

*These notes refer to the Financial Services Act 2012
(c.21) which received Royal Assent on 19 December 2012*

FINANCIAL SERVICES ACT 2012

EXPLANATORY NOTES

COMMENTARY

Part 5 – Inquiries and Investigations

Investigations

Section 73: Duty of FCA to investigate and report on possible regulatory failure

532. *Section 73* requires the FCA to investigate events and to report to the Treasury on the result of the investigation. The duty applies where events have occurred which relate to those who are regulated by the FCA or within its regulatory remit (see *subsection (5)*), which have or may have caused serious harm to the values underpinning the FCA's operational objectives (the appropriate degree of protection for consumers, the integrity of the UK financial system, effective competition in the interests of consumers), and where those events may not have occurred but for a serious failure in the legislative regime for regulation or its operation. The duty applies where the FCA itself is satisfied that the test is met (unless the Treasury directs the FCA that an investigation is not required) or where the Treasury direct the FCA that the test is met.