

By Steve Browning

3 February 2022

London Capital & Finance



Summary

- 1 Mini-bonds and failure
- 2 Scope of investigations
- 3 Findings from the independent investigation
- 4 Compensation for bondholders
- 5 Parliamentary activity

Contributing Authors

Moyo Oyelade

Image Credits

Calculator / Image cropped. Licensed under Pixabay – no copyright required.

Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing [‘Legal help: where to go and how to pay’](#) for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at commonslibrary.parliament.uk. If you have general questions about the work of the House of Commons email hcenquiries@parliament.uk.

Contents

Summary	4
1 Mini-bonds and failure	6
1.1 Further information and advice	8
2 Scope of investigations	9
2.1 Serious Fraud Office and the Financial Conduct Authority	9
2.2 Independent investigation of the Financial Conduct Authority	10
2.3 Financial Reporting Council	12
3 Findings from the independent investigation	13
3.1 Recommendations	14
For the FCA	15
For HM Treasury and the Government	16
3.2 Initial reaction to the findings	16
3.3 Progress on implementing recommendations	18
4 Compensation for bondholders	21
4.1 Financial Services Compensation Scheme	21
4.2 Government compensation scheme	22
The Compensation (London Capital & Finance plc and Fraud Compensation Fund) Act 2021	24
5 Parliamentary activity	25
5.1 Treasury Select Committee	25

Summary

11,625 bondholders invested about £237m in the products sold by London Capital & Finance Plc (LC&F). LC&F failed in January 2019. The administrators estimated in March 2019 that [investors might only get 20% of their investment back](#).

What was the specific problem with mini-bonds?

Mini-bonds are a way of raising finance – generally by less-established firms – with higher levels of risk and interest. They are also ‘illiquid’, because they can’t be sold on before they mature.

A complication of the case is that [‘mini-bonds’ were not themselves regulated by the Financial Conduct Authority \(FCA\), but giving financial advice about them was](#). Because of this, [bondholders were not generally entitled to compensation from the Financial Services Compensation Scheme \(FSCS\)](#).

Early actions and responses

[The Serious Fraud Office and the FCA are working together to investigate potential criminal actions](#) and the wider circumstances surrounding the sale of mini-bonds and ISA bonds by LC&F. The Government launched [an independent investigation into how the FCA regulated mini-bonds and supervised LC&F](#). The Financial Reporting Council announced [an investigation of the audits of LC&F](#) over the relevant period.

The Financial Services Compensation Scheme had reviewed [bondholders’ experiences and potential eligibility for compensation](#). In 2020 it paid compensation to investors who had switched stocks and shares ISAs to LC&F mini-bonds. It also considered many individual cases to determine whether a regulated activity had taken place. By April 2021, [the FSCS had paid out £57.6m to 2,871 bondholders who held 3,900 LCF bonds](#).

The Gloster Report into the FCA's oversight

In December 2020, [the Gloster Report from the independent investigation](#) was published. It was strongly critical of the FCA's approach, contending that the regulator had failed to fulfil its statutory objectives. For instance, it had inadequately considered issues beyond its "regulatory perimeter" or concerns raised about LC&F. The report made 13 recommendations to the FCA and to the Government, all of which have been accepted.

The FCA and the Treasury have [implemented and reported on changes made in response to the findings](#). In particular, the FCA has continued to undertake a radical programme of cultural transformation.

But there were calls for further scrutiny and some criticism of the exclusion of "personal culpability" from the review.

A government compensation scheme

The Government announced that the combination of circumstances was such that [it would establish its own compensation scheme](#) for LC&F bondholders – a somewhat exceptional response. It would however limit compensation to a maximum of 80% of the FSCS equivalent.

The legislative arrangements for the scheme are set out in the [Compensation \(London Capital & Finance plc and Fraud Compensation Fund\) Act 2021](#), which received Royal Assent in October 2021. We discuss the stages of the legislation in a separate [Bill Paper](#).

[The Financial Services Compensation Scheme is overseeing the compensation scheme](#). In February 2022, it reported that it had written to 8,500 bondholders and issued total payments of £105 million. It still had 700 bondholders to contact and promised that all would receive an offer by 20 April 2022.

1 Mini-bonds and failure

London Capital & Finance Plc (LC&F) went into administration on 30 January 2019, following a series of interventions by the regulator, the Financial Conduct Authority (FCA).¹ The FCA had found LC&F's advertising to be "misleading, not fair and unclear", and so ordered the firm to withdraw all of its marketing materials on 10 December 2018. Because of "serious concerns about the way the firm was conducting its business", the FCA also ordered LC&F to cease conducting all regulated activity on 13 December 2018.² Among other inappropriate or misleading representations, LC&F was marketing its 'mini-bonds' (the product it sold to investors) as eligible for inclusion in ISAs when they were not.³

What are mini-bonds?

Many companies raise funds by issuing bonds, typically through stock markets and to corporate investors. The company pays interest based on assessment of risk. Smaller or less-established companies are unlikely to be able to use such approaches, so they may choose to issue mini-bonds. While the basic principle is the same, mini-bonds are sold direct to investors. They will typically involve lower levels of initial investment and are likely to offer higher rates of interest.

But they are 'illiquid' investments because unlike corporate bonds they can't be sold on before they mature. While the higher interest rates may make them attractive, the added risks and lack of liquidity mean that investors may lose their money. In addition, their sale is not regulated by the Financial Conduct Authority and investment in them is not protected by the Financial Services Compensation Scheme.

The *Financial Times* has published [a useful overview of mini-bonds](#) and the FCA has [an overview of how it regulates them](#).

By December 2018, 11,625 bondholders had invested around £237m in LC&F products.⁴ That money was then lent by LC&F to a small number of borrowers. As of 25 March 2019, the administrators estimated a return to the

¹ FCA, [London Capital and Finance plc](#), 3 November 2021 (accessed 1 February 2022)

² FCA, [London Capital and Finance Plc enters administration](#), 5 November 2019

³ FCA, [Second Supervisory Notice to London Capital & Finance plc](#), 17 January 2019

⁴ Smith & Williamson, [London Capital & Finance Plc \(in administration\): Joint administrators' Report and Statement of Proposals pursuant to Paragraph 49 of Schedule B1 Insolvency Act 1986](#), 25 March 2019, p7

bondholders from the assets of the Company of as little as 20% of their investment.⁵

The administrators highlighted major discrepancies between the way LC&F presented itself to investors and the reality of their operations:

- There are concerning connections between people currently or previously involved with LCF and people currently or previously involved with the Borrowers and subBorrowers.
- The fact that c£236m of Bondholder monies has been lent by LCF to a small number of Borrowers and sub-Borrowers shows a lack of the spread of risk that one would expect from a professional portfolio manager. It is especially concerning that c£122m was lent to one Borrower, notwithstanding that Borrower on-lent a large proportion of that money to a number of sub-Borrowers.
- The Bondholders believed that their money was being lent to a wide portfolio of UK small and medium sized enterprises ('SMEs') but they now find that it has been lent to a small number of complex businesses with substantial risk profiles and which are often dependent on foreign and/or exotic (such as oil & gas) assets.⁶

They also noted that the bondholders were very concerned:

- that they have been characterised as sophisticated lenders when, in reality, they are often people who have invested their life savings in LCF financial products for the best possible return. The Bondholders are very upset that the boards of directors of the Borrowers and sub-Borrowers have viewed them as investors with an interest in investments with high risk profiles.
- that LCF was planning to engage in debt for equity swaps with the Borrowers and sub-Borrowers, using the monies lent by the Bondholders. The Bondholders had seen no evidence in any of the Information Memoranda indicating that Bondholder monies might be used in this way.
- that there are corporate transactions involving the Borrowers and sub-Borrowers which involve companies with similar names, frequent name and accounting date changes, Companies House strike off notices and the same individuals.⁷

The administrators confirmed that they would “take the appropriate legal actions against any and all parties which are found to have caused loss to the Bondholders through any improper actions”.⁸

⁵ Smith & Williamson, [London Capital & Finance Plc \(in administration\): Joint administrators' Report and Statement of Proposals pursuant to Paragraph 49 of Schedule B1 Insolvency Act 1986](#), 25 March 2019, p5

⁶ Smith & Williamson, [Update to Bondholders](#), 21 February 2019, p5

⁷ Smith & Williamson, [Update to Bondholders](#), 21 February 2019, p6

⁸ Smith & Williamson, [Update to Bondholders](#), 21 February 2019, p6

The collapse of LC&F has led to various investigations, as discussed in the following sections.

- The Financial Services Compensation Scheme considers whether investors are entitled to compensation, and if so, how much ([section 4.1](#)).
- HM Treasury established an independent review led by Dame Elizabeth Gloster into the Financial Conduct Authority's regulation of LCF ([section 3](#)).
- The Serious Fraud Office investigates criminal activities associated with the case and is working with the Financial Conduct Authority, which has the power to investigate breaches of its rules ([section 2.1](#)).

1.1

Further information and advice

The following websites provide information about developments in the case and investigations (and may be more up to date than information provided in this briefing):

- The Treasury has published information about the Government's [LC&F Compensation scheme](#), including scheme rules.
- The Financial Services Compensation Scheme manages [a webpage that publishes developments in the LC&F case](#) (including an email service for updates), as well as wider questions and answers.
- The Financial Conduct Authority has published [a general overview of the case with links to the various investigations and sources](#).
- The Serious Fraud Office has [a case page](#) that includes updates for investors.
- The independent investigation has [a webpage with an overview of its work](#), including the full report.
- Smith & Williamson have [a webpage with an overview of the progress of the administration](#).

2 Scope of investigations

2.1 Serious Fraud Office and the Financial Conduct Authority

The Serious Fraud Office (SFO) announced on 18 March 2019 that it had opened an investigation into individuals associated with London Capital & Finance plc.⁹ Various individuals have been arrested and questioned, including in relation to money laundering and fraud.¹⁰ The SFO is working in conjunction with the FCA to investigate “the circumstances surrounding the sale of mini-bonds and ISA bonds by London Capital and Finance”, although the FCA notes that it is “unable” to provide detail of its own wider investigation “due to the nature of the case and for legal reasons”.¹¹

In August 2019, the SFO and the FCA appealed to all investors in LC&F (and to anyone who thought they might have invested) to complete [an online questionnaire](#) to support the investigation. There were 3,825 responses.¹²

⁹ Serious Fraud Office, [SFO opens investigation into London Capital & Finance Plc](#), 18 March 2019 (accessed 1 February 2022)

¹⁰ Serious Fraud Office, [London Capital & Finance](#), 5 May 2021

¹¹ FCA, [London Capital & Finance plc](#), 13 April 2021 (accessed 15 June 2021)

¹² Serious Fraud Office, [London Capital & Finance](#), 5 May 2021

2.2

Independent investigation of the Financial Conduct Authority

An important issue for the FCA is that of its “[regulatory perimeter](#)”, which constrains what it can do. In the case of LC&F, **selling** mini-bonds was not a regulated activity, but **advising** consumers to buy them would have been.

As the scandal unfolded, concerns arose about the speed and scale of the FCA’s own response to emerging evidence, with some claims that independent financial advisers had contacted the regulator about LC&F’s activities up to several years before it took any action.¹³

On 1 April 2019, further to correspondence with the Treasury Select Committee and the FCA, the Economic Secretary agreed it was in the public interest to order the FCA to establish an independent investigation into the regulatory supervision of LC&F and the regulation of mini-bonds.¹⁴ HM Treasury published a more detailed Direction on 23 May.¹⁵

The Financial Conduct Authority published further details of the investigation in July:

On 23 May 2019, following a request from the FCA’s Board, the Economic Secretary to the Treasury directed the FCA to carry out an independent investigation into the circumstances surrounding the collapse of LC&F. At the same time, the Treasury announced its approval of the proposed appointment of Dame Elizabeth Gloster to lead the Investigation. While her appointment was being finalised, Dame Elizabeth signed an agreement, which enabled the FCA to share restricted information and thereby begin work/reading in. Her appointment was formally made on 10 July 2019.

The independent investigation will consider the FCA’s actions, policies and approach when regulating LC&F. Alongside this, the Treasury also announced it would review the wider policy questions raised by the case of LC&F. These relate to the regulatory and tax treatment of the kinds of retail investment products issued by London Capital and Finance (often referred to as ‘mini-bonds’).¹⁶

The [investigation’s website](#)¹⁷ includes further detail and sets out the scope and limitations, noting that it would exclude considerations of individual compensation:

Specifically, the investigation will consider whether the FCA discharged its functions in respect of LCF in a manner which enabled it effectively to fulfil its statutory responsibilities. This means that the investigation will focus on:

- Whether the FCA adequately supervised LCF’s compliance with its rules and policies

¹³ See, for instance, FTAdviser.com, “[Making sense of London Capital & Finance](#)”, 7 October 2019

¹⁴ [Letter from Economic Secretary to the Treasury to Chair of the FCA](#), 1 April 2019 (PDF)

¹⁵ HM Treasury, [Direction to the FCA to investigate London Capital & Finance](#), 23 May 2019 (accessed 1 February 2022)

¹⁶ FCA, [Independent investigation into London Capital & Finance](#), 25 July 2019 (accessed 1 February 2022)

¹⁷ London Capital & Finance Investigation, [Remit of the investigation](#) (accessed 1 February 2022)

- Whether the FCA had in place appropriate rules and policies relating to the communication of financial promotions by LCF
- Whether the FCA had established appropriate policies for responding to information provided by third parties regarding the conduct of LCF
- Whether those policies were properly applied
- Whether the FCA received information of significance concerning the conduct of LCF during the relevant period
- Whether the FCA responded appropriately to such information
- Whether the permissions that LCF was granted were appropriate for the business activities which it carried on

Dame Elizabeth Gloster and her team are very conscious of the considerable financial and personal impact which the events concerning LCF have had on many of those who placed, and lost, investments with LCF.

However, as set out above, the remit of the investigation is to consider the conduct of the FCA over the period 1 April 2014 to 30 January 2019. That means that the investigation will not be in a position to determine:

- Whether individual bondholders are entitled to compensation
- The location or recoverability of any investments following the collapse of LCF
- Whether any criminal or civil liability attaches to those involved in the events of LCF.

The earlier Direction from the Government specified that the Investigation must be completed within twelve months of the Investigator's appointment, although it also noted that the approach and timing must not prejudice the SFO/FCA investigation.

Delays to the reporting date

But on 15 May 2020, Dame Elizabeth Gloster wrote to the Chair of the FCA advising him that she was moving the target date for delivery of the report to the end of September. While she noted the effects of the coronavirus pandemic on the regulator, she also referred to the effect of “unexpected technology challenges” and the emergences of “various datasets that were not searched [by FCA staff]” since her initial requests late in 2019.¹⁸

¹⁸ [Letter from Dame Elizabeth Gloster to Charles Randell re: Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc](#), 15 May 2020 (PDF) (accessed 1 February 2022)

In August, Dame Elizabeth wrote to the FCA noting late provision of documentation and relevant considerations, all of which would inevitably delay the report, which would now be delivered by 23 November:

In my letter of 15 May, I explained that the revised target date for completion of my investigation would be Wednesday, 30 September 2020 on the basis that the senior employee interviews were completed during the first half of June 2020 and there were no significant issues arising from outstanding data.

Since my 15 May letter, the FCA has produced a large volume of documentation that should have been provided previously and, in addition, senior FCA employees have, during the course of interviews, relied heavily on two change programmes (the relevance of which had not been highlighted before June 2020) in explaining the FCA's regulation of LCF during the Relevant Period.

Reviewing and considering these new issues has required a significant amount of work from my team which obviously was not factored into the target date for completion in my letter of 15 May. Regrettably, as I have explained to you, I will therefore need to revise the target date for delivery of my report.¹⁹

2.3

Financial Reporting Council

In June 2020 the Financial Reporting Council (FRC) announced an investigation into “the audits of London Capital & Finance plc for the one month period ended 30 April 2015 (carried out by Oliver Clive & Co.), the year ended 30 April 2016 (carried out by PwC) and the year ended 30 April 2017 (carried out by EY)”.²⁰

¹⁹ FCA, [Letter from Dame Elizabeth Gloster to Charles Randell re: Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc](#), 21 August 2020 (PDF) (accessed 1 February 2022)

²⁰ London Stock Exchange, [“FRC launches investigation re audits of LCF”](#) (press release), 24 June 2020 (accessed 1 February 2022)

3

Findings from the independent investigation

Dame Elizabeth Gloster's report²¹ was published on 10 December 2020. It is almost 500 pages long. The [investigation website](#) includes a summary and explanation of the main findings.²²

Most fundamentally, the investigation

concluded that the FCA did **not** discharge its functions in respect of LCF in a manner which enabled it effectively to fulfil its statutory objectives. In all the circumstances, the Investigation concludes that the Bondholders, whatever their individual personal circumstances, were entitled to expect, and receive, more protection from the regulatory regime in relation to an FCA-authorised firm (such as LCF) than that which, in fact, was delivered by the FCA.²³

The Direction²⁴ had set out some specific questions for the Investigation. The investigation website sets out summary answers to the questions, all of which are strongly critical of the FCA's approach:

- **Were the permissions granted to LCF appropriate for its business activities?** The Investigation concluded that the permissions granted to LCF were not appropriate for the business that it carried on.
- **Did the FCA adequately supervise LCF's compliance with its rules and policies?** The Investigation concluded that the FCA did not adequately supervise LCF's compliance with the FCA's rules and policies.
- **FCA's handling of information from third parties regarding LCF.** The FCA's handling of information from third parties regarding LCF was wholly deficient. This was an egregious example of the FCA's failure to fulfil its statutory objectives in respect of the regulation of LCF.
- **Did the FCA have in place appropriate rules and policies relating to the communication of financial promotions by LCF?** The FCA had appropriate rules to regulate the communication of financial promotions by LCF. The FCA also had sufficient power under the relevant legislation to

²¹ Elizabeth Gloster, [Report of the Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc](#), 23 November 2020, revised 10 December 2020 (PDF)

²² London Capital & Finance Investigation, [What is the investigation](#) (accessed 1 February 2022)

²³ Elizabeth Gloster, [Report of the Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc](#), 23 November 2020, revised 10 December 2020 (PDF), p31

²⁴ HM Treasury, [Direction to the FCA to investigate London Capital & Finance](#), 23 May 2019 (accessed 1 February 2022)

monitor LCF's financial promotions and to intervene if there was a breach. However, the FCA did not have in place appropriate policies.²⁵

The report contended that there were “significant gaps and weaknesses in the policies and practices implemented by the FCA to analyse the business activities of regulated firms.” It put them into three categories:

1. **The FCA's “approach to its regulatory perimeter” was too limited:** The FCA did not encourage staff to look beyond the perimeter to consider LC&F's wider activities. Most of LC&F's revenue came from non-regulated activities, which were by their nature not scrutinised. But the fact that some activities were regulated gave a stamp of “respectability” to the firm's wider “risky, and potentially fraudulent” products, particularly for “unsophisticated” consumers.
2. **Breaches of financial promotion were dealt with in isolation:** Although the FCA had raised concerns about breaches of its financial promotion rules on six occasions, these were dealt with in isolation and did not result in wider holistic review. This meant that potential misuse of LC&F's regulated status to promote the sale of unregulated products was not considered.
3. **Lack of training:** Staff who reviewed information submitted by LC&F had not had enough training to adequately identify signals of fraud and irregularity.²⁶

The report argued that these failures meant that the FCA was unable to recognise the real risks to consumers or the numerous “red flags” emerging. It also considered questions of individual management responsibility and comments on the matter very cautiously – it is careful to note that this is not about “the personal culpability of any individuals or groups of individuals”.²⁷

3.1 Recommendations

The report made 13 recommendations – nine for the FCA's policies and practices, and four for the Treasury and Government regarding the wider regulatory regime.²⁸ All the recommendations have been accepted by the relevant parties, as discussed below.

²⁵ London Capital & Finance Investigation, [What is the investigation](#) (accessed 1 February 2022)

²⁶ London Capital & Finance Investigation, [What is the investigation](#) (accessed 1 February 2022)

²⁷ London Capital & Finance Investigation, [What is the investigation](#) (accessed 1 February 2022)

²⁸ Elizabeth Gloster, [Report of the Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc](#), 23 November 2020, revised 10 December 2020 (PDF), p291-308

For the FCA

1. The FCA should direct staff responsible for authorising and supervising firms, in appropriate circumstances, to consider a firm's business holistically.
2. The FCA should ensure that its Contact Centre policies clearly state that call-handlers: (i) should refer allegations of fraud or serious irregularity to the Supervision Division, even when the allegations concern the non-regulated activities of an authorised firm; (ii) should not reassure consumers about the nonregulated activities of a firm based on its regulated status; and (iii) should not inform consumers (incorrectly) that all investments in FCA-regulated firms benefit from FSCS protection.
3. The FCA should provide appropriate training to relevant teams in the Authorisation and Supervision Divisions on how: (i) to analyse a firm's financial information to recognise circumstances suggesting fraud or other serious irregularity; and (ii) when to escalate cases to specialist teams within the FCA.
4. The senior management of the FCA should ensure that product and business model risks, which are identified in its policy statements and reviews as being current or emerging, and of sufficient seriousness to require ongoing monitoring, are communicated to and appropriately taken into account by staff involved in the day-to-day supervision and authorisation of firms.
5. The FCA should have appropriate policies in place which clearly state what steps should be taken or considered following repeat breaches by firms of the financial promotion rules.
6. The FCA should ensure that its training and culture reflect the importance of the FCA's role in combatting fraud by authorised firms.
7. The FCA should take steps to ensure that, to the fullest extent possible: (i) all information and data relevant to the supervision of a firm is available in a single electronic system such that any red flags or other key risk indicators can be easily accessed and cross-referenced; and (ii) that system uses automated methods (e.g. artificial intelligence/machine learning) to generate alerts for staff within the Supervision Division when there are red flags or other key risk indicators.
8. The FCA should take urgent steps to ensure that all key aspects of the DES Programme that relate to the supervision of flexible firms are now fully embedded and operating effectively.
9. The FCA should consider whether it can improve its use of regulated firms as a source of market intelligence.²⁹

²⁹ Financial Conduct Authority, [FCA responds to independent reviews into its regulation of London Capital & Finance and Connaught](#), 17 December 2020

For HM Treasury and the Government

The investigation also considered how the wider regulatory regime affected the FCA's ability to supervise LC&F. It made the following wider recommendations:

10. The Treasury should consider addressing the lacuna in the allocation of ISA-related responsibilities between the FCA and HMRC.
11. The Treasury should consider whether [Article 4 of MiFID II](#) or [section 85 of FSMA](#) should be extended to non-transferable securities.
12. The Treasury should consider the optimal scope of the FCA's remit.
13. The Treasury and other relevant Government bodies should work with the FCA to ensure that the legislative framework enables the FCA to intervene promptly and effectively in the marketing and sale through technology platforms, and unregulated intermediaries, of speculative illiquid securities and similar retail products.³⁰

3.2

Initial reaction to the findings

Both the FCA and the Government accepted the recommendations and committed themselves to working together to implement them.

Charles Randell, Chair of the **FCA**, said:

We accept all the recommendations that have been made to the FCA and we are profoundly sorry for the mistakes we have made.

The collapse of LCF has had a devastating effect on many investors and we will do everything we can to conclude our investigations as quickly as possible and support the recovery of further funds for investors.

The FCA has always prioritised supervising regulated activities which affect the most vulnerable in our society, who often have very limited financial choices. We also introduced measures designed to prevent harm for those consumers who had more ability to choose. These reports not only highlight operational mistakes; they also indicate that the measures we introduced may not have been as effective as we wanted and challenge the balance that we struck at that time.³¹

³⁰ Elizabeth Gloster, [Report of the Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc](#), 23 November 2020, revised 10 December 2020 (PDF), p302-308

³¹ FCA, [FCA responds to independent reviews into its regulation of London Capital & Finance and Connaught](#), 17 December 2020

The FCA went on to note that it had made restrictions on marketing of illiquid securities (such as mini-bonds) and intended to make this permanent.³² Over the coming six months it would undertake a number of key actions, including:

- Restructuring the FCA to better act on insights
- Becoming more “data-enabled” to improve information and intelligence
- Introduce a “use it or lose it” exercise to reconsider authorisation of firms that have not earned any income from regulated activities – and so address the problem of firms “add[ing]...credibility to their unregulated activities”
- Tackle pension scams with the DWP, as well as online scams more widely, and reinforce consumer warnings about them
- Improve staff skills and confidence in reviewing information about firms with complex business models.³³

John Glen, Economic Secretary to the Treasury, made a Written Statement³⁴ accepting the four recommendations to **the Government** and outlining proposals for implementing them. Among other things, this would include promoting wider consumer understanding of the investment risks inherent in certain ISA products and working with DCMS “to ensure that fraudulent online advertising is addressed as a priority harm through its Online Advertising Programme”. He also announced that the Treasury would set up a compensation scheme for bondholders, [as discussed below](#).

Several MPs called for more parliamentary review of the role and effectiveness of the FCA. Commenting on the Gloster report – as well as another critical review of the FCA’s oversight³⁵ – the Chair of the All-Party Parliamentary Group on Personal Banking and Fairer Financial Services, Perter Gibson, said that they represented “irrefutable evidence” of the regulator’s failings.³⁶

Pat McFadden, then-**shadow Economic Secretary**, stated that it was “only right” that the Government should establish a compensation scheme, but added that the case had raised wider questions about the effectiveness of the FCA, particularly as Brexit meant that its responsibilities were about to expand.³⁷

More widely, the BBC reported that the recommendations had surpassed bondholders’ expectations:

³² See FCA, “[FCA confirms speculative mini-bond mass-marketing ban](#)”, 10 December 2020. The ban on sale to retail investors became permanent on 1 January 2021.

³³ FCA, [FCA responds to independent reviews into its regulation of London Capital & Finance and Connaught](#), 17 December 2020

³⁴ UIN [HCWS678](#), 17 December 2020

³⁵ Raj Parker, [Independent review into the FSA and FCA's handling of the Connaught Income Fund Series 1 and connected companies: report of the independent reviewer](#), 17 December 2020 (PDF)

³⁶ FT Adviser, “[MPs call for inquiry into effectiveness of FCA](#)”, 22 December 2020 (accessed 1 February 2022)

³⁷ Sky News, “[FCA bosses 'must repay bonuses' over scandal of LCF collapse](#)”, 17 December 2020 (accessed 2 February 2020)

Andrea Hall, who speaks for a campaign group of hundreds of LCF Bondholders said the report revealed "gross regulatory failure" by the FCA.

"The FCA threw this back in our faces. I'm ecstatic that all the hard work to prove it has been worthwhile and has been acknowledged," she said. "This review is better than we could have imagined."³⁸

The Financial Times, however, highlighted concerns about the exclusion of the question of "personal culpability" from the report.³⁹ In particular, Andrew Bailey had moved from being the CEO of the FCA to becoming Governor of the Bank of England. "Consumer campaigners" (including Gina Miller) had questioned this, given what they saw as inadequate responses by the regulator to various failures.

Mr Bailey issued [a statement apologising to LC&F bondholders](#):

As CEO of the FCA between 2016 and 2020, I apologise to LC&F bondholders.

When I was asked to lead the FCA in July 2016 it was clear that a substantial reform programme to the supervision of many of its 60,000 firms was essential. We took immediate steps to change the approach. The required changes in culture, mind-set and systems was a major programme of work across the organisation, which took some time to put into effect. I am sorry those changes did not come in time for LC&F bondholders.⁴⁰

But critics argued that

[I]n his own representations to the Gloster review, Mr Bailey included a demand "to delete references to 'responsibility' resting with specific identified/identifiable individuals".⁴¹

This issue was later explored by the Treasury Select Committee, [as discussed below](#).

3.3

Progress on implementing recommendations

The FCA

The FCA published two summary updates on progress in implementing the recommendations from the Gloster Report:

³⁸ BBC, "[London Capital and Finance: Report reveals regulator's flaws](#)", 17 December 2020 (accessed 2 February 2022)

³⁹ *Financial Times*, "[FCA did not 'effectively supervise' collapsed mini-bond issuer LCF, says report](#)", 17 December 2020 (accessed 2 February 2022)

⁴⁰ Bank of England, "[Statement from Governor Andrew Bailey on Dame Elizabeth Gloster's Report](#)", 17 December 2020 (accessed 2 February 2022)

⁴¹ *Financial Times*, "[FCA did not 'effectively supervise' collapsed mini-bond issuer LCF, says report](#)", 17 December 2020 (accessed 2 February 2022)

1. A letter from the Chair of the FCA to the Economic Secretary on 16 April, covering progress on the recommendations to the FCA, as well as some comments on recommendations for the Treasury.⁴²
2. A letter from the Chief Executive of the FCA to the Chair of the Treasury Committee on 12 May outlining further progress.⁴³

In July 2021, the FCA published a more detailed update⁴⁴ of its responses to recommendations made arising from both the Gloster Report and Raj Parker's review of the Connaught Income Fund.⁴⁵ The responses and outcomes included:

- Stricter reviews of applications for authorisation to reduce the risk of a halo effect
- More training for frontline staff to help ensure more thorough analysis of applications and issues arising
- Evidence of more holistic assessment of firms and activities on the edge of the perimeter, notably in relation to cryptoassets and contracts for difference
- Implementation of a new “use it or lose it” approach to permissions for regulated activities
- More direct transfers of relevant calls to the Financial Services Compensation Scheme
- More training for contact staff in identifying and escalating potential fraud concerns, resulting in 24% increase in referrals
- More training in financial literacy and analysis, resulting in better information about regulated firms' resilience
- Increased strategic focus on key risks, supported by better management information
- New policies and procedures to deal with firms that repeatedly breach financial promotion rules, as well as clearer guidance for firms, such as car finance firms
- Establishment of a new department focused on financial promotions and investment scams

⁴² FCA, [Letter from Charles Randell to John Glen: Progress of the FCA's Transformation Programme](#), 16 April 2021 (PDF)

⁴³ FCA, [Letter from Charles Randell to Mel Stride: Independent Reviews](#), 11 May 2021 (PDF)

⁴⁴ FCA, [Implementing the recommendations from the Independent Reviews – update](#), 15 July 2021 (PDF)

⁴⁵ See Raj Parker, [Independent review into the FSA and FCA's handling of the Connaught Income Fund Series 1 and connected companies: report of the independent reviewer](#), 17 December 2020 (PDF)

- A rapid and continuing increase in the number of consumer alerts and speedier publication of warnings
- Direct engagement with social media companies, resulting in better communication and swifter action against online scams
- Establishment of data dashboards to allow more holistic overview of regulated firms
- More user-friendly digital content

HM Treasury

The Treasury ran a consultation on possible approaches to regulating mini-bonds between April and July 2021.⁴⁶

It ran a separate consultation on the regulatory framework for approving financial promotions between July and October 2020.⁴⁷ In its response (published in June 2021), the Government confirmed that it would bring forward legislation to establish a new “regulatory gateway” that would require specific approvals of financial promotions. **Authorised** persons (or firms) would have to receive permission from the FCA to allow **unauthorised** persons (or firms) to undertake financial promotions. This would involve amending section 21(2)(b) of [the Financial Services and Markets Act 2000](#).⁴⁸

More widely, the Treasury Committee’s inquiry into the FCA’s Regulation of London Capital & Finance plc (see [section 5.1](#)) questioned the Economic Secretary on liaison between Government departments on suitable legislative arrangements to tackle fraud in online advertising, given the absence of relevant provisions in [the draft Online Safety Bill](#).⁴⁹

⁴⁶ HM Treasury, [Regulation of non-transferable debt securities \(mini-bonds\): a consultation](#), 19 April 2021 (accessed 2 February 2022)

⁴⁷ HM Treasury, [Regulatory Framework for Approval of Financial Promotions](#), 20 July 2020 (accessed 2 February 2022), June 2021 (PDF)

⁴⁸ HM Treasury, [Regulatory Framework for Approval of Financial Promotions](#), 20 July 2020 (accessed 2 February 2022), June 2021 (PDF), p4

⁴⁹ Treasury Committee, [Oral evidence: The Financial Conduct Authority’s regulation of London Capital & Finance plc](#), HC 1191, 21 April 2021, Q377-381

4 Compensation for bondholders

4.1 Financial Services Compensation Scheme

When a financial services firm fails, customers who lost money may be able to claim compensation up to certain limits from the [Financial Services Compensation Scheme](#) (FSCS). Whether customers are eligible depends on the product they bought: whether or not that product and associated activities were regulated and protected.

The ‘mini-bonds’ sold by LC&F were not regulated by the Financial Conduct Authority (FCA) and not protected by the Financial Services Compensation Scheme (FSCS), and so customers who bought them do not directly qualify for FSCS compensation. But there are other circumstances that allow customers to claim compensation. For example, if LC&F was advising customers to buy these bonds, there would be a basis for compensation, because providing financial advice is a regulated activity. In March 2019 the FSCS stated (6 March 2019):

FSCS understands that the firm issued its own mini-bonds to investors on a non-advised basis. This activity is not a regulated activity under the Regulated Activities Order and, therefore, is not FSCS-protected. For this reason, while the firm is insolvent, we’re not accepting claims against the firm.

Should we determine that there are circumstances that give rise to potentially valid claims, we’ll begin to accept claims against London Capital & Finance plc. If this happens, we’ll communicate this to customers on our website. We’re working closely with the Administrators to understand more about how the firm carried out its regulated activities.⁵⁰

But in January 2020, the FSCS reported that it would:

- protect the 159 bondholders who switched from stocks and shares ISAs to LC&F bonds
- be unable to protect the 283 bondholders who dealt with LC&F before it was authorised to carry out financial services business on 7 June 2016
- continue to consider whether some customers had received “misleading advice” from LC&F “and so have valid claims for compensation”, although it suspected that many customers would not qualify.⁵¹

⁵⁰ Financial Services Compensation Scheme, [London Capital & Finance plc](#) (accessed 2 February 2022)

⁵¹ Financial Services Compensation Scheme, [London Capital & Finance plc](#) (accessed 2 February 2022)

By the end of February, the FSCS had paid £2.7 million to 135 customers in the first group.⁵²

In May it announced that it would begin issuing decisions to customers who had received misleading advice. It hoped to complete this process by the end of September. At that point it would offer further advice to customers who believe that they might still have a claim.

In April 2021, the FSCS reported that it had completed this exercise and paid out £57.6m to 2,871 LCF bondholders who held 3,900 LCF bonds. It highlighted the Government's proposed compensation scheme for those bondholders it had been unable to help.⁵³

More recently it has begun reporting on progress with payouts made under the Government's compensation scheme (discussed in the next section). On 2 February 2022, the FSCS reported that it had written to 8,500 bondholders and issued total payments of £105 million. It still had 700 bondholders to contact and promised that all would receive an offer by 20 April 2022.⁵⁴

In September 2020, four bondholders had separately challenged the FSCS's approach.⁵⁵ They argued that changes to financial regulations from 3 January 2018 arising from the adoption of [Mifid II](#) meant that the FSCS's coverage should be extended as mini-bonds should be considered to be transferable securities. The High Court found against the claimants in March 2021.⁵⁶

4.2

Government compensation scheme

The Treasury has published [details of the scheme](#), including the rules and questions and answers, as has the [Financial Services Compensation Scheme](#).

The strength of the findings of the Gloster review expanded the case for compensation for LC&F bondholders, even though the investigation had explicitly excluded ruling on such questions, as discussed in [section 2.2](#).

The Economic Secretary's Written Statement in response to the review noted that the FCA would "consider claims for compensation from LCF bondholders through their complaints scheme, which is available to bondholders who believe they have suffered financial loss as a result of actions or inactions of the FCA".⁵⁷

But his response went further. In exceptional circumstances, the Government may set up its own compensation scheme, as had been the case with

⁵² Financial Services Compensation Scheme, [London Capital & Finance plc](#) (accessed 2 February 2022)

⁵³ Financial Services Compensation Scheme, [London Capital & Finance plc](#) (accessed 2 February 2022)

⁵⁴ Financial Services Compensation Scheme, [London Capital & Finance plc](#) (accessed 2 February 2022)

⁵⁵ Money Marketing, "[Court date set for FSCS mini-bond compensation case](#)", 23 November 2020 (accessed 2 February 2022)

⁵⁶ [\[2021\] EWHC 760 \(Admin\)](#), 29 March 2021 (PDF)

⁵⁷ [JIN HCWS678](#), 17 December 2020

Equitable Life in 2010⁵⁸ and Barlow Clowes in 1989⁵⁹. While he reiterated the role of regulation to try to prevent rather than to compensate for losses, he announced that the circumstances in the LC&F case were such that the Treasury would indeed establish a compensation scheme in 2021:

The Government recognises that LCF's failure and the loss of investment has had a significant and distressing impact on LCF's bondholders. With any investment there is a risk that, sometimes, investors will lose money. The purpose of regulation is to ensure that investors have the right information to understand their risk. Within this system, even the best regulators, doing everything right, will not be able to, and should not be expected to, ensure a zero-failure regime. And the Government cannot, and should not be expected to, step in to compensate for every failure and every loss.

But it is clear in the case of LCF that there are multiple, complex reasons why people lost money. And the Government recognises that there is likely to be some variation in how much of their investment bondholders are able to recover through these processes.

The Government therefore announces that, taking into consideration the specific and complex set of circumstances surrounding the collapse of LCF, the Treasury will set up a compensation scheme for LCF bondholders. The scheme will assess whether there is a justification for further one-off compensation payments in certain circumstances for some LCF bondholders.⁶⁰

HM Treasury published an outline of the proposed compensation scheme on 12 April 2021⁶¹ and the Economic Secretary provided further detail in a Written Statement on 19 April.⁶² The scheme would:

- be open to bondholders who had not already been compensated via the FSCS
- pay up to a maximum of £68,000 to individual investors – that is, 80% of what they would have been entitled to if they had been eligible for FSCS compensation
- expect to pay out up to £120 million within six months of the passage of necessary legislation⁶³

In his statement the Economic Secretary highlighted the point that the Government considered the case to be exceptional:

It is an important point of principle that government does not step in to pay compensation in respect of failed financial services firms that fall outside the FSCS. Doing so would create the wrong set of incentives for individuals and an unnecessary burden on the taxpayer. However, as I will set out in this statement, the situation regarding LCF is unique and exceptional. After considering the issues in detail, the government has decided to establish a

⁵⁸ See House of Commons Library Briefing Paper, [Compensation for Equitable Life policyholders](#) (CDP 2017-0097)

⁵⁹ See [HC Deb 19 December 1989](#), cc203-13

⁶⁰ [UIN HCWS678](#), 17 December 2020

⁶¹ HM Treasury, [Policy paper: London Capital & Finance Compensation scheme](#), 12 April 2021 (accessed 12 May 2021)

⁶² UIN [HCWS922](#), 19 April 2021

⁶³ The Economic Secretary noted that 97% of initial investments were in any event below that limit.

compensation scheme for LCF bondholders. The scheme I am announcing today appropriately balances the interests of both bondholders and the taxpayer and will ensure that all LCF bondholders receive a fair level of compensation in respect of the financial loss they have suffered.

LCF's business model was highly unusual, both in its scale and structure. In particular, it was authorised by the FCA despite generating no income from regulated activities. This allowed LCF's unregulated activity of selling mini-bonds to benefit from the 'Halo Effect' of being issued by an authorised firm, helping LCF gain respectability and grow to an unprecedented scale before it failed, resulting in losses for thousands of bondholders.

A complex range of interconnected factors contributed to the scale of losses for LCF bondholders. Clearly individuals have responsibility for choosing investments that are suitable for their risk profile. The high interest rates on offer from LCF, particularly when compared to deposit accounts, should have prompted questions from potential bondholders about the risks. While some may have understood those risks and invested anyway, LCF's disclosure materials and marketing strategy may have led others to believe they were investing in a product that was far safer than it was.

He went on to caution against any expectations that the Government would step in in the case of future bad investments, as that risked creating "a moral hazard for investors and potentially lead individuals to choose unsuitable investments".⁶⁴

The Compensation (London Capital & Finance plc and Fraud Compensation Fund) Act 2021

The Government presented the legislative arrangements for the scheme in the [Compensation \(London Capital & Finance plc and Fraud Compensation Fund\) Act 2021](#), which received Royal Assent on 20 October 2021. For further information, please see our [Bill Paper](#).

The Bill passed all stages in both Houses without division.

During debates, Members highlighted wider issues relating to the FCA's oversight of such schemes. They questioned how exceptional the case of LC&F really was, and why the scheme would be limited to 80% of the FSCS equivalent.

The Government reiterated the position set out earlier in this section.

⁶⁴ UIN [HCWS922](#), 19 April 2021

5 Parliamentary activity

Various MPs, notably from the [All-Party Parliamentary Group on Personal Banking and Fairer Financial Services](#), have called for more parliamentary scrutiny of the role and effectiveness of the FCA.

[There have been many PQs about and references to LC&F.](#)

The government compensation scheme was established through the two components of the [Compensation \(London Capital & Finance plc and Fraud Compensation Fund\) Act 2021-22](#), as discussed in the previous section.

5.1 Treasury Select Committee

The Treasury Committee undertakes continuing scrutiny of the work of the FCA and [referred to the LC&F case](#) at various stages of the 2017-19 Parliamentary Session.⁶⁵

The case of LC&F speaks to a wider concern about consumers being misled about the protections that are in place for certain financial products. Consumers may be misled by the fact that a company may offer regulated activities – what the Economic Secretary has since described as the “halo effect”.⁶⁶T

The then CEO of the FCA, Andrew Bailey, had also spoken about this issue in oral evidence to the Treasury Committee on 15 January 2019:

As you know, we authorise activities. We give permissions for activities, strictly speaking, and we come across firms that, in their presentation of their authorisation, give the impression that they are authorised for absolutely everything they do, whereas in fact what they do is mostly not regulated, and they have a small authorisation somewhere, but they give the impression to consumers that they are authorised. That is a source of great concern to me, because people are being misled by this.⁶⁷

⁶⁵ See Treasury Committee, [Publications - The Work of the Financial Conduct Authority](#)

⁶⁶ [HCWS922](#), 19 April 2021

⁶⁷ Treasury Committee, [Oral evidence: The work of the Financial Conduct Authority](#), HC 475, 15 January 2019, Q434

The then Chair of the Treasury Select Committee, Nicky Morgan, asked the FCA to use their own powers to investigate and report on possible regulatory failures. She also asked whether mini-bonds should be regulated.⁶⁸

On 1 April 2019 the FCA replied, noting that the “complexities of the case and its interaction with the regulatory perimeter” made it more appropriate for the Treasury to order such an investigation.⁶⁹ The Economic Secretary agreed to this approach and directed the FCA to establish the investigation.⁷⁰

On 2 June 2020, Mel Stride, Chair of the Treasury Committee, wrote to the FCA expressing his concern about the delay to the investigation.⁷¹

The Treasury Committee opened an inquiry into the Financial Conduct Authority’s Regulation of London Capital & Finance plc on 1 February 2021.⁷² It published its report on 24 June 2021.⁷³ Referring to the many wider issues that the case had raised and urging further cultural change within the FCA, the Committee summarised its conclusions and recommendations as follows:

- The Committee supports the views of the current FCA leadership that the organisation needs to become a more “proactive”, “agile”, “decisive”, and joined-up regulator that is willing to act to protect consumers and financial markets. The FCA Board should set itself an end date for the transformation programme and create milestones at which changes in culture can be reviewed, which should be published.
- It is not readily justifiable for the FCA to require the firms that it regulates to adhere to the principles of the Senior Managers Regime but seemingly not to apply similar principles internally when there are failings of practice and culture in the organisation. There are doubts as to whether the FCA Board has met the standards which it seeks to impose on others. An over-reliance on collective responsibility may deny visible accountability and could lessen confidence in the organisation as a result.
- It is disappointing that measures to address fraud via online advertising have not been included in the draft Online Safety Bill. This is a missed opportunity to help prevent another LCF-type event. The Government must intervene urgently to include measures to address fraud via online advertising in the Online Safety Bill to prevent further harm to customers being offered fraudulent financial products.
- The Committee welcomes the approach that HM Treasury has taken to compensate LCF bondholders, which has struck a balance between

⁶⁸ [Letter from Nicky Morgan to the Chair of FCA](#), 19 March 2019 (PDF); [Letter from Nicky Morgan to the Economic Secretary](#), 19 March 2019 (PDF)

⁶⁹ [Letter from Charles Randell to Nicky Morgan](#), 1 April 2019 (PDF)

⁷⁰ [Letter from John Glen to Charles Randell](#), 1 April 2019 (PDF)

⁷¹ Treasury Committee, [“Committee concerned by delayed investigation into London Capital and Finance”](#), 2 June 2020

⁷² Treasury Committee, [The Financial Conduct Authority’s Regulation of London Capital & Finance plc: Inquiry](#)

⁷³ Treasury Committee, [The Financial Conduct Authority’s Regulation of London Capital & Finance plc: Fourth Report of Session 2021–22](#), HC149, 24 June 2021 (PDF)

consumer responsibility and the FCA's failings. If the Compensation Bill passes through Parliament, HM Treasury should ensure that eligible LCF bondholders receive payment as soon as is practicable.

- A financial promotion is a communication that contains an invitation or inducement to engage in a financial product or service. The FCA is able to intervene in respect of breaches to financial promotions rules and can ban a promotion. In the case of LCF, the FCA did not have appropriate policies to allow it to intervene in LCF's financial promotions breaches. In future, the FCA should be more interventionist and should make more frequent use of its powers rather than maintaining a culture of risk aversion.
- HM Treasury's ongoing consultation on the regulation of mini-bonds is welcome but the delay in its launch is noted. HM Treasury should proceed with its analysis as soon as the consultation closes, and publish the outcome by the end of September 2021, setting a way forward that can be implemented rapidly.
- The perimeter of regulation determines what the FCA can and cannot regulate. The case of LCF illustrates how important it is that the FCA looks at a regulated firm's activities both within and outside of the perimeter. Dame Elizabeth described the "halo effect" as the "imprimatur of respectability" that regulation gives a firm by using its FCA-authorized status to promote risky products to attract investors for an unregulated activity. This "halo effect" seems inevitable as long as authorized firms also carry out unregulated activities so we recommend that the FCA should require authorized firms to make clear explicitly the risks to customers associated with their unregulated activities. The FCA should be given the power to recommend changes to the perimeter of regulation formally to HM Treasury.⁷⁴

The Committee published responses from the Treasury and the FCA on 13 September 2021.⁷⁵ Much of those responses involved reporting on progress with initiatives discussed elsewhere in this briefing paper. The Economic Secretary did however note the Government's preference not to delegate decisions about the regulatory perimeter to the FCA.⁷⁶ As well as reporting on continuing progress with cultural change, the FCA said that it had aligned its own internal principles with those of the Senior Managers Regime. It had explored the question of personal culpability for failings identified in the Independent Review, it had concluded that "[t]here were no findings of personal culpability or misconduct in this case." It had however removed

⁷⁴ Treasury Committee, ["Change in Financial Conduct Authority's culture needed to protect consumers and financial markets"](#), 24 June 2021

⁷⁵ Treasury Committee, [Responses to the Committee's Fourth Report of Session 2021–22: The Financial Conduct Authority's Regulation of London Capital & Finance plc: Second Special Report of Session 2021–22](#), HC700, 13 September 2021 (PDF)

⁷⁶ Treasury Committee, [Responses to the Committee's Fourth Report of Session 2021–22: The Financial Conduct Authority's Regulation of London Capital & Finance plc: Second Special Report of Session 2021–22](#), HC700, 13 September 2021 (PDF), p5

bonuses from various individuals, an approach that it felt was “consistent with our guidance on the Senior Managers Regime.”⁷⁷

⁷⁷ Treasury Committee, [Responses to the Committee’s Fourth Report of Session 2021–22: The Financial Conduct Authority’s Regulation of London Capital & Finance plc: Second Special Report of Session 2021–22](#), HC700, 13 September 2021 (PDF), p10

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on commonslibrary.parliament.uk.

Get our latest research delivered straight to your inbox. Subscribe at commonslibrary.parliament.uk/subscribe or scan the code below:



 commonslibrary.parliament.uk

 [@commonslibrary](https://twitter.com/commonslibrary)