

Chapter 2

The FCA's approach to enforcement

2.11 Senior management responsibility

2.11.1

The *FCA* is committed to ensuring that senior managers of *firms* fulfil their responsibilities. The *FCA* expects senior management to take responsibility for ensuring *firms* identify risks, develop appropriate systems and controls to manage those risks, and ensure that the systems and controls are effective in practice. Where senior managers have failed to meet our standards, the *FCA* will, where appropriate, bring cases against individuals as well as, or instead of, *firms*. The *FCA* believes that deterrence will most effectively be achieved by making these individuals realise the consequences of their actions. The *FCA*'s policy on disciplinary action against senior management and against other individuals under section 66 of the *Act* is set out in ■ DEPP 6.2.4G to ■ DEPP 6.2.9-BG. The *FCA*'s policy on prohibition and withdrawal of approval is set out in ■ EG 9.

2.11.2

The *FCA* recognises that cases against individuals are very different in their nature from cases against corporate entities and the *FCA* is mindful that an individual will generally face greater risks from enforcement action, in terms of financial implications, reputation and livelihood than would a corporate entity. As such, cases against individuals tend to be more strongly contested, and at many practical levels are harder to prove. They also take longer to resolve. However, taking action against individuals sends an important message about the *FCA*'s *statutory objectives* and priorities and the *FCA* considers that such cases have important deterrent values. The *FCA* is therefore committed to pursuing appropriate cases robustly, and will dedicate sufficient resources to them to achieve effective outcomes.