

Compliance & Risk

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Bloomberg snooping 'reprehensible' says Bank of England

Bloomberg, the global financial data network service, finds itself in hot water following disclosures that reporters for Bloomberg News have been extracting subscribers' private information from their use of the messaging service.

The breach came to light after Goldman Sachs registered complaints about journalists trying to divine specific detail from the data.

It has been revealed that, for a number of years, Bloomberg News has used the company's terminals to monitor when

clients have logged in and what were their most frequently used commands.

At certain times, the Bloomberg journalists were also privy to thousands of private messages between traders at large banks and their customers that had been using the Bloomberg instant messaging service.

The Bank of England has been quick to raise concerns over the security breach, and its officials are said to be in close contact with Bloomberg. A spokesman at the Bank said "The protection of

confidential information is vital here at the Bank. What seems to have happened at Bloomberg is reprehensible".

Other central banks, including the Hong Kong Monetary Authority in Japan and the central bank of Brazil, are now looking into whether there have been breaches of confidentiality in the way that Bloomberg made data available to its reporters.

The US Federal Reserve is conducting its own investigation into whether

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Financial Conduct Authority off to a sprint start with £3m fine for JPMorgan

The wealth management sector of US bank JPMorgan Chase has been fined £3.08m by the Financial Conduct Authority (FCA) for being unable to demonstrate that it was giving proper advice to its clients.

The fine relates to shortcomings in JPMorgan's customer record database, putting clients at risk of receiving inappropriate advice or the wrong choice of investments.

The FCA said that failings in the system had been apparent during a two year period but were not addressed until the regulator brought them into focus as part of its general review of wealth management firms in the UK.

Confirming that JPMorgan had neither complete customer records nor the information required to recognise the problem, Tracey McDer-

mott, director of enforcement at the FCA, said "No matter who they are, customers of wealth managers should be able to expect the firm to keep complete, up-to-date client records so that they can give the right advice".

Furthermore, an independent study has revealed 'significant gaps' in client information held by the bank, including a

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