

Telephone: 0207 066 7192
Email: foi@fsa.gov.uk

Via E-mail

12 August 2014

Our Ref: FOI3566

Dear

Freedom of Information: Right to know request

Thank you for your request under the Freedom of Information Act 2000 (the Act), for the following information:

"I would simply like to be given the names of the companies recently awarded or currently being considered for banking licences, please."

Your request has now been considered and I can confirm that we hold the information you have requested.

Details of the new banks authorised between 1 April 2013 and 31 March 2014 are published in the annex of our most recent barriers to entry progress review (page 16), which can be found at this link: <http://www.fca.org.uk/your-fca/documents/barriers-to-entry-one-year-on>

We have also authorised one bank since 31 March 2014, which is Hampden & Co Plc.

In this period we have not refused any banking applications, but there are a number of organisations which await the outcome of their applications. However, we are unable to provide you with the names of these organisations as this information is exempt from disclosure under the Act. This is because the information was received for the purpose of carrying out our regulatory functions under section 348 of the Financial Services and Markets Act 2000 ("FSMA"). As a result, we are prohibited from disclosing it under section 44 (Prohibitions on disclosure) of the Act. For a detailed explanation as to why this exemption applies please refer to annex A, attached.

Furthermore, we are not able to disclose the names of these organisations to you because we consider that disclosure of the firms' names could prejudice the commercial interests of those firms, were it to be made public, and therefore the section 43 (Commercial Interests) exemption applies. For a detailed explanation as to why this exemption applies please also refer to annex A, attached.

Please be aware that, it is not uncommon for a firm to make an application and then withdraw it before completion.

Further information may be available from the Prudential Regulation Authority who is responsible for the prudential regulation and supervision of Banks, Building Societies, Credit Unions and major Investment Firms.

If you have any queries then please contact me.

Yours sincerely

Information Access Team

Annex A

- **Section 44 (Prohibitions on disclosure)**

Section 44 provides that information is absolutely exempt if its disclosure (otherwise than under the Act) is prohibited by or under any enactment. Section 348 of the FSMA restricts the FCA from disclosing "confidential information" it has received except in certain limited circumstances (none of which apply here).

Confidential information for these purposes is defined as information which relates to the business or other affairs of any firm/individual and which was received by the FCA (or its predecessor the FSA) for the purposes of, or in the discharge of, its functions under FSMA and which is not in the public domain. Consequently the FCA is prohibited from disclosing to you any information which we received while performing our regulatory duties and which is not in the public domain.

In this case, the applications (for a banking licence) were received by the FCA for the purpose of carrying out our regulatory duties in relation to firms/individuals and this is information that falls within section 348. As such, the FCA is prohibited from disclosing this information to you.

Disclosure of any such confidential information is in breach of s.348 of FSMA and is a criminal offence.

- **Section 43 (Commercial Interests)**

Section 43(2) of the Act provides that information is exempt if its disclosure would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

The commercial interests of the firms in question may be harmed in several ways by disclosing the information requested. Disclosure of the information you have requested would be likely to lead to further comment and speculation about the firms, which would or would be likely to harm the firms' brands and so harm the commercial interests of the individual firms and their stakeholders, including their employees. As there is no routine public disclosure of a firm's dealings with the FCA, ad hoc public disclosure under the Act would be likely to attract a disproportionate amount of attention to the firms concerned.

Section 43 is a qualified exemption and we have therefore considered, as required by the Act, where the balance of public interest lies.

For disclosure:

- Disclosure of the information would reassure the public about the effectiveness of the regulatory approach taken by the FCA, particularly in relation to the Controlled Function application process.
- Disclosure of the names of the firms would also provide information to consumers to assist them in making decisions about their dealings or potential dealings with the firms and individuals that are, or may be, operating in the financial services industry.

Against disclosure:

- Disclosure of the names of the firms in question could also lead to widespread speculation which could affect the firm's brands and reputations in the market in which they operate, in the absence of due process having been followed - i.e. in the absence of any formal public announcement and without the firms having had the opportunity to comment.
- It is strongly in the public interest that the FCA has open and candid exchanges of information with the firms it regulates, regardless of the commercial sensitivity of the information.

On this occasion we have concluded that the balance of the public interest is in favour of not disclosing the information, for the reasons set out above.