

# Lambert Banking Standards Review: a response by the National Association of Pension Funds

March 2014

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## Banking Standards Review

11 March 2014

Sir Richard Lambert  
Banking Standards Review  
1<sup>st</sup> Floor  
60 Gresham Street  
London EC2V 7BB  
By email: [info@bankingstandardsreview.org.uk](mailto:info@bankingstandardsreview.org.uk)

Dear Richard,

### **NAPF response to consultation on the Banking Standards Review**

The NAPF is the leading voice of workplace pensions in the UK. We speak for 1,300 pension schemes with some 16 million members and assets of around £900 billion. NAPF members also include over 400 businesses providing essential services to the pensions sector.

The NAPF welcomes the opportunity to respond to the Banking Standards Review consultation. This raises important issues about the nature of the banking and financial industry and ways in which its culture can be enhanced. We share your desire for there to be enhanced standards across the sector such that its clients can have more confidence in the value that they receive from the services it provides.

Indeed, we share the ambition that banking and finance should become a genuine profession. This encompasses a range of specific requirements: the establishment of over-arching standards for the profession as a whole, set and administered by an independent body; that there be qualifications, both of skills and of behaviour, before an individual is allowed to join the profession; and that individual members of the profession who contravene its standards are subject to disciplinary proceedings and, in extremis, ejection. These are standard expectations of any profession, and should be the basic expectations of the banking and finance profession. We recognise that, given this is something that will need to be retrofitted to existing structures and approaches, this standard approach cannot be delivered at once or even quickly. We also recognise that there are difficult interactions for the banking and finance profession with its regulatory obligations. But we are clear that the overall aim of this process must be to establish the parameters of a profession, including independent standard-setting and the scope for discipline of those who contravene the standards.

We note that there is in existence a high quality principles-based set of cultural norms for the banking and finance industry. Originating in Australia, the Banking and Finance Oath ([www.thebfo.org](http://www.thebfo.org)) sets out a deceptively simple handful of expectations starting with the basic statement that 'Trust is the foundation of my profession'. Of crucial importance is its focus on the need to consider client interests first and centrally. We would suggest that there would be real value in the Banking Standards Review giving active consideration to the wording of, and thinking behind, the Banking and Finance Oath, and even perhaps in some way partnering with this existing industry-led initiative. In the spirit of full disclosure, the author of this letter is one of a handful of non-Australian signatories of the Banking and Finance Oath.

The NAPF would welcome working with the Banking Standards Review in considering how to take forward its important initiative.

Yours sincerely



**Paul Lee**  
**Head of Investment Affairs, NAPF**