



**Craig Whittaker MP**

**CALDER VALLEY**

[www.craigwhittakermp.co.uk](http://www.craigwhittakermp.co.uk)

### **Financial Services: Duty of Care**

Thank you for contacting me about a duty of care for providers of financial services.

I completely understand the importance of ensuring that vulnerable people, such as cancer sufferers, are treated properly by their banks. As you may be aware, the regulation of financial services firms is a matter for the independent Financial Conduct Authority (FCA). The FCA does already apply rules on how firms should deal with their customers. These rules include requiring companies to treat their customers fairly, and to act in accordance with the best interests of their customers. A number of specific rules also include an obligation to take 'reasonable care' over certain activities.

The FCA supervises the activities of firms against these rules and other provisions and, where necessary, can take enforcement action against firms to secure appropriate consumer protection. I understand that the FCA is of the view that its current regulatory toolkit is sufficient to enable it to fulfil its consumer protection objective.

However, the FCA has said that it will look at the issue of a 'duty of care' as part of a review of its handbook. The precise scope of any proposed duty of care is uncertain, and the impact of introducing any new obligation needs to be fully considered. Many of the FCA's current rules are based on EU legislation, and the FCA's ability to change its rules in some areas will depend on the relationship between the EU and the UK after we have left. That is why the FCA believes it makes sense to include any consideration of a 'duty of care' as part of its review of what changes might be needed to its handbook after Brexit.

Thank you again for taking the time to contact me.

Kind regards,

Craig Whittaker MP