

18<sup>th</sup> June 2015

Dear Complainant,

**Complaint against the Financial Conduct Authority  
Reference Number: FCA00070**

Thank you for your recent emails. I am also sorry for the time it has taken to complete my review of the Financial Conduct Authority's (FCA) investigation into your complaint.

**How the complaints scheme works**

Under the complaints scheme, I can review the decisions of the FCA's Complaints Team. If I disagree with their decisions, I can recommend that the FCA should apologise to you, take other action to put things right, or make a payment.

You can find full details of how I deal with complaints at [www.fsc.gov.uk](http://www.fsc.gov.uk). If you need further information, or information in a special format, please contact my office at [complaintscommissioner@fsc.gov.uk](mailto:complaintscommissioner@fsc.gov.uk), or telephone 020 7562 5530, and we will do our best to help.

**What we have done since receiving your complaint**

We have now reviewed all the papers you and the regulator have sent us. My decision on your complaint is explained below.

As the rules of the scheme under which I consider complaints can be found on our website at [www.fsc.gov.uk](http://www.fsc.gov.uk), I do not intend to set them out fully below.

**Your complaint**

From your email and the papers submitted to me by you and the FCA I understand that your concerns relate to the manner in which the FCA has addressed your complaint and its general supervision of the with profits industry. When contacting my office you have indicated that you would like me to consider your complaint that you believe that the FCA is failing to protect policyholders who are invested in 'with-profit' funds by not introducing rules which prevent firms from closing their funds to new business rather than closing a fund actuarially.

**My position**

From the papers it is clear that you are unhappy that the FCA took the view that as your complaint related to your general dissatisfaction over its general policy in relation to the manner in which it supervised the industry, it was not something which it could consider under the Complaints Scheme. In arriving at this decision the FCA relied upon paragraph 3.5 of the Complaints Scheme which states:

### 3.5 Circumstances where the regulators will not investigate

The regulators will not investigate a complaint under the Scheme which they reasonably consider amounts to no more than dissatisfaction with the regulators' general policies or with the exercise of, or failure to exercise, a discretion where no unreasonable, unprofessional or other misconduct is alleged.

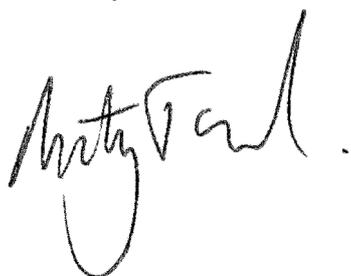
#### **Conclusion**

Although I can understand why you are unhappy with the FCA's decision, as your complaint relates to the FCA's general policy of allowing the 'with-profit' fund providers to decide, when certain criteria are met, whether or not to leave a fund open to new business or to allow it to enter a 'run off' phase, I agree with the FCA's decision that your complaint is not something which can be considered under the Complaints Scheme.

I can appreciate why you feel that the decisions taken by some 'with-profit' fund providers are incorrect and have adversely affected the management of the fund. However, decisions such as these are ultimately business decisions which are driven by a combination of the consumer choice and the FCA's rules. The FCA's letter of 8<sup>th</sup> April 2015 provided you with additional information regarding the requirements the FCA places upon the firms which provide 'with-profit' funds. Where it is suspected that the FCA's rules have been broken, the FCA will make further inquiries. I am satisfied that the FCA has correctly referred your comments about the management of 'with-profits' funds and the distribution of fund assets within funds which are in 'run off' to the area which is responsible for the oversight of 'with-profit' funds.

I appreciate that you will be disappointed with my decision but hope that you will understand why I have reached it.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Antony Townsend', with a large, stylized flourish at the end.

Antony Townsend  
Complaints Commissioner