

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 11th October, 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:

Christopher Riley

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 contacted the FCA in early 2018 in relation to my making protected disclosures regarding a certain mortgage lender's actions, processes and procedures

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

I was a mortgage underwriter working in the offices of Belmont Green. T/A Vida Homeloans. I was a temporary contractor (agency worker) paid by Rockstead Ltd.

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?

I raised my concerns verbally with a manager of Vida Homeloans. I did not have sight of any whistleblower policy

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

I blew the whistle on the 10th March 2017, to Vida Homes Manager Guy Todd. I was aged 62

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.

Vida Homeloans breached FCA's "Principles for Business" regulations in particular its failure to both treat customers fairly as well as to properly organise and control its affairs.

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

Vida Homeloans purposefully chose to ignore all defaults and county court judgments that had occurred more than twenty-four months from the date of application. As the aforementioned CCJ's encompassed both satisfied and unsatisfied debts this clearly compromised the mandatory affordability calculation.

Untrained employees were tasked with contacting the introducers of the business with little or no supervision.

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

Complaints raised with FCA In August 2018

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?

Yes

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

Email attachments showing breaches of lending criteria

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?

Nothing .

I made a Tribunal protected disclosure detriment claim in June 2017 at which time I indicated in the ET1 claim form that I wished this matter also be referred to the regulatory body, the FCA. At the subsequent tribunal hearing in May 2018 it became apparent that nothing has been received back from the FCA indicating the concerns were not reported / received at that time.

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

FCA advised they were in contact with Vida Homeloans to address my concerns and their "work continues".

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

In my view the FCA acted poorly and gave me the minimal information updates. Their view was always and I quote

"As we have not taken formal Enforcement action against the firm, which would lead to a public announcement, we are not able to share any further details with you."

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

No idea

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

My view remains that the FCA has a massive corporate bias and simply whitewashed my concerns

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?

The Tribunal accepted I had suffered detriment. The publishing of the Tribunal proceedings has effectively damaged my name and standing in the financial market place and I have found it very difficult to gain employment post whistleblowing. My income suffered considerably.

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?

The FCA was of no assistance whatsoever and I wish I never raised the concerns in the first place!

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?

FCA completely ineffective and a waste of time

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?

My understanding is that they have done nothing.

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

I had provided the FCA with concrete evidence of Vida Homeloans reckless lending. The FCA have simply whitewashed my concerns and hidden behind their statement :-

“As we have not taken formal Enforcement action against the firm, which would lead to a public announcement, we are not able to share any further details with you.”

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

Useless.

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?

It is obvious the FCA is strongly biased towards the corporate lenders. All the lessons learnt from the last financial crisis have been wasted. The reality is clear that the FCA’s purpose is not to properly regulate the financial market place, but rather to act as a quasi-enforcer with the goal the lax regulations will attract further inward investment.

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

Pointless – day to day contact is restricted to a person who has no authority and simply refers things to a more senior member of staff.

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

See above comments

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?

Given the FCA culture it appears pointless to complain

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

I feel completely aggrieved. My health has deteriorated and I am in no doubt my former colleagues and employers are actively shunning me adding to financial hardship.

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?

Under no circumstances should they raise any concern with the FCA. Whilst this may risk another financial crisis similar to the events in the 1980's then so be it!

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

1. FCA should be an actual regulator. 2.The FCA should be independent. 3. The FCA should change its culture of cosyng up to the entities it regulates.

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

None at this time

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

Conflict of Interest is inevitable which is why the FCA should make its dealings far more transparent than it has to date.

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

Obviously yes. The mere fact that an organisation may be subject to an inspection at any time will have a radical improvement to the outcomes.

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

See below number “32”

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

I feel it is an opportune time to make you aware that in the course of my whistle blowing complaint, both the Employment and Appeal Tribunals gave consideration to the “Principles for Business “, which are the ‘High Level Standards’ in the FCA’s hand book. A brief extract of the FCA’s handbook regarding the Principles is set out below for ease of reference:-

“ Purpose

PRIN 1.1.2 G 01/01/2021 RP

The Principles are a general statement of the fundamental obligations of firms and the other persons to whom they apply under the regulatory system. They derive their authority from the FCA’s rule-making powers as set out in the Act, including as applied by the Payment Services Regulations and the Electronic Money Regulations, and reflect the statutory objectives. “

1 Integrity	A <u>firm</u> must conduct its business with integrity.
2 Skill, care and diligence	A <u>firm</u> must conduct its business with due skill, care and diligence.
3 Management and control	A <u>firm</u> must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
4 Financial prudence	A <u>firm</u> must maintain adequate financial resources.
5 Market conduct	A <u>firm</u> must observe proper standards of market conduct.
6 Customers' interests	A <u>firm</u> must pay due regard to the interests of its <u>customers</u> and treat them fairly.

<p>7 Communications with clients</p>	<p>A <u>firm</u> must pay due regard to the information needs of its <u>clients</u>, and communicate information to them in a way which is clear, fair and not misleading.</p>
<p>8 Conflicts of interest</p>	<p>A <u>firm</u> must manage conflicts of interest fairly, both between itself and its <u>customers</u> and between a <u>customer</u> and another <u>client</u>.</p>
<p>9 Customers: relationships of trust</p>	<p>A <u>firm</u> must take reasonable care to ensure the suitability of its advice and discretionary decisions for any <u>customer</u> who is entitled to rely upon its judgment.</p>
<p>10 Clients' assets</p>	<p>A <u>firm</u> must arrange adequate protection for <u>clients'</u> assets when it is responsible for them.</p>
<p>11 Relations with regulators</p>	<p>A <u>firm</u> must deal with its regulators in an open and cooperative way, and must disclose to the <u>FCA</u> appropriately anything relating to the <u>firm</u> of which that regulator would reasonably expect notice.</p>

Importantly, the Tribunal's view was that these “Principles” could not be construed as legal obligations. I’d draw attention that for any whistle blowing complaint to succeed the concern raised must be a “legal obligation”. The upshot being (as in my case) it would cast into doubt whether any future whistle blower would succeed if he/she’s concern entailed a breach of any of the Principles of Business. You might be interested to learn that I specifically raised the issue whether a breach of a Principle of Business could be raised as a whistle blowing complaint with the FCA, who responded that it could. This is clearly at odds with my experience.