

Financial Services Future Regulatory Framework Review: Proposals for Reform Consultation

Barclays is a transatlantic consumer and wholesale bank with global reach, offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in our two home markets of the UK and the US. With over 325 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 85,000 people.

Executive Summary

The UK's institutional architecture for the regulation of financial services is regarded as world-leading, to the extent that its policies, institutions and mandates have been replicated in jurisdictions across the world. Barclays welcomes the Future Regulatory Framework Review: Proposals for Reform (the 'Consultation') and the UK Government's commitment to review the effectiveness of its regulatory architecture. We recognise the importance of this exercise to ensure that the UK's approach to financial services regulation is aligned with the Government's ambition and vision for the sector and continues to provide a stable, predictable, world-class regime for firms, market participants and consumers.

Barclays is supportive of the proposals included in the Consultation and would offer the following observations:

- Greater clarity, setting out how the growth and international competitiveness objectives will be operationalized, would be beneficial.
- We consider that the Designated Activities Regime could be used to implement the principle of same activity, same risk, same regulation.
- Greater clarity is desirable setting out the circumstances under which, and the process for, HM Treasury requiring regulators to review rules or to compel regulators to act in certain prescribed circumstances. We support the 'super complaint' approach that is used for other legislative purposes.
- HM Treasury's proposals for changes to legislation should include full marked up text in order to aid market participants' understanding of rule changes since the onshoring of EU rules. This would improve accessibility, make reviews of proposed changes more focused and efficient, and could compress timelines for the end-to-end regulatory change lifecycle.
- We propose that Cost Benefit Analysis (CBAs), should be subject to a pre-publication review requirement only in certain circumstances, based on pre-determined and public criteria. Rule proposals which are narrow in focus, or limited to minor technical matters, should not require a pre-publication review.
- In light of the general review of financial services regulation, the Financial Ombudsman Service should be subject to a refreshed plan to reconsider its jurisdiction, funding and purpose.