

## **Enforcing action**

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Recently, as I walked across the concourse at Paddington station en route to my carriage of choice back to the West Country, I picked up a newspaper. As the train glided out of the station I caught up on the day's news and was intrigued to come across a full page interview with Margaret Cole, director of enforcement at the FSA.

FSA regulation is not to most the most exciting subject to appear in the business pages but I found the interview very informative and well written.

There is no doubt about it, Ms Cole is an academic high achiever, an accomplished lawyer and her CV is impressive in all respects. Since her appointment in 2005, much has happened within the enforcement division and we have seen increasing enforcement activity. It is reported that about a third of the 280 staff in enforcement have left and been replaced with more 'upskilled' staff.

However, it is troubling to read that the FSA is raising its game "towards small firms" and that it is an aim that the FSA is "to be properly feared". It made me think that maybe the FSA needs to direct its bold and resolute approach to the industry more, rather than the consumer press. In addition, I have trouble reconciling commentary about insider dealing and criminal activity of a few with the role that enforcement performs in connection with non-criminal compliance breaches of your average firm. For example, there is a big difference between a firm that inadvertently fails to demonstrate compliance with a rule and a group of individuals who deliberately go about conspiring to commit criminal acts for their own financial gain. While the enforcement process does make the distinction, press comment sometimes does not appreciate the wider parameters of the possible misdemeanours.

That being said, the FSA is accountable and does have to manage its own PR. When you have somebody as capable and purposeful as Ms Cole, why not promote her abilities?

*Philip Ryley is a solicitor and Head of Financial Services & Markets at Michelmores Solicitors, based in Exeter and London.*