



**Ashley Alder**  
**Chairman**  
**The Financial Conduct Authority**  
**12 Endeavour Square**  
**London E20 1JN**

## **OPEN LETTER TO ASHLEY ALDER REGARDING HIS FIRST DAY AS CHAIR OF THE FCA**

**Monday, 20th February 2023, by Email only.**

Dear Mr. Alder,

I hope you are well.

I write to you solely in my capacity as Founder of the Transparency Task Force, an Evidence-Based Certified Social Enterprise with a mission to “promote ongoing reform of the financial sector so that it serves society better”.

If [reports](#) are correct, today is your first day in your new role as Chair of the Financial Conduct Authority.

I would like to wish you all the best in your new role. I imagine it to be a very challenging role that comes with many opportunities to drive positive, progressive and purposeful reform of the UK’s financial services sector and of course the FCA itself.

The Transparency Task Force has many concerns about the FCA, some of which are connected to conflicts of interest, the “[revolving door](#)” problem and regulatory capture. Those concerns are based on evidence we have seen, including the evidence that is in the public domain relating to the [All-Party Parliamentary Group on Personal Banking and Fairer Financial Services’ Call for Evidence about the FCA](#), which can be accessed [here](#).

Our concerns are such that we campaigned in the hope that the new Chair of the FCA would not be yet another “revolving door” problem. The campaign generated a good level of support, as you can see [here](#). When it was [announced](#) that you would be the new Chair of the FCA we reached out to our members and contacts in Asia Pacific to get a feel for what your reputation has been in that part of the world.

Almost all of the feedback from the 555 emails we sent was positive.

These responses are typical (I’ve corrected some typos, but not changed any meaning; my emphasis added):

- ***“Ashley is a hands on, casual, competent and credible person who sometimes thinks out of the box. Overall, his reputation in the securities market in Hong Kong has been positive both as a lawyer in securities regulation with Herbert Smith and as a regulator with SFC”.***
- *“I’m afraid I do not know Ashley Alder personally but judging by his public profile, he seems a man of high standing in financial regulation in Asia”.*
- *“Ashley has been SFC’s head for many year and has a strong reputation in the region. He was also the chair of the IOSCO for the past years. The SFC is a reputed regulator. Typically a bit conservative, but does engage and formulate balanced regulations for the fintech industry”.*
- *“Oddly, I have only met him a couple of times and cannot really claim to know him. **He’s well thought of, and I can be reasonably sure the SFC didn’t want to lose him....UK’s win another loss for HK**”.*
- *“I have met Ashley before and also heard him speak several times. He is a global authority on securities regulation and Hong Kong will miss him. **It is largely because of Ashley that the reputation of Hong Kong’s SFC is so high.**”*
- *“Being in HK I know all of them well and they all have good reputations. Ashley has done well in what has been a tough environment which I guess is why he has been rewarded*

*by getting the top regulatory job in the UK. **The SFC is a bit pedantic at times but they do have a good reputation in trying to stamp out malpractice***".

- *"Yes I knew Ashley quite well when I worked in Hong Kong. Not a great deal to add beyond his official CV. He has I think been seen as a steady hand at the SFC - he has been CEO since 2011 and the HK Government doesn't reappoint executives of the regulators unless they are seen as non-controversial. I would describe his as somewhat more of a technician than an aggressive litigation type. He is a keen internationalist - heavily involved with IOSCO over the years. **I can't think that there have been too many consumer blow ups over his tenure** (unlike his predecessors who had to deal with the Lehman minibonds debacle for instance) – but that is perhaps more good luck than good management. He is politically aware so would I think be open to conversations with stakeholders including consumer advocates".*
- *"Ashley Alder is very well respected in Hong Kong and worked under difficult circumstances with the Chinese government. He's a good speaker and leader".*
- *"Yes I know Ashley. He is also IOSCO Chair. He's a good guy and has done well to steer the SFC in a period of intense market and political pressure. **Very approachable** and easy to get along with".*
- *"Ashley Alder has a fairly good reputation here in HK for his work with the SFC, primarily for his willingness to go after the larger firms in the industry, as opposed to the smaller, easier targets. From what I understand and even if the SFC is a relatively transparent organization, the SFC was quite lax in reprimanding financial firms prior to his arrival. **He changed both the culture and focus of the SFC for the better.**"*

In light of the comments made above, particularly the parts in bold, it seems to me that you have done a very good job in the past and I hope that continues in your new role at the FCA.

I have 4 asks of you please:

#1: There is a huge need to improve the FCA's performance in relation to its consumer protection objective – can you make that a top priority?

#2: The FCA is, understandably, on the receiving end of a huge amount of criticism from many quarters including Parliament and those that have personally suffered a great deal as a direct

consequence of catastrophic regulatory failure at the hands of the FCA. The Blackmore Bond scandal is a good example of one of its many catastrophic regulatory failures. There was a recent BBC Panorama documentary about that scandal, [see here](#). We have seen a very disturbing pattern in relation to what has happened *since* the Panorama programme was broadcast - the FCA has been peddling a false narrative to senior HM Treasury officials and many Parliamentarians in a dishonest and high-risk attempt to justify its disastrous inaction. Can you take a look at the hard evidence we have that proves my claim, please?

#3: In general terms, the role of the FCA's Financial Services Consumer Panel has been watered down over the years. To be blunt it has become a sounding board for the FCA when it should (according to Parliament's wishes) be there to give effective challenges to the FCA. Can you compare/contrast the difference between what the FSCP should be doing and what it actually does? By the way, this criticism is not in any way a reflection of the current Chair of the FSCP, who we believe is doing a good job but within an inappropriately constrained remit.

#4: We think of TTF as being a "critical friend" to the FCA. In January, we made the decision to make "Fixing the FCA" our overarching theme for our work this year. I would like to meet you please to explain why that is our focus in 2023. I think you would find such a meeting to be hugely beneficial, if you want the FCA to boost its performance in relation to its consumer protection objective.

I look forward to getting your thoughts on all the above.

May I again extend my best wishes to you in your new role; please don't give up trying to fix the FCA, however challenging the task becomes.

Kind regards,

Andy

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