



## Treasury Committee

House of Commons, Committee Office, 14 Tothill Street, London SW1H 9NB  
Tel 020 7219 5769 Fax 020 7219 2069 Email [treascom@parliament.uk](mailto:treascom@parliament.uk) Website  
[www.parliament.uk/treascom](http://www.parliament.uk/treascom)

Rt Hon. George Osborne MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London SW1A 2HQ

26 January 2016

*Dear George,*

Thank you for your letter of 26 January, informing me that you had appointed Andrew Bailey as the next Chief Executive of the FCA, and inviting the Treasury Committee to conduct a pre-commencement hearing.

Whatever the reality, the perception that the financial regulators, particularly the FCA, have become vulnerable to political pressure is not helping them get on with their job. The independence of its new Chief Executive — and the parliamentary and public perception of his independence — will be crucial to the FCA's efforts. In evidence to the Committee on 20<sup>th</sup> January, John Griffith-Jones, Chairman of the FCA, said that there was merit in the proposal that the independence of the FCA's Chief Executive be entrenched by giving the Treasury Committee a veto on their appointment and dismissal. This would mirror the Committee's veto over the OBR's senior leadership, an arrangement you said you put in place "because I want there to be absolutely no doubt that this is an independent body".

The Treasury Committee would welcome assurances that you will put in place a similar veto on the appointment and dismissal of the Chief Executives of the FCA and PRA. If there is no immediate legislative opportunity to do so, a first step would be a personal assurance that you will not make an appointment or decision on an incumbent without the prior agreement of the Committee. This would again replicate the initial arrangements put in place for the OBR's leadership, prior to the passage of legislation.

  
RT HON ANDREW TYRIE MP  
CHAIRMAN OF THE TREASURY COMMITTEE