

Kevin Hollinrake MP  
House of Commons  
London  
SW1A 0AA

29 July 2022

Our Ref: C220721B

Dear Mr Hollinrake

**RE: FCA Action against Senior Managers in NatWest Case**

I write in response to your email query of 20 July 2022:

*NatWest was recently fined £265 million by the FCA, following convictions for three offences of failing to comply with money laundering regulations. This was a historic case, as the first criminal prosecution by the FCA under the 2007 MLRs.*

*Is any action also being brought against senior managers in relation to the NatWest case?*

I confirm that no action has been brought against any individuals in relation to the NatWest investigation. The position of individuals in the investigation was addressed in a [letter](#)<sup>1</sup> to the Treasury Select Committee dated 13 December 2021 providing further information on the investigation and related matters. In addition to the points made in this letter, it may be helpful to note that individual liability under the Money Laundering Regulations 2007 can only attach to a limited category of persons, namely the 'officers' of the company. Officer in this context requires a certain level of seniority. The individual must be either be a director, manager, secretary, chief executive, member of a committee of management or a person acting in such a capacity. The lower-level bank staff directly involved with the offending in this case, for example those directly engaged in mishandling illicitly sourced deposits, did not fall within this category. Nor was there sufficient evidence to establish individual liability against any officer.

My letter to the Treasury Select Committee included the following passage regarding the position taken by the FCA in relation to individuals and the Senior Managers & Certification Regime in this case:

*The FCA's decision to pursue a criminal prosecution rather than a civil or regulatory outcome in this case was made in light of all the evidence, including NatWest's August 2020 statement in response to the FCA's cautioned interview questions. The decision was made applying both the evidential and public interest tests in the Code for Crown Prosecutors. In this case, the evidence demonstrated particularly egregious failures and there were compelling public interest factors, including the public interest in banks complying with obligations under the Money Laundering Regulations.*

*The issue of individuals is a challenging one under the Money Laundering Regulations. The offences in this case are ones that impose obligations on firms. An individual can be charged as*

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<sup>1</sup> <https://committees.parliament.uk/publications/8240/documents/84223/default/>

*an ancillary to an offence by a firm if the individual is an 'officer' of the company. In addition, the prosecution would need to demonstrate the officer had requisite knowledge of the failures or was personally negligent in bringing them about. The role of individuals was carefully considered throughout the investigation. However, there was insufficient evidence to establish individual liability given the distribution and allocation of system knowledge and responsibilities for AML functions to support a case against any officer. As well, most of the conduct in issue in the case predated the commencement of the Senior Managers & Certification Regime (which applied to NatWest from 7 March 2016). Accordingly, the FCA is not prosecuting any individuals in this case unless further evidence comes to light that would justify doing so.*

I can confirm that no further evidence has been identified that would justify revisiting the position in relation to individuals connected to the NatWest investigation since December 2021. The FCA's investigation into NatWest is now closed.

I hope that this is helpful.

Yours sincerely,

*Nikhil Rathi*

**Nikhil Rathi**  
**Chief Executive**