



House of Commons  
Treasury Committee

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# Appointment of Charles Randell as Chair of the Financial Conduct Authority and the Payment Systems Regulator

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**Eighth Report of Session 2017–19**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 20 February 2018*

## The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies

### Current membership

[Nicky Morgan MP](#) (*Conservative, Loughborough*) (Chair)

[Rushanara Ali MP](#) (*Labour, Bethnal Green and Bow*)

[Mr Simon Clarke MP](#) (*Conservative, Middlesbrough South and East Cleveland*)

[Charlie Elphicke MP](#) (*Independent, Dover*)

[Stephen Hammond MP](#) (*Conservative, Wimbledon*)

[Stewart Hosie MP](#) (*Scottish National Party, Dundee East*)

[Mr Alister Jack MP](#) (*Conservative, Dumfries and Galloway*)

[Alison McGovern MP](#) (*Labour, Wirral South*)

[Catherine McKinnell MP](#) (*Labour, Newcastle upon Tyne North*)

[John Mann MP](#) (*Labour, Bassetlaw*)

[Wes Streeting MP](#) (*Labour, Ilford North*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the Committee's website at [www.parliament.uk/treascom](http://www.parliament.uk/treascom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Sarah Rees (Clerk), Peter Stam (Second Clerk), Gavin Thompson, Marcus Wilton and Dan Lee (Senior Economists), Adam Wales (Chief Policy Adviser), George James (Senior Committee Assistant), Nick Berry (Committee Support Assistant), Matt Panteli (Senior Media and Policy Officer), Anne Stark (on secondment from HM Revenue & Customs), Tom Ludlow (on secondment from the Bank of England), Ruthanne Straughan (on secondment from the Financial Conduct Authority), Alexander Knight (on secondment from the National Audit Office) and Mei Jie Wang (on secondment from the Prudential Regulation Authority)

### Contacts

All correspondence should be addressed to the Clerk of the Treasury Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5769; the Committee's email address is [treascom@parliament.uk](mailto:treascom@parliament.uk).

# Contents

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<b>Introduction</b>	<b>3</b>
<b>1 The Appointment of Charles Randell</b>	<b>4</b>
Background on Charles Randell	4
Oral evidence	4
Conclusion	5
<b>Formal minutes</b>	<b>6</b>
<b>Witnesses</b>	<b>7</b>
<b>Published written evidence</b>	<b>7</b>
<b>Published correspondence</b>	<b>7</b>
<b>List of Reports from the Committee during the current Parliament</b>	<b>8</b>



## Introduction

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1. The Treasury announced the appointment of Charles Randell as the Chair of the Financial Conduct Authority (FCA) and the Payment Systems Regulator (PSR) on 5 January 2018.<sup>1</sup> His appointment will be effective from 1 April 2018 for a period of five years.<sup>2</sup>
2. The vacancy arose following the announcement by the current Chair of the FCA and PSR, John Griffith-Jones, on 18 June 2017, that he would leave at the end of his term of office, on 31 March 2018.<sup>3</sup>
3. In this report, the Committee has considered the suitability of Mr Randell for this role against the criteria of personal independence and professional competence.
4. The Committee took oral evidence from Mr Randell on 20 February 2018. He provided a full CV and answered a written questionnaire prior to giving oral evidence. The Committee thanks Mr Randell for this evidence.

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1 HM Treasury, [New Chair of the Financial Conduct Authority Announced](#), 5 January 2018

2 Financial Conduct Authority, [Charles Randell appointed new Chair of the FCA](#), 5 January 2018

3 HM Treasury, Financial Conduct Authority, Payment Systems Regulator, [John Griffith-Jones confirms plan to leave the FCA and PSR in March 2018](#), 18 June 2017

# 1 The Appointment of Charles Randell

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## Background on Charles Randell

5. Mr Randell has been an independent member of the Prudential Regulation Committee (PRC) of the Bank of England since 2013. Mr Randell has also served as a non-executive director and the Chair of the Audit and Risk Assurance Committee at the Department for Business, Energy and Industrial Strategy since 2016. On appointment, Mr Randell has stated he will step down from the PRC on 31 March 2018. Mr Randell also intends to step down from his position at the Department for Business, Energy and Industrial Strategy once the Department's 2017–18 financial statements have been finalised.

6. From 2014 to 2016, Mr Randell was a non-executive director and Chair of the Audit and Risk Committee for the Department for Energy and Climate Change. From 2014 to 2017, Mr Randell also undertook some consulting work related to legal risk management outside the financial services sector.

7. From 1980 to 2013, Mr Randell worked at Slaughter and May, specialising in corporate finance, with a particular focus on work involving the public sector, principally in the financial services and energy sectors. Mr Randell became a partner at Slaughter and May in 1989.

8. Mr Randell obtained an MA in Jurisprudence from Trinity College, Oxford University in 1979. Mr Randell then went on to complete his Solicitors' Final Examination at the College of Law in 1980.

## Oral evidence

9. In oral evidence, the Committee questioned Mr Randell about the work of the FCA and the PSR. Topics covered during the session included:

- the relationship between the FCA and the Treasury Committee;
- his membership of Ingenious Film Partners 2 LLP;
- the impact of Section 348 of the Financial Services and Markets Act 2000 on the FCA's work;
- the Maxwellisation process;
- consumers and financial markets;
- the promptness of FCA action in response to consumer detriment;
- the implications of Brexit for the FCA's work and resources;
- the 'expectations gap' between the FCA and wholesale markets;
- the balance of supervision between wholesale and retail markets;
- the Chancellor's recommendations to the FCA on competitiveness;

- the future of financial services regulation after Brexit;
- the FCA's regulatory toolkit;
- the relevance of his previous role as Chair of the Audit and Risk Assurance Committee at the Department for Business, Energy and Industrial Strategy;
- his experience and understanding of consumer issues;
- the high-cost short-term credit market;
- the FCA's review of retail banking business models;
- the PSR's response to authorised push payment fraud;
- the future of the ATM network and the PSR's role in promoting the interests of consumers;
- how he intends to engage with the public;
- how he will assess the effectiveness of the FCA's Board; and
- staff engagement in the FCA and PSR.

## Conclusion

**10. The Committee is satisfied that Mr Charles Randell has the professional competence and personal independence to be the Chair of the FCA and the PSR. We wish him every success in his roles.**

## Formal minutes

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**Tuesday 20 February 2018**

Members present:

Nicky Morgan, in the Chair

Rushanara Ali

Mr Alister Jack

Charlie Elphicke

Catherine McKinnell

Stephen Hammond

Wes Streeting

Draft Report (*Appointment of Charles Randell as Chair of the Financial Conduct Authority and the Payment Systems Regulator*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 10 read and agreed to.

*Resolved*, That the Report be the Eighth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 21 February at 2.00 p.m.]



## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Tuesday 20 February 2018

Charles Randell, appointed Chair, Financial Conduct Authority

[Q1-62](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

ACR numbers are generated by the evidence processing system and so may not be complete.

- 1 Charles Randell ([ACR0001](#))
- 2 Charles Randell ([ACR0002](#))

## Published correspondence

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The following correspondence was also published as part of this inquiry:

- 1 [Correspondence from the Chair to the Permanent Secretary to the Treasury relating to Charles Randell's appointment as Chair of the Financial Conduct Authority, dated 15 January](#)
- 2 [Charles Randell to the Permanent Secretary to the Treasury relating to Mr Randell's appointment as Chair of the Financial Conduct Authority, dated 16 January](#)
- 3 [Permanent Secretary to the Treasury to Chair relating to Mr Charles Randell's appointment as Chair of the Financial Conduct Authority, dated 19 January](#)

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website.

### Session 2017–19

First Report	Appointment of Sir Dave Ramsden as Deputy Governor for Markets and Banking at the Bank of England	HC 472
Second Report	Appointment of Professor Silvana Tenreyro to the Bank of England Monetary Policy Committee	HC 471
Third Report	The Solvency II Directive and its impact on the UK Insurance Industry	HC 324
Fourth Report	Transitional arrangements for exiting the European Union	HC 473
Fifth Report	Autumn Budget 2017	HC 600
Sixth Report	Appointment of Elisabeth Steeman to the Financial Policy Committee	HC 758
Seventh Report	Student Loans	HC 478