



Final report by the Complaints Commissioner

Complaint number FCA00388

The complaint

1. In September 2017 you asked me to investigate a complaint about the Financial Conduct Authority (FCA). I have carefully reviewed the papers sent to me by you and by the FCA.
2. On 5th October I issued a preliminary report on your complaint and invited you and the FCA to comment. The FCA did not have any further comments. I have carefully considered your comments.

What the complaint is about

3. In its letter of 25th August 2017, the FCA described your complaint as follows:

My understanding of your complaint is you are unhappy with the FCA's actions in relation to the loan agreement which you have with [company S]. I understand you would also like the FCA to assist you in removing the charge they have on your property.

The FCA's response

4. The FCA said that they could not help you with your complaint. This was because the correct organisation to deal with complaints by consumers against finance companies was the Financial Ombudsman Service (FOS), whom you had approached already. The FCA also said that the loan you had taken out was an unregulated loan.
5. The FCA made some suggestions of other organisations you could approach to help you.

Why you are unhappy with the FCA's decision

6. In your letter to me you raise these points:

Point 1

You have spent a number of years trying to settle this loan agreement and various disputes with S and you believe you have taken every possible step to achieve a fair outcome for both, including your elderly mother releasing equity from her own property to enable you to pay off your debts. You are suffering ill health and the charge placed by S on your property is preventing you from obtaining the help you need, making life even harder.

Point 2

None of your efforts has resulted in the outcome you were hoping for, S still has a charge against your property and now they have bullied you into signing an agreement which you believe is unfair, but you felt you had no choice but to sign it or they would have added a charge of £365 per month to the outstanding amount of £20,000. You believe that S is operating outside the law as they ignored your legal representative. It appears that no organisation, including the Financial Ombudsman Service, is able to assist you in dealing with them.



Point 3

You believe you have now been failed by the FCA as they have refused to intervene on your behalf in the dispute with S, and failed to require the company to remove the charges against your house, even though the FCA have fined the company for treating their customers unfairly.

My analysis

7. I am sorry to read about your difficulties over the last few years in trying to resolve this situation.
8. Unfortunately, the FCA was right to say that they could not help you with your complaint. Parliament has decided that a separate organisation - the FOS - is the body to deal with complaints by consumers against financial services firms. The matter has been made more complicated by the fact that the loan which you took out in 2007 was not regulated. The result is that your only options are to go to the FOS (which you have already done) or the courts.

My decision

9. I agree with the FCA's decision that your complaint falls outside this Complaints Scheme as you are asking the FCA to intervene in an individual complaint against a firm, and they are not legally able to do so.
10. In my preliminary report, I suggested that contacting a debt management charity such as Step Change would be advisable in your situation as, while they could not pay off your debts, they are experts in dealing with creditors and assisting individuals in difficult financial circumstances. In your response to my preliminary report you say you have contacted Step Change but this has not brought you the resolution you wished for. I am sorry to hear that. However, this does not alter the fact that I cannot investigate your complaint under the Complaints Scheme.
11. I am sorry that I am not able to help you further.

Antony Townsend

23rd October 2017