not on the substantive facts or outcome.

Summary of feedback

In 2018/19 we received feedback from ten firms and individuals under investigation. The key themes include:

Subjects found investigation teams to be professional, courteous, flexible, cooperative, fair and receptive, for example when firms wished to present their own findings and context, which in turn encouraged open dialogue. On the whole subjects felt that case teams investigated with an open mind, although in a small number of cases, subjects felt the outcome had been pre-determined.

Some subjects were surprised to be investigated, particularly given the remedial work undertaken before the decision to investigate. However, on the whole, subjects found scoping meetings helped them understand the enforcement process. Some felt that we could give more information at scoping meetings, on referral, and/or in the Memorandum of Appointment of Investigators, to enable subjects to understand the basis for the investigation better.

Firms found information requirements to be well-constructed and clear. Investigation teams were open to narrowing the scope of information requirements, to avoid unnecessary requests for information where appropriate. We could be more joined up with other stakeholders, for example with Supervision and overseas regulators. This would improve the efficiency of our information gathering, for example, avoiding duplicate requests.

Interviews were conducted professionally and in a focused manner, and in the main, subjects were given sufficient information to understand the context of the questioning. Early interviews were found to be helpful to establish the background before more detailed follow up interviews. However, one subject believed that they did not offer value where insufficient preparatory work had taken place and investigators had had little opportunity to reflect on information obtained in other interviews.

A number of subjects believed that their investigations had gone on too long and that it seemed that little progress was being made on them at times. This caused them concern. This could have been avoided with stronger planning at the outset of the investigation. While some subjects felt they were kept adequately apprised of progress, others would have appreciated more updates, for example on next steps, timeframes, issues no longer of concern and reasons for no further action.

Experiences during the resolution stage were largely positive – investigators gave clear reasoning and engaged in constructive discussions. Some felt that notices could be more comprehensive (for example in breaking down financial penalties and specifying inadequacies).

Feedback highlighted the significant impact investigations had on firms and individuals, for example on reputation, time, finances, employment and family life. The announcement of investigations had a negative impact, for example, on the smooth running of firms, and by creating a misleading impression that the outcome of the investigation had been prejudged. One noted that the Skilled Person's review, not the enforcement action, had changed the firm's management approach.

We have considered the key themes that were raised and are working to implement the lessons we have learnt.

