

6th November 2015

Dear Complainant,

Complaint against the Financial Conduct Authority
Reference Number: FCA00110

Thank you for your email. I have now completed 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.

As you can find full details of how I deal with complaints at www.fsc.gov.uk I do not intend to set them out fully below. If you need further information, or information in a special format, please contact my office at 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 records you and the regulator have sent us. My decision on your complaint is explained below.

Your complaint

From your emails and the papers submitted to me by the FCA I understand that you do not believe that you should be required to pay a levy to the Financial Services Compensation Scheme (FSCS) for potential SIPP mis-selling when you do not 'recommend SIPPs'. You further feel that 'the ordinary advisers are repeatedly asked to bail out the FCA dept. failings.'

You submitted your complaint to the FCA, and it was excluded on 27 October 2015.

My position

I appreciate why you are unhappy that you have had to pay a levy in respect of compensation for a product (SIPPs) upon which you do not offer advice. However, paragraph 3.4 (e) and paragraph 3.5 of the Complaints Scheme exclude complaints about the actions or inactions of the FSCS from being considered under the Scheme. Therefore it is not within my remit to review the level of fees the FSCS charges. For that reason, I agree with the FCA's decision to exclude your complaint.

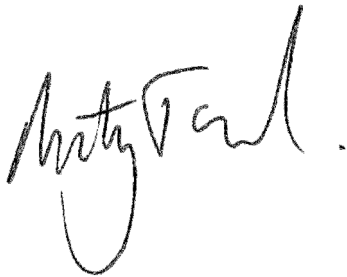
However, although I am unable to consider your complaint what I can say is that when calculating a firm's fees the FCA considers the activities which a firm provides and places the firm into a fee block. In this case, in order to provide advice on pensions, your firm has Part IVA Permissions which place it into the life and pensions fee block. The fee blocks are based upon the Part IVA Permissions firms hold, rather than the specific business activities undertaken.

The FSCS has calculated that, due to increased costs resulting from SIPP mis-selling, it requires further funds and is looking for the firms which hold requisite Part IVA Permissions and fall within the appropriate fee blocks to meet this expenditure. As your firm falls into fee block C2 (which includes advising on life insurance and pensions) the FCA has, on behalf of the FSCS, issued you with an invoice reflecting the higher levy.

Regrettably, the levy is therefore payable and there is nothing further I can add other than to say that, as explained to you in the FCA's decision letter, the FCA has committed to reviewing the FSCS' funding model (which may include, I believe, undertaking a review of the funding classes to address anomalies such as this).

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