

THE FINANCIAL SERVICES PRACTITIONER PANEL

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Financial Services Practitioner Panel issues Annual Report 2003

The Financial Services Practitioner Panel today has released its Annual Report for 2003.

Commenting on the report, Jonathan Bloomer, Chairman of the Panel, said:

"2003 was an exceptionally busy year for the Panel, during which we enjoyed a constructive exchange of information and views with the FSA. Following our representations, progress has been made on a number of important issues, for example, the cost-benefit analyses of FSA policy.

In 2004 the Panel's work will encompass a range of high-level issues central to the efficient functioning of the regulatory regime. We welcome the positive statements by the FSA's new Chairman and Chief Executive - such as the intention to cut the number of consultations in half - and will be working to ensure they are followed through."

The 2003 Annual Report reviews a number of major issues that arose in 2003 and those that are likely to dominate the Panel's work in 2004.

Some of the major issues from 2003 are:

- The Panel's belief that the UK's international competitiveness should be at the forefront of all policy decisions. The Panel has concerns over the extent of regulation as a result of EU directives and the risk of "gold-plating" the directives during their implementation.
- Continuing concern about the overall cost of regulation and the quality of cost-benefit analyses.
- The Panel has a number of concerns regarding the proposed Sandler regime including that expressed by the FSA Chairman about the appropriateness of a simplified sales process for products with a high equity content.
- Concern about the role of Financial Ombudsman Services and the demarcation with the FSA. The Panel is pleased that this will be looked at in the Treasury's N2+2 review.
- Support for the FSA's work on financial capability, and a desire to contribute the considerable expertise of regulated firms to this task.

The Panel's Report then looks forward to a busy 2004 in which, among other developments:

- It is likely the FSA's new structure will result in the Panel devoting more time to higher impact policy issues, at an earlier stage in the thinking process.
- The Treasury will continue its review of the Financial Services and Markets Act. The Panel is pleased that many of its key suggestions have been incorporated into the terms of this review.
- The Panel's regular survey of practitioners will be published, giving the most detailed and up-to-date picture of what financial services firms think of the regulatory regime.
- A key area of the Panel's work will be concerns about the impact of implementing and possibly gold plating a raft of EU directives under the EU's Financial Services Action Plan.

NOTES FOR EDITORS

1. The Financial Services Practitioner Panel was established under the Financial Services and Markets Act 2000 to represent the interests of practitioners and is independent of the FSA. Members are drawn from regulated institutions and market users at a senior level. Membership rotates to ensure a balance between consistency and new input. The Panel was set up on a non-statutory basis in November 1998 (as the Practitioner Forum) and became a statutory body in June 2001.
2. The current members of the Panel are: Jonathan Bloomer, Group Chief Executive, Prudential plc (Chairman); Donald Brydon, Chairman, AXA Investment Managers (Deputy Chairman); Alan Ainsworth, Deputy Chairman, Threadneedle Asset Management Ltd.; Matthew Bullock, Group Chief Executive, Norwich and Peterborough Building Society; Clara Furse, Chief Executive, London Stock Exchange; Douglas Gardner, Chief Executive, Thomson's Group plc; David Hardy, Chief Executive, London Clearing House; Roy Leighton, UK Chairman, Credit Lyonnais; Brendan Nelson, Chairman, KPMG; Michael Quicke, Chief Executive, Leopold Joseph and Sons; Roger Sanders, Principal, Roger Sanders Associates; and David Verey, Senior Adviser, Blackstone Group.

Further information on the role and work of the Panel, and details of its membership, is available on its website: www.fs-pp.org.uk

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