



APPG on Challenger Banks and Building Societies

Call for Written Evidence - Wirecard

The APPG is currently taking evidence on the recent Wirecard situation and seeking to understand what lessons there may be for UK regulation and whether there were any warning signs that UK firms and regulators should have been aware of.

The APPG is particularly concerned about the systemic nature of Wirecard. Were UK regulators sufficiently aware of the nature and scale of Wirecard's business? Did they have sufficient understanding of its business model and the knock on effect of regulatory action to protect customer funds? Finally, did the industry and regulators raise concerns following repeated media reports of irregular practices at Wirecard?

Key Issues

The overarching issues that the APPG is seeking to understand are as follows:

- The key issues behind the Wirecard collapse;
- Could a Wirecard style debacle occur in the UK with a UK regulated payment provider?;
- Regulation of fintech institutions and whether this was appropriate and proportionate to foster growth and to protect the public?;
- Would the FCA and Bank of England's approach have been different from BaFIN?;
- Do regulators adequately understand the business models and risks presented by Fintech companies?;
- Are there adequate procedures for whistle-blowers to alert regulators to problems in firms?

Evidence Sessions

The APPG held an oral evidence session on Tuesday 21st July. We are still inviting written evidence from any parties affected by the Wirecard situation in the UK. If there is sufficient evidence to consider, the APPG may consider holding another oral evidence session on this topic too.

Timelines

We aim to publish our preliminary findings within a month of the hearing. Other timelines are as follows:

Written evidence timelines

To be considered written evidence will need to be received by Secretariat by **5pm on the 7th August 2020.**

If you cannot meet this deadline but would still like to submit evidence to this inquiry, please contact the APPG Secretariat for advice.

Format of submissions

The APPG welcomes written submissions. These should ideally be in word format and less than 2MB in size. Otherwise, they should be in accordance with the guidelines issued by select committees which can be viewed here: <https://www.parliament.uk/get-involved/have-your-say/take-part-in-committee-inquiries/commons-witness-guide/>

APPG Secretariat
27th July 2020