



Select committee warning on publishing RBS report

Story by: Julia Bradshaw | Magazine: [FinancialAdviser](#) | Published Thursday , June 09, 2011

MPs could force the FSA to publish a report into the failure of the Royal Bank of Scotland but it may hamper the regulator's investigations, a Treasury select committee member has warned.

Mark Garnier, Conservative MP for Wyre Forest, said he believed the last time this kind of parliamentary privilege was used was during the 1800s and, although it was possible to publish the report, he was not convinced it would work in practice.

Mr Garnier said: "Publishing the PricewaterhouseCoopers report will not necessarily come up with an answer. It might just cause problems. I am not entirely comfortable with a select committee pushing this because the FSA is a standalone regulator and has to have confidence that, when it starts looking at what has been going wrong in an organisation, the organisation will be comfortable to release information because of confidentiality guarantees.

"If the select committee decides it wants to use parliamentary privilege to publish the PwC findings, this could hinder the ability of the FSA to do its job of investigation."

He said the matter had not been discussed "at great length" by the select committee but the issue was much more complex than recent instances where MPs have used parliamentary privilege to reveal the identities of people who have taken out super injunctions against the media.

Mr Garnier added: "We are all going off and mulling it over but the PwC report is unlikely to see the light of day. I am satisfied that we have the right people to undertake the review and have every confidence in it."

His comments follow the release of a letter, dated 28 March, from Lord (Adair) Turner, the chairman of the FSA, to Andrew Tyrie, chairman of the select committee. In it Lord Turner states that it would be legally possible for the select committee to request a copy of the original PwC report and publish it under parliamentary privilege.

In the letter Lord Turner urged Mr Tyrie not to use his powers to push for publication because it would not be "in the long-term public interest".

He said publication could prejudice the effectiveness of the FSA and its successor bodies in future enforcement actions and there were "major issues of principle" to be considered if the select committee ignored this practice.

Peter Chadborn, director for Essex-based Plan Money, said any investigation into the failure of the taxpayer-owned bank must be transparent and without any "element of whitewash", and that this included publishing the PwC report.

He said: "If the regulator wants respect from advisers, we need to feel there is a level playing field and at the moment there is a sense that it is not. Issues such as this just make it worse. There is a danger that the whole process ends up being undermined if all the reports are not made public."

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By: Spandavia

9:25 AM on June 9, 2011

This ridiculous debate begs two questions:

First - for whose benefit is the regulator working? I think Mr Garnier's comment says it all: ".....because the FSA is a standalone regulator and has to have confidence that, when it starts looking at what has been going wrong in an organisation, the organisation will be comfortable to release information because of confidentiality guarantees."

If this is all about keeping the Banks or financial institutions happy even when they break FSMA2000 Principles and even the law then it begs the second question - what is the point of having a regulator?

Perhaps Mr Garnier should consider the fact the FSA are not the only people to have investigated what happened at RBS under the reign of Fred Goodwin. Neither are they the only people to have investigated what happened at HBOS. They have a choice - publish their own reports or wait until others publish theirs. It's a case of which option will give them least egg on their face.

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