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Mel Stride MP

Chairman

Treasury Committee  
House of Commons  
London  
SW1A 0AA

**Financial Services Compensation Scheme Funding**

[date]

**Dear Mel Stride MP**

I am a [Director and shareholder] in a [Chartered Financial Planning business] in your constituency [City of London].

The 5m of UK voters have access professional advice and are therefore affected by regulatory costs. Each of them is now paying 20p in every pound of their advice fees for the benefit of others. This will only increase

**The purpose of this letter is to encourage you to establish an enquiry into the structure and funding of Financial Services Regulation in the UK.**

There are two parts to this request.

Firstly, the Financial Services & Markets Act 2000 creates a regulatory regime which is “independent” of Government and therefore Parliamentary oversight. The only exception to this the Treasury Select Committee. We have had regulation for 40 years. The current regime has run for 20 years and has failed the consumer and the industry. It is time for a review that takes into account the post Brexit world.

The Treasury Select Committee is the only one that start this change and hold that review.

Secondly, because of this lack of oversight, the size, cost & complexity of regulation has grown exponentially along with the cost of compensation. There are over 20m potential claimants.

The FSCS cost is visited upon surviving firms and through them those the 5m surviving consumers taking current financial advice. We now have the obverse of the original design. Too many claimants visiting costs on too few consumers. This drop is thanks to regulatory changes in 2010 that disenfranchised all but the wealthiest client.

**The total FSCS budget now exceeds the FCA’s budget, meaning compensation costs now exceed regulatory costs, and this trend is set to continue.**

I would be grateful if you could give my concerns some consideration and raise this issue with the Treasury Select Committee.

Your sincerely,

[You] [email] [Mobile]