

Dame Elizabeth Gloster QC
One Essex Court
Temple
London
EC4Y 9AR

By email

22 August 2020

Dear Liz,

Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc

Further to our recent correspondence and meeting on 5 August 2020, thank you for your letter dated 21 August 2020 outlining the revised timetable and the reasons for this and formally notifying me that it will not be possible to complete your Investigation by 30 September 2020.

I can confirm that the FCA has no objection to the proposed extension to 23 November 2020, although we note that this is dependent on the completion of the outstanding interviews, including those recently requested where the availability of the individuals is outside of the control of the FCA. I will inform the Economic Secretary to the Treasury of your notification of the revised target date and the reasons for the revision, and will enclose copies of our correspondence on the issue. We will work with HM Treasury and your team regarding the public announcement of the revised target date, and will arrange for this exchange of letters to be published on our respective websites. We also confirm that we have no objection to you sharing the letters with the Chair of the Treasury Select Committee.

I too am mindful that many of those who invested in LCF will understandably be very disappointed about the further delay in the delivery of your report. As outlined in our previous correspondence and our conversation on 5 August, I can assure you that the FCA remains committed to cooperating with the investigation in an open and transparent manner, and is focused on supporting your efforts to complete it as soon as possible. We continue to take any concerns you raise seriously and to address any issues that are highlighted.

I would again like to apologise for the delays in the provision of information in response to your requests and the matters highlighted in recent correspondence which have contributed to this delay in the completion of your Investigation. We have previously highlighted the matters that have contributed to this delay, including the impact of urgent Coronavirus response work on senior leaders' availability. Whilst we have responded to more than 75 information requests from your team so far, and have also provided some 45,000 documents across the period of the investigation, we too are frustrated by the limitations of our legacy technology systems in

retrieving information. This is being addressed through a multi-year and multi-million-pound investment programme. We will continue to conduct assurance work to ensure that any gaps in information are identified and remedied.

I note that as a result of interviews with senior personnel you consider that the Delivering Effective Authorisations and Delivering Effective Supervision programmes are important context in understanding the events that are within the scope of your Investigation. Information about these programmes was referenced, for example, in the Mission and the FCA's Business Plan for 2017/18 and in other documents provided to you at certain points during the course of your investigation, including in response to your team's information requests. I do understand why you may regard these programmes as important to the context of your review and I think it is important that you have sufficient time to conduct further interviews to deepen your understanding of this context. We have responded to your recent requests for additional information on the programmes and offered a meeting to answer any further questions about them.

I should, however, stress that these programmes are not the entirety of the FCA's plans for change in the area of protecting consumers from harm in relation to consumer investments. As outlined in my recent letter, if your team would like further information about our business priority (announced in April of this year) to transform this market, and our broader programme for the transformation of the FCA, we would be very happy to provide this information.

Yours sincerely,

Charles Randell

Chair