

12 December 2018

Final report by the Complaints Commissioner**Complaint number FCA00524***The complaint*

1. You wrote to me on 9 November 2018 about the fee which the FCA had charged you.

What the complaint is about

2. In its decision letter of 25 October 2018, the FCA described your complaint as follows:

Part One

You have cancelled your firm's authorisation with the FCA and you are unhappy with the annual invoice your firm has received. You would like the FCA to waive or reduce the annual fee as you have cancelled your authorisation.

Part Two

You believe it is unfair that the firm is being charged for the full year's annual fees although the firm has cancelled its authorisation with the FCA. You believe it would be fairer if firms were able to pay the annual fee on a pro rata basis.

I believe the resolution you are seeking is for the annual fee to be waived or reduced.

What the regulator decided

3. The FCA did not uphold your complaint. It said that firms are required to apply to cancel their authorisation by 31 March if they wish to avoid the following year's fees, that this was a process applied to all firms, that the FCA website provided

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clear information on this issue, and that the FCA's Contact Centre also provided advice.

4. The FCA also said that, because the setting of fees was one of the FCA's legislative functions under the Financial Services Act 2012, part two of your complaint was excluded from the Complaints Scheme.

Why you are unhappy with the regulator's decision

5. In your email to me, you said:

It is grossly unfair that the FCA can countenance charges for a period of one year in which a business has been de registered for more that [sic] half that period. If you cancelled a motor insurance policy mid term, you would not be expected to pay for the whole year, so please would you explain to me why this is any different?

My analysis

6. I understand your argument; and it would, of course, be possible for the FCA to introduce a system of pro rata fees or rebates for part-year authorisations. That would, however, come at a cost to the overall system.
7. The FCA has decided, on policy grounds, to charge in full years, with a cut-off point of 31 March. This has been its practice for several years, and is well-publicised, as the FCA has explained.
8. You are not the only firm which has complained to me about this, and I know that a significant number of firms are unhappy about it, but I am afraid that the FCA is entitled to adopt this policy and, having done so, must apply it fairly. It has done so in your case.
9. This complaints scheme is not the means by which FCA rules and policy can be changed. If you want to pursue the policy issue further, I suggest that you might want to raise it with the Smaller Business Practitioner Panel – see <https://www.fca-sbpp.org.uk/background-smaller-business> for further details. I should, however, emphasise that the Panel would not be able to intervene in your individual case – it could only consider the general policy issue.

My decision

10. I am sorry to have to disappoint you, and I recognise the strength of your feelings on this issue, but for the reasons I have given I am unable to uphold your complaint.

Antony Townsend

Complaints Commissioner

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