

19 September 2016

Dear Complainant

**Complaint against the Financial Conduct Authority
Reference Number: FCA00153**

Thank you for your emails of 22 and 25 July 2016. 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.

You can find full details of how I deal with complaints at www.fsc.gov.uk. 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 papers you and the regulator have sent us. My decision on your complaint is explained below.

Your complaint

You invested and lost a considerable amount of money (around £10,000) with a company you discovered to be the fraudulent clone of the EEA authorised firm Fort Global UCITS Fund.

You made contact with the clone firm in January 2016 hoping to purchase shares in Lloyds Bank. You asked your daughter pay £10,010.00 to the clone firm and she did this on 4 February 2016, to an account in the name of 1st Administrators.

You complained to the FCA that there was no warning about the clone firm on the FCA's website at the time you were scammed. You want the FCA to compensate you for your loss.

Your complaint was not upheld because the FCA Complaints Team concluded that the FCA followed its established processes when publishing a warning about the clone firm on 5 February 2016 on its website and the Register.

My position:

As part of my investigation into your concerns I have obtained and reviewed the FCA's investigation file.

First, it may be useful if I comment generally on the manner in which those running 'boiler room' operations operate. As consumers are becoming more aware of potential scams, the perpetrators of 'boiler rooms' often now look to giving their 'firm' an appearance of authenticity. From the cases I have seen this often results in the 'boiler room' operation cloning some or all of the details of a genuinely authorised firm (specifically its name and FCA registration number, albeit it will operate from a different address), which may or may not be based in the United Kingdom, and which has received approval to conduct regulated activity within the United Kingdom.

The dangers of these boiler rooms have been known for several years, and the FCA website contains guidance on how consumers should protect themselves, including the need to use the contact details on the FCA's register to check the identity of the firm. Although you did look at the register, you did not independently verify the information provided by the cloned firm to check their legitimacy. Furthermore, your involvement with the clone firm unfortunately predated the FCA's placing an alert about the existence of a clone firm on 5 February 2016.

I have sympathy for the position you find yourself in, but from the information presented to me by both you and the FCA, there is nothing to suggest that the FCA acted inappropriately. The fault lies clearly with the fraudsters who cloned the firm. It is very unfortunate that you transferred funds to the cloned firm one day before an alert was placed on the FCA's website. However, I am afraid that it does not follow that the FCA should be held liable for your losses given that, as I have explained above, I believe that they acted appropriately. There are no grounds to make a recommendation that the FCA should offer you any form of redress.

Conclusion

As a result, I am unable to uphold your complaint. 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