

Dear Rachel Kent,

Conflicts of Interest

Thank you for your letter dated 25 January.

We believe that your letter raises more questions than it answers.

1. The biggest of these is whether a reasonable person would have confidence that you could act independently once they discovered that you were also being paid to advise the Government, via a consultancy agreement with a law firm serving the financial services sector. This question is particularly salient given the Government's current focus on promoting the interests of the sector through the competitiveness and growth objective, which has caused many people to question whether we will see a return to light touch regulation which harms consumers.
2. A second question is why the register of interests which you have now published in response to our inquiries does inform the public about your relationship with the Government, which only became apparent to us as a result of your letter.
3. A third question, related to the two questions above, is whether you will in fact undertake consultancy work for the Government concerning financial services policy and, if so, whether that work will include advice on policy proposals which may affect the protections afforded to consumers. The Government has been explicit that it wants consumers to be exposed to more risk.
4. Finally, the Government has been instrumental in operationalising the regulators' competitiveness and growth objective through a series of metrics which they have co-created with financial services firms. These metrics are aimed at recasting regulation as a "Service to Business" rather than a public good. Will you take on complaints from firms concerning any alleged failure by the regulators to meet these metrics?

Given these very significant remaining questions, we are sharing this correspondence with the Chair of the Treasury Committee and with the Commissioner for Public Appointments, who ought to in our opinion wish to know the answers. We will also be releasing the correspondence publicly.

It is, after all, essential that the public can trust the Commissioner to exercise good judgement.

Yours sincerely

Simon Youel,
Head of Policy and Advocacy, Positive Money