

FINANCIAL CONDUCT AUTHORITY: BUSINESS PLAN 2020/21

"In a matter of weeks, coronavirus has altered the UK's financial landscape dramatically. At times like this it is more important than ever that the FCA leads the way on the protection of consumers, firms and the markets. Our Business Plan recognises the impact of coronavirus on the financial services industry, while looking forward at how we transform the FCA's operations in future." Chris Woolard, FCA Interim Chief Executive.

Coronavirus (Covid-19) priorities

Short term focus

- That markets function well.
- That the most vulnerable are protected.
- That the impact of firm failure is minimal.
- That the FCA tackles scams.
- Seek to ensure consumers and small firms are treated fairly.

Over the medium term aim to ensure consumers:

- Can rely on safe and accessible payments to receive their pay or benefits, settle their bills and access cash when they need it.
- Can make effective investment decisions about their savings, and are not exposed to risky or poor value investment products.
- Don't get into unaffordable debt and are treated well if they do, so that credit markets work well for consumers.
- Are offered fair value products in a digital age, as use of consumer data and behaviour through digital channels increases, and with it the risk that consumers are not treated fairly in the pricing and other terms they receive.

Cross cutting work

• EU withdrawal and wider international work

- maintaining the FCA's influence as a leading global regulator, and strengthening its international engagement.
- The financial sector needs to adapt to manage the physical and transition risks that **climate change** poses.

- **Innovation and technology:** The FCA will deepen its engagement with industry and society on new technologies like artificial intelligence and cryptoassets and focus on how to enable their safe, appropriate and ethical use. The FCA will invest in new technologies and skills so that it can regulate effectively and efficiently.

- The FCA aims to set new requirements that strengthen **operational resilience**.
- In line with the FCA's commitments in the UK's 2019 National Economic Crime Plan, it will start to implement changes to how it reduces **financial crime**.

- The FCA will continue to review **culture in financial services** through the implementation of the SM&CR by all solo-regulated firms.

Key priorities over the next 1-3 years



Transforming how the FCA works and regulates.



Enabling effective consumer investment decisions.



Ensuring consumer credit markets work well.



Making payments safe and accessible.



Delivering fair value in a digital age.

Investment management

-  **Key outcome: Investors get high-quality, fair value, products and services**
 - Consumers to be able to access and choose from a range of products that are fair value and meet their investment needs.
-  **Asset Management Market Study remedies**
 - The FCA will continue to assess the impact of the implementation of the remedies.
 - Further exploration into what effective disclosure looks like in supporting consumer investment decisions.
-  **Effective governance**
 - Implementation of the SM&CR by asset management firms.
 - Evaluate how 'host' ACDs discharge their responsibilities, including the day-to-day management of funds they are responsible for.
-  **LIBOR**
 - The FCA will continue to assess asset managers' exposure to LIBOR to ensure they have strategies to manage the risks – including conduct risks – and monitoring how firms implement these plans.

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