

CENTRAL LONDON DISTRICT OFFICE
Ron Todd House
33-37 Moreland Street
London
EC1V 8BB

Regional Secretary
Peter Kavanagh



Tel: 020 3371 2046
Fax: 020 8802 8388

LONDON & EASTERN REGION

1st February 2023

Nikhil Rathi
Chief Executive, FCA
12 Endeavour Square
Stratford
London
E20 1JN

Dear Mr Rathi,

Findings from Unite the Union survey of FCA staff on pay - pay your staff what they are worth and what they deserve.

We are writing to you following your decision to impose a pay deal for 2023 that fails to meet the rising costs of living and your failure to consult staff at any point in reaching this decision. This stands in stark contrast to the FCA's stated commitment to staff on representation. When a financial firm fails to meet the standards of good conduct expected by the FCA, they are sent a 'Dear CEO' letter. This is our 'Dear CEO' letter on behalf of FCA staff to you in light of your conduct around staff pay.

Because of the failure by your management to give the workforce a say on pay – Unite the Union has had to. The findings of the Unite the Union FCA 2023 Pay survey make for difficult reading. Unite the Union received responses from members, non-members, every grade (from Graduates to Directors) and every Department of the organisation. The results show that:

- **87 % of staff responding are dissatisfied with the 'Employee Offer' imposed in April 2022.**
- **60% of participants do not know how their pay will be determined this year despite promises of greater transparency.**
- **88% of these staff asked for a pay uplift at least in line with inflation after punishing pay cuts last year.**
- **97% have been affected by the cost of living crisis - 50% significantly so.**
- **61.7% believe that they are not paid fairly for the work they do.**
- **Not surprisingly, 56.7% are now actively looking to leave the FCA.**

In light of this, your decision not to take into account the cost-of-living crisis in adjusting staff pay will force most of your staff to make tough decisions about their careers and livelihoods. The FCA need to reconsider the pay deal for 2023.

Already over a fifth of FCA staff have left in the last year alone. These staff are being replaced by less experienced yet more expensive new joiners. Unite the Union is clear that without significant investment in your staff now, more staff will leave, and the FCA stands at the precipice of crisis. The reality is that on the current trajectory, **the public can no longer have confidence in the FCA's ability to deliver in the public interest.**

At your last all-staff meeting, countless staff, out of desperation, wrote in with questions on their pay, performance, benefits, staff shortages, treatment and morale. You reviewed these in advance and chose not to answer a single one. The Unite the Union survey illustrates the anger and frustration across the FCA. Morale throughout the workforce is at rock bottom.

The FCA's Annual Report and Accounts 2021/22 make clear that the FCA is in an extremely healthy financial position and can afford to make a significant investment in its staff. Poor pay outcomes are, therefore, an employer choice, not a necessity. Without inflation-targeting increases in base pay, this can only be interpreted as a deliberate, significant, and permanent devaluation of the FCA workforce.

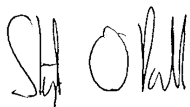
If Unite the Union were the recognised trade union at the Financial Conduct Authority, as many staff wish to see, then we would have been putting forward the case for:

- 1. An increase in base pay targeted to inflation.**
- 2. For this inflation-targeted increase to be regardless of performance grades.**
- 3. For the benchmarking to be transparent.**
- 4. For a commiserate improvement in benefits, flexi working conditions and/or annual leave balances where base pay increases are not quite in line with inflation (this is an approach several comparable organisations have taken). Our staff-led Unite the Union, FCA Action Plan outlines options to make these improvements.**
- 5. For appropriate adjustments to pay ranges in line with the above - prioritising the lowest pay ranges and those still not paid at the bottom of their range.**

You will not have forgotten that in 2022 your staff were forced to take industrial action for the first time in the FCA's history over harsh pay cuts, worse benefits and the lack of staff representation. In the year since, it appears that the FCA management under your leadership has not delivered the progress you have committed to on any of these substantive issues.

In the meantime, the staff who work day in and day out to protect consumers during a harsh cost-of-living crisis turn to you justifiably expectant. The message from the workforce of the FCA is: Pay your staff what they deserve and what they are worth. We, Unite the Union, stand behind them.

Yours sincerely,



Steve O'Donnell on behalf of Unite the Union members in FCA
Regional Officer
Unite the Union