



Garry John Heath
Director General Libertatem

Is FAMR a sell off?

March 1, 2016

After all the political excitement in January; with three Parliamentary events critical of the FCA - February has been notably quieter.

This is because in three weeks' time; the Chancellor will be delivering his next budget and as part of it he is expected to announce the findings of the FAMR. When it was announced there were some well-placed, if cynical, commentators who suggested that the result was already known and that the whole exercise was to release the banks back into advice with a light touch regime.

I was warned that the civil servants involved had already decided what path was going to be taken and this so-called consultation was little more than a fig leaf to cover the Treasury's naked ambitions. If anything the timescale devoted to FAMR supports this view. If FAMR is truly a process of seeking new ideas, it has not been given any time to process them. Similarly, the expert panel is full of the usual trusties - no danger of much fresh thought there.

But since FAMR was launched a number of changes have happened which further underpin the cynics view. Firstly, Martin Wheatley's replacement with Andrew Bailey is a clear change of leadership at the FCA which will please the banks. Then we had the decision to drop the Banks' culture review. The message from the Treasury to the FCA is clear "Let the banks have their way".

I am further depressed by the Economic Secretary who as a backbencher was a strident critic of the current regime. But profound change often happens when a back bencher's bottom meets the ministerial car's back seat. Her civil servants have wrapped her up, restricting her access to those they wish her to meet to those who can be guaranteed to underpin the Mandarins' own message. Even if Harriet Baldwin had ideas on FAMR I doubt she is being allowed to develop them.

So what can we expect from FAMR? If we are really lucky at best a bland statement which promises more details in the future – that would at least show some level of original thought. At worst? The current expensive and unaccountable status quo for advisers, liberation for the larger players and maybe an expanded MAS/Pensions effort funded by you.

What will not change, unless advisers unite, will be regulation's prime role of the Government's Financial Services undertaker burying embarrassments like RBS and HBOS. FOS will not be wound back nor will the FCA's "Independence" be changed as this undertaker role is far too valuable to the powerful.

Consumer Protection will continue to be a side show and will be abandoned if it gets in the way of vested interests. Costs will continue to rise; expedientially impacting primarily on the smaller player.

Increasingly advisers are waking up to the reality and joining Libertatem but too many bury their heads in the sand and hope they can continue to trade to retirement without taking a stand. It will not end well. The regulator now decides how you describe your business, what it can do, how you are constructed financially, who you can employ and has an increasing say in your costs.

Who runs your business? Increasingly it isn't you and that should be an issue if you think you are independent. Join Libertatem today.

We have started to make a difference with next to no backing. What could we do if the adviser community united behind us?

You could join Libertatem: £20 per adviser per month collected quarterly for the first 2 advisers and £10 per month collected quarterly; for the 3rd adviser onwards. Email me back at dg@libertatem.org.uk and I will send you the forms.

You could also fund our Fighting Fund: We have already raised £29,000 of the £50,000 we needed to raise but we need the rest before the budget.

Send your funds by transfer to: Sort Code: 23-05-80 - Account No: 16634007 – Account Name: Libertatem Ltd or by cheque to: Libertatem Ltd, "The Clare Charity Centre", Wycombe Road, Saunderton, Buckinghamshire, HP14 4BF.

You can also use your credit card.

You could ring me on 01494 569059 to tell me I am wasting my time or volunteer to help.