From: [redacted]
To: ProhibitionsConsultation
Subject: [External]CP166: Response to Consultation
Date: Tuesday 24 March 2026 10:32:27

I welcome the opportunity to respond to CP166. The consultation and the supplemental guidance are very well written and articulate. The Central Bank is at the forefront of best practice in fitness and probity internationally.

In addressing the three questions posed in Section 4 of CP166, the following responses take into account the Supplemental Guidance.

Question 1: Is the Supplemental Guidance helpful? What other information would be useful to include?

The Supplemental Guidance is helpful because it further clarifies the decision making process of the Fitness and Probity (F&P) investigations process. It provides useful detail on how the Central Bank determines the nature, scope, and duration of a prohibition.

The following information could be useful to include:

- While the Supplemental Guidance allows for prohibitions with conditions, such as completing specified training, individuals and firms could perhaps benefit from more concrete examples or anonymised case studies illustrating what this may look like in practice. This limits uncertainty and helps prevent a box-ticking culture of compliance.
- While a prohibition is an individual assessment, a potential tension may arise between assessing an individual solely on their own merits versus their contribution to the board's collective suitability. Clarifying how this balance is struck during a prohibition decision may enhance transparency.

Question 2: Do you have any observations on the circumstances relevant to prohibition as set out in Table 1 of the Supplemental Guidance?

Table 1 provides a non-exhaustive list of relevant circumstances, such as the degree of risk and an individual's previous record. Table 1 is, in my opinion, very comprehensive. Some observations:

- Emphasis on insight and remorse aspects (Circumstance F): The inclusion of whether an individual has shown rehabilitation or insight aligns with the goal of internalising ethical norms. The behavioural science literature indicates that individuals who believe in the validity of rules are more likely to resist future misconduct. (Of course though, beliefs are 'hidden from view'. It is always easier to change a person's behaviour, than to change their values, beliefs and attitudes, which are much more deeply rooted in their psychological DNA).
- Distinguishing systematic failures from isolated incidences of error (Circumstance B): The guidance notes that isolated moments of carelessness are less likely to

indicate a high degree of risk than fraud or serious dishonesty. This is supported by proportionality principles which argue that punitive measures should be a last resort for genuine mistakes, particularly to avoid driving a culture of fear that may discourage transparency in dealings.

- Passage of time (Circumstance D): The length of time since the occurrence is listed as a factor. Imposing penalties long after an illicit conduct has ceased may raise issues of disproportionality if not supported by strongly articulated reasoning.

Question 3: Do you have any observations on any other aspects of the Supplemental Guidance?

- Nature and scope: The guidance allows for prohibitions of indefinite duration for high-risk cases. Such measures protect financial stability, but they must be carefully and judiciously balanced against an individual's constitutional right to engage in pursuit of their livelihood.
- Prohibitions with conditions: The provision for conditions, such as mandatory upskilling or supervision, is a very positive step toward professionalisation. It reflects an early interventionalist approach that seeks to remediate skill deficits (through training, close supervision and monitoring, further qualifications, or CPD etc) rather than relying disproportionately on more extreme measures, such as long periods or permanent exclusion.
- The Supplemental Guidance identifies publication as a key measure for maintaining public trust. However, this should be weighed/balanced very carefully versus the high reputational cost of public identification, which international evidence suggests can drive individuals to engage in defensive litigation, particularly where the impact on an individual is potentially very detrimental to their long -term career.
- The Guidance specifies that a subject be afforded an adequate hearing. To be effective, this process should be perceived as fair and reasonable as otherwise it risks fostering a mentality where senior managers focus on generating huge volumes of defensive ' back protecting' documentation (with associated costs in time and resources) rather than emphasising substantive cultural improvement.

Sincerely,

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