

Question Set G

For current and former Financial Conduct Authority employees

Please note all of these points before answering:

- We welcome comments and input from FCA employees past and present about this Call for Evidence and we value your input and opinions.
- If you have any questions about any aspect of this initiative please contact Andy Agathangelou, Chair of the APPG's Secretariat, at [Email](#). If you prefer to telephone him, use 07501 460308.
- If you prefer to remain anonymous please state this in your response and note that you are free to skip questions if you wish; for example you can skip the question about your name. If you want to remain anonymous, we suggest you exclude any information about you or your department that might enable you to be identified.
- Whilst we prefer to receive your response as a Word document you are welcome to provide it as a PDF. You may also provide your response into the body of an Email.
- Only reply to this question set if it applies to you i.e. if you are a current/former employee of the FCA
- This Call for Evidence is being handled by the APPG's [Secretariat](#) and support staff, who are the data controller for GDPR purposes. The Secretariat will collate the evidence and provide it to [the APPG's members](#). We seek to abide by the highest ethical standards when handling the information that is provided - respondents' information will only be shared as necessary to enable the successful completion of the exercise and it will not be shared beyond the scope of this Call for Evidence.
- Please note that we ask respondents to only give evidence that they are free to provide. It is entirely the responsibility of the respondent to ensure they take into account any agreement(s) they may have entered into, such as a Confidentiality Agreement or a Non-Disclosure Agreement.

Whistleblowing

- Because we are not in a position to give legal or professional advice in relation to matters about whistleblowing if you
 - want more information about whistleblowing or how to make protected disclosure; and/or
 - feel you need support, help, advice or guidance on any issues to do with whistleblowing
- ...one of the courses of action you may wish to consider is to liaise with a specialist whistleblowing organisation such as WhistleblowersUK

(<https://www.wbuk.org/#overview>) who can be contacted by emailing helpme@wbuk.org

- Furthermore, you may choose to select the question set relating to Whistleblowing (E) instead of or as well as this one. You can [download it here](#).

The process to follow

- You may respond to more than one question set if you have different experiences of contact with the FCA.
- Download it, as a Word document, and save it on your computer.
- Provide your answers after each question.
- Please leave blank any questions that don't apply to you or that you do not wish to answer.
- Save the completed document on your computer.
- Please email it to Andy Agathangelou, **by 5pm on Monday 10th January**, at [Email](#)

Other important points to note

- This exercise is about gathering evidence on what people think about the FCA; it is not about providing any assistance, guidance or advice on any case a respondent may have against the FCA, or any other entity.
- Respondents are asked to only provide answers to the questions given.
- Respondents are asked to not provide any supplementary evidence or documentation.

Question Set G

For current and former Financial Conduct Authority employees

Your Details

Name:

REDACTED

Company/Business (if applicable):

REDACTED

Address including postcode:

REDACTED

Email address (preferably non-FCA):

REDACTED

Mobile telephone number:

REDACTED

Permissions

- o Do you give permission that your name is put into the public domain?
 - Please enter Yes or No. ...NO.....
- o Do you give permission that your response is put into the public domain?
 - Please enter Yes or No. ...YES..... (With Name, Email address, phone number and postal address redacted).

Questions

1. Are you a (i) current or (ii) former, employee, contractor or agency-supplied worker at the Financial Conduct Authority?

I was a full-time employee of the FCA. Writing this submission has brought back much bitterness over what I still feel was a wasted opportunity.

2. In what area of the FCA do/did you work??

I was a Subject Matter Expert (SME) originally recruited to fill a gap in the FCA's skillset caused by the division of the FSA into PRA and FCA.

3. Briefly describe the functions you perform or have performed at the FCA.

I was recruited as the only SME with my experience in the building and that was the basis on which I was sold the role by a Recruitment Agent. I was interviewed by two Managers in the department, and I have to admit it never occurred to me that they were themselves relatively junior members of staff. When my salary request was met in full without any quibble, I really thought they wanted me and had clear expectations of what I would bring to the organisation. They knew that I had been in senior roles in my previous jobs but that counted for nothing. That I was not interviewed by, or invited to meet, anybody more senior was a key point that I missed. When I joined it emerged that they had only the fuzziest ideas of what I should do and I quickly found that the Manager to whom I was assigned (who I had only very briefly met before my starting date) was himself out of his depth in his role and had no idea what my speciality was about. I concluded that my appointment had been sanctioned by the Head of Department who saw me as nothing more than a trophy in his rivalry with other Departments. In the 2½ years I nominally worked for him, he hardly ever spoke to me and was cold and aloof whenever I tried to speak to him. From day one I was never allowed to perform anything meaningful in the role and ended up offering as much specialist advice as I could, while being used as a general administrator.

4. In broad terms, what has your experience of working at the FCA been like?

Frustrating. Unfulfilling. The most miserable three and a half years of a career lasting nearly four decades.

5. During your period of employment did you witness any actions or conduct that, in your reasonable belief, breached any law, regulatory code or applicable or relevant policy? If so, please explain which law, code or policy you believe was breached.

Time has passed and I'm not sure I can quote specifics. The overwhelming impression I got was of an organisation that knew precious little about my specialism or even my more general subject area and arrogantly refused to learn. I recall one bizarre session with a senior manager whose primary experience had been at another Regulator, in which he made a brazen announcement that displayed such ignorance that the true SMEs present, all, of course, in junior grades (ie below Manager) almost cried in despair at such lack of interest in the issues being discussed. All too often, entrenched FCA "knowledge" was unshakeable, with trite truisms being quoted endlessly, even when those from outside the FCA "bubble" tried to correct them.

6. What example/s can you share about when the FCA has done a good job to protect consumer interests?

Frankly, I can't. The FCA obsesses with issues that are simplistic and therefore easy for senior management to understand. It will spend vast amounts of effort trying to address what it sees as serious issues while completely ignoring much more important issues where the technicalities make it hard for the senior people to grasp what needs to be done.

7. What example/s can you share about when the FCA has done a poor job to protect consumer interests?

Almost every intervention at industry level in my area of specialism has been marked by such ignorance as to render the FCA's involvement useless. For a year and a half, management at the FCA fixated on an issue that at every industry consultation and every internal discussion involving technical expert advice from junior levels in the FCA, they were told the proposal was unworkable and not helpful to consumers. Yet for a wasted 18 months it became a classic example of management group think. Industry objections, however well-reasoned were simply dismissed as "well if they object like that, we must be on the right lines". I forget how we got it dropped, but it was really hard work.

8. What are your thoughts on whether the FCA lacks the powers that it needs; or conversely, that it doesn't make good use of the powers it already has?

It's hard to say what good use the FCA could make of extended powers in my sector as it lacks the internal expertise to understand the issues. All too often it concentrates on "low hanging fruit", easy issues, while ignoring the more complex products. If it can achieve a miniscule saving for consumers in one product area, it will trumpet it as a spectacular success. But because the FCA Management lack the knowledge to grasp more complex products, market abuse by providers in other sectors continues unabated costing consumers vastly more than the savings achieved by the FCA in the "easy" cases.

9. Have you experienced any difficulties or shortcomings in your interactions with the FCA?

As I said above at Q3, I was recruited as the only SME with my experience in the FCA. As my salary expectations were met in full without quibble, I assumed, naively, that there was a clearly understood role for me and that my colleagues wanted to draw on my decades of experience. How wrong I was. My first inkling came after about ten days when I introduced myself, at a Departmental reception, to the Head of Department (my manager's immediate superior). He cut me dead. I quickly learned that the FCA's hierarchical approach to management meant that I was not supposed to speak to anybody more than one grade away from mine. Everything had to go through the levels. It was maddening! When I learned of the convoluted process by which policy papers had to be submitted through the layers of committees before they got to Exco, I nearly burst out laughing. I'd been used in Industry to my CEO calling me in to his office, or even sitting on my desk, if he needed my input. The glutinous bureaucracy at the FCA was alien to me and I never really acclimatised to it. I guess I made mistakes born out of the frustration, but I simply couldn't break through. I hadn't realised what being graded as an Associate meant and the fact that I was paid at Technical Specialist level didn't help, because it made me unpromotable.

Eventually I was shipped out to an administrative team, which effectively ended any chance I had of influencing Policy. After a year of broken promises from my new manager, I resigned. To my knowledge, the FCA has never replaced me with a similarly qualified SME.

10. Have you experienced the FCA being reluctant to give clear answers to questions, whether from you, the public or other stakeholders?

The FCA never answered the public's queries. They were always referred to the relevant Ombudsman.

11. Have you been in a situation where you could have helped a member of the public with an enquiry but were constrained from doing so as a direct result of an FCA policy or the FCA's interpretation of an applicable law?

See above, Q10.

12. What is your perception of the culture of the FCA, and what do you think of it? Does it promote openness, or is there a lack of transparency?

The worst staff culture I have ever experienced in nearly forty years. Top-down hierarchical management, Do-as-you're-told, don't argue. An astonishing arrogance that FCA "insiders" know more than any newcomers. An example – on my team there was a Technical Specialist who had been employed for over ten years since university by the FSA/FCA. His sole "real-world" experience was a six-month industry placement during the third year he was on the graduate training scheme. Yet at team meetings, it was always his voice and opinions that held sway despite there being other team members (not just me) with decades of industry experience and knowledge. But the issues go further than that. I have already referred to the nonsense that all communications, however informal, had to go "through the levels" and one simply didn't attempt to by-pass them. I discovered quite early on that requests for help from another department would be routinely ignored if the person being asked wasn't directly instructed to help by their own Manager. Unless your Manager was prepared to use up some personal capital on your behalf, you simply would not get the cooperation you needed.

The upshot is that no, the culture at the FCA was anything but open and transparent. Most people just kept their heads down and tried to do whatever they needed to get paid.

13. Does the culture of the FCA encourage and support staff in raising serious and challenging questions, or does it deter them from doing so?

No chance. Management decide everything. Staff do as they're told.

14. Have you ever

- Raised concerns or complained officially about the FCA?
- Been a current or past whistleblower, or known of others doing so?
- What happened, and how do you feel about what happened?
- What feedback, if any, have you had about your concerns, complaint or whistleblow?
- How helpful was the response?
- How long has it taken for your concerns, complaint or whistleblow to be processed, and how well or badly do you think the matters were responded to?

No.

15. What do you think about the possibility of conflict of interest issues at the FCA?

I wasn't aware of any such issues at operational level, FCA staff are generally too junior and ignorant to be of use to outsiders seeking to influence. At Exco and Board level that may well be different but I wasn't privileged to have that kind of access.

16. Do you believe the FCA should be made more accountable to the public, Parliament or anyone else? If so, why, and what measures do you think are needed?

I think the FCA is beyond that. It needs root-and-branch reform or even outright abolition.

17. What positives are there about the FCA that you would like to comment on?

None.

18. If you could change three things about the FCA, what would they be?

Management culture (x3)

19. The FCA is undertaking a Transformation Project. Do you have any comments to make about that?

For example:

- Are staff at all levels invited or allowed to participate and contribute?
- Do you expect this project to alter or influence the culture and policies of the FCA?
- Do you expect consumer protection to be improved?
- How could transformation/improvement of the Regulator be better handled?

I only know what I have read in the press, It seems to have been particularly badly managed, even by FCA standards, During my time, the majority of staff got no pay rises (not even an inflationary adjustment) often for several years. I gather this situation continues. Internal promotion was difficult and even when achieved, the overlapping pay scales meant that the promotion was often not accompanied by a pay rise. So, the annual bonus was often the only incentive junior staff had. To arbitrarily remove it would seem to be heavy handed and guaranteed to cause mass unrest. Communication of pay and staffing decisions has always been poor. I recall one “Annual Staff Meeting” chaired from the stage by a very highly paid member of Exco. They stood on the stage and mouthed platitudes at the gathered staff. When a questioner from the floor asked why some 65% of all staff were getting no salary increases that year, they had the utter *chutzpah* to say “pay rises aren’t the most important thing in life”. Needless to say, that went down like a lead balloon.

20. Are there any other comments that you would like to make?

My view from having been on the inside is that the original decision to split the FSA into Financial and Conduct Regulators was flawed. The FCA tends to concentrate on the issues in one Sector at a time and lacks the time and knowledge to make meaningful contributions to the other sector, Also, there are clear overlaps between financial and conduct regulation that lead to conflict between the PRA/BoE and the FCA, which the Bank tends to win. My view is that Financial Services Regulation should be split between Banking and Insurance and both Regulators (The Banking Regulator and the Insurance Regulator) should come under the control of the Bank. And that awful management culture needs serious addressing. I honestly cannot see how that can be achieved without a wholesale clear-out of the career managers who have been in public service for decades.

~~ END ~~

Thank you