



Peek a Book Accountability

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Some days the real issues just present themselves and smack you in the face

On Friday, I was copied in on a letter from the Treasury to one of our members. She had complained that fines were now being diverted to the Treasury rather than to cut the costs of those advisers who didn't get fines.

Osbourne claimed that FCA et al were non-governmental organisations and it was up to them to decide their scope, fees etc. Let's us hop over this blinding example of taxation without representation and look at the next thing to arrive on my email.

It was a news article derived from the Treasury announcing the departure of Martin Wheatley. If the FCA is a non-governmental organisation why is the Treasury announcing anything?

The fact is the Treasury wants its bun and its ha'penny - as my friends in Yorkshire say. It wants to exercise major influence on regulation whilst taking no responsibility for its actions.

As an example let's look at Pensions liberation. Great idea in principle – why should the government have a voice on how you spend the money you have saved for retirement? But what about the implementation? This policy was announced to win some points against Labour in the run up to the last election. It worked – tick box.

But now we have the fall-out from the lack of consultation. How to those in “heritage pension policies” get their full value out? What if you are advising an insistent client? For those of you with a long memory doesn't this remind you of the Pension's Review of the 90's

The Treasury doesn't care. It realises that the current regulatory system is not there to protect the consumer. It exists to extract government from its own screw ups. Don't believe me?

Ever really looked at the Equitable Life Scandal? Treasury and FSA combining firstly to let a bankrupt company attempt to trade itself out of penury, then blocked policyholders' access to the Policyholders Protection Act as well as blocking them from Independent advice. When that failed we had another 10 years of obfuscation. Dodgy enquiries and dodgy judges and when the political class faced a terrific campaign in the 2010 election it capitulated and paid 20p in the pound. Don't like that one?

PPI is the greatest example of the compensation culture. But remember that again was the result of a government decision to kill off mortgage payments to the unemployed. The Government demanded its non-governmental organisation ensured that all mortgages, then all loans, had PPI. The regulator did what it was told but did not try to regulate the terms of the product created. The banks filled their boots as always and the rest is history.

Finally let's look at RBS. A UK bank that needed £46bn of taxpayer's money to bail it out. 6 years later despite the Treasury Select Committee demanding that its questions are answered and The FCA report was issued.

Forget Maxwellisation – that's eyewash. No one in authority wishes to issue that report. Not the politicians, not the Treasury civil servants and certainly not the FCA. There is no grass long enough for this one. I am convinced that Government has a field full of long grass. The Chilcot Report lives there. The Saville Enquiry goes there for weekends and the Child Abuse Enquiry has rented a few acres for the next decade.

So what's to be done? Firstly we must remind ourselves that we live in a democracy and put pressure on our MPs to ensure that the executive is held to account. We need to involve ourselves in party politics so we have a voice when candidates are selected and wider range of people do the selection.

Advisers have a big part here too. After a decade of regulatory expansion and pathetic representation we have adopted a hostage's mentality. Too many believe that machine is unbeatable – it isn't. We just have to unite and work. That's why we started Libertatem.

If I had a membership form for every adviser who had expressed support we would already have a very strong trade body ready to take on the challenge. Sadly too many are still thinking like hostages rather than free men.

Ronald Reagan had it spot on when he said: "*Freedom is never more than one generation away from extinction. We didn't pass it to our children in the bloodstream. It must be fought for, protected, and handed on for them to do the same.*"

The removal of Martin Wheatley, a Treasury Select Committee bent on reform and The Enterprise Bill gives us the opportunity to radically reform regulation. We will face determined opposition from the vested interests but if we unite we will win.

We start now. No time to lose Join us www.libertatem.org.uk