



HM Treasury



CHAIR, FINANCIAL CONDUCT AUTHORITY
CHAIR, PAYMENT SYSTEMS REGULATOR

CANDIDATE SPECIFICATION

September 2017

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Background to the Appointment

The Government's aim for the UK financial services sector is that it should be the best regulated in the world, with markets of unquestioned integrity and the highest standards of conduct. This should result in an industry with more competition, more innovation and more players in retail markets, which in turn offers customers a better service. As the term of the current Chair is concluding, HM Treasury wishes to appoint an exceptional non-executive Chair of the Financial Conduct Authority (FCA) to lead the Board and work closely with Chief Executive, Andrew Bailey. The appointment will be for an initial period of five years commencing on 1 April 2018. It is intended that the individual appointed will also chair the Payment Systems Regulator (PSR).

This is an opportunity to take on an intellectually demanding role at the heart of international financial services overseeing a sizeable and complex organisation. The financial services sector is a major contributor to the UK's economic success and is vitally important for supporting the rest of the economy.

The role of the FCA Board is to approve regulatory rules, set the policy framework and strategy of the organisation, ensure that it meets its statutory objectives and is able to carry out its work economically and efficiently. The Chair and the non-executive directors play a vital part in shaping the role of the regulators; approving regulatory rule changes, agreeing the strategy for meeting the statutory objectives and providing appropriate advice, guidance and counsel to the executive team whilst holding them to account for the performance of the organisation. The role of the PSR Board is very similar.

Candidates for this challenging role should have experience of chairing the board of a substantial organisation, or considerable experience on such a board, probably in a non-executive capacity. They should have private sector experience, an independent mindset and be able to demonstrate an appreciation of the role played by regulation in valuing and supporting consumers of financial services. Considerable knowledge and experience of the financial services industry is important and experience of payment systems, competition or consumer affairs would be attractive. Overall, candidates should be able to demonstrate experience and standing commensurate with a role of this nature within a prominent regulator.

Both the FCA and PSR Boards require an approach that combines consensus building with constructive challenge. Integrity, authority and discretion are important qualities, alongside political sensitivity, resilience and sound judgment.

Key responsibilities of the Board:

- Develop the strategic direction of the organisation in pursuit of its statutory objectives
- Scrutinise the performance of the organisation in meeting agreed goals and objectives
- Hold the Chief Executive of the FCA, the Managing Director of the PSR and the executive teams to account and provide appropriate challenge
- Ensure that the regulatory powers and responsibilities specifically reserved to the Board by legislation are exercised appropriately
- Ensure appropriate policies are in place to manage risks to the organisation's operations and the achievement of its strategic objectives
- Debate and take specific decisions which are of such significance as to be required to be taken by the Board
- Maintain a sound system of financial control
- Approve the annual budget of the FCA, the PSR and the related bodies; the Money Advice Service, the Financial Ombudsman Service and the Financial Services Compensation Scheme



The Board does not consider enforcement action against individual firms or persons. These are dealt with by the Executive in the first instance and, if challenged, by the Regulatory Decisions Committee.

Key responsibilities of the Chairman:

- Lead the Board, ensuring that it carries out its responsibilities effectively and efficiently
- Ensure the organisations comply with good governance practice, legislative requirements and the Articles of Association
- Mentor the Chief Executive of the FCA and Managing Director of the PSR
- Maintain an effective succession planning process to ensure the Boards have an appropriate blend of skills and experience
- Develop, promote and act at all times in the best interests of each organisation
- Represent and be accountable for the organisations before the Treasury Committee
- Assist in maintaining high-level relations with the key stakeholders of each organisation

Candidate Profile

HM Treasury seeks to appoint individuals with:

- Undisputed integrity, standing, authority and discretion
- Intellectual strength and an inquisitive mindset
- The ability to work constructively with others as part of a senior team and to communicate with them effectively
- An independent approach and appreciation of the role of a regulator
- The ability to think strategically
- The capacity to work under close political, public and press scrutiny
- Commitment to effective regulation in the pursuit of consumer protection and market integrity
- Ability to build effective relationships and collaborate successfully at the highest levels of business and government
- Resilience in the face of resistance and competing interests

Relevant experience

- Experience of strategic chairmanship and board leadership in a significant, complex organisation
- Thorough understanding of, and concern for, consumer issues in financial services
- Extensive board experience, probably in a non-executive capacity
- Considerable knowledge and experience of financial services
- A track record of sound judgment and the ability to apply common sense and diplomacy

Time commitment

The estimated total commitment is approximately three days per week. In general, the nature of the role will require flexibility as to the commitment, given the demands of regulation in a high-profile and fast-moving industry.

Ethics

Individuals appointed to the roles must demonstrate a commitment to, and an understanding of, the value and importance of the principles of public service of public service. These principles are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. Annex 1 provides further information on the seven principles of public life.



Conflicts of interest

Due to the nature of the role, successful candidates will need to balance any of their other activities with the need to demonstrate sufficient independence in the role. This may have an impact on other appointments they can hold and, as such, it is important that prospective candidates make clear any other commitments they have or are likely to undertake.

Candidates will need to demonstrate that they do not have other interests likely to conflict with their responsibilities as Chair of the FCA and PSR. They should declare any potential conflict of interest as early as possible in the selection process and also disclose information or personal connections that, if appointed, might be open to misperception. Any potential conflicts of interest will not prevent candidates going forward to interview but may, if appropriate, be explored during the interview to establish how the candidate would address the issue(s) should they be successful in their application. Within the Application Instructions, Annex 2 provides information on conflicts to help applicants evaluate whether or not they have a potential conflict. Annex 4 includes a Conflicts of Interest Form for completion.

Remuneration

A competitive fee will be offered, commensurate with the role.



Appendix: Background information

The Organisations

The **Financial Conduct Authority** (FCA) is an independent financial regulator with the strategic objective of ensuring that the UK's financial markets function well. To do this, the FCA regulates the conduct of over 50,000 businesses, and will for many of them, also consider whether they meet prudential standards that reduce the potential harm to the industry and consumers if they fail.

The FCA's operational objectives are to:

- protect and enhance the integrity of the UK financial system;
- secure an appropriate degree of protection for consumers; and
- promote effective competition in the interests of consumers.

The FCA works alongside the Prudential Regulation Authority (PRA) and the Bank of England as part of the system for regulating financial services in the UK.

The FCA is made up of a number of divisions, including retail and wholesale Supervision, Strategy & Competition, Enforcement and Operations, that work together to deliver its objectives.

The FCA Board maintains oversight over how the organisation operates and holds the FCA Executive accountable for the way it works. The Board comprises executive and non-executive members. It has several committees to which it delegates certain functions and powers, including:

- Audit Committee;
- External Risk and Strategy Committee;
- Remuneration Committee;
- Oversight Committee; and
- Regulatory Decisions Committee.

The **Payment Systems Regulator** Limited (PSR), which is an independent subsidiary of the FCA, is the economic regulator for the payment systems industry in the UK. It has its own Board and Managing Director, although a majority of the members of the Board are currently also members of the FCA Board.

Its statutory objectives are:

- to ensure that payment systems are operated and developed in a way that considers and promotes the interests of all the businesses and consumers that use them
- to promote effective competition in the markets for payment systems and services - between operators, payment-system providers and infrastructure providers
- to promote the development of and innovation in payment systems, in particular the infrastructure used to operate those systems

The PSR's approach is collaborative but where evidence shows the payment systems industry is failing to deliver greater competition, more innovation and greater benefits for businesses or consumers, then it has a range of strong regulatory and competition powers that it can apply in pursuit of its objectives.

The FCA, the PSR and their respective Boards are accountable to the Treasury and to Parliament.



The current Chair of both the FCA and the PSR, John Griffith-Jones, was appointed for a five-year term that commenced on 1 April 2013. John does not wish to be considered for a further term and HM Treasury is therefore seeking to appoint a new Chair to take up the role when John's term expires on 31 March 2018.

Further more detailed information can be found at the following links

- <http://www.fca.org.uk/about>
- <https://www.psr.org.uk/>
- FCA Annual Report 2016/17: <https://www.fca.org.uk/publication/annual-reports/annual-report-2016-17.pdf>
- The FCA publishes annually its Business Plan which sets out in detail its strategy and key priorities for the coming year. This can be found at: <https://www.fca.org.uk/publication/business-plans/business-plan-2017-18.pdf>
- The PSR publishes annually its Business Plan which sets out in detail its strategy and key priorities for the coming year. This can be found at: <https://www.psr.org.uk/psr-publications/annual-plans-and-reports/annual-plan-2017-18>



The Board: Financial Conduct Authority

John Griffith-Jones – Chairman (term expires 31 March 2018)

John became Chairman of the new Financial Conduct Authority in April 2013, and Chairman of its subsidiary, the Payments System Regulator, in April 2014. He previously joined the FSA Board as a Non-executive Director and Deputy Chairman on 1 September 2012.

John worked at KPMG from 1975 to 2012. He spent eleven years in audit and 15 years in corporate finance before becoming CEO of KPMG's UK firm and subsequently Chairman and Senior Partner of the UK in 2006. In 2007 John became Joint Chairman of KPMG Europe.

John is currently Vice Chairman of the National Numeracy Trust, whose role is to promote numeracy across all parts of society. He is a council member of Heart of the City. John joined the advisory board of the Cambridge Judge Business School in January 2008 where he remained until December 2016. He studied Economics at Trinity Hall, Cambridge. He was the Chairman of the Every Child a Chance Trust, a special purpose charity which completed a major project, in collaboration with the Government, on numeracy in primary schools.

Andrew Bailey – Chief Executive

Prior to becoming the FCA's Chief Executive in July 2016, Andrew Bailey was Deputy Governor for Prudential Regulation and Chief Executive Officer of the Prudential Regulation Authority (PRA). He is also a member of the Prudential Regulation Committee and the Financial Policy Committee.

While retaining his role as Executive Director of the Bank of England, Andrew joined the Financial Services Authority in April 2011 as Deputy Head of the Prudential Business Unit and Director of UK Banks and Building Societies. In July 2012, Andrew became Managing Director of the Prudential Business Unit, with responsibility for the prudential supervision of banks, investment banks and insurance companies.

Previously, Andrew worked at the Bank in a number of areas, most recently as Executive Director for Banking Services and Chief Cashier, as well as Head of the Bank's Special Resolution Unit (SRU). Previous roles include Governor's Private Secretary, and Head of the International Economic Analysis Division in Monetary Analysis.

Catherine Bradley – Non-executive Director

Catherine Bradley joined the FCA Board in August 2014.

Prior to her appointment Catherine was Head of Equity Advisory Asia Pacific at Societe General since 2013. Previously, she worked at Credit Suisse from 2003-2012 where for the last four years she was Head of the Equity-Linked Solutions Group Asia Pacific and before that Head of Derivatives Coverage for UK Corporates and Government as well as European Financial Sponsors. Prior to joining Credit Suisse, Catherine worked at Dresdner Kleinwort Wasserstein from 2000-2003 as Head of Block Monetisations and Convertible Teams. Catherine also worked for BNP Paribas from 1994-2000 as Head of Strategic Equity Derivatives Europe, for UBS from 1991-1994 in French Investment Banking and at Merrill Lynch from 1981-1991 based in New York and London.

Catherine is a board member with the FICC Markets Standard Board and is Chairman of the Audit Committee of PSA Peugeot Citroen.

Amelia Fletcher OBE – Non-executive Director

Amelia Fletcher joined the FCA Board in April 2013 and the PSR Board in 2014.

Amelia is Professor of Competition Policy at the University of East Anglia, a Non-Executive Director of the Competition and Markets Authority, and a member of the Enforcement Decision Panels at



Ofgem and the Civil Aviation Authority. She was previously Chief Economist at the Office of Fair Trading (2001-2013), and a member of the OFT's Executive Committee.

Amelia has written and presented widely on competition and consumer policy, and has a particular interest in behavioural economics. Before joining the OFT, she was an economic consultant at Frontier Economics (1999-2001) and London Economics (1993-1999). She has a DPhil and MPhil in economics from Nuffield College, Oxford. She is on the Council of the Royal Economic Society.

Bradley Fried – Non-executive Director

Bradley joined the FCA Board in April 2016.

Bradley is a partner of Grovpoint Capital LLP. He is Deputy Chairman of the Court of Directors of the Bank of England, and Chairman of its Audit & Risk Committee. He is a fellow at Magdalene College, Cambridge and a governor of the London Business School.

Bradley has extensive experience of financial services, having been Chief Executive Officer of Investec Bank plc and a partner at McKinsey & Co, where he focused on strategy consulting to the financial services industry. He is also a qualified chartered accountant.

Nick Stace – Non-executive Director

Nick joined the FCA Board in April 2017.

Nick has been Chief Executive and Secretary of the Royal College of Veterinary Surgeons since September 2012. Prior to taking up his current role, he was Chief Executive Officer at Australian consumer group CHOICE for nearly four years.

A long standing consumer champion, he also held the post of Deputy CEO at Which? and Director at Consumers' International. As a former Director of Strategic Communications for Prime Minister Gordon Brown at the time of the global financial crisis, he has helped to navigate some of the most challenging issues of our time.

Nick also holds a number of non-executive roles. He is Chair of Governors at the Royal Agricultural University, a Council Member of the National Trust and the Chair and Board Member of The Wild Network.

In October 2017 Nick will be leaving the Royal College of Veterinary Surgeons and taking on a new role as Chief Executive of The Prince's Trust.

Baroness Sarah Hogg – Non-executive Director

Sarah joined the FCA Board in April 2016.

Sarah is Chairman of the Audit Committee at the John Lewis Partnership and a member of the Takeover Panel. She is also Lead Independent Director of HM Treasury.

Sarah was previously Chairman of the Financial Reporting Council, 3i Group plc and Frontier Economics. From 1990 to 1995 she was Head of the Prime Minister's Policy Unit.

Ruth Kelly – Non-executive Director

Ruth joined the FCA Board in April 2016.

Ruth is Pro Vice-Chancellor at St Mary's University, Twickenham, a non-executive Director at National Grid and a Governor for the National Institute of Economic and Social Research. Ruth previously worked at HSBC, most recently as Global Head of Client Strategy in HSBC Global Asset Management. As an MP and then minister between 1997-2010, her roles included Secretary of State for Transport, Secretary of State for Communities and Local Government, Secretary of State for Education and Skills and Economic and Financial Secretary to the Treasury. Ruth has an MSc in Economics from the London School of Economics.



Jane Platt CBE – Non-executive Director

Jane joined the FCA Board in April 2013. She is currently Chair of LifeSight Master Trust and was Chief Executive of National Savings and Investments from September 2006 to August 2016.

Trained as an investment manager, Jane managed pension funds with Mercury Asset Management before moving to BZW where she held a number of senior management positions in their asset management division to become Chief Operating Officer at the time of the creation of Barclays Global Investors. She was Chief Executive of Barclays Stockbrokers and Barclays Bank Trust Company before moving to Reuters as President of their global division, Services for Asset Managers.

She has acted as a non-executive director of Royal London Group and has experience of being a pension fund trustee. She has chaired ACE, the association of government agency and NDPB chief executives. She is a Chartered Fellow of the Institute for Securities and Investments.

Sam Woods – Non-executive Director

Sam Woods assumed the role of Deputy Governor for Prudential Regulation and Chief Executive Officer of the Prudential Regulation Authority (PRA) on 1 July 2016. As Deputy Governor for Prudential Regulation and CEO of the PRA, Sam Woods is also a member of the Bank's Court of Directors, the Prudential Regulation Committee, the Financial Policy Committee, and the Board of the Financial Conduct Authority. Sam's previous role was Executive Director of Insurance at the PRA. In this role, Sam was responsible for overseeing the monitoring and regulation of over 600 life and general insurance firms. Sam joined the Financial Services Authority (FSA) in 2011 and transferred to the Bank in 2013 with the integration of the PRA. He served as Director for Financial Stability Strategy and Risk, and prior to that was Director for Domestic UK Banks Supervision.

Before joining the FSA/Bank, Sam spent 10 years at HM Treasury in a variety of roles.

Christopher Woolard – Director of Strategy and Competition

Christopher is responsible for policy, strategy, competition, market intelligence, consumer issues, the Chief Economist's department, communications and Project Innovate. He is chair of the FCA's Policy Steering Committee and a non-executive board member of the Payment Systems Regulator.

Christopher joined the FCA in January 2013.

Prior to this he was Group Director and Content Board member at Ofcom. He has spent most of his career in regulation or policy development including working at the BBC and in government as a senior civil servant. He is a Sloan Fellow of London Business School.



The Board: Payment Systems Regulator

Hannah Nixon – Managing Director

Hannah Nixon joined the PSR as Managing Director from Ofgem, the UK gas and electricity industry regulator, where she led on the development and implementation of a new regulatory framework.

Prior to that she was head of regulatory economics at the Office of Rail Regulation, was a founding member of Cambridge Economic Policy Associates and vice-president of Deutsche Bank's global markets economics team.

Hannah is a Non-executive Director of the Channel Islands Competition and Regulatory Authority.

Carole Begent – Head of Legal

Carole is the PSR's Head of Legal, and joined in April 2015. Previously she was Senior Legal Director, Mergers, Markets and Regulatory Appeals at the Competition and Markets Authority (CMA) where she reported to the General Counsel and to the CMA Board on legal issues arising in mergers, markets and regulation. She has extensive knowledge and expertise in competition, regulatory law, public law in advisory, policy development and litigation contexts.

Between March 2000 and March 2014 Carole was Deputy Chief Legal Adviser and Head of International at the Competition Commission (CC). She led the successful defence of CC decisions, including appeals by BAA, Ryanair and BSkyB to Court of Appeal. Earlier experience includes secondment to the Department for Transport in 2009 as Head of Railway Infrastructure and Safety Legal Division; and legal and policy roles at OFWAT and ORR.

Noel Gordon – Non-executive Director

Noel is a Non-executive Director of the PSR. He brings a wealth of experience in both financial services and technology.

In 2012 he retired from Accenture where he spent 16 years, latterly Global Managing Director of Accenture's Global Banking Industry Practice, advising banks on risk, regulation, governance, IT and operations as well as the adoption of new technologies and payments architectures.

Prior to Accenture, Noel was a Partner at Booz Allen & Hamilton. Noel is now engaged in a portfolio of advisory and Board roles in addition to the PSR.

He is a Non-executive Director of NHS-England, Chairman of NHS Digital, a member of the Government's advisory committee on the regulation of innovation in new medicines and biotechnologies, a Non-executive Director of Allen International and a member of the Development Board at Age UK, amongst other roles.

Simon Ricketts – Non-executive Director

Simon joined the Board in July 2017.

Simon is a Non-executive Director of HMRC and has held executive leadership positions as Chief Information Officer for Rolls Royce PLC, Scottish & Newcastle PLC and Cadbury Schweppes PLC, as well as a number of non-executive roles within both private and government organisations.

John Griffith-Jones – Chairman

Andrew Bailey – Non-executive Director

Amelia Fletcher – Non-executive Director

Bradley Fried – Non-executive Director

Christopher Woolard – Non-executive Director