Financial Services Practitioner Panel **Press Release**

26.6.02

Donald Brydon, Chairman, Financial Services Practitioner Panel, calls for need for great care in response to multiple enquiries into savings industries.

Speaking at a meeting of the Practitioner Panel, Brydon said.

- "There can surely be no other country which has subjected its savings industries to so many interlocking enquiries:

On Equitable Life	the Baird report
	the Penrose enquiry
	the Parliamentary Ombudsman Review
From the Government	the Sandler review
	the Pickering review
	the Myners review
From the FSA	the depolarisation proposals
	the Tiner review with its sub-sets
	the With Profits review
From the Inland Revenue	the Modernising Annuities review

- "These are occurring at a moment when the fall in equity markets requires clear thinking and the full attention of relevant business management. Both the Treasury and the FSA need to be careful that they do not cause inappropriate distraction by causing too much focus on organisational issues.

- "It should remain a key imperative of the Government to encourage long term savings and care is needed to avoid causing savers unnecessary alarm. This cascade of enquiry risks creating significant uncertainty amongst savers and is stretching the resources of the various practitioners.

- "The Panel is supportive of the FSA's approach to consultation and the thoughtful process of policy development it pursues.

- "Most importantly both the Treasury and the FSA must both act with considered responsibility as these enquiries and reviews reach their conclusion. The conclusions of all this study need to be considered together. If either the Treasury or the FSA act precipitately in relation to any one of these enquiries they risk creating a jigsaw into which the final pieces may not fit.

- "There is a need for overall coordination of the consequences of this all this work

- "There is a risk that the law of unintended consequences may become operative rapidly with resulting damage to the economy and the confidence of savers.

- "The 2nd FSA Practitioner Panel Survey of regulated firms (being launched next week) should help to test the extent of practitioners' views in this regard."

[cont.]

END

Notes for Editors

1. Donald Brydon was speaking at the monthly meeting of the Financial Services Practitioner Panel

2. The Practitioner Panel was statutorily established under the Financial Services and Markets Act 2000

3. The objectives of the Practitioner Panel are

- To monitor the FSA's effectiveness as seen by the financial services' industry
- To communicate to the FSA issues of general concern to regulated businesses about regulation in practice
- To respond when requested to by the FSA with a practitioner view of key regulatory issues
- To contribute a broad financial industry view on the formulation of FSA policy and on the response the FSA proposes to make to representations it has received during any formal consultation process

Inquiries: Donald Brydon
Chairman, Practitioner Panel
c/o 7 Newgate Street
London EC1A 7NX

Tel: 020 7003 1501