



ONE ESSEX COURT

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John Glen Esq MP  
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1 June 2020

*Dear Mr Glen*

**Re: Independent Investigation into the Financial Conduct Authority's Regulation of London Capital & Finance plc**

As you are aware, pursuant to your Direction dated 22 May 2019 (the “**Direction**”),<sup>1</sup> I was appointed by the Financial Conduct Authority (the “**FCA**”) as the Investigator (as that term is defined in the Direction) to investigate ) to investigate the relevant events relating to the regulation of London Capital & Finance plc (“**LCF**”). The investigation is required to “focus on whether the FCA discharged its functions in respect of LCF in a matter which enabled it to effectively fulfil its statutory objectives.”

Paragraph 7(1) of the Direction requires my investigation to be completed “*within a period of 12 months*” from the date on which I was appointed. I was formally appointed by the FCA on 10 July 2019, and, accordingly, the deadline for the delivery of my report was 10 July 2020. Paragraph 7(2) of the Direction states: “*If the Investigator considers that it will not be possible to complete the Investigation*

<sup>1</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/803967/LCF\\_Direction\\_to\\_FCA.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/803967/LCF_Direction_to_FCA.PDF)

*within the period of 12 months mentioned in [paragraph 7(1) of the Direction], the FCA must inform the Treasury of (a) the reasons for the delay in the conclusion of the Investigation, and (b) a revised target date for the conclusion of the Investigation.”*

Following my previous discussions with you regarding my investigation, I wanted to let you know that I recently informed the FCA that I have determined that it will not be possible to complete my investigation by 10 July 2020 and that the revised date for delivery of my report is 30 September 2020. As you will appreciate, the decision to extend the timeline for completion of my investigation is not one I have taken lightly given the potential anguish this may cause amongst those people who invested in LCF. Indeed, as a result of the engagement my team and I have had with LCF bondholders during the course of my investigation,<sup>2</sup> I am acutely aware of the personal and financial impact of LCF’s collapse.

I enclose with this letter my recent correspondence with the FCA which sets out the reasons for the delay in concluding the investigation. As you will see, the FCA does not object to the revised timeline for delivery of my report.

I understand that the FCA is informing the Treasury of the reasons for the delay and the revised timeline in accordance with paragraph 7(2) of the Direction. My team is also working with the FCA to agree appropriate statements regarding the revised timeline for the press, the FCA’s website and the dedicated website for my investigation. We anticipate that these statements will be made available tomorrow (Tuesday, 2 June 2020). I understand if you need to publish this letter and its enclosures but would be grateful if you could refrain from doing so until the statements from the FCA and my team have been released.

Please do let me know if you wish to discuss any matters set out in this letter or its enclosures.

[Signed]

**Dame Elizabeth Gloster**

*Encl.*

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<sup>2</sup> I have invited investors to correspond with my team via an email inbox which has received well over 1,000 emails from hundreds of bondholders. In addition, my team and I held a public meeting for bondholders in January 2020 which attracted over 100 attendees in the room and many more have subsequently viewed the video of that event via the investigation’s website: <https://london-capital-and-finance-investigation.org.uk/bondholder-meeting-23rd-january-2020-0>.