

Chapter 4

Conduct of investigations

4.9 Involvement of FCA supervisors during the investigation phase

4.9.1

A clear division between the conduct of the investigation the ongoing supervision of the *firm* means that clarity as to who is carrying out what work is important, so that the focus on the various needs of the investigation and supervisory function are not lost. It is also important that the investigation can benefit from the knowledge of the *firm* or individuals that the supervisors will have built up, or from their general understanding of the *firm's* business or sector. In most (if not all) cases, assistance from a referring area in informing the investigation team of certain matters (e.g. the *firm's* business model and market practice issues) will be helpful. Following a referral, the *FCA* takes the following general considerations into account in relation to the potential role of a supervisor in an investigation.

- (1) While it is clearly essential for the day-to-day supervisory relationship to continue during the course of any enforcement action, this need not, of itself, preclude a *firm's* supervisor from assisting in an investigation.
- (2) Such assistance will include: making the case team aware of the *firm's* business, history and compliance track record; the current supervisory approach to the area concerned; current issues with the *firm*; and acting as a sounding board on questions that emerge from the investigation about industry practices and standards and any market practice issues. Depending on the issues that arise, it may be appropriate for a supervisor to attend a progress meeting with the *firm*.
- (3) Equally, there may be circumstances where someone in the *FCA* other than the *firm's* supervisor can more effectively and efficiently provide information on the current supervisory approach to the area under investigation or current market standards. In this case it makes good sense for the *FCA* to draw on that other source of expertise.
- (4) In the event that a *firm's* supervisor becomes part of the investigation team, the *FCA* will notify the *firm* of this in the normal way.
- (5) Where a *firm's* supervisor does not become part of the investigation team, the investigation will keep the *firm's* supervisor (or referring area) updated on the progress of the investigation.