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**INVESTIGATION INTO ALLEGATIONS ABOUT THE CONDUCT
OF THE CHAIR OF THE FINANCIAL MARKETS AUTHORITY**

FINAL REPORT

23 MARCH 2026

**WA WENDY
ALDRED_{KC}**

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A. EXECUTIVE SUMMARY

1. On 2 December 2025 three members of the Board of the Financial Markets Authority (**FMA**) met with the Minister of Commerce and Consumer Affairs (**Minister**) and outlined concerns relating to the conduct of the Chair of the FMA, Mr Craig Stobo. I was appointed to investigate and report, following a request from the Minister to the Ministry of Business, Innovation and Employment (**MBIE**) to commission an independent investigation into the allegations about Mr Stobo's conduct.
2. I have made inquiries in accordance with terms of reference dated 12 December 2025 to establish (to the extent possible) the relevant factual circumstances that gave rise to the allegations included in the terms of reference.
3. As required by my terms of reference I have also considered whether there is just cause such that the Minister might advise the Governor-General to remove Mr Stobo from the Board of the FMA under s 39 of the Crown Entities Act 2004 (**CEA**).
4. My conclusions are summarised below.

Engagement with Staff/Estonia trip (terms of reference paragraph 5(a))

5. There was no evidence of an inappropriate relationship between Mr Stobo and the former junior staff member with whom he attended a programme of events in Tallinn in July 2025. Nor do I find that Mr Stobo was involved in or approved any coercion of a current staff member. However, there were shortcomings in Mr Stobo's communications with the FMA, including that he did not advise the FMA of the following:
 - 5.1. He was planning to attend the Estonian programme with a former junior staff member of the FMA;
 - 5.2. He would be attending a meeting with the Estonian financial markets regulator as part of that programme;
 - 5.3. The former staff member had told him she had been contacted by a "media source" enquiring about their relationship;
 - 5.4. The former staff member had told him she intended to engage with a current FMA staff member ("A") to secure an apology for (allegedly) spreading rumours; and later
 - 5.5. The former staff member had told him that A had accused her of stalking and harassment.

The "Indi" matter (terms of reference paragraph 5(b))

6. Mr Stobo appropriately disclosed to the FMA that he had been appointed as an independent director of The Independent Mortgage Company Ltd (**Indi**)

on 29 August 2024, a few days after his appointment, and no issues were raised by the FMA at that point.

7. Following media coverage of Indi's commencement in business in June 2025, which included statements making it clear Indi was in competition with the large trading banks and criticising the "big banks", concerns were raised (including by a large bank) that there was a conflict of interest between Mr Stobo's role as FMA Chair and his directorship of Indi.
8. On 12 July 2025, FMA's General Counsel raised concerns with Mr Stobo that there was a perception of conflict between his role as FMA Chair and role as a director of Indi. Mr Stobo agreed to consider the matter.
9. At an FMA Board meeting on 16 September 2025, Mr Stobo told the FMA Board he would resign from Indi. He did resign but not until 12 December 2025.
10. The delay in Mr Stobo's resignation appears to have been due to his wish to assist the Indi board by signing off the annual accounts and a warehouse mortgage facility, the latter of which was not completed until 6 December 2025.
11. Mr Stobo acted reasonably in disclosing his interest in Indi and later in agreeing to resign, but he should not have delayed for as long as he did.

Separation of Roles – Travel (terms of reference paragraph 5(c))

12. I do not consider that Mr Stobo's conduct in making several applications for travel expenses that would have seen him combine personal travel with FMA funded travel was inappropriate. In short, he made the applications as required and, to the extent that they were declined by the Audit and Risk Committee Chair, he accepted those decisions. The process operated as per FMA policy.

Separation of Roles – Public Comment (terms of reference paragraph 5(c))

13. Mr Stobo's conduct in making certain comments in the media and a public submission to Parliament on the Treaty Principles Bill fell well below the expectations of a Crown entity board chair. Specifically:
 - 13.1. His conduct in making comments in the media that were laudatory of the present coalition government (and specific members of it) and critical of the opposition, breached the Public Service Commission's *Code of Conduct for Crown Entity Board Members (PSC Code)* and specifically breached the requirement of political impartiality. This was particularly so after the need to be cautious about public comment was raised with Mr Stobo by FMA senior management. The comments made by Mr Stobo would, in my view, be likely to erode the public's confidence in the independence of the FMA, and could adversely affect its ability to work with future governments.

- 13.2. Making a public submission on the Treaty Principles Bill, the content of which contradicted the FMA's own Board-approved Māori strategy (Matangirua), was not consistent with Mr Stobo's duty under the CEA not to act at the expense of the FMA's interests. This was particularly the case given that he made the submission only a short time after a presentation to the Board on Matangirua that emphasised the FMA's commitment to enabling the Crown to meet its Treaty obligations.
14. Mr Stobo should not have questioned the requirement for a mandatory Climate Related Disclosures (**CRD**) regime in an external forum, given that CRD monitoring and enforcement are FMA functions under legislation, without having discussed this with the Board. While law reform is a function of the FMA, statements as to law reform should not be made by a Board member that have not been discussed with the Board or which do not represent agreed Board thinking on the matter.
15. Mr Stobo's reliance on not having referred to his FMA role when commenting, and on stating that his remarks were made specifically in some other capacity, was insufficient to overcome the concern that people would associate his views with the FMA or its Board, given the high profile of the FMA Board Chair role, particularly within the financial sector.

Just cause for removal?

16. In relation to the question of whether there may be "just cause" to remove Mr Stobo as a member of the FMA Board, I have concluded that there is just cause, based on my findings in respect of the Separation of Roles – Public Comment issue. Those findings would have been sufficient, without more, to arrive at that conclusion, on the basis that Mr Stobo's conduct was inconsistent with the PSC Code and breached s 18 of the Public Service Act 2020 (**PSA**).
17. The repeated nature of Mr Stobo's conduct, notwithstanding guidance provided on his induction into the role and the concerns subsequently raised with him by FMA management, has contributed to my view of the seriousness of this non-compliance.
18. In terms of the other matters raised by the Board, I have found that in relation to the Engagement with Staff and Indi matters, there were shortcomings in Mr Stobo's conduct that reflected a lack of judgement on his part but which fell short of conduct that would have, by themselves, amounted to "just cause".
19. Together, however, these matters somewhat contribute to my conclusion that Mr Stobo's conduct as a whole has not reflected a diligent prioritisation of the FMA's interests over his outside activities, and weigh further in favour of my overall conclusion.

B. TERMS OF REFERENCE

20. I was appointed pursuant to terms of reference of MBIE dated 12 December 2025 (**Appendix A**) to investigate the following:
- 20.1. Whether there is substance to allegations that have been made to the Minister and MBIE about the conduct of the Chair of the FMA, Mr Craig Stobo;¹ and
- 20.2. If so, whether, in my opinion, there is just cause, such that the Minister might advise the Governor-General to remove Mr Stobo from the board of the FMA under s 39 of the CEA.²
21. The terms of reference refer to the relevant legislative framework in relation to the appointment and removal of Crown entity Board members and the PSC Code, which sets out minimum standards of integrity and conduct and applies to members of the FMA.
22. The terms of reference set out the allegations at paragraph 5 as follows:
- 22.1. That Mr Stobo had not met the PSC Code obligations for board members regarding the conduct and disclosure of any engagement and relationship with staff members (professional or otherwise) and managing the consequences of that engagement. In particular, the board became aware of potential allegations of Mr Stobo's involvement in an engagement between a former staff member and a current staff member that, if true, would be highly concerning. (I refer to this allegation as the Engagement with Staff/Estonia Trip Matter.)
- 22.2. Mr Stobo's continued role as an independent director of Indi, a digital mortgage company that other members of the FMA Board saw as a clear conflict with his FMA role. When raised with him, Mr Stobo has indicated that he would step down from the Indi role on several occasions. However, this has not occurred, and the Board considers he has acted too slowly to resolve the conflict. There are also questions whether Mr Stobo had appropriately managed the conflict in the intervening period. (I refer to this allegation as the Indi Matter.)
- 22.3. Concerns that Mr Stobo is not maintaining sufficient separation between his role as Chair of the FMA and his private activities and views in a manner that is consistent with the Code of Conduct, potentially impacting on public perceptions of independence and impartiality. (I refer to this allegation as the Separation of Roles Matter.)
23. I am required to investigate the allegations in paragraph 5 and report to MBIE on matters set out in paragraphs 1(a) and (b).³ I am also required to report

¹ TOR, paragraph 1(a).

² TOR, paragraph 1(b).

³ TOR, paragraph 7(a).

to the Chief Executive of MBIE on any other related matters that I consider appropriate as being relevant to the purposes and scope of the investigation.⁴

24. Any matter relating to the employment of any person is out of scope for the investigation.⁵
25. The terms of reference direct me to provide a reasonable opportunity for all Board members and all Executive Leadership Team to be interviewed in relation to the matters set out at paragraphs 1(a) and (b).⁶ As set out above, paragraph 1(b) refers to the issue of whether, if I find any of the allegations in paragraph 5 to be made out, there would just cause for the Minister to conclude that Mr Stobo should be removed from office. Given that the terms of reference also specify that the “just cause” issue is a matter for my opinion, I sought confirmation from MBIE that I was not required to solicit the views of interviewees on that point. I received confirmation from MBIE that paragraphs 10(c) and (d) should be corrected to refer only to paragraph 1(a).

C. OVERVIEW OF REVIEW PROCESS

Investigation process

26. The investigation process was conducted in accordance with the terms of reference. While the terms of reference were issued in mid-December, the intervening holiday period and unavailability of background documents meant that the investigation was not able to commence until late January 2026.
27. In response to some queries from FMA Board members, I circulated a document setting out my approach to the investigation process (**Appendix B**).
28. At my request, MBIE confirmed an extension of time for the final report to 23 March 2026.

Written summary of allegations

29. At the date I was appointed, there had been no formal written complaint or record of the concerns held by the Board, which had been communicated verbally to the Minister and later to the Public Service Commission, and the concerns set out in the terms of reference were expressed very broadly and without reference to names, dates or specific events. I requested that further details of the allegations be supplied to assist with planning the investigation, and on 27 January 2026 was supplied with a document entitled “Investigation Matters of Concern” (**Summary Document**; attached as **Appendix C**). That document provided more detail than the terms of reference about the

⁴ TOR, paragraph 7(b).

⁵ TOR, paragraph 8.

⁶ TOR, paragraphs 10(c) (Board members) and (d) (ELT members).

allegations and I set out this further detail below, when discussing each allegation.

30. The Summary Document also contained an account of the process that had led to Board members bringing concerns to the attention of the Minister and other aspects of the Board's approach. The reasons for and timing of the relevant Board members taking the steps they did is not within the scope of my terms of reference and accordingly I have not considered or reported on these matters. My concern is with the substance of the allegations and consideration of whether any identified transgressions would justify consideration of removal of Mr Stobo as Board Chair.

Interviews

31. Interviews took place between 28 January 2026 25 February 2026. I interviewed the following persons:
 - 31.1. Mr Steven Bardy (Board member);
 - 31.2. Ms Sue Chetwin (former Board member);
 - 31.3. Ms Tracy Berry (Board member);
 - 31.4. Dr Prasanna Gai (Board member);
 - 31.5. Mr Chris Swasbrook (Board member);
 - 31.6. Mr Nick Hegan (Board member);
 - 31.7. Ms Mariette van Ryn (Board member);
 - 31.8. Ms Samantha Barrass (Chief Executive, FMA);
 - 31.9. Mr Liam Mason (General Counsel, FMA);
 - 31.10. Mr Edwin Mitson (Head of External Relations and Communications, FMA); and
 - 31.11. Ms Kyla Bottriell (former FMA staff member), accompanied by her legal representative, Katherine Anderson KC.
32. As per my terms of reference, I offered the three remaining ELT members the opportunity to be interviewed but none of them considered they could add to the information provided by other FMA management, and I did not consider it necessary to interview them. The remaining two Board members joined the FMA Board after the relevant events and accordingly it was not necessary for me to interview them either.
33. I interviewed Mr Stobo twice over the course of several days, after providing him and his legal representative with access to documents obtained by me that were relevant to the matters under investigation. On both occasions he was accompanied by his lawyer, Peter Chemis (Buddle Findlay). Arising from

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those interviews I then sought some further information from Mr Stobo (which were responded to in writing). I also made further queries of the FMA and MBIE to obtain further information as a result of statements made by Mr Stobo on interview.

34. All persons interviewed were:
 - 34.1. Advised that what they told me would be shared with other persons interviewed to the extent that was necessary for the conduct of the investigation and could form part of my report;
 - 34.2. Instructed that nothing concerning the investigation was to be disclosed outside of their interviews with me; and
 - 34.3. Advised that they may be re-interviewed at some point in the investigation.
35. All interviewees were cooperative with the investigation process and made themselves available as requested.

Documents

36. At the commencement of the investigation I was supplied by the FMA with relevant FMA and Public Service Commission policies and induction material supplied to Mr Stobo and various emails, media articles and social media posts.
37. Other documents were supplied to me as the investigation progressed and I will refer to these as necessary. All documents received that I considered relevant to the issues for investigation were disclosed to Mr Stobo for comment, mostly in advance of his first interview with me but some in advance of his second interview.
38. During the course of this investigation I received a large volume of information. I have captured in this report those parts of the evidence received (documents and statements made by interviewees) that have been relevant to my findings.

Standard of proof

39. In reaching my factual findings, I have applied the standard of proof of the balance of probabilities.

Draft report

40. Mr Stobo was provided with an opportunity to comment on the draft of this report before it was finalised. He supplied detailed feedback, as a result of which I made some further inquiries (with information received being put to Mr Stobo) and amended the report before finalising.

41. Ms Bottriell was also (at her counsel's request) supplied with an opportunity to review those parts of the draft report describing the information received from her. Following receipt of some comments, I made some minor changes to the draft.

D. RELEVANT LEGISLATION AND POLICY

42. The FMA is established under the Financial Markets Authority Act 2011 (**FMAA**) and its functions are prescribed in s 9(1) of that Act. In summary, it regulates financial markets to ensure they are fair, efficient, and transparent including by licensing financial service providers, monitoring their legal compliance, investigating misconduct, and providing education to promote investor confidence.
43. The FMA is an independent Crown entity (listed in Part 3 of Schedule 1 to the CEA). A responsible Minister of an independent Crown entity may not direct the entity to have regard to or to give effect to a government policy unless specifically provided in another Act.⁷
44. Members of independent Crown entities are appointed by the Governor-General on the recommendation of the Minister for a term of five years (unless otherwise stated in their notice of appointment).⁸
45. Section 39(1) of the CEA provides that "the Governor-General may, at any time for just cause, on the advice of the responsible Minister given after consultation with the Attorney-General, remove a member of an independent Crown entity from office." Section 40 provides that "just cause" includes misconduct, inability to perform the functions of office, neglect of duty, and breach of any of the collective duties of the board or the individual duties of members (depending on the seriousness of the breach).⁹ The collective duties of board members are set out at ss 49–52 of the CEA. The individual duties of board members, set out at ss 53–57, are:
- 45.1. The duty to comply with the CEA and the Crown entity's Act (the FMAA);
- 45.2. The duty to act with honesty and integrity;
- 45.3. The duty to act in good faith and not at the expense of the entity's interests;

⁷ CEA, s 105. This contrasts with the position in relation to Crown agents (which the Minister may direct to give effect to government policy) or autonomous Crown entities (which the Minister may direct to have regard to government policy): see ss 103 (Crown agents) and 104 (autonomous Crown entities).

⁸ CEA, s 32(1)(b).

⁹ I note these provisions contrast in terms of both substance and process with the position in relation to removal of members of other categories of Crown entity. Members of Crown agents, for example, may be removed from office by the Minister at any time and entirely at his or her discretion: CEA, s 36.

- 45.4. The duty to act with reasonable care, diligence, and skill; and
- 45.5. The duty not to disclose information held in the board member's capacity as a member.
46. Independent Crown entities such as the FMA are not a part of the public service as defined in the PSA. However, aspects of that legislation apply to them.
47. Under s 17 of the PSA, the Public Service Commissioner is empowered to set minimum standards of integrity and conduct, including standards relating to the public service values and the public service principles. Such minimum standards may apply to (inter alia) Crown entities,¹⁰ and the Commissioner may vary the application of minimum standards as he thinks fit "in light of the legal, commercial, or operational context" to certain prescribed groups or individuals, including boards, board members and office holders.
48. The public service principles are defined in s 12, and include political neutrality, the provision of free and frank advice to Ministers, and the making of merit-based appointments.
49. The public service values are defined in s 16(1) of the PSA, as being to seek:
- (a) *Impartial*
to treat all people fairly, without personal favour or bias:
 - (b) *Accountable*
to take responsibility and answer for its work, actions, and decisions:
 - (c) *Trustworthy*
to act with integrity and be open and transparent:
 - (d) *Respectful*
to treat all people with dignity and compassion and act with humility:
 - (e) *Responsive*
to understand and meet people's needs and aspirations.
50. The public service values are given effect to only through minimum standards set by the Commissioner.¹¹
51. As set out in the terms of reference, the Public Service Commissioner has issued a Code of Conduct for Crown entity board members prescribing minimum standards of integrity and conduct (**PSC Code**).¹² The PSC Code is premised on the three principles of "Personal Integrity", "Professional Conduct" and "Acting Lawfully". I discuss the applicable PSC Code principles below in relation to the relevant allegations.

¹⁰ PSA, s 17(2).

¹¹ PSA, s 16(2).

¹² <https://www.publicservice.govt.nz/guidance/code-of-conduct-for-crown-entity-board-members>.

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52. Section 18 of the PSA provides that agencies, individuals, and groups must comply with the minimum standards set under s 17 that apply to them. This means that board members of statutory entities are required to comply with the PSC Code.
53. The FMA has also developed a set of policies for Board members, accessible through its online Board Resource centre. I refer to these below as relevant.

E. BACKGROUND – APPOINTMENT AND INDUCTION

54. Mr Stobo is an experienced director with a background in business and economics. In addition to his FMA Chair role (the subject of this investigation) he holds other independent directorships, including as Chair of the Local Government Funding Agency, as well as past directorships including NZ Windfarms Ltd (as Chair).
55. The papers supplied to me relating to Mr Stobo’s appointment showed that he was approached at the request of the then Minister of Commerce and Consumer Affairs (the Hon Andrew Bayly) in early 2024 to serve as a member of the FMA Board. He initially declined the request to join the Board as a member, but later accepted an offer of appointment as Chair. The appointment is a paid part-time appointment with remuneration determined by the Remuneration Authority.
56. I have seen some of the communications between Mr Stobo, officials at MBIE (Board Appointments and Governance group) and the Minister’s office in relation to his appointment. It is clear that there was a rush to appoint him due to the delay in identifying a suitable Chair, and the need for him to resign from directorships of companies subject to regulation by the FMA (being the Saturn Portfolio Management group of companies and Elevation Capital Ltd) due to conflicts.
57. In an email from Mr Stobo to MBIE staff dated 12 April 2024, he returned various due diligence documents required by the Ministry but stated:
- I have not signed the credit check authorisation form as it is not proposed that I be an employee of the FMA and I do not believe the FMA involves “significant financial risk.”
58. This was identified as problematic by officials who met with Mr Stobo on 16 and 18 April and discussed the reasons why a credit check was a standard part of the due diligence documentation for Crown entity Board appointments. Following Mr Stobo’s continued refusal to authorise a credit check, in an Aide Memoire to the Minister’s office dated 18 April 2024 regarding the proposed appointment, MBIE officials noted that while there had been no issues or concerns raised following public profile, reference and criminal record checks on Mr Stobo:

... we want to draw your attention that Mr Stobo has declined to authorise a credit check, which is a standard check for candidates to boards with financial responsibilities. In your paper to Cabinet you

indicated that you would report to Cabinet on the outcome of public profile, credit record and criminal record checks should any issues arise.

59. I understand that no communication from the Minister's office was received by MBIE in relation to the credit check concern raised in the Aide Memoire. It is not clear to me why this matter was not pursued further by the Minister's office as it seems obvious that the government would have an interest in ensuring that the head of the financial markets regulator had no personal credit issues.
60. On 16 May 2024 Minister Bayly wrote to Mr Stobo congratulating him on his appointment as FMA Board Chair and enclosing the notice of appointment signed by the Governor-General on the same date. The Minister's letter, inter alia, reminded Mr Stobo of the legislative framework of his appointment including the provisions as to removal and resignation and Board members' collective and individual duties and particularly his obligations in relation to actual or perceived conflicts of interest. Mr Stobo's appointment was announced in the media on 17 May 2024.
61. Mr Stobo attended an induction session with the Public Service Commission on 27 May 2024. The meeting took place via video link and included a slide presentation which included a discussion of the roles and responsibilities of Crown entities as part of a "joined-up public service" and emphasising that while Crown agents (as opposed to other categories of Crown entity) are expressly made part of the public service, there is a public perception of all public sector bodies as being part of "government" and "to help build trust and confidence in the public sector, all Crown entity boards should think of themselves as part of the wider public service and actively adopt public service principles, values and spirit of service."

F. TOR PARAGRAPH 5(a): THE ENGAGEMENT WITH STAFF MATTER

Allegations

62. The Summary Document states:

Some members of the Board became aware of rumours during the second half of 2025 regarding an alleged relationship between the Chair and a former staff member (KB) (who left the FMA in June 2025). The rumours developed after the two were photographed at meetings in Estonia in June where KB was referred to as an 'international relations advisor'. Photographs were posted on LinkedIn.

The then Chairs of the ARC and PPRC were made aware by management on the evening of November 4th of allegations by a current staff member (who will be referred to as [A]) of intimidation and coercion by KB.

63. It goes on to state:

A claimed that KB was attempting to coerce her into writing an apology letter taking responsibility for spreading rumours about a relationship between KB and the Chair, and to admitting they were false and apologising for harm caused to KB;

A claimed KB had indicated that the Chair had knowledge of, and endorsed, KB approaching A to write the apology letter and for this to be given to the FMA. This claim was supported by statements made by KB in screen shots of Whats App communications with A.

A denied and continued to deny spreading any such rumours and did not consider that any such apology letter would be truthful; ...

64. The Summary Document explains that A then instructed counsel, and that the then Audit and Risk Committee (**ARC**) and People, Performance and Remuneration Committee (**PPRC**) Chairs instructed James Every-Palmer KC on 5 November 2025 to conduct an independent investigation as to Mr Stobo's level of knowledge and involvement in the incident between the former employee, KB, and the current employee, A. Mr Every-Palmer conducted an investigation and provided a final report on 24 November 2025, in which he found that he had no basis to doubt Mr Stobo's account that:

64.1. his engagement with KB had been high level;

64.2. he attempted to de-escalate an argument between friends; and

64.3. he had no advance knowledge of the threats/coercion which were alleged by A.

65. The Summary Document then explains that during the course of that investigation the ARC and PPRC Chairs became aware that A had complained to the Police about KB's conduct.

Information gathered

Board members

66. For the purposes of investigating this allegation, my attention was drawn to two relevant LinkedIn posts showing Mr Stobo and Ms Bottriell visiting a company called CreditInfo and the Estonian financial markets regulator, both in Tallinn, in July 2025. A Google translation of the CreditInfo post reads:

Representatives of the New Zealand Financial Supervisory Authority visited Creditinfo. Craig Stobo, Chairman of the Board of the New Zealand Financial Markets Authority, and Kyla Bottriell, External Affairs Advisor, visited Creditinfo to discuss how open data and digital identity can help make credit application more responsible and user-friendly. We are pleased that Creditinfo's activities have also attracted attention at the international level and that high-level foreign guests are interested in our work.

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67. Given the fact that at least some of the concerns raised in this aspect of the terms of reference (that is, the concerns raised about Mr Stobo's potential involvement in the engagement between KB and A over KB's request for an apology letter) had already been the subject of an investigation by a KC, I was concerned at the outset to establish what the Board's remaining concerns were so as to require further investigation.
68. Mr Bardy on interview said that his concerns arising from this episode went beyond the alleged involvement in the engagement between Ms Bottriell and her friend, and extended to:
 - 68.1. The nature and appropriateness of Mr Stobo's relationship with Ms Bottriell both during and after her employment;
 - 68.2. Whether Mr Stobo ought to have disclosed to the Board that Ms Bottriell had intended to confront A, upon becoming aware that she intended to do so; and
 - 68.3. Mr Stobo's initial reluctance to share his text messages with Ms Bottriell with the investigator, citing privacy concerns.
69. Mr Chris Swasbrook, a Board member, expressed a similar concern about the lack of advance disclosure by Mr Stobo of the Estonia trip, saying that when the Board became aware of this, "eyebrows were raised" and "what Craig failed to do is fully inform people of what he was doing and who would be travelling with him."
70. Dr Prasanna Gai told me that he was aware in a general way that Mr Stobo was planning a trip to Europe and that Estonia was on the itinerary but he did not recall any further detail being provided by Mr Stobo and said that discussion about Mr Stobo's travel plans was an informal one, "at the margins of a Board meeting."
71. While it was clear that there had been "rumours" circulating about the nature of the relationship between Mr Stobo and Ms Bottriell, Board members were careful to clarify that they were not concerned the relationship was romantic in nature: the issue, rather, was the Chair's apparent engagement with a junior member of staff and in travelling with her following her departure from the FMA without disclosing that to the FMA.

Chief Executive

72. When I interviewed Ms Barrass, she confirmed that while she had been aware of some rumours about Mr Stobo and Ms Bottriell, she considered that was pure speculation. She was clear that her concerns about this matter related primarily to Mr Stobo visiting Estonian organisations without informing the FMA of his proposed activities, noting that the Estonian regulator appeared to believe they were meeting formally with the Chair of their equivalent agency in New Zealand. Further, she noted that Ms Bottriell was described in the LinkedIn posts as an "external relations adviser" which Ms Barrass said could create a misleading impression of official representation, although she

acknowledged that the posts did not expressly describe Ms Bottriell as an FMA employee. She viewed this as inconsistent with expected governance practice and reflective of a wider tendency on Mr Stobo's part not to keep FMA management informed of proposed engagements in his capacity as Board Chair.

General Counsel

73. During his interview, Mr Mason, FMA General Counsel, explained that he had no prior awareness that Mr Stobo intended to travel to Estonia or to meet with any organisations there, including CreditInfo or the Estonian financial regulator. He stated that, apart from a brief reference Mr Stobo made to the Chief Executive that he was "going to Estonia", the trip was not disclosed in advance to him or to FMA management more generally. He emphasised that it would ordinarily be expected that the Chair would notify management before meeting overseas industry participants, so that management could identify any potential regulatory issues or risks.
74. Mr Mason wrote an email to Mr Stobo on 12 July 2025 expressing concern about the LinkedIn posts that emerged following the trip, which described Mr Stobo as the Chair of the FMA and Ms Bottriell—who had left the organisation only weeks earlier—as an "international relations advisor." He said this post gave the clear impression that the visit was undertaken in an official FMA capacity, despite Mr Stobo's assertion to him that the programme formed part of his personal itinerary. Mr Mason told me he drew Mr Stobo's attention to the misleading character of these posts. According to Mr Mason, Mr Stobo responded that he had travelled in a personal capacity, denied knowledge of the posts, and did not provide an explanation for why the entities involved had presented the visit as an official one.
75. Mr Mason also noted that the timing and nature of Ms Bottriell's involvement contributed to his concerns. She had recently left her FMA role as External Relations Advisor, where she routinely accompanied senior leaders—including the Chair—to external engagements, and Mr Mason understood that she had approached Mr Stobo about accompanying him to the Estonia programme. Mr Stobo told him that this was the reason she accompanied him on parts of the programme. Nevertheless, Mr Mason considered that the lack of advance disclosure, coupled with the public-facing characterisation of the visit as an FMA engagement, represented a procedural and reputational risk that could have been mitigated, had proper notification protocols been followed.

Interview with Ms Bottriell

76. Ms Bottriell, while not an FMA employee, agreed to be interviewed for the purposes of my investigation. She supplied information, including email correspondence and other written material regarding the programme of events in Estonia, and copies of her WhatsApp messages with Mr Stobo from the date she left the FMA.

77. In summary, Ms Bottriell told me she worked at the FMA from May 2024 to June 2025 in External Relations and Communications, primarily supporting senior leadership and liaising with industry. During that time, she was assigned by her team leader, Mr Mitson, and the Chief Executive to support Mr Stobo, based on the need for coordinated preparation for external engagements, and given that he was evidently going to be a more “hands-on” Chair. Their relationship was strictly professional and included supporting Mr Stobo at meetings with external stakeholders and communicating with him, generally by email in relation to work. She denied any social meetings, inappropriate conduct, or personal relationship.
78. Ms Bottriell told me she had intended to resign in April 2025 due in part to her concerns about the culture within the FMA (she confirmed these did not relate to Mr Stobo). She told me the Chief Executive asked her to stay on and she resigned formally after a further month. Her official final date of employment was 13 June 2025 but her final day in the office was 30 May 2025.
79. After resigning from the FMA, Ms Bottriell told me she planned personal travel in Northern Europe. During the course of a meeting with Mr Stobo before she left, he had mentioned that he was travelling to Estonia to investigate that country’s digitisation of government processes. She asked him if the Estonia programme could accept additional attendees. He made enquiries on her behalf and confirmed that she could attend. Ms Bottriell paid for her own expenses.
80. The Estonia programme ran from 1–4 July 2025 and was organised by Estonian officials. Ms Bottriell told me she attended as an observer, that Mr Stobo participated in a personal capacity and that “neither of us represented ourselves as attending in any FMA capacity.” The programme was busy and there were social events in the evenings. Ms Bottriell said she did not at any time represent herself as an FMA employee and told the organisers she was not currently employed.
81. In October 2025, Ms Bottriell learned rumours were circulating inside the FMA alleging she and Mr Stobo were in a personal relationship and was told an FMA colleague (A) had communicated the rumour to others in the office. On 24 October 2025 Ms Bottriell received a telephone call from 9(2)(a) (who stated he had received the allegation from an FMA source) to confirm whether she was in an “inappropriate sexual relationship” with Mr Stobo. She told me that the same day she was attending a European Union event at which Mr Stobo was present, so she asked to meet with him and they spoke before the event started. She told him about the rumours, the call from 9(2)(a) that she understood the rumours had been passed on to others by A, and her intention to take steps to obtain an apology from A or otherwise address it with A to stop the rumours from spreading further. She told me Mr Stobo was not as concerned as she was about the rumours but that he had said she had a right to defend her reputation.
82. Ms Bottriell told me Mr Stobo did not direct her actions and that she had only referred in general terms to her intention to approach A when they spoke. He

later told her he could not comment further due to being involved in another legal process.

83. Ms Bottriell met with A on 2 November 2025. She told me A apologised and admitted speaking about the rumour and at Ms Bottriell's request drafted a written apology which Ms Bottriell said should be shown to the Chief of Staff and others to whom the rumour had been communicated. However, A subsequently reversed her position and blocked Ms Bottriell's communications.
84. Ms Bottriell told me she had raised concerns with the FMA and MBIE about the FMA's internal culture, rumour-spreading, lack of accountability, and leaking of internal matters and expressed the view that the situation that had arisen with Mr Stobo would have been avoidable with proper internal management.

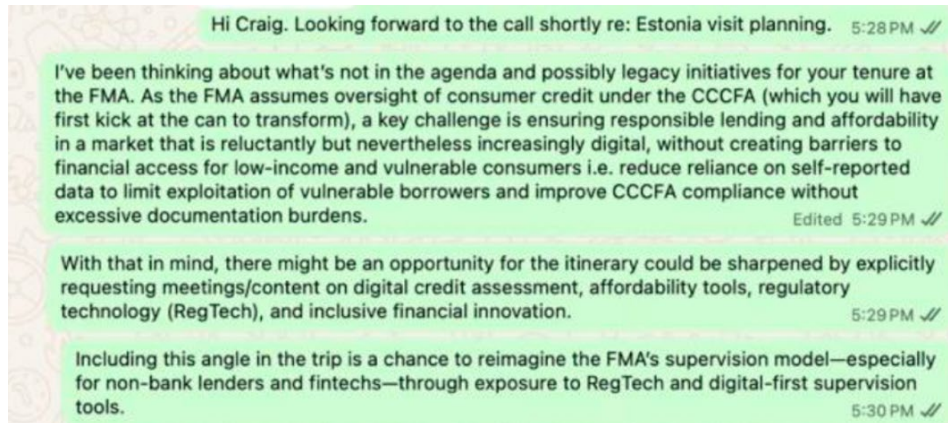
Emails/social media information provided by Ms Bottriell

85. I reviewed the WhatsApp messages between Mr Stobo and Ms Bottriell dated between 1 June 2025 (just after Ms Bottriell's last day at the FMA) and 13 November 2025 and emails supplied by Ms Bottriell relevant to the Estonia trip.
86. The emails provided by Ms Bottriell show that Mr Stobo had been in contact with Estonian officials from early March 2025 regarding a proposed visit. On 23 March 2025 he emailed the Estonian ambassador (from his personal email address) advising:

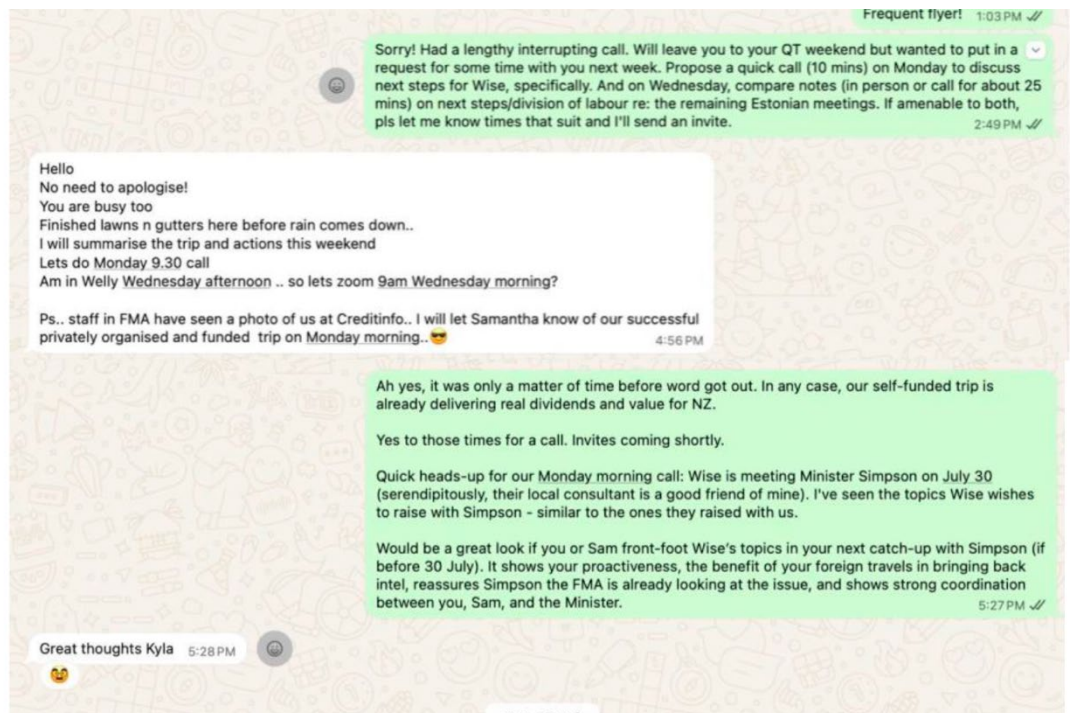
I am travelling to the UK/Europe in mid June.
As Chair of the NZ Financial Markets Authority I intend to visit the financial conduct regulator colleagues the FCA in London and the AFM in Amsterdam.
I will then be a member of the NZ Initiative delegation to The Netherlands in the week commencing 22 June.

Following the above it would be great to visit Tallinn from 30 June.
My interest is Estonia's e-government. I have read the e-Estonia website and am particularly interested in the evolution of your digital public service and the creation of e-solutions and services.

87. There are WhatsApp messages from 6 June 2025 relating to planning for the Estonia trip and attendance at a Teams call to plan the programme. On 10 June, just before the scheduled Teams call, Ms Bottriell sent a detailed message commencing:



88. The subsequent text exchanges between Mr Stobo and Ms Bottriell are (while in Estonia) focussed on arrangements to meet to attend events, and subsequently related to follow up of the learnings in Estonia. In that regard, Ms Bottriell supplied me with a copy of the three-day programme in Estonia and her detailed (14 page) report, showing that it included visits to a number of government and private sector organisations.
89. Emails I received from Ms Bottriell show that following the Estonia visit Mr Stobo engaged with the New Zealand government regarding learnings from the Estonia programme. This included Mr Stobo advising he had been texting the Prime Minister, who had been positive about Estonia and was keen for them (Mr Stobo and Ms Bottriell) to talk to other officials and Ministers.
90. On 11 July they had the following text exchange:



91. On 14 July 2025 Ms Bottriell sent Mr Stobo some suggested text for an email to Ms Barrass asking her to support looking into certain issues around international transfer payments, following on from a meeting he and Ms Bottriell had attended in Estonia with Wise (a global fintech offering cross-border payment services). I asked Mr Stobo whether he had sent the suggested email and he said that he did not send it.
92. The only WhatsApp messaging relating to the interactions between Ms Bottriell and A (regarding Ms Bottriell's concerns about the rumours that had been circulating) is a message sent by Mr Stobo to Ms Bottriell on 7 November asking "did you sort out your girlfriend?", to which Ms Bottriell responded:¹³

Almost sorted. I addressed the matter directly with her, and we had a constructive conversation. She acknowledged making the false claims and provided a draft apology letter, with the understanding that once finalised, she would discuss it with Scott or that I would.

However, she has since ceased contact, blocked me and several mutual connections, and is now alleging that I have been harassing or stalking her. I plan to take her draft apology and my correspondence with her to Scott and close the matter from my side. That said, open to your thoughts on the right next step you see from here.

93. Ms Bottriell sent Mr Stobo a further message on 13 November 2025 advising that the situation had changed and that she would be taking further steps "but wanted to give you a heads up since you are named and I felt you should hear it from me directly...". Mr Stobo responded saying that he was "now in a confidential legal process and would reply when able to do so." Both parties advised me they had had no further contact since then.

Interview with Mr Stobo

94. Mr Stobo on interview explained that he was interested in Estonia's acknowledged leadership in digitisation, which prompted his visit to Tallinn, with a programme having been organised locally for him. He confirmed that this part of his trip to Europe in mid-2025 was funded by him personally and was separate from an NZ Initiative study tour to Amsterdam, in which he also took part. He was clear that he did not intend to represent the FMA at the meetings in Estonia.
95. Mr Stobo explained that he had worked with Ms Bottriell before she left the FMA and had been impressed with her external relations work. He confirmed she had told him she would be leaving the FMA and asked him if she could attend the programme in Tallinn after he told her about it. He described their relationship both during Ms Bottriell's time at the FMA and afterwards as being of an entirely professional nature.
96. In relation to the CreditInfo and Estonian regulator's LinkedIn posts, Mr Stobo was emphatic that he did not know about them before they were posted and did not authorise them. He agreed it was unfortunate that the posts described Ms Bottriell as an "External Relations Advisor" and identified him as the FMA Chair.

¹³ The reference to "Scott" is to Scott McMurray, FMA Chief of Staff.

97. Mr Stobo acknowledged in hindsight it would have been better to give the FMA advance notice of meetings with regulators or stakeholders, both to receive briefings and to help the FMA manage any queries, but said that he had mentioned that he would be going to Estonia to the Board before his trip, and explained that he had debriefed staff and directors afterwards in an internal session covering his European regulator visits and Harvard trip. I was provided (by Mr Mason) with a copy of the slides from this presentation and a transcript of the relevant part of it, which indicates Mr Stobo spoke for a minute about the Estonian component of his trip.
98. In relation to the concerns expressed by Mr Bardy regarding Mr Stobo's initial concern about sharing his messaging with Ms Bottriell with Mr Every-Palmer, Mr Stobo explained that he wished to consult his lawyer to confirm whether he was able to share these, taking into account Ms Bottriell's privacy and that once he had received confirmation that they could be shared, he did so.

Findings

99. Based on the information gathered, as set out above, I make the following factual findings:
 - 99.1. There is no information to support that Mr Stobo and Ms Bottriell had anything other than a professional relationship while Ms Bottriell was working at the FMA. She was assigned to assist him in relation to some external meetings, in her role as External Relations Adviser.
 - 99.2. After Ms Bottriell had resigned, and during the course of work-related discussion, Mr Stobo mentioned his planned trip to Estonia to investigate digitisation of government services (in which Estonia is a world leader) and Ms Bottriell asked if she could attend the programme, as she was intending to be in Europe at the time (following her leaving the FMA). Mr Stobo (who had been impressed with Ms Bottriell's work while at the FMA) then organised this through the Estonian programme organisers and they both attended a busy three-day programme (1-3 July 2025) in Tallinn. The WhatsApp interactions between them during that time were friendly but professional in tone and contents. Ms Bottriell prepared a detailed report discussing each of the events they attended and this work was used as a platform for further discussions with the New Zealand government on their return.
 - 99.3. Mr Stobo had informally mentioned in an email to Estonian officials that he would be visiting Estonia during his trip to Europe with the NZ Initiative (which included two FMA-organised visits to regulators in Amsterdam and London) but did not advise that he would be visiting in any FMA-related capacity. His correspondence (from his personal email address) with the Estonian organisers referred to his position as Chair of the FMA Board in relation to planned visits to London and Amsterdam but did not state that he would be visiting Estonia in that capacity. The reference to Mr Stobo's FMA position in the LinkedIn posts is likely to have been due to that email, but there

is no evidence to suggest that Mr Stobo represented himself during the programme as attending in his FMA capacity.

- 99.4. Mr Stobo did not advise FMA management or the Board in advance of his trip that he would be visiting the financial markets conduct regulator (the FMA's equivalent) while in Estonia.
 - 99.5. Mr Stobo did not advise anyone at the FMA (Board or management) that Ms Bottriell (by then a recently departed former staff member) would be attending the Estonia programme with him. FMA management only became aware of this when the LinkedIn posts were drawn to their attention.
 - 99.6. Ms Bottriell advised Mr Stobo of her intention to speak to A about her concern that A had been spreading rumours about her and Mr Stobo. The information I received in this regard from interviews and the relevant messaging was consistent with Mr Every-Palmer's conclusions that Mr Stobo was aware of this exchange at a high level and encouraged Ms Bottriell to "sort things out" with her friend but did not provide more specific input than that.
 - 99.7. Mr Stobo did not advise anyone at the FMA of the interactions between Ms Bottriell and A, including that Ms Bottriell had requested an apology letter which she intended to present to the Chief of Staff, or Ms Bottriell's advice that A had accused her of stalking and harassment.
100. Following on from the above factual findings:
- 100.1. In my view, Mr Stobo should have advised FMA management that he was meeting with the Estonian financial markets regulator, even if that was during the course of a wider programme which he was attending in his personal capacity. He was by then aware from various interactions with management that he should advise when attending meetings in his capacity as Board Chair. Even if he considered he was not formally attending this particular meeting in his FMA capacity, he had been open with Estonian officials that he held that role, the regulator would undoubtedly have been aware of that, and as a matter of common sense he ought to have known that the FMA would be interested in the fact that he was visiting its equivalent in Tallinn and might wish to brief him in relation to—for example—any past engagement between the agencies.
 - 100.2. In terms of the representation on LinkedIn of Mr Stobo as FMA Board Chair, I do not find that he was directly responsible for this, but given the significant nature of the role and the fact that he had advised officials he held this appointment, it was probably inevitable that organisations visited would wish to publicise his visit by reference to this role. Again, this could have been managed if he had disclosed the detail of this intended visit to the FMA.

100.3. In terms of Mr Stobo's duties as a Board member, there is no express policy or legislative provision that would prevent him from attending a non-FMA meeting overseas with a former junior staff member. However, as a matter of common sense, Mr Stobo ought to have considered the potential optics of doing so, and it would have been sensible to advise FMA management in advance of his intention to attend the Estonia programme with Ms Bottriell.

100.4. It would also have been sensible for Mr Stobo to have advised FMA management that Ms Bottriell had raised with him her intention to take steps to prevent or control the rumours that were apparently circulating, including by approaching a current FMA staff member to seek an apology. Even if Mr Stobo was unaware of Ms Bottriell's intention to deal with this (as she did) in a forceful manner, he should have recognised the potential for difficulty and brought this to the attention of FMA management (as Mr Every-Palmer commented). He should certainly have discussed this with management on 7 November 2025 after learning that:

100.4.1. Ms Bottriell had been approached by a well-known media source about the rumours; and

100.4.2. A had accused Ms Bottriell of stalking and harassment.

By not advising management of these developments, Mr Stobo failed to alert the FMA to a potential reputational risk.

100.5. In terms of Mr Stobo's initial reluctance to share his WhatsApp messages with Ms Bottriell, I do not consider this to be a serious concern given that he ultimately provided the texts to Mr Every-Palmer.

G. TOR PARAGRAPH 5(b): THE INDI MATTER

Allegations

101. The Summary Document confirms that the allegations at paragraph 5(b) of the terms of reference centre on Mr Stobo's continued role as an independent director of The Independent Mortgage Company Ltd ("Indi"), a digital mortgage provider positioned as a challenger to the major banks. Indi had begun receiving media attention in mid-2025, highlighting Mr Stobo's FMA role in press releases. It is alleged that at least one major bank raised concerns with FMA management about the appropriateness of the association.

102. The Summary Document notes that on 12 July 2025 the FMA's General Counsel (Liam Mason) formally advised Mr Stobo that Indi's use of his FMA position in its marketing, combined with its pointed public commentary about incumbent banks, created an actual and ongoing conflict of interest, particularly given the FMA's new remit for regulation of bank conduct under COFI and its anticipated future role in consumer credit.

103. It is said that although Mr Stobo indicated to the Board on 16 September 2025 that he would step down, by 2 December he had not done so despite multiple reminders from the CEO. The Board considered the delay in resolving the conflict to be unacceptable and reputationally risky, and escalated the matter to the Minister on 2 December 2025.

Relevant legislation/policy

104. Sections 62–72 of the CEA contain a specific set of rules for the disclosure of interests by members of Crown entities. These sections deal with conflicts in a relatively narrow sense, referring to the need to disclose in circumstances where the member has a financial interest in an action, decision or policy by the entity.
105. The PSC Code states:

We identify, disclose, manage and regularly review all interests.

We become familiar with, and follow, all conflicts of interest requirements, including those of the board, the entity, and all statutory and professional requirements including the Crown Entities Act 2004, sections 62–72.

106. Paragraph 4.15 of the FMA Board Governance Charter and Manual states:

The Board recognises conflicts of interest as serious governance issues. Conflicts of interest, if not disclosed, registered and managed properly have the potential to lead to situations that will undermine decisions taken by the Board and the confidence held by stakeholders in the actions of FMA.

Accordingly, members must disclose any interests in a matter that FMA is considering. A copy of the Board Conflicts of Interest Guidance is included in the Board Reference Book.

107. The Board *Conflicts of Interest Guidance* contained in a 2011 Board paper provides detailed guidance on the identification, disclosure and management of conflicts by Board members and is accompanied by a summary of the Guidance. This emphasises (amongst other things) the importance of ensuring that members are alive to the dangers of a perception of bias and refers to “the basic principle that decision-makers should both be impartial and, just as importantly, be seen to be impartial.”

Information gathered

Mr Mason

108. Mr Mason provided some background in relation to the Indi issue, noting that in late April 2024 he had had a discussion with MBIE regarding Mr Stobo’s proposed appointment as Chair of the FMA Board. At that point Mr Mason had identified that Mr Stobo was the Chair of Elevation Capital, an FMA

licensed fund manager, and the Saturn group of companies, also licensed by the FMA, and drew this to MBIE's attention.

109. By way of context, Mr Mason told me that management of conflicts of interest was "everyday business" for the FMA, "[p]articularly because we want people who come out of the market." However, he added that the situation had generally been different in relation to the Board Chair because it was difficult to have a Chair who could not participate fully in the matters in front of the FMA, noting that "other members can sort of come and go through meetings. It's a regular dance, but more difficult for the chair, who was more fundamentally involved in the strategy setting and the activities of the FMA."
110. Mr Mason said that Mr Stobo's appointment had then been delayed while MBIE officials liaised with him about the identified conflicts. After a further couple of weeks, he was advised that Mr Stobo had agreed to step down from his positions with Saturn and Elevation and so the appointment could proceed.
111. In relation to Indi, Mr Mason confirmed that "Craig disclosed to us his position with Indi promptly as far as I know", referring to an email he received from Mr Stobo dated 29 August 2024 disclosing two new directorships:

Firstly to Indi and its related company Maverick. The companies are in the business of providing prime residential mortgages online using a proprietary digital platform. It is a non-bank fintech.

...

Please call if you wish to discuss these appointments.

112. Mr Mason told me that he did not see the appointment as "remarkable", and noted that Indi was not affirmed as one of the FMA's financial service providers at the time. Accordingly, Mr Mason thanked Mr Stobo and noted the directorships.
113. Indi's business received media coverage in mid-2025, and Mr Mason's attention was drawn to articles that made it clear the company was a "challenger" to the large banks in the mortgage space.
114. On 16 June 2025, Mr Mason received an email from Clare Bolingford, FMA Director of Regulatory Delivery, stating that she had received a call from the General Counsel of a major bank 9(2)(ba)(i) "about Craig's directorship of the Independent Mortgage Company, who they see as a direct competitor to the banks. The appointment was flagged to them by news articles last week." Ms Bolingford said that she responded to that email with a broad overview of the conflicts of interest policy, including conflicts management as it relates to Board directors, "but said I wasn't aware until he had had raised it of this particular directorship."
115. Ms Bolingford responded to the 9(2)(ba)(i) General Counsel on 17 June 2025. Her response included the following:

FMA Board members are non-executive and many are selected on account of their expertise and experience in financial services. This means that members may have potential conflicts arising from their work outside the FMA. The value that the FMA obtains from having Board members with industry experience is also recognised in the Crown Entities Act, which provides that a Crown entity board member is not interested in a matter only because he or she has past or current involvement in the relevant sector or industry. The FMA has a rigorous conflicts of interest process for board members to identify potential interests and to ensure that board members comply with their obligations under the Crown Entities Act.

The FMA maintains a list of members' interests. This is updated in advance of each board meeting and board members confirm its accuracy at the meeting. Mr Stobo's interest in The Independent Mortgage Company Limited has been disclosed under this process.

Members who have an interest in relation to any matter (as defined in the Crown Entities Act) may not participate in discussions on the matter or take part in any decision on the matter. If a Board division is formed to deal with a particular matter staff carry out an additional conflict check with potential division members before the division membership is finalised and before any information is sent to members.

The great majority of regulatory decisions, including licensing and supervisory decisions, are taken by staff acting under delegations from the FMA board. FMA staff are required to comply with the staff conflicts policy, which similarly requires disclosure and management of any conflicts of interest.

116. Ms Bolingford closed by asking whether 9(2)(ba)() wished the matter to be treated as a complaint. I do not understand that to have been the case.
117. The articles referred to by Ms Bolingford, copies of which were provided to me, were on digital news platforms, goodreturns.co.nz (17 June 2025) and tmm.co.nz (10 June 2025), and had similar content. To summarise, both articles reported that Indi was offering cheaper floating home loans, which it was able to do as it did not provide mortgage advice to borrowers. Both articles reported on the chief personnel of Indi and went on to state:

Backing them up on the board is independent director Craig Stobo, Financial Markets Authority (FMA) and Local Government Funding Agency chairman, and a former chief executive of BT Funds Management.
118. At the end of both articles, comments had been posted anonymously by a member of the public (in both instances posting as "Amused") criticising the business model. On the tmm article, the comment posted questioned the propriety of Mr Stobo's board position:

I think it's also highly inappropriate that the chairman of the FMA is now sitting on the board of Indi when his role as regulator of the financial services industry he is charged by the government and our politicians to monitor and determine the standard of financial advice been [sic] provided to Kiwi consumers. I guess mortgage advisors can now see why the FMA has done nothing about the Westpac/Dosh relationship. There appears to be a significant conflict of interest here.

119. Mr Mason said his major concern about the articles was the apparent use by Indi of the FMA as a “marketing tool for a financial service provider.” In the email sent to Mr Stobo on 12 July 2025 (referred to above), Mr Mason wrote that one of the matters he needed to discuss with Mr Stobo was:

You may be aware of recent publicity concerning Indi (see <https://tmmonline.nz/article/9776524503/kiwisaver-scheme-funding-new-cheap-floating-rate-startup>). This company is clearly a challenger in the mortgage space. While your interest as an independent director has been disclosed, I am concerned about the company’s use of your position at the FMA on its website and in its marketing, which has been picked up by the media and has been subject to some commentary, including concerns raised with us by the general counsel from one of the banks we regulate. The firm is very pointy in its comments on mainstream banks, as we begin to implement COFI I'm prepared to take on consumer credit I think it may be problematic for the Board chair to be associated with the challenger in the industry, in particular given the way the firm has highlighted your role at the FMA. They moved the view that this association presents a conflict of interest for you now in matters concerning banking (including COFI) and will do so in the future concerning consumer credit.

120. The matter was discussed when Mr Mason joined Mr Stobo’s regular Monday meeting with the Chief Executive on 14 July 2025. Mr Mason told me that he outlined that the concern related to the perception of the independence of the FMA and reiterated the concerns set out in his email about the extended role of the organisation in regulating banks and the further intended extension of its remit to consumer credit companies. Mr Mason said he told Mr Stobo that he considered that he should reconsider his position with Indi and whether it was tenable, and that Mr Stobo agreed to consider or reflect on his position. After that point, Mr Mason said that the matter was handled by the Chief Executive.

Ms Barrass

121. When I interviewed Ms Barrass she told me that she considered the role with Indi was “heavily conflicted” and that the matter was a serious one for the FMA because:

We [the FMA] need to be beyond reproach because the inappropriate management of conflicts is not just a matter of regulatory

requirements, we take enforcement action when conflicts are not managed appropriately.

122. Mr Stobo was asked by Ms Barrass to share the matters raised in Mr Mason's email with the Board. According to Board members I interviewed he did raise these at the 5 August 2025 meeting, but at a general level (Mr Swasbrook described this as Mr Stobo having "glossed over these issues very quickly to us all and kind of implied there was nothing to see here" and other Board members made similar comments). In relation to the Indi matter, it was common ground that he said he would work through that issue with the ARC Chair, Mr Bardy.
123. The next relevant event in relation to Indi appears to have been at the 16 September 2025 Board meeting when Mr Stobo addressed the conflict. There were differing accounts on interview as to whether he told the Board during CE and Board only time that he had resigned or that he would be resigning from the Indi board. While Ms Barrass' notes of the meeting recorded that "Craig has stood down", Mr Stobo was adamant that he said he would stand down (not that he had done), and this was consistent with Mr Bardy's recollection that "Craig said that he would resign from Indi and that he would take steps, or was taking steps."
124. It is clear that, whatever precisely was said at the 16 September Board meeting, most Board members were left with the impression that Mr Stobo would shortly be standing down from Indi, and were surprised to learn in late November that he remained on that board.
125. The Companies Office website shows that Mr Stobo resigned on 12 December 2025.

Mr Stobo

126. On interview Mr Stobo referred to the fact that Indi was not an entity regulated by the FMA (it was, at the relevant time, and remains, regulated by the Commerce Commission). He explained that he had "had no push back" after declaring the interest and had attended meetings with banks without any problems arising. However, he said he understood the concern at the time it was raised with him by Mr Mason and Ms Barrass and intended to "come off", thinking "I will just get through the financials for the year for the business and a couple of other wholesale arrangements and I'm out. And pushed hard to get through and got it done in early December." He stated that he had in fact come off the Indi board prior to that entity becoming an FMA-regulated body.
127. In relation to the 16 September 2025 Board meeting, Mr Stobo confirmed he had advised the FMA Board he would be leaving his role at Indi but was adamant that he had not given a time within which that would occur, stating that he would not have done so as "I knew I had stuff to do in the background." He told me he had advised the Indi directors about the need for him to leave due to the conflict issue as it had been raised and additionally stated that in

any event he would need to come off the Board prior to Indi becoming a regulated entity.

128. Following our two interviews, Mr Stobo provided the following written summary of his perspective on his disclosure and management of the Indi appointment:

- I disclosed my directorship of Indi to the FMA in a timely fashion
- There was [sic] no concerns raised by management at the time, and I expected conflicts to be managed as per the normal process for decision making (e.g. Divisions).
- Since disclosing I have met with the ANZ, ASB and BNZ bank boards as part of the FMA visitation programme, accompanied by FMA staff. I also met with the Chair of Westpac bank. There were no concerns raised by bank management.
- Comments in the press by Indi execs on banks in mid-2025 were not stated or approved by me.
- The query from 9(2)(ba)(i) mid year was answered appropriately in my view (without my knowledge) by FMA's Claire Bolingford. ...ie we manage these conflicts as part of our governance processes.
- Given the latter, I don't know why management have opted for urging resignation, when I believed the bigger issue was to get off the Indi Board ahead of the FMA assuming responsibilities for CCCFA.....ie a similar outcome to my resignations from FMA-regulated entities Elevation Capital and Saturn boards ahead of joining the FMA in May 2024. Resigning from Indi in 2025 is well ahead of final legislation enabling the transfer of responsibilities to the FMA expected in 2026.
- In our board performance review late last year directors considered we should review our conflicts policy to ensure it is fit for purpose for a conduct regulator. (Some directors do sit on FMA-regulated boards).

129. I followed up with Mr Stobo regarding his statement about meetings with the banks, and at his request sought details with his administrative assistant at the FMA, who confirmed that he had attended meetings with the trading banks, including in February, March and May of 2025.

130. I also asked Mr Stobo to provide the documents showing the date of sign-off of the Indi accounts. He provided these, which indicated that the accounts were signed off on 27 October 2025 (about seven weeks prior to his resignation).

131. In his feedback on my draft report, Mr Stobo advised that one of the reasons he stayed on the Indi board until December was that its directors had asked

him to co-sign a resolution to enable refinancing of a warehouse extension, and provided emails confirming this occurred on 6 December 2025.

132. He also emphasised, in his comments, that he considered Ms Bolingford's email to [REDACTED] (see above) appropriately dealt with the question of conflict and additionally suggested that there was an inconsistency between FMA management being concerned about his directorship of Indi but not the fact that he was the chair of the Local Government Funding Agency (LGFA). In this regard, he said that the LDFA directly competes with the banks to fund local authorities and could therefore be regarded as a more significant concern than Indi.

Discussion

133. I consider that Mr Stobo appropriately disclosed his directorship of Indi, and it is clear that no immediate concern was raised when this came to the attention of FMA management. However, it became clear that a real risk of a perception of conflict had arisen in mid-June 2025 when the publicity about the nature of Indi's business made it clear that it would be competing with the trading banks and referred to (for example) "big bank fat." By then, the FMA was responsible for the regulation of bank conduct, and it was predictable that banks might feel uncomfortable about the Chair of that agency being on the board of a competitor that was vociferous in its criticism of trading banks in relation to costs.
134. The fact that Mr Stobo attended some meetings with trading banks during 2025 (including after the Indi publicity in June) does not negate the concerns that had been raised or the existence of a conflict. Some competitors would, of course, be more sensitive than others. In this context, if there is real potential for a perception of bias/conflict, that needs to be addressed.
135. It was not appropriate for Indi to have referred in any press releases to Mr Stobo by reference to his FMA role. I understand Mr Mason's concern about Indi apparently using Mr Stobo's position as Chair for marketing purposes. Mr Stobo advised he was not responsible for the contents of the press release: however, neither did he tell the company *not* to refer to him in that capacity.
136. Mr Stobo agreed to consider his position and clearly did so, accepting he should resign from the Indi board by 16 September 2025. He did not, however, resign until nearly three months later, citing the need to sign off on the end of financial year accounts for Indi in advance and one other matter regarding financing.
137. In my view, these matters should not have significantly delayed the resignation. Once Mr Stobo had accepted the conflict, he ought to have resigned promptly (as he accepted on interview). He suggested that the most significant issue would have arisen at the point that Indi became a regulated entity under the intended credit contracts extension of the FMA's functions (which is yet to take place) and reiterated in feedback on my draft report that other FMA members sit on boards of regulated entities. However, in my view, this demonstrates that Mr Stobo does not have a well-developed

understanding of the need to avoid the perception of a conflict, particularly as the Chair of a Crown entity board. In relation to Mr Stobo's suggestion that his position with the LGFA might be regarded as a more significant concern than Indi in terms of potential conflicts, I asked Mr Mason about this and he said that he considered there to be a sharp distinction between the two organisations, the critical point being that LGFA is a statutory entity that operates in the wholesale space, funding local authorities, whereas Indi is competing with the trading banks in quite a different context, being the retail mortgage market, which includes direct dealings with consumers. LGFA is not presently and will not be licensed by the FMA, whereas since March 2024, it has been the intention of Government to bring credit companies within its statutory remit (and Indi will fall into this category).

138. In short, while Mr Stobo appears to have agreed that he needed to step down from Indi, he appears to have been somewhat lackadaisical in his approach to doing so and to have stayed on the Indi board for reasons of convenience to the company. This suggests that he did not appreciate the significance of the perception of conflict for the FMA, notwithstanding the clear message that he had received from Mr Mason.
139. Mr Stobo's comments on my draft report tended to indicate he felt the concern regarding Indi was not as serious as Mr Mason and Ms Barrass (and other Board members) considered it to be, which I consider probably contributed to the delay in resigning.

Findings

140. My findings in relation to the Indi matter are as follows:
 - 140.1. Mr Stobo was appointed as an independent director on the Indi board on 23 August 2024.
 - 140.2. Mr Stobo properly disclosed his directorship of Indi on 29 August 2024, a few days after his appointment, to the General Counsel of the FMA.
 - 140.3. FMA's General Counsel emailed Mr Stobo on 12 July 2025 expressing concern that his position as Chair of the FMA was being used by Indi in publicity and stating that as the FMA Chair he should not be associated with a challenger to the major banks, whose conduct was subject to FMA regulation.
 - 140.4. Following the concerns being raised with Mr Stobo, he was asked to address this with the Board but initially only did so in a relatively vague way.
 - 140.5. On 16 September 2025 Mr Stobo indicated to the Board that he would resign from the Indi board.
 - 140.6. Mr Stobo did not, however, resign from Indi until 12 December 2025.

140.7. Regardless of the reason for the delay in resigning, the delay was unacceptably long, given the concerns raised with him by the General Counsel and his acceptance of the need to resign from the Indi board.

H. TOR PARAGRAPH 5(c): THE SEPARATION OF ROLES MATTER – TRAVEL

Allegations

141. The Summary Document alleges that Mr Stobo made requests for the FMA to fund personal (non-FMA) travel in conjunction with FMA-related travel, most of which were declined by the Chair of the Board’s Audit and Risk Committee (ARC).

Information gathered

142. The FMA Travel Policy requires that travel by the Chair be approved by the Chair of the ARC (Clause 3e). Clause 4.8 does not preclude combining personal travel with travel on FMA business but states that “care should be taken when combining personal and business-related travel, as this can give rise to unwanted perceptions and requires greater scrutiny.”

143. Mr Bardy, who is the Chair of the Board’s ARC, provided the relevant detail in relation to the allegation that Mr Stobo had made inappropriate requests to combine personal and FMA travel, including forms submitted by Mr Stobo and associated emails.

144. The concerns raised relate to three requests, relating to trips (or proposed trips) to Europe, Harvard and Egypt respectively. In short, the copies of emails and forms received from Mr Bardy confirmed the facts as described in the Summary Document (Appendix C) as follows:

144.1. Europe trip request: On 15 April 2025 Mr Stobo requested that the FMA fund half of a return fare to Europe in June 2025. The primary purpose of the travel was to participate in a programme organised by The New Zealand Initiative, primarily in Holland. Mr Stobo had also proposed meetings (for a total of two days) with financial markets regulators in London and Amsterdam, which were organised for him by the FMA. The request to part-fund the return travel from New Zealand to Europe (including taxi fares to and from Auckland airport) and a train fare in Amsterdam was declined. The costs of two nights’ accommodation in London and Amsterdam and travel between London and Amsterdam were approved on a reimbursement basis (as those costs related to the FMA-arranged meetings).

144.2. Harvard trip request: On 28 June 2025 Mr Stobo requested approval to travel via Vancouver (for personal purposes) as part of his FMA-funded travel to Boston to attend a week-long course at Harvard on regulatory theory in September 2025. That request was declined.

144.3. Egypt trip request: On 3 November 2025 Mr Stobo requested that the FMA fund travel to Egypt for him to attend the five-day Annual

Conference of the International Organisation of Securities Commissions (**IOSCO**) in June 2026. The request envisaged the Chair being away from New Zealand for 22 days, five days of which were described as travel to and from Egypt and 12 days of personal travel in Egypt.

145. In relation to the IOSCO conference in Egypt, after the ARC Chair's decision, Mr Stobo then elected not to attend that conference, stating that he did not consider it was necessary for him to attend given that two other representatives from the FMA would be attending (including the Chief Executive) in view of costs considerations.
146. Mr Bardy's view as expressed to me was that these requests ought not to have been made in view of the sensitivities around international travel generally and, in particular, combining FMA funded international travel with personal travel, especially in the prevailing fiscal climate, when travel for staff was being carefully controlled. He felt that the requests put him in a difficult position, in having to say "no" repeatedly to his Board Chair. Both Mr Bardy and Ms Barrass considered these requests also placed the FMA staff who administered travel requests in a difficult position, again as a result of Mr Stobo's position.
147. Mr Stobo did not dispute the facts as stated by the Summary Document or as demonstrated in the emails and other documents provided to me, in relation to any of the requests, but simply pointed out that the Travel Policy did not state that personal travel could not be combined with travel on FMA business (only that care should be taken when doing so), and said that he had accepted the refusal of funding in each case.

Findings

148. In relation to the Travel issue it is clear that all of the requests were made as described in the Summary Document—in summary, that on three occasions during 2025 Mr Stobo asked for FMA funding for travel that would combine FMA attendances overseas with travel for personal purposes. In relation to the Egypt trip, as Mr Bardy pointed out, Mr Stobo's intention had been to spend more of his time away on holiday (12 days) than at the conference (5 days).
149. I have carefully considered the perspectives of Mr Bardy and Ms Barrass on the requests, but I cannot find that there was anything inherently inappropriate in Mr Stobo making them, or his conduct in relation to them (which was effectively to accept the ARC Chair's decision, without argument, in each case). In short, he filled out the required paperwork for approval of his requests, and accepted the decisions of the ARC Chair, including the decisions to decline the combination of personal and FMA-related travel.
150. While I understand that Mr Bardy may have found it uncomfortable to decline requests from the Chair for travel, I consider that this is ultimately part of the process.

I. TOR PARAGRAPH 5(c): THE SEPARATION OF ROLES MATTER – PUBLIC COMMENT

Allegations

151. In addition to the general allegation in paragraph 5(c) of the terms of reference, the Summary Document noted that on 12 July 2025 the General Counsel had raised a concern regarding comments on policy matters made in Mr Stobo’s personal capacity, with specific reference to comments made by Mr Stobo on “the future of [Climate Risk Disclosure (CRD)] reporting” as well as a concern about political activity or comments that relate to FMA functions.
152. In summary, the allegations are that:
- 152.1. Mr Stobo has commented on matters of government policy that relate to the FMA’s functions such as CRD reporting.
- 152.2. Mr Stobo has expressed political views in a manner that is not consistent with the PSC Code requirements of political neutrality, potentially impacting on public perceptions of independence and impartiality.

Relevant legislation and PSC Code

153. The matters raised in relation to this allegation include concerns about the manner in which Mr Stobo has communicated on matters that touch FMA policy and functions, and about his adherence to the PSA public service principle of political neutrality as applied in the PSC Code.
154. In relation to political neutrality, the PSC Code provides:
- We act in a politically impartial manner. Irrespective of our political interests, we conduct ourselves in a way that enables us to act effectively under current and future governments. We do not make political statements or engage in political activity in relation to the functions of the Crown entity.
- When acting in our private capacity, we avoid any political activity that could jeopardise our ability to perform our role or which could erode the public’s trust in the entity. We discuss with the Chair any proposal to make political comment or to undertake any significant political activity.
155. The slides presentation for Mr Stobo’s induction by the PSC addressed this principle in particular detail, stating that:
- Political neutrality is a foundation of New Zealand system of government. It means the Public Service serves the Government of the day by maintaining the confidence of Ministers, while acting in a way that it will be able to establish a professional and impartial relationship with any future government.

- It means that the Public Service does not jeopardise or erode public trust in the entity or the institutions of government.

- Political neutrality does not mean individual public servants do not have rights to free speech and independence in the conduct of their private affairs, but factors such as their seniority, role and the proposed actions affect expected conduct.

156. While the above slide refers to public servants rather than Board members, the presentation generally underscores that Crown entity Board members should conduct themselves in a manner that is consistent with the public perception that they are part of the government.

157. The letter from Minister Willis to Crown entity board chairs included in the board induction pack emailed to Mr Stobo on 21 May 2024 included the following statement:

I expect you to ensure your entity is aware of all its legal obligations and that it follows relevant guidelines and standards. All board members must give effect to the [PSC Code] including upholding the principle of political neutrality.

158. The FMA's *Board Communication and Information Guidelines (Communication Guidelines)* state at paragraph 2:

As a Crown entity, communications to, from, and within the FMA should be treated as potentially open to public scrutiny. This public scrutiny increases the FMA's accountability and contributes to the goals of open government, but also poses reputational and legal risks to the FMA arising from the content or tone of communications.

159. And, under the heading "Content, context and tone of communications", the Communication Guidelines go on to record that:

159.1. All FMA Board members are likely to be called upon to comment on matters that are, or are likely to be, under consideration by the FMA, and in such cases should make it clear they are speaking in their private capacity and not on behalf of the FMA: paragraph 18.

159.2. Any public comment by a Board member on political matters or matters that could be associated with the FMA should be clearly identified as being made in their private capacity and Board members should take particular care to avoid political commentary in the lead up to an election: paragraph 19.

160. Paragraph 20 of the Communication Guidelines states that:

Where possible, public comment by Board members on matters that could be associated with the FMA's functions should be discussed in advance with the Chairperson and notified to the Chief Executive. Any public comment should be consistent with Board members' obligations to the FMA. Comments on highly contentious matters,

even if identified as personal comments, can pose a risk to the FMA in two ways:

- It can give the impression that the Board members' comments are informed, consciously or unconsciously, by their position within the FMA. Even where there is no such knowledge the public perception can be that the statement has a special status or credibility because it comes from an FMA member;
- Public comment by Board members that is contrary to or that prejudices an FMA policy position can raise perceptions of bias or division within the FMA Board and can detract from the effective performance of the FMA's functions.

Information gathered

Comments on policy relevant to FMA's statutory functions

161. The email from Mr Mason to Mr Stobo dated 12 July 2025 included the following concern:

Comments on policy matters in your personal capacity: as I raised at the Board meeting last week, care needs to be taken by Board members, and particularly the Board chair, when commenting on matters of government policy, such as the future of CRD reporting, especially where the FMA has a regulatory role. The [PSC Code] sets out standards of personal and professional conduct for Board members and states that members should not make political statements or engage in political activity in relation to the functions of the Crown Entity. While I know this seems intrusive, for senior public figures it may not be sufficient to note that a comment is made in a personal capacity, as despite this there is a good chance that any statements become associated with the views of the FMA.

162. When I interviewed Mr Mason, he explained that the above section of his 12 July email was prompted by a brief discussion at the 8 July 2025 Board meeting in which Mr Stobo advised he had attended a meeting at which the Minister of Commerce was present and that he (Mr Stobo) had posed the question of whether the CRD regime should be voluntary. That regime is presently mandatory for certain large financial entities and the FMA has had responsibility for monitoring compliance with the regime since 2023.¹⁴ Mr Mason told me that he had explained to Mr Stobo that members of the Board "needed to be very careful about making comments about matters for which the FMA has responsibility. We're a regulator but we also have a law reform role." Mr Mason explained to me that "the guidance we have for Board members is not to make comments about policy relating to the FMA for fear that it'll be taken as the FMA's policy position."

¹⁴ Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021.

163. I put this concern to Mr Stobo, who agreed that he had been at an event (confirmed by him to have been a function organised by the NZ Initiative) at which the Minister was present and that he had asked the question described by Mr Mason. Mr Stobo said:

... the Minister spoke and asked [for] some questions, and I said, well, here's a question for you. I know the Minister very well and I asked the question, is it conceivable or possible, I can't remember the exact words, that climate, you know, CRD could be voluntary? And before that question, he acknowledged me and said, 'oh, Craig you wear many hats. What's the question or words to that effect?' And I raised the question, and he demurred and thought, well, we'll have a think about that. Not sure that's going to be the case and in a very public environment and moved on and there was no follow up. The Minister appeared to be concerned about the issue and I thought he responded really well.

164. I asked Mr Stobo if he had clarified which hat he was wearing at the time, and he said he had not. He went on to say he was asking the Minister about a possibility rather than pushing for a particular outcome and:

It wasn't coming from an FMA perspective. It was a general question around, you know, would you consider voluntary? It wasn't a directive from me. Not that I could direct the Minister, but I wouldn't put it in terms of insisting or ought to or should. It was more, you know, would you contemplate...?

165. I put to Mr Stobo that suggestions or discussion about law reform by the Chair should be informed by a Board position or formal FMA position and he said that on reflection that was true but went on to say:

The Board didn't have a position on law reform. It was in administration mode but working very carefully with industry on proving the settings which were problematic, as you will be well aware. Costs of that are high for businesses to participate in the CRD regime. And that was the context of the meeting around some of the questions. The meeting was around costs. So I raised that as an alternative.

I wasn't representing a Board view. I wasn't representing an FMA view. It was simply a question at the time, with the Minister being able to comment on solutions to a problem.

166. In relation to this matter, I found Mr Stobo's response to be slightly confusing. First, one of his comments suggested that law reform might not be necessary to change the CRD regime. This is not correct: the FMA's oversight of the regime is mandated by legislation. Secondly, while saying that he was not pushing for any particular result, he emphasised his concern about the costs of compliance for corporates and noted that the comment was made "simply in a room of people who were concerned about the costs of CRD."

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- 167. In feedback on my draft report, Mr Stobo emphasised he had disclosed this matter to the Board voluntarily, for reasons of transparency.
- 168. In relation to the CRD matter, I find that Mr Stobo questioned the need for a mandatory regime at an external event. Given the FMA’s remit in that regard and his acknowledgement that he had not stated that he was not speaking in his FMA Chair capacity, I consider that this conduct did not comply with paragraphs 18–20 of the Communication Guidelines.

Comments on monetary policy

- 169. A Board member, Dr Prasanna Gai, explained on interview that he had concerns regarding Mr Stobo commenting publicly on monetary policy, which he considered problematic, given the relationship between the FMA and the Reserve Bank.
- 170. Mr Stobo commented that he was careful when commenting on monetary policy (which he pointed out was not a matter with which the FMA was concerned) and pointed out that he had arranged a meeting with the full boards of the FMA and Reserve Bank, and that no concerns had been raised by the Reserve Bank.
- 171. I identified examples of this on *The Platform* from August and October 2025 but note that the primary content of those interviews seemed to address the economic impacts of reductions/increases in the OCR. In the absence of more specific information about Dr Gai’s concerns I do not make any adverse finding in relation to this matter.

Public “political” commentary

- 172. Mr Stobo has been a media commentator for some years. Material I received included appearances by him on *The Platform*, a digital media programme on which he has a longstanding arrangement of speaking to Michael Laws, a broadcaster and former MP, and copies of the 2024 and 2025 editions of the NZ Herald *Mood of the Boardroom* economic review, in which he is quoted within various individual articles commenting on matters of politics, business and economics.
- 173. I set out below the comments made by Mr Stobo. The right hand column indicates the capacity in which Mr Stobo is described in the relevant publication as having made the comment.

3 October 2024	Fran O’Sullivan “CEO skills come to the fore” <i>Mood of the Boardroom (NZ Herald)</i>	“Christopher [Luxon] has managed the Coalition well and has got his ministers on tight delivery programmes. His focus on solutions to the cost of living and economic growth are appropriate priorities.”	Chair, NZ Windfarms
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		“The Coalition continues to deliver ‘The Great Unwind’ of atrocious policy settings of the last government. Moving from uniform expenditure cuts to better government programme design and delivery is where the opportunities lie.”	
3 October 2024	Fran O’Sullivan “Education Minister is top of the class” <i>Mood of the Boardroom (NZ Herald)</i>	“Reading this list of ‘The Great Unwind’ you realise how long the Coalition has been looking in the rear vision mirror.”	Chair, NZ Windfarms
3 October 2024	Fran O’Sullivan “In his sweet spot. Smart, strategic and vital to our interests” [regarding Winston Peters] <i>Mood of the Boardroom (NZ Herald)</i>	“An impressive saddlebag to National’s bike. Great on rebuilding our global relationships, great on his focus on the needs of New Zealanders, not their identities.”	Chair, NZ Windfarms
3 October 2024	Tim McCready “Hipkins keeping low profile” <i>Mood of the Boardroom (NZ Herald)</i>	“The Opposition has yet to accept the reasons for its defeat in 2023. Until they digest that result, they will struggle to articulate what Labour now stands for.” “The Greens are losing the climate debate as unrealistic economic reality of transition costs.”	Chair, NZ Windfarms
5 June 2025	Comments on <i>The Platform</i> (interview with Michael Laws) ¹⁵	“What I really liked about PM Luxon in the last couple of days, he's clearly said to New Zealand media, we are not shutting down New Zealand and sending production to other countries that are infinitely less carbon efficient	Economist

¹⁵ <https://www.youtube.com/watch?v=HdFzr7lWhMA>.

		than we are. I got to congratulate him for standing up for our productive food sector.”	
24 September 2025	Fran O’Sullivan “Education Minister tops the class, again” <i>Mood of the Boardroom (NZ Herald)</i>	“The Prime Minister’s appointments of Simeon Brown and Erica Stanford to their transformative portfolios is paying dividends. Winston Peters continues to impress as Minister of Foreign Affairs ... but maybe not for some greyhound owners.”	Chair, Local Government Funding Agency
24 September 2025	Fran O’Sullivan “A stronger long-term vision” <i>Mood of the Boardroom (NZ Herald)</i>	“PM Luxon’s performance advocating for New Zealand business in international forums has been valuable,” says Local Government Funding Agency chair Craig Stobo. “His skills at managing his Cabinet team and the Coalition should not be underestimated.”	Chair, Local Government Funding Agency

174. I put it to Mr Stobo on interview that comments of the kind noted above were political in nature and breached the PSC Code.
175. His response was that he had (since his appointment) made a point of not commenting on FMA-related matters and that most of his comments were concerned with global foreign policy or trade issues, or general economic conditions.
176. I then asked him whether, notwithstanding the absence of comments specifically relating to the FMA’s functions, his commentary could raise issues in terms of the requirements of political neutrality generally. His response was:
- I think I highlighted issues without necessarily taking a side. So my view is to raise the issues, others make decisions. FMA’s not a policy entity, it’s an administration entity that administers the Act, Policy sits with other government departments. So I was highlighting dilemmas without taking sides. Raise the issues.
177. He also said (later) that he was careful in his interviews not to support particular candidates or parties.

178. I put to Mr Stobo that given his position as Chair of the FMA, it was more difficult to divorce himself from being publicly identified in that capacity. His response was, again, that he didn't talk publicly about FMA matters.
179. I asked Mr Stobo to comment on the particular comment he had made regarding "The Great Unwind" of atrocious policy settings of the last government" in the *Mood of the Boardroom*. His response was:

It depends, some people on the far left think they're atrocious too. So I think you've got to be careful around what that means. I was speaking with my New Zealand Wind Farms hat on in here, right, so New Zealand Wind Farms. And if you look through the *Mood of the Boardroom* survey I've participated in, and talk to Fran O'Sullivan if you wish. I've been asked by Fran to comment every year and I'm quite – what's the word? I raise my head above the parapet other CEOs and directors won't do that.

I remember before David Seymour came in, I said to the audience through this *Mood of the Boardroom* survey, 'less dance-twerking, more policy-tweaking'. So I'm not afraid to criticise both sides, like I call that as it is. So I actually don't think I take sides.

180. I told Mr Stobo I had not been able to identify any comment in the *Mood of the Boardroom* publications from 2024 and 2025 that aligned with his comment regarding criticism of "both sides" and he told me I would need to go back to earlier editions.

Public submission and comments on Principles of the Treaty of Waitangi Bill

181. Also in the 3 October 2024 *Mood of the Boardroom* edition, Mr Stobo described the top three issues he considered were facing New Zealand included "multiple interpretations of the Treaty of Waitangi. Bring on the Treaty Principles Bill debate."¹⁶
182. On 11 January 2025 Mr Stobo made a public submission to the Justice Select Committee supporting the introduction of the Principles of the Treaty of Waitangi Bill to the Select Committee stage, and stating that he disagreed with judicial interpretation of the Treaty principles:

The [Bill] finally defines what Parliament has failed to do since 1975. This provides clarity in statute for all New Zealanders and will ensure that we can prosper as a modern representative democracy.

183. I referred Mr Stobo to the fact that there had been public criticism of him for making a submission on the Bill, given the highly-charged and political nature of the debate around the Bill. Specifically, the Green Party co-leader had commented that this activity might breach the PSC Code in relation to political neutrality.

¹⁶ "Top issues facing nation – Chiefs have their say".

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184. Mr Stobo's response was that he had made the submission in his personal capacity.
185. Other points made by Mr Stobo in responding to the allegations about political comment/submission were:
 - 185.1. He was concerned that the seriousness of these issues had not been communicated to him earlier in discussions with the FMA Board or management.
 - 185.2. He did, however, acknowledge that there was a need to reflect on these concerns and indicated a willingness to change the way he participated in public commentary going forward.

Findings – public commentary/political neutrality

186. There is no dispute as to the comments made by Mr Stobo as set out above, which are publicly available.
187. I have reviewed the comments identified and considered Mr Stobo's responses.
188. In summary, I consider that the overtly political commentary made by him is inconsistent with his obligations as a Crown entity board member under the PSC Code, notwithstanding:
 - 188.1. his avoidance of matters directly within the FMA's statutory remit; or
 - 188.2. that the comments were not made expressly in his FMA capacity.
189. Essentially, when read individually and together, his comments (particularly those in the *Mood of the Boardroom*) read as an endorsement of the current National-led government and particular named Ministers, and are critical of the former Labour-led government.
190. It is not relevant that Mr Stobo may have made comments in former (pre-2024) editions of the *Mood of the Boardroom* that were critical of politicians or policies of the parties now in government. First, one cannot assume that the reader will have access to or any recollection of the publication from a year or two earlier. Secondly, it is not clear to me that spreading criticism around could necessarily be equated with impartiality.
191. While Mr Stobo has not—as far as I am aware—commented on matters falling directly within the scope of the FMA's functions, under the PSC Code, that is only one aspect of the neutrality requirement, which extends in the Code to refraining from political comment or activity that could jeopardise the organisation's ability to work with any elected government or erode the public's trust in the entity.
192. Pointed political criticism, particularly when from the head of an organisation, has the ability to negatively impact the organisation's ability to work productively with parties or persons that are the target of that criticism.

In the present case, Mr Stobo is appointed for a term of five years, until 2029. There will be two general elections during that period, and the result of either (or both) could be a change of government.

193. In the case of an independent Crown entity, apparent partiality towards the government of the day could obviously also give rise to public concern about the extent to which the organisation can be relied upon to act independently. The essential feature of an independent Crown entity is that it is independent of government policy, unlike other categories of Crown entity. By speaking publicly in favour of government policy (even if it is not policy that relates directly to the entity's statutory functions), in my view, Mr Stobo is exposing the FMA to the risk of being seen as overly aligned with the current government and lacking the independence required under the CEA.
194. As noted, Mr Stobo has generally commented in the media without reference to his FMA role, and by reference instead to other roles held by him. However, it is not realistic to think that this will avoid the risks identified above. The FMA Chair role is a significant statutory role. Mr Stobo is not simply a member of the Board, but is its Chair, and those members of the public with an interest in the FMA and its activities and persons associated with regulated entities will not cease to identify Mr Stobo with the FMA simply because comments may be attributed to him in another capacity. As Mr Mason outlined in his 12 July 2025 email to Mr Stobo, there is a significant risk that, due to the seniority of his role with the FMA, any public commentary made by him is likely to be attributed to or associated with the agency. That advice reflected the PSC guidance provided to Mr Stobo during his induction in May 2024.
195. Mr Stobo's Justice Select Committee submission on the Treaty Principles Bill and public support for its introduction in the *Mood of the Boardroom* raises a further concern in terms of his role with the FMA. Specifically, the FMA has formally recognised the Treaty principles as currently understood, based on judicial decisions. The vehicle for this is the FMA's Te Ao Māori strategy, Matangirua, which had been agreed on by the FMA Board in April 2024, and is aimed at (amongst other objectives) enabling Māori to participate as Māori in financial markets, in recognition of the principle of te tino rangatiratanga (self-determination). Ms Barrass told me that particularly following Mr Stobo's 2024 *Mood of the Boardroom* comment she and a staff member provided a presentation to the Board on the Matangirua strategy, its purposes and content.¹⁷ The first slide listed as the first purpose of the strategy:

To uphold our obligation to enable the Crown to honour its obligations to Te Tiriti o Waitangi.

196. The presentation made specific reference to the Treaty principles of "protection, participation and partnership" and showed these as underpinning the strategy.

¹⁷ 17 October 2024 Board Induction: Matangirua (S Barrass and H Chapman).

197. The fact that shortly after the presentation Mr Stobo made a public submission including an express statement that he disagreed with the judicial interpretation of the Treaty principles has the clear potential to undermine this Board-endorsed strategy.
198. While the submission was signed by Mr Stobo personally, the high level of public interest in the Treaty Principles Bill would inevitably mean that a submission by a public figure (such as Mr Stobo) would come to public attention. The strong statements made by him in his submission were evidently in direct contradiction to the FMA Board's express acceptance of existing Treaty principles jurisprudence in its Te Ao Māori strategy.
199. I find that in making the comments in the 2024 *Mood of the Boardroom* on the Treaty Principles Bill and later his submission to Parliament, Mr Stobo was acting in a manner that was at the expense of the FMA's interests.

J. SECTION 39 CROWN ENTITIES ACT 2004

200. I have considered the findings reached, as set out in respect of each allegation, and reached the conclusion there is just cause for the Minister to remove Mr Stobo from his role as FMA Board Chair.
201. Specifically, I consider that Mr Stobo's public commentary of a politically partial nature is sufficiently concerning in character and volume to constitute a significant breach of his obligations under the PSC Code (and therefore s 18 of the PSA).
202. I have also found that the submission on the Treaty Principles Bill was inconsistent with the FMA's Matangirua strategy and therefore adverse to its organisational interests.
203. While Mr Stobo seems not—until this investigation—to have appreciated the seriousness of this matter and evidently feels that more could have been done to educate him about his obligations, I consider that the PSC Code guidance provided in his induction, the 21 May 2024 letter from Minister Willis to Crown entity board chairs (which emphasised the requirement to uphold public neutrality), and later guidance from Mr Mason and Ms Barrass should have left him in no doubt of the need to present in the public arena as politically impartial. Further, the Code itself specifies that any proposal to make public comment should be discussed with the Chair: this indicates that the Chair is regarded as a safe pair of hands, who should have a superior understanding of PSC Code obligations.
204. Mr Stobo indicated to me that he has reflected on his media commentary since this investigation commenced. He advised me he has reached the view that it would be appropriate to refrain from appearing on *The Platform* and work with the Board and FMA management in advance of any engagement with the media going forward. However, this does not alter my conclusions in relation to the nature of the conduct judged at the time it occurred. I consider that my findings on this aspect of the complaint (public commentary

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at odds with Mr Stobo's public role) are sufficient to justify a finding of just cause for removal under s 40 of the CEA.

205. In terms of the other matters raised by the Board, while I have in each case identified shortcomings in Mr Stobo's conduct which indicate a want of judgement on his part, none of these conclusions would, without more, have provided a foundation for a conclusion that there was just cause for removal of Mr Stobo from his role. Together, these matters somewhat contribute to my conclusion that his conduct as a whole has not reflected a diligent prioritisation of the FMA's interests over his outside activities, and weigh further in favour of my overall conclusion.

23 March 2026

Wendy Aldred KC