On 4 May 2021, at 09:21,

Dear Mr Bradley,

Thank you for your email to Nikhil.

I appreciate your continued interest in the SMR, but we do not have anything to add to our previous response.

You are welcome to provide us with further written observations, which I will share with the SMR team.

Finally, I'm sure that you will understand but due to the demands on Nikhil's time he will not be able to have a call with you to discuss this matter.

Regards,

Martin Kuzmicki
Executive Casework Unit

From:

To:
Cc:
Subject: Re: 20210326 ECU A FW: Senior Manager Regime Individual Roles

****This email has come from an external source. BE CAREFUL of links and attachments and report suspicious emails****

Dear Mr Rathi

I was very pleased to receive a very detailed reply, but not to the questions asked.

The SMR is a very important piece of work for all involved in the financial services industry but an opportunity to make something simple and straightforward has been snatched from the jaws of victory.

Given that a key driver of this exercise was in effect to identify anyone within a regulated firm who has the ability to cause a consumer signifiant harm it has in reality failed.

For example, the simple categorisations of roles like in house paraplanner or fund pickers, who could cause significant harm, are lost in the handbook ether.

I have asked to speak with John Dodd as it could be helpful to the FCA but despite three attempts with messages left I have so far not been successful.

I would be grateful if you facilitate a call please? Or indeed perhaps one with yourself/

Kind regards

Derek

On 19 Apr 2021, at 13:24, wrote:

Dear Mr Bradley,

Thanks for following up. Coincidentally, I have just had a response from the team who were looking into this, and who have asked me to share the following with you:

The Financial Services Register has been enhanced to make information public on key individuals certified or assessed as fit and proper by their firms.

These individuals are known collectively as Directory Persons and comprise the following:

- all Certified staff (those holding a certification function under the Senior Managers and Certification Regime (SM&CR))
- directors who are not performing Senior Manager Functions (SMFs) – both executive and non-executive
- other individuals who are sole traders or appointed representatives (ARs), including those within ARs, where they are undertaking business with clients and require a qualification to do so

The functions listed above are intended to cover only those roles that have the greatest potential to cause harm. This means that most individuals working in financial services are not included on the Register.

Most Directory Persons are reported to us because they are Certified staff. These are roles defined in SYSC 27.8 of our Handbook.

In many cases, a single certification function can cover multiple roles. This is true of Mortgage advisors as well for example. They are Certified under the category of 'functions requiring qualification'. Since these are customer facing roles, the Register does provide additional detail on the activities they are qualified to undertake, in this case 'Advising or arranging (bringing about) regulated mortgage contracts for a non-business purpose'. A full list of required activities is set out in SUP16 Annex 47AR.

While we recognise that providing this level of detail for all Directory Persons, or adding extra roles could be useful for some stakeholders, we have balanced this against the risk that a high degree of cost and complexity could lead to a reduction in the quality and timeliness of submissions which would make the Register less reliable for consumers and other users.

For solo-regulated firms, the full requirements under both the SM&CR and in relation to Directory Persons have only been in force since 31 March 2021. While, we do routinely review policy interventions after an appropriate period of time, this is usually after a number of years have passed so we can see how the regime has operated in practice. Scope and breadth of data published are the sorts of considerations we would be interested to look at.

I hope this is helpful in explaining our approach and the way we would approach future updates.

Kind regards,

From:
Sent:
To:
Cc:
Subject: Re: 20210326 ECU A FW: Senior Manager Regime Individual Roles

Dear Mr Bradley,

Thank you for your email. I acknowledge receipt on behalf of our CEO, Nikhil Rathi, and will respond further in due course.

Kind regards,

From: Derek Bradley
Sent: 24 March 2021 09:53
To: Nikhil Rathi
Subject: Senior Manager Regime Individual Roles

****This email has come from an external source. BE CAREFUL of links and attachments and report suspicious emails****

Dear Mr Rathi

Could assist in shedding light where there is darkness regarding the above.

I am trying to find a way to identify:

Paraplanners
Mortgage brokers
Fund pickers

The register so far makes such an identification impossible. This is a shame as the idea was to identify those who have the potential to cause significant harm to consumers.

It has been suggested that Client Dealing function would be the way to identify paraplanners.

A selection of individuals with Client Dealing but not CF30, CPD4, CPD20, etc and then looked a sample up on LinkedIn showed a few were paraplanners, however many of them described themselves as Financial Adviser, Financial Planner, Senior Financial Adviser, etc so was certainly not a clean split between paraplanners and advisors.

Looking at the numbers in Adviser Multi Tasker and Adviser with Additional Responsibilities it is clear most Paraplanners are falling into the Adviser Only category. That's a poor categorisation process.

Are there no other fields with further data as a way of identifying the above job roles?

When the Directory has completed population at the end of the month I understand the plan was always to review the output to see if improvements can be made which is exactly what will happen.

Can you please look toward making this easier to decipher, if you do not this is a lost opportunity.

Kind regards

Derek