



BANK OF ENGLAND

June 2021

The Prescribed Persons (Reports on Disclosures of Information) Regulations 2017

Annual Report

1 April 2020 – 31 March 2021

Bank of England | Prudential Regulation Authority

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The Bank of England ('the Bank') and Prudential Regulation Authority ('PRA') are both Prescribed Persons as defined by Parliament under The Public Interest Disclosure (Prescribed Persons) Order 2014. The role of a prescribed person is to provide workers with an opportunity to make their public interest disclosure to a regulator, rather than their employer.

The Bank of England values the role whistleblowers can play to help us achieve our objectives and ensure that financial services are regulated effectively. Whistleblowing can provide a vital source of information which helps the Bank and PRA to identify risks to the firms we regulate by providing useful information insights that we might not otherwise receive.

If you think a firm or individual is involved in wrongdoing within an area we regulate, and you want to report it confidentially, contact the Bank's whistleblowing team whistleblowing@bankofengland.co.uk who will assign a dedicated case officer, listen to and understand your concerns in full and provide advice and guidance to anyone who requires it. We do understand that the decision to disclose information can be difficult for an individual. Be assured that concerns which are raised, personal information and any future communications will be treated in confidence.

Since April 2017, all 'Prescribed Persons' are required to report in writing annually on workers (whistleblowing) disclosures they have received. The report must be published within 6 months of the end of the reporting period.

The report must contain, without including any information in the report that would identify a worker who has made a disclosure of information, or an employer or other person in respect of whom a disclosure of information has been made—

- (a) the number of workers' disclosures received during the reporting period that the relevant prescribed person reasonably believes are—
 - (i) qualifying disclosures within the meaning of section 43B of the Employment Rights Act 1996; and
 - (ii) which fall within the matters in respect of which that person is so prescribed;
- (b) the number of those disclosures in relation to which the relevant prescribed person decided during the reporting period to take further action;
- (c) a summary of—
 - (i) the action that the relevant prescribed person has taken during the reporting period in respect of the workers' disclosures; and
 - (ii) how workers' disclosures have impacted on the relevant prescribed person's ability to perform its functions and meet its objectives during the reporting period;

(d) an explanation of the functions and objectives of the relevant prescribed person.

In the period 1 April 2020 to 31 March 2021 inclusive

(a)(i)	We received a total of 201 disclosures that have been subject to assessment against the Public Interest Disclosure Act 1998 ('PIDA') and discrete statutory requirements of the Bank and the PRA, to assess whether they are protected disclosures.
(a)(ii)	<p>We reasonably believed that 178 disclosures were protected disclosures within section 43B of the Employment Rights Act 1996 and that fell within the matters in which the Bank and PRA are Prescribed Persons. The remaining 23 disclosures were not protected disclosures:</p> <ul style="list-style-type: none"> • 6 disclosures related to firms which are not regulated by the PRA (2 of which are regulated solely by the Financial Conduct Authority ('FCA')) • 6 disclosures related to firms which are regulated by the PRA but the issues fall outside of the PRAs regulatory remit. • 11 disclosures relate to individuals who do not identify or meet the definition of a whistleblower.
(b)	Regardless of the statutory basis of any disclosures provided to us, the information provided through the whistleblowing channel can provide vital information to further supervisory assessments. We, therefore, provided supervisory colleagues with all disclosures (protected and non-protected) to either consider or for information purposes.
(c)(i)	<p>All protected disclosures were the subject of supervisory consideration, from which:</p> <ul style="list-style-type: none"> • 108 cases originated from the FCA. • 28 cases were referred to the FCA. • 42 cases were not disseminated to the FCA due to being outside the remit of the referral or having also received the referral from the whistleblower in addition to the PRA.
(c)(ii)	<p>Of the 178 protected disclosures that were the subject of supervisory consideration:</p> <ul style="list-style-type: none"> • 1 disclosure directly contributed to enforcement activity or other regulatory intervention; • 2 disclosures were of prudential value and contributed to regulatory or supervisory activity; • 18 disclosures provided intelligence, which was of prudential value, but not actionable; and • 66 disclosures provided intelligence, of low prudential value, and did not lead to any direct regulatory or supervisory activity. • A further 91 disclosures are still currently being assessed to determine if further action is warranted.

	<p>Anonymised examples of the action taken in response to protected disclosures are included at the end of this Report.</p>
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(d)	<p>An explanation of the functions and objectives:</p> <p>The Bank of England</p> <p>The Bank of England’s mission is to promote the good of the people of the United Kingdom by maintaining monetary and financial stability. The Bank of England is a prescribed person for -</p> <ul style="list-style-type: none"> • the functioning of clearing houses (including central-counterparties and central securities depositories) • administrating and overseeing SONIA, including calculation and publication • payment systems and securities settlement systems • the treatment, holding and issuing of banknotes by the Scottish and Northern Ireland banks authorised to issue banknotes (and their agents) • the custody, distribution and processing of Bank of England banknotes under the Bank of England’s Note Circulation Scheme • the provision of a services relating to payment services <p>Bank of England (IAWB) Threadneedle Street London EC2R 8AH Tel: 020 3461 8703 Email: whistleblowing@bankofengland.co.uk</p> <p>The Prudential Regulation Authority</p> <p>The Bank of England Prudential Regulation Authority (PRA) regulates and supervises around 1,500 banks, building societies, credit unions, insurers and major investment firms.</p> <p>The PRA has the general objective to promote the safety and soundness of the firms it regulates. It has a secondary objective to facilitate effective competition between firms.</p> <p>In relation to insurers, it has an additional objective, to contribute to securing an appropriate degree of protection for insurance policyholders.</p> <p>The PRA is a prescribed person for matters relating to the carrying on of deposit-taking business, insurance business, or investment business and the safety and soundness of persons authorised for such purposes.</p> <p>Prudential Regulation Authority (IAWB) 20 Moorgate London EC2R 6DA Tel: 020 3461 8703 Email: PRAwhistleblowing@bankofengland.co.uk</p>
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Whistleblowing Case Examples

The following case examples are based on disclosures, which the whistleblowing team have dealt with within this reporting period.

Type of Entity	Concerns raised	Action taken
Category 2 Bank	Disclosure highlighted inadequate compliance practices, gaps and deficiencies in the implementation of Market Abuse Regulations and MiFID II and significant concerns that internal whistleblowing was ignored and not dealt with effectively.	This disclosure highlighted a lack of regulatory reporting, which was investigated and prompted the commission of a report under section 166 of the Financial Services and Markets Act (FSMA) to look into the issues which were raised.
Category 5 Credit Union	This disclosure highlighted cultural and governance issues resulting in a high turnover of staff at board level, which affected the business model. Additional concerns indicated a lack of board oversight, which resulted in continual breaches of internal rules and regulations by senior management.	PRA Supervision engaged with the firm to explore the whistleblower's concerns. Having conducted a review it was considered that it was not necessary to take further action and more appropriate to advise the firm to use their own internal policies and procedures to deal with the issues.
Category 4 Bank	Disclosure highlighted fitness and propriety concerns about staff in senior management positions. The whistleblower provided evidence that staff who disagreed with management decisions were removed from their position, resulting in high turnover and the recruitment of staff who lacked the necessary experience and knowledge to perform in senior roles.	This disclosure provided further details, which corroborated governance and cultural issues known to PRA through other information sources, and informed ongoing engagement with the firm.
New Bank pre-application	Disclosure raised several concerns including senior management's fitness and propriety, ineffective governance, executive team's lack of relevant banking experience, high turnover of senior positions and a lack of equality and diversity	This disclosure informed the PRA's assessment of the new firm's compliance with the threshold conditions for authorisation. It provided the PRA with the basis to challenge senior individuals at the firm.

Useful links

[Employment Rights Act 1996](https://www.legislation.gov.uk/ukpga/1996/18/contents): <https://www.legislation.gov.uk/ukpga/1996/18/contents>

[Public Interest Disclosure Act 1998](https://www.legislation.gov.uk/ukpga/1998/23/contents): <https://www.legislation.gov.uk/ukpga/1998/23/contents>

[The Prescribed Persons \(Reports on Disclosures of Information\) Regulations 2017](https://www.legislation.gov.uk/uksi/2017/507/regulation/5/made):

<https://www.legislation.gov.uk/uksi/2017/507/regulation/5/made>

[Whistleblowing: list of prescribed people and bodies](https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies):

<https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies>

[Whistleblowing Prescribed persons guidance - Annual reporting requirements](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/604935/whistleblowing-prescribed-persons-guidance.pdf):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/604935/whistleblowing-prescribed-persons-guidance.pdf

[Whistleblowing and the Bank of England](https://www.bankofengland.co.uk/prudential-regulation/whistleblowing-and-the-pra): <https://www.bankofengland.co.uk/prudential-regulation/whistleblowing-and-the-pra>

PRA Supervisory Statement 28/15: [‘Strengthening individual accountability in banking’](#), July 2018:

<https://www.bankofengland.co.uk/prudential-regulation/publication/2015/strengthening-individual-accountability-in-banking-ss>

PRA Supervisory Statement 35/15: [‘Strengthening individual accountability in insurance’](#)

<https://www.bankofengland.co.uk/prudential-regulation/publication/2015/strengthening-individual-accountability-in-insurance-ss>

PRA Supervisory Statement 39/15: [‘Whistleblowing in deposit-takers, PRA-designated investment firms and insurers’](#), July 2018: <https://www.bankofengland.co.uk/prudential-regulation/publication/2015/whistleblowing-in-deposit-takers-pra-designated-investment-firms-and-insurers-ss>