



Treasury Committee

House of Commons, Committee Office 7 Millbank London SW1P 3JA

Tel 020 7219 5769 Fax 020 7219 2069 Email treascom@parliament.uk Website www.parliament.uk/treascom

Rt Hon Philip Hammond MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

24 January 2017

Dear Philip,

Financial Services Act 2012, Part V Reviews

The Committee disagrees with the Government's view that it is appropriate for the Treasury to have such extensive powers of direction over financial reviews. The Financial Services Act 2012, provides the Treasury with powers to block reviews instigated by the regulator. These can be exercised even when the regulators, the Treasury Committee and the public may consider a review essential. The power could prevent legitimate scrutiny of government executive action. It could also be seen to be used to cover up the Government's own mistakes.

It is all the more important that this obstacle to legitimate scrutiny be removed given the Treasury's exclusive role in crisis-management and its wider influence on financial regulation. The clear conflict of interest between these functions and the Treasury's powers of direction over Part V reviews should not be left unaddressed. The Act should be amended.

I will be placing this letter and your response in the public domain.

*Yours,
Andrew*

**RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE**