



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

John Griffith-Jones  
Chairman  
Financial Conduct Authority  
25 The North Colonnade  
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12 March 2015

*Dear John*

As you will be aware, the Treasury Select Committee (TSC) published its report into the SME lending market on Tuesday 10 March, which the Government has welcomed.

In particular, the report expressed concern about the fairness of the scheme set up by the Financial Conduct Authority (FCA) to provide redress to small businesses that have been mis-sold interest rate hedging products (IRHPs).

The committee has recommended that the FCA should collect the information necessary to establish whether there are systemic failures in the redress scheme and publish its findings, a summary of the complaints it has examined and take any action it decides is appropriate to ensure that all customers receive fair and reasonable redress.

I have also noted the comments by Andrew Tyrie that this exercise would benefit from independent oversight. As you are aware, I strongly support this suggestion and believe that oversight by a suitable non-executive director would be appropriate.

I am copying this letter to Andrew Tyrie and intend to put it in the public domain.

*Best wishes*

*Andrea*

ANDREA LEADSOM