

Question Set E

For financial services whistleblowers

Please note all of these points before answering:

- **If you have any questions please contact Andy Agathangelou, Chair of the APPG's Secretariat, at Email**
 - Only reply to this question set if it applies to you.
 - This Call for Evidence is being handled by the APPG's [Secretariat](#) and support staff, who will collate the evidence and provide it to [the APPG's members](#).
 - Respondents' information will only be shared as necessary to enable the successful completion of the exercise and it will not be shared beyond the scope of this Call for Evidence.
- **Please note that we ask respondents to only give evidence that they are free to provide. It is entirely the responsibility of the respondent to ensure they take into account any agreement(s) they may have entered into.**
 - Respondents may choose to skip answering any of the questions if they wish.
- **It is for each respondent to decide whether their name and/or their responses are put into the public domain.**

The process to follow

- **Select the question set that relates to you. You may respond to more than one question set if you have different experiences of contact with the FCA.**
- **Download it, as a Word document, and save it on your computer.**
- **Provide your answers after each question.**
- **Please leave blank any questions that don't apply to you or that you do not wish to answer.**
- **Save the completed document on your computer.**
 - Please email it to Andy Agathangelou, **by 5pm on Monday 15th November**, at Email

Other important points to note

- This exercise is about gathering evidence on what people think about the FCA; it is not about providing any assistance, guidance or advice on any case a respondent may have against the FCA, or any other entity.
- Respondents are asked to only provide answers to the questions given.
- Respondents are asked to not provide any supplementary evidence or documentation.

Question Set E

For financial services whistleblowers

Your Details

Name:

Nicholas Wilson

Company/Business (if applicable):

Address including postcode:

REDACTED

Email address:

REDACTED

Mobile telephone number:

REDACTED

Permissions

- Do you give permission that your name is put into the public domain?
§ Please enter Yes or No. **Yes..**
- Do you give permission that your response is put into the public domain?
§ Please enter Yes or No. ... **Yes.....**

Questions

1. Please tell us about yourself and outline, just briefly to begin with, how you came to interact with the Financial Conduct Authority?

I worked for a firm of solicitors, Weightmans, and acted for the John Lewis Partnership. I was head of debt recovery. In 2003 John Lewis sold their store card business to HFC Bank, a subsidiary of HSBC. I learned that HFC were adding illegal charges to debts and reported my firm to the Solicitors Regulation Authority when they refused to take my concerns seriously. I was sacked. I reported the fraud (which is what it was) to the FSA initially. Then I began corresponding with the new FCA.

2. What role were you in, and in what firm, when you blew the whistle?

Head of Debt Recovery, Weightmans, solicitors.

3. Did you follow your employer's whistleblower policy? Can you provide us with a copy of your employer's whistleblower policy? How did this whistleblower policy tell you to blow the whistle? Did it tell you what you must include so that your disclosure was protected?

The firm did not have a whistleblower policy (it was not a bank) but I went through all the proper channels according to PIDA by reporting the wrongdoing to all the relevant partners. I was ignored.

4. When did you blow the whistle; and to whom/which organisation? What age were you then?

In 2006 I blew the whistle to the Law Society (now dealt with by Solicitors Regulation Authority). I was 49.

5. Have you ever witnessed any actions or conduct that, in your reasonable belief, breached any law, regulatory code or applicable or relevant policy? If so, please explain which law, code or policy you believe was breached.

Yes, the illegal charges added by the solicitors, under a contract with the bank, were illegal contingency fees and breached various rules in the Solicitors Code of Conduct

6. What was the nature of the misconduct, infringement, malpractice or so on that you alleged?

See above

7. What interaction have you had with the FCA about your situation?

Much interaction since December 2012 (initially FSA). Still ongoing.

8. If you had contact with the FCA, did the FCA explain or define the extent of their regulatory authority to you in respect to the matters you were raising?

No, they ignored me.

9. What evidence, if any, did you give the FCA; and/or any other entity?

Documentary evidence, including ruling by the SRA that the charges were illegal, and ruling by the Office of Fair Trading ordering the bank to cease adding the charges.

10. What, if anything, do you believe the FCA could have done that may have prevented the matter that you blew the whistle on from happening in the first place?

The FCA at the time did not have Consumer Credit Act jurisdiction, which was handled by the OFT, which did take action, eventually.

11. To your knowledge, what did the FCA do to investigate the matter you raised?

Nothing, initially. I then made a FoIA request to the FCA asking them what they had done with my complaint. They replied that the bank was entitled to add the charges in question because of their terms and conditions. This was 100% untrue. I shortly afterwards discovered that HSBC had written an identical letter to a fellow campaigner who had written to the bank about the illegal charges. It therefore became clear that the FCA had colluded with the bank in formulating responses to my complaint. This became the subject of questioning by the Treasury Select Committee when the FCA CEO Martin Wheatley admitted to Jesse Norman MP that the FCA had simply copied and pasted HSBC's response and that the response was untrue.

Regarding collusion, I much later made a DSAR to the FCA which revealed internal emails which show that the FCA and HSBC both monitored my Twitter account and shared information.

12. To what extent did the FCA act promptly and effectively to investigate your allegations?

They did everything in their power not to investigate my allegations. Following a complaint to the Complaints Commissioner concerning their lack of action and the collusion, he said in his Annual Report of 2015/16 that it was the worst case he had dealt with (<https://nicholaswilson.com/complaints-commissioner-confirms-hsbc-fraud-worse-complaint-against-fca-he-has-dealt-with/>). His 10 page report is here, from which it can be seen that at one point the FCA sought to blame me (<https://nicholaswilson.com/wp-content/uploads/2015/12/FCA00050-Nicholas-Wilson-Ben-Tomeo-FD-final-03-12-15.pdf>)

The Complaints Commissioner recommended that the FCA offer me a full apology, which they did.

Following the CC's report the FCA confirmed that they would reopen the investigation. The first act they did was to appoint as non-executive directors someone from John Lewis (Baroness Hogg) and someone from HSBC (Ruth Kelly)– the two entities that they were supposed to investigate.

Regarding blaming me, the CEO Andrew Bailey, at an FCA public meeting, in answer to my question as to why I had more evidence of the fraud than the FCA or HSBC (I had been sent, unsolicited and anonymously a huge tranche of County Court judgments), sarcastically implied wrongdoing on my part and stated “only you know how the got hold of the evidence you've got.”

Initially the FCA refused to look at my evidence, because it had been leaked, and they claimed they couldn't verify its integrity. I pointed out to them that it was Ministry of Justice data, they just needed to cross reference. I believe they did do this, superficially at a later date.

13. Thereafter, as far as you know, what did the FCA do to prevent the alleged misconduct from continuing?

Not relevant as the misconduct has already ended.

14. In your opinion, to what extent did the FCA act promptly and effectively to prevent the alleged misconduct from continuing?

Not relevant

15. If you suffered detriment, or loss of job, what was the impact on your personal income in each of the three years after you blew the whistle, compared to your income in the three years prior to your dismissal?

For 15 years following blowing the whistle I have been unable to secure a permanent secure job, because of my status as a whistleblower. I was even turned down for a £13k pa call centre job at a local insurance company because I “revealed confidential information”. I am also a mortgage prisoner and my situation remains very precarious. Following a DSAR to the FCA it is apparent that the possibility of acknowledgement of my campaign in securing redress for fraud victims would be given in the Press Release(s) – however, this never happened.

16. In your opinion, how well, or badly, has the FCA treated you as a whistleblower? How well has it protected your privacy, ensured that your career was not adversely affected and helped to safeguard your mental health?

They have significantly impacted my mental health by blaming me, ignoring me, “gaslighting” me, belittling me - anything to protect HSBC. Even to this day the full extent of the wrongdoing has not been revealed.

17. If you have suffered financially or otherwise as a result of blowing the whistle, how effective has the FCA been in securing redress for you from the guilty parties?

None at all – see above.

18. How effective has the FCA been in securing redress for the victims of the alleged misconduct and in prosecuting or banning the perpetrators so they are unable to continue doing it?

Very poor – initially they announced that HSBC had “voluntarily” agreed to repay £4m. I informed them at a subsequent meeting that this figure was derisory and that at least £200m was due. 2 years later they announced a further agreement to repay £26m. More recently it has

transpired that HSBC has reserved £223m for redress for their “collections and recoveries” practices, although it is uncertain how much of this relates to my original complaint.

There have never been any fines or prosecutions relating to the fraud, although I believe a fine may be announced in November this year, 2021. In none of the previous press releases announcing redress has my role in disclosing the wrongdoing been acknowledged.

19. What do you believe the FCA could have done better in relation to your whistleblowing case?

They should have investigated and forcibly removed evidence from HSBC and the solicitors acting, as agents for the bank. Andrew Bailey told me in a meeting that the FCA did not have powers to raid a solicitor’s office. This is not true, if the solicitors are agents of the bank, the FCA can apply to a magistrate for a warrant.

Earlier his predecessor Martin Wheatley told the Treasury Select Committee that the FCA did not have powers to prosecute fraud. This was further confirmed in a subsequent letter to the TSC. FCA prosecute fraud all the time.

They relied solely on what they were told by HSBC and more concerning, expected me to provide the evidence, and questioned the veracity of what evidence I did provide.

20. In general terms, what would you say about the FCA’s effectiveness and timeliness in responding to your whistleblower situation?

Disgraceful and corrupt.

21. What are your thoughts on whether the FCA lacks the powers that it needs; or conversely, that it doesn’t make good use of the powers it already has?

The latter – I believe it has the powers and is either ignorant of them, or unwilling to use them against their paymasters.

22. In general terms, how would you describe what it’s been like dealing with the FCA?

Completely soul destroying and infuriating.

23. What is your perception of the culture of the FCA, and what do you think about it?

I think the FCA is simply corrupt. The problem is the revolving door syndrome. FCA employees know they could get a much higher paid position in the firms they regulate, so are bound not to upset them.

24. Have you ever complained officially about the FCA; if so to whom? What happened, and how do you feel about what happened? What feedback, if any, have you had about

your complaint? How helpful was the feedback? How long has it taken for your complaint to be processed?

See question 12

25. Overall, what have been the consequences to you (and if relevant to your family) as a result of what has happened?

Disastrous – destroyed my life and alienated family and friends.

26. What would be your advice to somebody thinking about blowing the whistle to the FCA on a matter to do with misconduct in the financial services sector?

My public position is to advise against blowing the whistle in such circumstances. You will be fought all the way by the establishment and will never work in financial services against. They will always win. On a slightly different point, the CEO of HFC Bank, Adrian Hill took his own life because he believed he would go to prison as a result of the FCA investigation. He needn't have worried.

27. If you could change three things about the FCA, what would they be?

They should not be funded by the banks, there should be laws about the revolving doors and they should be less secretive.

28. What positives are there about the FCA that you would like to comment on?

None

29. What do you think about the possibility of conflict of interest issues at the FCA?

Conflict of interests arise as long as the revolving door is open.

30. Do you believe there should be spot checks by the FCA on regulated and/or unregulated entities, perhaps similar to the spot-checks by VAT inspectors

Yes

31. The FCA is undertaking a Transformation Project. Do you have any comments to make about that?

No comment.

32. Are there any other comments that you would like to make?

~~ END ~~

Thank you