Open Letter to Dame Meg Hillier MP,

Chair of the Treasury Select Committee and her colleagues, following statements made by the Financial Conduct Authority on the BBC Radio Four Money Box programme of Saturday 19th July 2025.

22nd July 2025

By email only.

Dear Dame Meg Hillier MP, and your TSC colleagues,

I hope you are all well.

I am writing to you and your colleagues in your capacity as Chair/members of the Treasury Select Committee, solely in my capacity as Founder of the Transparency Task Force, the Certified Social Enterprise dedicated to advocating for the interest of financial services users.

The reason for writing is that I believe there were statements made by Charlotte Cark, the FCA's Director of Consumers and Competition that ought to be of interest to the Committee.

They certainly are of interest to me and others. The statements were made during an interview on BBC Radio Four's Money Box programme that was broadcast on Saturday 19th July; the presenter was the acclaimed broadcaster Paul Lewis.

Please listen to the first twelve minutes of the programme, which is available for you here, and ask yourself if you believe there are any signs of attempts to not directly answer questions, deflect, deceive or even make statements that are factually incorrect.

For the avoidance of any doubt, I am not in any way critical of the BBC, BBC Radio Four Money Box or Paul Lewis or any of his colleagues; in fact I thought their covering of the Mansion House speech and related reforms was first class, in keeping with the standards we have come to expect from the programme.

Furthermore, it must be understood that the commentary that follows on what Charlotte Clark has said, and the way she has said it, are not in any way aimed at her personally. I have known Charlotte for several years, from when she was in charge of pensions at the DWP, and I know her to be a phenomenally capable person. She is clearly doing her new job at the FCA as best as she can, and she is very capable of doing it well.

But the issue is whether she, or indeed *anybody* at the FCA, should be allowing themselves to be used as a cheerleader for the City. Many believe there is a fundamental conflict of interest between being a regulator and being a cheerleader. It's such an obvious conflict of interest that in my opinion anybody that cannot see that conflict of interest may be guilty of the kind of willful blindness that can arise through groupthink.

To my mind, the conflict of interest is as obvious as there being a conflict of interest if somebody were a 'lollipop' man or lady helping children to cross the road safely, if they had a side hustle where they were under pressure to encourage drivers to take risks.

That would be just plain bonkers, wouldn't it?

Why does all this matter so much?

The reason we have taken the time and trouble to report our concerns to you about the interviewee's response to the questions is because the issues covered during the conversation are of such great significance to the general direction of travel in the FCA and HM Treasury's policy advancement work; policy advancement work that has been thus far starved of proper Parliamentary scrutiny, oversight and challenge.

In short, the lack of Parliamentary scrutiny, oversight and challenge has resulted in muddled policy thinking; so muddled that it seems the FCA has been unable to give straight answers to straight questions at a time of significant reform; a time that I have characterised as 'the most significant rollback of post global financial crisis protections, ever.'

I stand by that statement, still.

The FCA statements made in the Money Box interview have brought these concerns to the surface:

1) Were any statements made actually factually incorrect?

Is this statement made by Charlotte Clark factually correct?

"If you're investing for the long term, and you are choosing a relatively low risk product, something like a pension, you will end up with a lower pension than if you have a more balanced portfolio that involves things like equities or private markets, which will attract higher returns over the long period."

I don't think it is factually correct. It should be self-evident that Charlotte cannot know what she says to be true because she cannot look into the future. There's a long list of things that may happen to make such an affirmatively positive and unqualified statement turn out to be wrong, and potentially very wrong; and thereby potentially very dangerous.

Indeed, I believe I'm right in thinking the FCA has prohibited professional advisers from making such statements for decades, because they would be factually incorrect and recklessly misleading to make them.

Quite rightly, the FCA has made regulated advisers explain to their clients that

'Past performance is not indicative of future performance.'

…or words to that effect.

If Charlotte mis-spoke, i.e. she meant to caveat her statement with the addition of words such as 'probably' or 'likely' or 'hopefully' or 'may' and so on, then that's not nearly so bad. All that would then be needed is a formal correcting of the record that can be put in the public domain, ideally via Money Box as it's the programme's listeners who will have been misinformed.

But what if Charlotte actually believes what she said to be true and therefore is unwilling to correct the record? Or even worse, what if she doesn't believe what she said to be true but is unwilling to correct the record anyway, because she and the FCA want to promote a simple (but false) narrative that private markets and equities WILL outperform safer investment options in the long term?

That line of thinking takes us to the question:

Why is Charlotte Clark, a senior individual at a regulator tasked with consumer protection and maintaining the integrity of the market, now being unjustifiably optimistic that

equities or private markets WILL attract higher returns over the long period than safer alternatives?

That question takes us back to the central issue - the conflict between regulating and promoting. Both activities are fine, but we shouldn't have a regulator doing both of them.

Depending on how cynical you are, you might explain the 'why?'thus:

"It's because the FCA's job spec now includes selling the financial services sector."

If this is the case it means there has obviously been a collapse in the regulatory independence that has given the regulatory framework its credibility, until now. The FCA has 'swallowed the Kool Aid that HM Treasury and The City have given it to drink' as it were.

The rubicon will have been crossed.

One would hope there are those with a clear head in HM Treasury and at the FCA who will even now prevent the regulator becoming complicit in manufacturing a bubble that, like most bubbles, will burst, sooner or later, and probably well after the end of the era of Rachel Reeves being at the helm of our economy and the financial sector.

Besides, if the underlying purpose of the reforms is to support UK growth, there is then an assumption that if people invest in shares, that will support growth better than if they invest in cash. But is this right?

Let's take a simple case, where I discover £X under the mattress and decide to invest it. If I deposit X with my bank, the theory goes that the bank then have X*(1-reserve ratio) to lend to business. If I buy X in shares, this is done on the secondary market, so the selling shareholder who comes from somewhere around the world receives X, **with modest likelihood that they will use the cash to support new investment in Britain.**

So the former route - putting money with the bank - rather than the latter, feels like it has a more positive effect on growth. Yet that is the opposite of what the government is encouraging.

The issue surely is how to encourage more primary investment in the UK, into real things that UK Plc needs and our Citizens actually want, not to stimulate secondary markets for their own sake. Yet the reforms focus on the latter, and hence will have limited, and possibly a negative effect.

Are we missing something?

Furthermore, and this is important too, when you take into account what scientists are telling us about the likely impact of climate change (whether you believe climate change is man-made or not), then it is especially important that long-term investors, particularly pension savers, are not under the impression that private markets and equities WILL perform better than safer alternatives.

[If you'd like some detail on that topic, please see this Planetary Solvency Dashboard from Exeter University and the Institute and Faculty of Actuaries. To use it, once you have clicked on the dashboard, update the timeline to 2025 as it starts at the year 1990, showing how our understanding of risk has changed over the past 35 years. It doesn't explicitly state that shares will underperform other asset classes, but it indicates there will be no financial system at +3C and we can expect increasing systemic shocks above +1.5C. Whereas, in theory at least, cash within the Financial Services and Compensation Scheme (FSCS) limits is protected by tax payer backing and therefore can withstand any systemic shock except inflation that the state can survive. In short, there are individuals with a great deal of knowledge and insight on this topic, such as Seb Elwell, a TTF Ambassador in the UK who suggest that there is a high chance that we will experience catastrophic or extreme climate risk by 2100 and possible a 40%-60% risk of it before 2050, unless there are immediate policy changes, globally.

It would be prudent to think that we can expect share portfolios to not be immune to these impacts; even more reason to question whether the 'WILL' statement made by Charlotte Clark is factually correct.]

2) Was there evidence of deception?

Unfortunately, I guess we are all getting used to the idea that interviewees don't always give straight answers to questions put to them on the TV or radio; and some even say we are in the 'post-truth' era. That as it may be, the question about whether there was one or more attempts to deceive in this particular interview, be that knowingly and deliberately or otherwise, is an important one, because the speaker is formally representing a financial regulator, and we simply cannot have a financial regulator at risk of jeopardising its own reputational integrity or that of the sector it regulates. There must be zero tolerance of that, otherwise we really are on the slippery slope to a collapse in integrity, given that it is literally the FCA's job to enhance market integrity and make sure that our financial markets are honest and fair.

However, the nature of the responses given by Charlotte Clark led me to wonder why she seemed to be so hesitant to give straight answers to the straightforward and important questions posed by Paul Lewis; questions that are in effect about the entire direction of travel in our financial regulation as far as consumer protections are concerned. That led me to hope we could get [Deception Detection Lab](#) to analyse the conversation at no cost to us.

And the good news is that they agreed to do so.

Please see a report on the interview by the Deception Detection Lab, who analyse statements and linguistics to 'get to the truth' forensically. Deception Detection Lab has experts who, amongst other things, train investigators on how to identify evidence of deception. In the interests of transparency please note that their Director Sunil Chadda is a UK Ambassador of the Transparency Task Force and also a member of the Secretariat Committee to the APPG on Investment Fraud and Fairer Financial Services that I Chair; we have a good working relationship.

I wish to express my gratitude to Deception Detection Lab for doing such an important piece of forensic analysis to a high professional standard, quickly and at no cost to TTF - they worked on a Sunday to turn it around quickly for us. I believe they have performed a public service in doing so, and if you believe the report has provided you and your colleagues with any benefit I am sure they would appreciate you acknowledging that in some way.

Furthermore, I believe it would be wrong to ignore their report or dismiss its findings just because you/HM Treasury/the FCA might not like what the report says; it may well contain some inconvenient truths. The report includes the section below, the first part of the conclusion:

2.0 Conclusion

As described throughout our Report, this interview between Paul Lewis and Charlotte Clark demonstrates recognised patterns of deceptive behaviour. The language of Charlotte Clark, FCA Director of 'Consumers and Competition', could be designed to obscure controversial policy elements while maintaining plausible deniability.

Clark shows indicators of deception and high sensitivity around the core question of whether the proposed reforms prioritise Business Interests over Consumer Protection.

The key indicators cluster around her claims about *"Targeted Support"* not being sales, and her defensive positioning when questioned about Consumer Protection priorities.

The excessive use of qualifiers ("I mean," "kind of," "you know") combined with pronounced stuttering at critical moments ("the, the, the, the" and "It's, it's a primary objective"), by an otherwise articulate and confident speaker, can suggest that she is struggling to reconcile what she's being asked to defend with her own personal beliefs.

A key moment is when she is asked if Consumer Protection is *"top"*. Her inability to say *"yes"* and move to justifying the growth agenda can reveal the true hierarchy of priorities, despite her stated position. Regulators can *"kind of"* support the growth agenda via Targeted Support, whereby they may not provide all options available to enable consumers to *"kind of"* make the right decisions.

Critically, the emphasis is on the Public and not the Regulators. This is further supported when she acknowledges, *"the economy is struggling with growth"* before adding, *"We need to make sure that*

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Their report is available for you in full, here; I have been given permission to share it.

And here is their transcript of the interview.

Having read that report, please ask yourself if you believe we need the FCA to be trusted by the public, and if so, whether the Money Box interview would have left the listener feeling more, or less trusting of the FCA.

All we are seeking is for responsible, not reckless regulation, and to have regulators who engender trust through giving straight answers to straight questions. It must be possible for the FCA to be held to at least the same or better standards than those it regulates. There is simply no space for double standards if the FCA wants to be trusted or at the very least respected by those it regulates, society at large and of course Parliament.

I must confess to a sense of despondency in recent weeks about what we are learning about the FCA, particularly given what is now being exposed through the car finance scandal; please see here and here. If we think of the evolution of the UK's financial regulatory framework as a game of snakes and ladders, it feels like the game has been played for a long, long time, and our playing piece has been on the top row, close to the finish.

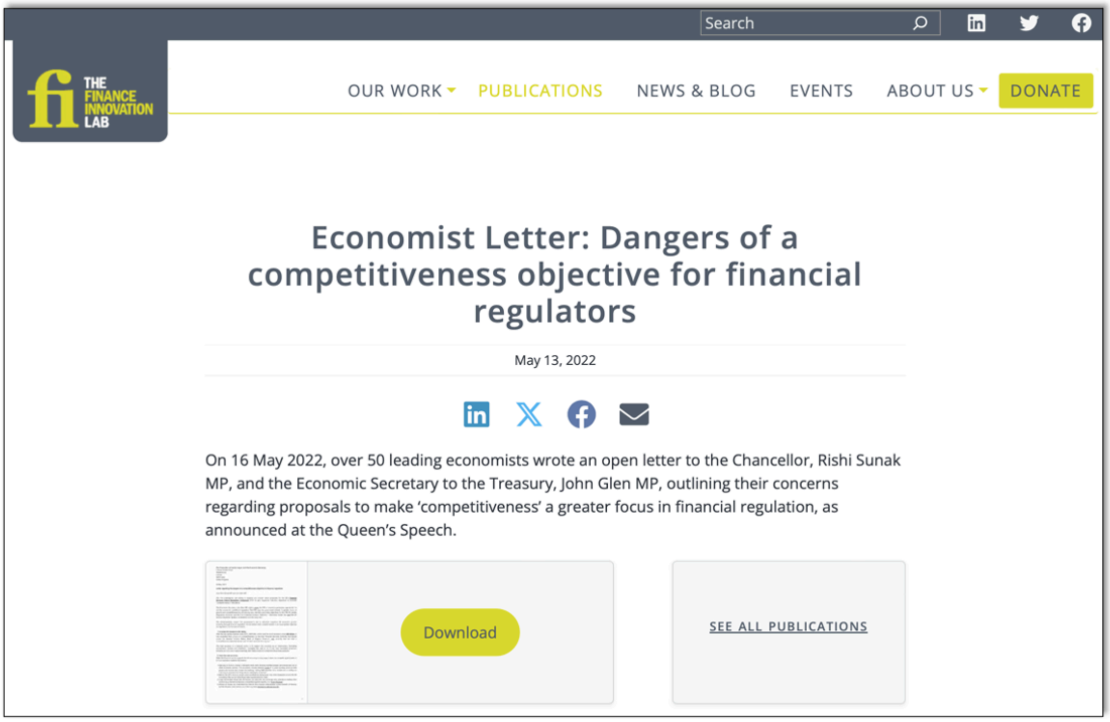
But the dice has just been thrown and we've landed on the head of a snake, leaving us to slide down to very near the beginning. I often wonder if we are gradually sliding back to the bad old days of caveat emptor; if we are then it's a terrible admission that we either can't regulate properly, or that we don't want to regulate properly.

3) If there was deception, why?

Maybe this is the most important question. Motive and intent can be a more difficult area to assess as it can be less clear to know *why* somebody has done something than to know *whether* somebody has done something.

But in this case, people might think the reasons are quite obvious. They might think it's simply and obviously because the FCA now has a responsibility to act as a 'Cheerleader for the City,' as some might put it. That cheerleading duty came about through the FCA agreeing to accept a growth/competitiveness objective. A change which at the time caused great controversy, rightly so, and has done so ever since. It's a change that has been covered in many articles, and in some academic studies including this one from Oxford Academic - Journal of Financial Regulation (March 2023).

And we should not forget that at the time over 50 leading economists, and others, highlighted the dangers of the FCA being recruited as a cheerleader for The City.



The wording below appears on the website of the Finance Innovation Lab, who as part of their work leading the Transforming Finance Network (of which Transparency Task Force is proud to be a member) organised an important letter to The Chancellor of the Exchequer and The Economic Secretary, back in May 2022:

The letter signatories, who include pre-eminent British economist Sir John Kay, former UK Minister Sir Vince Cable, former UK regulator Mick McAteer, and Nobel Prize laureate Joseph Stiglitz, argue that competitiveness is an inappropriate objective to charge financial regulators with because:

- ***It risks another financial crash.***
- ***It will harm the real economy.***
- ***It will reduce economic growth.***
- ***It is a poorly defined objective, which will lead to poor policy making.***
- ***It will generate a regulatory 'race to the bottom'.***
- ***It will undermine the work regulators do to promote healthy competition.***
- ***It will force the regulators to act as cheerleaders for big city institutions.***

Perhaps, following Charlotte Clark's statements that were broadcast on Saturday, we now have proof positive that these warnings should not have been ignored. The letter is available in full here; and you'll notice that within it there is a rather poignant reminder of the capacity for regulatory amnesia at the FCA; it's this section, on page 1:

A recipe for excessive risk-taking

After the last global financial crisis (GFC, 2007/08), which cost the world economy some $10 trillion, it was accepted that a focus on competitiveness by the then Financial Services Authority had helped cause the disaster. Andrew Bailey, Bank of England Governor, said recently that we tried a competitiveness objective before, and "it didn't end well, for anyone."

But, and this is a key point, the FCA's willingness to cheerleed for the City has been noticeably ramped up in recent months by HM Treasury's activity under the new government's apparent desperation for growth; so much so that we now need to ask the awkward question:

"Has the FCA become an instrument of Government, rather than Parliament?"

I think the FCA agreeing to a growth/competitiveness objective was a mistake that puts it in direct conflict with its objective to provide consumers with an appropriate degree of consumer protection, as originally tasked by Parliament for it to do so.

When the idea of the new objective was being put to the FCA it should have politely replied with these eleven words, or something similar:

"No thank you, because it would obviously make us too conflicted."

Had the FCA's response been along those lines, the reputational damage it is now facing would have been avoided; and that's an important point when you see this Misinformation on Money Box? episode as additive to the reputational damage that has gone before.

In keeping with that line of thought, I feel I should also share with you a statement that has been made available to me to share. It's a statement by the renowned journalist Tony Hetherington, who edits a page in the financial section of the Mail on Sunday, called "Readers' Champion", where Tony writes about individual readers' consumer finance problems, particularly scams, which he investigates and then goes on to name the scammers.

This is Tony's Hetherington's statement; I think it is powerful and should not be ignored, especially the last seven words of it because that's where your Committee can make a difference i.e. what happens in the future:

"The FCA has become an unwieldy and unworkable monolith, which has lost sight of the ideals and purpose of the 1986 Act which initiated financial consumer protection in the UK.

Now the government itself has not just put its foot on the brake - it's thrown that

protection into reverse, looking to the FCA to rescue the Treasury's economic failures by weakening regulation.

Scams, rip-offs and the marketing of high-risk investments to low-risk investors - these are all bad right now.

But they are about to get worse."

And in the interest of completeness, I will share with you some other commentary in an email exchange between Tony Hetherington and myself; because his input is very helpful.

The commentary includes what's below:

> Hi Andy,
>
> I listened to Moneybox and the interview with Charlotte. The FCA hasn't really been captured by the City any more than it's already heavily under its influence. What the interview - and the FCA's proposals for targeted support - reflected is that the FCA has gone beyond its statutory remit - beyond the law, if you like - and become a political arm of the Treasury and the Chancellor.
>
> The laws that give the FCA its role and its powers have not changed. What's changed is the Treasury's need to pump savers' money into company shares rather than cash deposits.
>
> Charlotte is chasing an illusion in saying that targeted support is needed because people don't understand stocks and shares, or don't know how to go about investing in them. And this is demonstrated by the curious phrase 'targeted support' itself.

Please see the full email exchange here.

And if I may, to further add to our understanding of why it seems the FCA may be trying to deceive, I would be very grateful to you for investing the time to study another excellent source of well-informed opinion about the Mansion House and related reforms. Please see the observations on the subject by Lord Prem Sikka, Emeritus Professor of Accounting at the University of Essex and the University of Sheffield; and a member of the APPG on Investment Fraud and Fairer Financial Services that TTF provides the secretariat for.

The UK Chancellor's Manson House Speech on 15 July 2025
Some Observations by Prem Sikka

"Those who cannot remember the past are condemned to repeat it." (George Santayana)
"History repeats itself, first as a tragedy, second as a farce" (Karl Marx)

Background

The government is besotted with the finance industry and the Chancellor's Mansion House Speech further affirmed[1] her determination to grow it. Whilst finance industry is an important part of the UK economy, it has not delivered economic renaissance.

Lord Sikka's observations are available for you in full, here.

4) Other areas of concern

There are numerous other areas of concern, which I will deal with just superficially here in the interest of brevity:

- Is the FCA at risk of breaching its own rules? - it is currently investigating influencers who may be touting financial services products illegally, but is it not at risk of exploiting the imprimatur of its own status as a regulator to do the Government's economic policy work? Shouldn't that be left to the Department for Business and Trade, and/or the sector's many and powerful trade bodies such as UK Finance?

- Charlotte Clark has stated I am wrong in my belief that the recent reforms were the most significant rollback of post global financial crisis protections, ever. Then what reforms can she point to that have rolled back consumer protections more significantly?

- If, for whatever reasons the FCA no longer wants to provide consumers with an appropriate degree of consumer protection, perhaps because it finds itself conflicted, would it step aside for a new consumer protection organisation to be formed; perhaps something along the lines of The USA's Consumer Financial Protection Bureau (prior to its defanging by President Trump; please see Trump Tracker, by Better Markets.)

- Are we seeing the widespread collapse of regulatory effectiveness; not just in financial services but beyond the sector? That was a very well made argument in the Protecting All we Care About report, which pointed to the need for much-needed reforms to achieve regulatory efficacy. It's interesting to hear the news about the abolition of Ofwat at the time of writing in that context. Does the FCA need to also be abolished? Or could it yet be reformed into being a fit-for-purpose regulator?

- The Retail Distribution Review was all about stripping away commission bias and professionalising the financial advice sector. Are we now not experiencing the need to strip away political bias in how the FCA is regulating? Do we now need something along the lines of a new RDR, but a Regulatory Drivers Review, to understand what is driving the FCA to behave as it is?

- There are many ways of characterising the comments made by the individuals whose comments were broadcast as part of Saturday's Money Box programme. In my opinion, Charlotte Clark seemed to be suggesting that did not have the knowledge to invest confidently i.e. the problem was that they didn't have adequate understanding, and so the problem could be solved by educating them.
  I don't see it that way. I see people being reluctant to invest because of an entirely rational response to their lived experience; or the lived experience of people they know or have learned about through the media. The problem I am referring to is the trust deficit; i.e. the entirely logical lack of trust given the level of malpractice, malfeasance, misconduct, mis-selling and even outright fraud by the financial sector, as shown by Violation Tracker UK, the raw data for which is provided by the Financial Services Authority (until 2013) and the FCA since then.

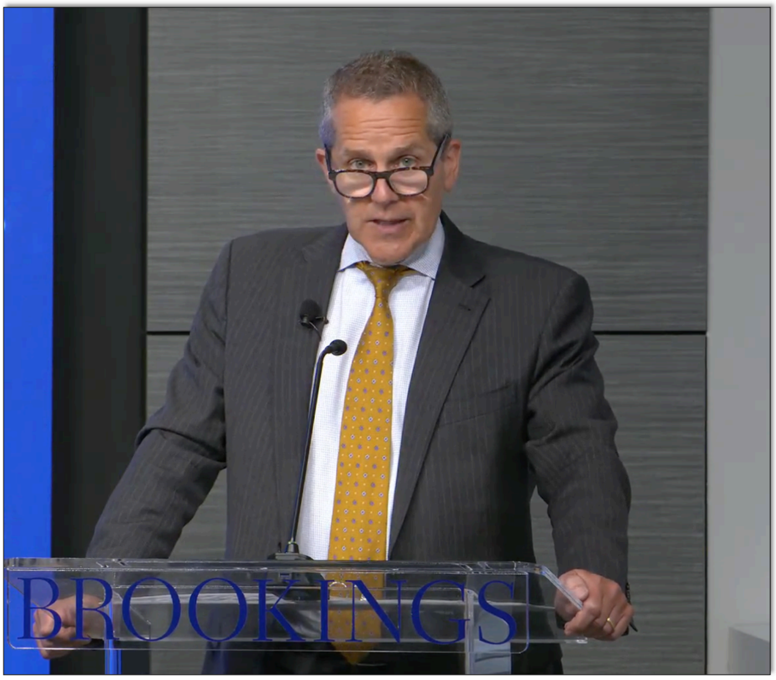
  I think it's only when HM Treasury and the FCA realise that people's reluctance to take on risk when investing is an entirely rational learned response, that they will understand the futility in the way they are trying to stimulate growth.

  Or to put it another way; if you want to regulate for growth, regulate and enforce properly; don't weaken the very regulation that has the potential to give consumers the trust and confidence in the system that is a prerequisite for the financial services sector to flourish.

  And if HM Treasury and the FCA want to know why people think the way they do, why they are so distrusting of the sector, please download the treasure chest of valuable data and testimony that is available here.

  And if any of the Committee wants their constituents to have the opportunity to share their views on the FCA through the survey being run by the APPG on Investment Fraud and Fairer Financial Services please see here; and of course anybody is welcome to complete that survey of they wish to put their thoughts about the FCA into the public domain.

5) The value in zooming out from the detail



This Open Letter to you has focused on the immediate short term, i.e. Charlotte Clark's comments that were broadcast on Saturday, and why they are so concerning and significant.

But perhaps there is also value in zooming out of the details and the immediacy, and think of things in macro, and historical terms. For if we do, we might find ourselves agreeing that the boom/bust regulate/deregulate cycle that the historical record points us to must be acknowledged and acted on, i.e. the temptation to strip back consumer protections must be avoided.

I know this is an exaggeration, but the way I see it, it's as if we have a regulator that is behaving as if it were the head of a motor racing team that is responding to the request for more speed by instructing the mechanics to take out the brakes.

What could go wrong?

We're waving a big red flag in the hope that you and others see the dangers and can begin to counter the groupthink that seems to be prevalent in HM Treasury and the FCA.

The real solution for the sector to get the greater profits it wants is to increase transparency, truthfulness and trustworthiness, not to use propaganda to 'educate' people into taking inappropriate risk.

Fortunately, the Federal Reserve's Governor Michael S. Barr has recently provided that macro, and historical perspective, in a timely speech that he delivered just last week, at Brookings Institution.

It is available for you to watch here, or to read here; I would urge you to consider his message in the UK context because it applies equally as well here as it does in the USA.

Call to Action: Will the Treasury Select Committee act, please?

All we want is responsible, not reckless regulation.

And for that to happen we need your Committee to take the action necessary for all the reasons set out in my Open Letter to you of 16th July, and this one.

If your Committee doesn't do what is needed then who else can we turn to that has the power, position and predisposition to provide the Parliamentary scrutiny, accountability and challenge that is on the critical path towards the kind of transparent, truthful, trustworthy and ridiculously successful UK financial services sector we all want.

I believe my polite and respectful request for your Committee to act is entirely in keeping with the sentiments you shared when becoming Chair of the Treasury Committee back in September last year:

The new Chair, Dame Meg Hillier MP, said:

"It is a privilege to become Chair of the Treasury Committee. I look forward to working with my fellow MPs to scrutinise the actions of this country's most prominent financial institutions over the course of the next parliament.

"During my nine-year tenure leading the Public Accounts Committee, I learned a thing or two about the mistakes governments can make with taxpayers' money.

I will work day-in and day-out, as Chair of the Treasury Committee, to ensure His Majesty's Treasury and its affiliated public bodies are managing the public finances in the best interests of the British public."

I hope you don't mind me putting this request to you.

Your thoughts please, Dame Meg Hillier MP, and your colleagues.

I look forward to hearing from you.

With the greatest respect to you all.

Andy

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