

# Code implementation workshop

## Supervision

**CODE 15**

raising standards | preventing harm | simpler compliance | smarter enforcement

# Objectives & agenda

- This is an opportunity to talk about Supervision
  - We'll touch on our planned approach, stakeholder engagement, data and codified supervision
  - Got a question: type it in the chat and we will try to get to it
  - This session is being recorded
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# Why supervision?

- We're formally introducing supervision in April in Code 15 – building on stakeholder engagement over the last couple of years.
  - Supervision is a key plank of our prevent harm agenda. We aim to do this by:
    - Monitoring and supporting compliance
    - Encouraging good or best practice
    - Working with you to identify issues and mitigate them
    - Working with you to understand the market and market-wide issues better
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# How we intend to supervise

- There will be both codified and non-codified elements to our approach as well as regular and ad hoc supervision
  - We will look to be collaborative and proactive
  - This is not about catching you out
  - We're setting up a new supervision team within the PSA to do this (from existing resource)
  - They will most likely be your main point of contact in the PSA
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# Non-Codified, regular: stakeholder engagement

Activity	What/when/where/frequency etc.
<ul style="list-style-type: none"> <li>• Cornerstone of our approach to supervision – regular stakeholder engagement with you</li> <li>• Many of you have experience of stakeholder managers – supervisory stakeholder engagement will be similar to this</li> </ul>	<ul style="list-style-type: none"> <li>• We anticipate meeting with larger market participants on a roughly quarterly or biannual basis</li> <li>• Meetings will be an opportunity to discuss trends, emerging issues or prospects and regulatory priorities</li> <li>• We intend to roll out this sort of stakeholder engagement to other parts of the market as and when necessary</li> </ul>

# Codified, regular: data reporting

Activity	What/when/where/frequency etc.
<ul style="list-style-type: none"><li>• We see this as an important element of supervision, allowing us to ensure compliance and identify any consumer risks early</li><li>• Approach taken by many regulators</li><li>• You provide some of this data already</li></ul>	<ul style="list-style-type: none"><li>• We are likely to want data on a quarterly basis</li><li>• The data is likely to be that which you already keep or should be keeping e.g. complaint data, time taken to resolve complaints, revenue, user numbers</li><li>• In circumstances where we want more comprehensive or different data as part of your periodic reporting, we will give you the appropriate notice and rationale for doing so – we are going to be reasonable about this</li></ul>

# Codified, ad hoc: targeted information gathering

Activity	What/when/where/frequency etc.
<ul style="list-style-type: none"> <li>If our supervisory work suggests there is an emerging issue that may have caused or be likely to cause consumer harm, we have the power to seek targeted information to help assess the issue and mitigate risk</li> </ul>	<ul style="list-style-type: none"> <li>There is no immediate answer as to when or how often we will ask for targeted information, it depends on market activity</li> <li>However, as we have said throughout, we have no intention of seeking vast and disproportionate amounts of data</li> <li>In circumstances where we want more comprehensive or different data, we will give you the rationale for doing so</li> </ul>

# Codified, ad hoc: thematic reviews

Activity	What/when/frequency etc.
<ul style="list-style-type: none"> <li>• Many of you will be familiar with our policy work and reviews of recent years e.g. subscriptions, ICSS</li> <li>• Thematic reviews will be similar in nature but underpinned by powers to ask for information</li> </ul>	<ul style="list-style-type: none"> <li>• Thematic reviews will be initiated when an issue emerges that warrants close assessment</li> <li>• This may pose potential consumer risk</li> <li>• We will announce any review (and its scope) and publish a short summary of actions or conclusion once completed</li> <li>• Outcomes will vary but may include best practice, guidance, advocacy or engagement and enforcement</li> <li>• We anticipate conducting no more than 1 or 2 thematic reviews a year</li> </ul>



# Codified, ad hoc: audits

Activity	What/when/frequency etc.
<ul style="list-style-type: none"> <li>Regulatory audits are common in other sectors</li> <li>Audits will be targeted to a particular issue or concern</li> <li>Opportunity for regulated party to appoint an auditor, subject to PSA approval</li> </ul>	<ul style="list-style-type: none"> <li>These will be instigated on a case by case basis as and where is appropriate and proportionate to do so</li> <li>These are intended to be preventative – to avoid consumer harm and ensure compliance – rather than punitive</li> <li>May be triggered where intelligence indicates that there may be issues relating to a party’s processes, procedures or activities, which have the potential to/or are causing consumer harm</li> <li>Audits may also be triggered in response to an enforcement case or to ensure action to address issues has been completed</li> </ul>

# Codified, ad hoc: skilled persons report

Activity	What/when/frequency etc.
<ul style="list-style-type: none"><li>• Skilled persons reports will be initiated where an expert, independent view is required</li><li>• If initiated, it is likely to involve a technical elements of the delivery of services</li></ul>	<ul style="list-style-type: none"><li>• Again, this will be initiated on a case by case basis</li><li>• These are intended to be preventative – to avoid consumer harm and ensure compliance – rather than punitive</li></ul>

# What's next

- Publications in mid-February (hopefully next week):
    - Guidance Statement and finalised Guidance Notes
    - Procedures
    - Exemptions – largely carried over, updated to reflect new Code provisions
    - Data retention notice – largely carried over, update to reflect new Code provisions
  - One further workshop:
    - Engagement and Enforcement – February 22<sup>nd</sup>
  - Consultation on draft amendments to section 3.13 (Competitions and Voting Services) closes February 23<sup>rd</sup>
  - Code in force on April 5<sup>th</sup>
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## Further questions

- Lots of information on our website
  - Email [compliance@psauthority.org.uk](mailto:compliance@psauthority.org.uk)
  - Open to 1-2-1s
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Thank you

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