

Bank of England PRA

DECISION NOTICE

To: Aviva Life & Pensions UK Limited,
Aviva Insurance Limited, and
Aviva International Insurance Limited

Of: Wellington Row
York
North Yorkshire
YO90 1WR

Firm Reference Numbers: 185896/202153 and 202082

And –

To: Stephen Andrew Gould

Of: [REDACTED]
[REDACTED]
[REDACTED]

The content of this letter may be confidential. Please ensure you handle this information in accordance with the instructions set out in the Bank of England

Prudential Regulation Authority | INSERT ADDRESS
+44 (0)20 3461 4444 | www.bankofengland.co.uk



Date: 5th May 2023

ACTION

1. For the reasons set out in Section 1 of this Notice and pursuant to section 61(2B)(b) of the Financial Services and Markets Act 2000 (“the Act”), the Prudential Regulation Authority has decided to approve the applications dated 23rd November 2022 (“the Applications”) for Stephen Andrew Gould (“the Candidate”) to perform the Senior Manager Function 7 (Group Entity Senior Manager function) (“SMF7”) roles at Aviva Life & Pensions UK Limited, Aviva International Insurance Limited and Aviva Insurance Limited (collectively “the Firms” and each a “Firm”) for a limited period commencing on 5th May 2023 and ending on 31st December 2023.

PROCEDURAL MATTERS

2. The procedural matters set out in Section 2 are important.

RELEVANT STATUTORY AND REGULATORY PROVISIONS

3. The relevant statutory and regulatory provisions are set out in Section 3.

DEFINITIONS

4. The definitions below are used in this Decision Notice.

“the Act” means the Financial Services and Markets Act 2000

“the Applications” means the Form A applications dated 23rd November 2022 and submitted by the Firms for the Candidate to perform the SMF7 role at each Firm.

“the Candidate” means Stephen Andrew Gould

“the FCA” means the Financial Conduct Authority

“the Firms” means collectively Aviva Life & Pensions UK Limited, Aviva International Insurance Limited, and Aviva Insurance Limited, and each is “a Firm”

“Notice” means this Decision Notice

“the PRA” means the Prudential Regulation Authority

“SMF7” means Senior Manager Function 7 - Group Entity Senior Manager function

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber)

“the Tribunal Procedure Rules” means the Tribunal Procedure (Upper Tribunal) Rules 2008 (SI 2008/2698) (as amended)

“SAP” means the Supervisory Assessment Panel, a sub-committee of the PRA’s Supervision, Risk and Policy Committee

.....


Chair, Supervisory Assessment Panel

for and on behalf of the PRA

SECTION 1 OF THE DECISION NOTICE ISSUED BY THE PRUDENTIAL REGULATION AUTHORITY TO AVIVA LIFE & PENSIONS UK LIMITED, AVIVA INSURANCE LIMITED, AVIVA INTERNATIONAL INSURANCE LIMITED AND STEPHEN ANDREW GOULD ON 5th MAY 2023

REASON FOR THE ACTION

1. The reason for the PRA's decision to approve the Firms' Applications for the Candidate to perform the SMF7 role at the Firms for a limited period is that it is desirable to do so in order to advance: (a) the PRA's general objective of promoting the safety and soundness of PRA-authorized persons (section 2B(2) of the Act); and (b) the PRA's insurance objective of contributing to the securing of an appropriate degree of protection for policyholders (section 2C(2) of the Act).
2. Pursuant to section 2B(3) of the Act, the PRA's general objective is to be advanced primarily by: (a) seeking to ensure that the business of PRA-authorized persons is carried on in a way which avoids any adverse effect on the stability of the UK financial system; and (b) seeking to minimise the adverse effect that the failure of a PRA-authorized person could be expected to have on the stability of the UK financial system. The adverse effects mentioned in section 2B(3) may, in particular, result from the disruption of the continuity of financial services. Acting to promote the safety and soundness of an insurer also has the effect of protecting policyholders (section 2C(2) of the Act), by ensuring that the insurer's liabilities to them can be met both now and in the future.
3. Appropriately staffed firms and an effective risk function are essential to ensuring that firms are run in a prudent, safe, and sound manner. This decision to approve for a limited period will advance the PRA's objectives by: (i) ensuring that each of the Firms has an approved SMF7 in place to oversee, and influence, the management of the risk function at each Firm; (ii) that each Firm has an SMF7 to lead the overall Group Risk Function and co-ordinate the management of the risk function across all three Firms; and as such: (iii) ensuring that each Firm is appropriately staffed. The time-limited approval will allow sufficient time to recruit, on-board, and seek approval for a permanent successor to perform the SMF7 role.

FACTS AND MATTERS RELIED UPON

Background

4. The Firms are authorised by the PRA and regulated by the PRA and the FCA.
5. The Firms' Applications for the Candidate to perform the SMF7 role at each of the Firms were received by the PRA on 23rd November 2022.
6. On 7th November 2022, the Candidate was appointed as the Acting Group CRO as an interim measure. It is expected that the Candidate's tenure will last until a permanent Group CRO can be identified and approved as SMF7 at each Firm. By virtue of this appointment, the Candidate exercises significant influence over the management and conduct of the risk functions at each Firm. Accordingly, the Firms have applied for the Candidate to be approved as an SMF7 (Group Entity Senior Manager) at each Firm. On 23rd November 2022, Applications were therefore formally submitted by the Firms for the Candidate to perform the SMF7 position at each Firm. Owing to the interim nature of the appointment, it has been accepted that the PRA will approve this appointment for a limited time period.
7. Having assessed the Firms' Applications, the PRA is satisfied as to the Candidate's fitness and propriety to perform the SMF7 role at all the Firms on a time-limited basis as required pursuant to section 61(1)(b) of the Act.
8. The PRA considers that the decision to approve for a limited period advances the PRA's objectives by: (i) ensuring that each of the Firms has an approved SMF7 in place to oversee, and influence, the management of the risk function at each Firm; (ii) that each Firm has an SMF7 to lead the overall Group Risk Function and co-ordinate the management of the risk function across all three Firms; and as such: (iii) ensuring that each Firm is appropriately staffed. The time-limited approval will allow sufficient time to recruit, on-board, and seek approval for a permanent successor to perform the SMF7 role.

-
9. Pursuant to section 61(2B)(b) of the Act, the PRA may grant a senior manager application that is made under section 60 of the Act so as to give approval only for a limited period if it appears to the PRA that it is desirable to do so in order to advance any of its objectives (section 61(2C)(b) of the Act).

 10. The PRA considers that it is appropriate in these circumstances to decide to approve the Firms' Applications for the Candidate to perform the SMF7 role at each of the Firms for a limited period commencing on 5th May 2023 and ending on 31st December 2023.

 11. The Firms and the Candidate have consented to the PRA's decision to approve the Firms' Applications for the Candidate to perform the SMF7 role at the Firms for a limited period commencing on 5th May 2023 and ending on 31st December 2023.

ACTION

12. For the reasons given in this Notice, and pursuant to section 61(2B)(b) of the Act, the PRA has decided to approve the Applications for Stephen Andrew Gould to perform the Senior Manager Function 7 (Group Entity Senior Manager function) role at Aviva Life & Pensions UK Limited, Aviva International Insurance Limited and Aviva Insurance Limited for a limited period commencing on 5th May 2023 and ending on 31st December 2023.


SECTION 2 OF THE DECISION NOTICE ISSUED BY THE PRUDENTIAL REGULATION AUTHORITY TO AVIVA LIFE & PENSIONS UK LIMITED, AVIVA INSURANCE LIMITED, AVIVA INTERNATIONAL INSURANCE LIMITED AND STEPHEN ANDREW GOULD ON 5th MAY 2023

PROCEDURAL MATTERS

Decision-Maker

1. The decision which gave rise to the obligation to give this Notice was made by the SAP.
2. This Notice is given to the Firms and the Candidate pursuant to section 62(3) of the Act. The following statutory provisions are important.

The Tribunal

3. The Firms and Candidate each have the right to refer the matter to which this Notice relates to the Tribunal. The Tax and Chancery Chamber is the part of the Tribunal which, among other things, hears references arising from decisions of the PRA.
4. Reference to the Tribunal is made by way of a reference notice (Form FTC3) signed by the person making the reference (or on their behalf) and filed with a copy of this Notice. The Tribunal's correspondence address is: Fifth Floor, Rolls Building, Rolls Building, Fetter Lane, London, EC4A 1NL. In accordance with paragraph 2(2) of Schedule 3 of the Tribunal Procedure Rules, the reference must be received by the Tribunal no later than 28 days after this Notice is given.
5. Further details are available from the Tribunal website: <https://www.gov.uk/courts-tribunals/upper-tribunal-tax-and-chancery-chamber>.
6. A copy of Form FTC3 must also be sent to PRA Supervisory Assessment Panel Secretariat at  the PRA, 20 Moorgate, London EC2R 6DA at the same time as filing a reference with the Tribunal.

Access to evidence

7. Section 394 of the Act does not apply to this Notice.

Confidentiality and publicity

8. Sections 391(1A), 391(4), 391(6A) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates.
9. Pursuant to section 391(1A) of the Act, a person to whom this Notice is given or copied may not publish the Notice or any details concerning it unless the PRA has published the Notice or those details.
10. Pursuant to section 391(4) of the Act, the PRA must publish such information about the matter to which a Decision Notice or Final Notice relates as it considers appropriate. Any Final Notice issued by the PRA in due course may therefore contain reference to any of the content of this Notice.

PRA contacts

11. For more information concerning this matter generally, the Firms and/or Candidate should contact PRA Supervisory Assessment Panel Secretariat [REDACTED] at the PRA.

SECTION 3 OF THE DECISION NOTICE ISSUED BY THE PRUDENTIAL REGULATION AUTHORITY TO AVIVA LIFE & PENSIONS UK LIMITED, AVIVA INSURANCE LIMITED, AVIVA INTERNATIONAL INSURANCE LIMITED AND STEPHEN ANDREW GOULD ON 5th MAY 2023

RELEVANT STATUTORY AND REGULATORY PROVISIONS

1. Under section 2B(1) of the Act, in discharging its general functions, the PRA is required, so far as is reasonably possible, to act in a way which advances its general objective.
2. Under section 2B(2) of the Act, the PRA's general objective is: promoting the safety and soundness of PRA-authorised persons.
3. Under section 2B(3) of the Act, the PRA's general objective is to be advanced primarily by seeking to ensure that the business of PRA-authorised persons is carried on in a way which avoids any adverse effect on the stability of the UK financial system and seeking to minimise the adverse effect that the failure of a PRA-authorised person could be expected to have on the stability of the UK financial system.
4. Under section 2B(4) of the Act, the adverse effects mentioned in section 2B(3) of the Act may, in particular, result from the disruption of the continuity of financial services.
5. Under section 2C(1) of the Act, in discharging its general functions in relation to the activity of effecting or carrying out contracts of insurance or PRA-authorised persons carrying on that activity, the PRA is required, so far as is reasonably possible, to act in a way which is compatible with advancing its insurance objective, as well as its general objective.
6. Under section 2C(2) of the Act, the PRA's insurance objective is: contributing to securing an appropriate degree of protection for policyholders.
7. Under section 59 of the Act, an authorised person ("A") must take reasonable care to ensure that no person performs a controlled function under an arrangement entered into by A in

relation to the carrying on by A of a regulated activity, unless that person is acting in accordance with an approval given by the appropriate regulator under this section.

8. Under section 60 of the Act, an application for the PRA's approval under section 59 of the Act may be made by the authorised person concerned.
9. Under section 61(2B)(b) of the Act, the PRA may grant a senior manager application made under section 60 of the Act so as to give approval only for a limited period.
10. Under section 61(2C)(b) of the Act, the PRA may exercise its power under section 61(2B)(b) of the Act only if it appears to the PRA that it is desirable to do so in order to advance any of the PRA's objectives.
11. Under section 61(3) of the Act, the PRA must before the end of the period for consideration of an application received under section 60 of the Act determine whether to: (a) grant the application; or (b) give a warning notice under section 62(2) of the Act.
12. Under section 62(2) of the Act, if the PRA proposes to refuse the applications or to grant the applications subject to conditions or for a limited period (or both), it must give a warning notice to the Firms and the Candidate.
13. Pursuant to section 62(3) of the Act, if the PRA decides to refuse the applications or to grant the applications subject to conditions or for a limited period (or both) it must give a decision notice to the Firms and the Candidate.
14. Pursuant to section 62(4) of the Act, if the PRA decides to refuse the applications or to grant the applications subject to conditions or for a limited period (or both) the Firms and/or Candidate may refer the matter to the Tribunal.

15. Pursuant to section 390(1) of the Act, if the PRA has given a Decision Notice and the matter was not referred to the Tribunal in the time specified by the Tribunal Procedure Rules, then the PRA must issue a Final Notice.