

11 November 2022

Final report by the Complaints Commissioner

Complaint number 202201168

The complaint

1. On 15 August 2022 you asked me to investigate a complaint against the FCA.

What the complaint is about

2. The FCA summarised your complaint as follows:

‘You are unhappy that the FCA will not intervene in your complaint about a regulated firm’.

What the regulator decided

3. The FCA did not investigate your complaint. It explained that it does not investigate complaints against the firms it regulates; this is the role of the Financial Ombudsman Service (the Ombudsman Service). However, it also explained the information that you have provided was passed to the FCA’s Supervision Division, but it was unable to say whether the FCA will, or will not, take any action based on the information that you have received.

Why you are unhappy with the regulator’s decision

4. Your complaint stems from problems in how your bank appears to be implementing ‘the Electronic Verification System’ and you say the FOS has told you that the FCA ‘is responsible’ for this ‘system’.

My analysis

5. The FCA is correct to say it can’t review a specific complaint against your bank. This Complaints Scheme is concerned with the actions or inactions of the FCA. It cannot deal with complaints against banks, individual firms [or against the

Financial Ombudsman Service (FOS)], nor is it a redress service for individual consumer complaints. The Financial Services and Markets Act 2000 explicitly provides for a consumer redress service separated from the FCA.

6. The FCA does have a statutory duty to secure an appropriate degree of protection for consumers. It does so by regulating the financial industry through the setting of standards which firms must meet, and by taking enforcement action where that is justified. It does not investigate individuals' complaints against the firms it regulates. That is the role of the FOS.
7. That does not mean that the FCA cannot investigate concerns arising from information about individual complaints, but it investigates those in the context of considering whether or not regulatory action is justified, rather than whether or not the individual requires redress. Any action the FCA may or may not take as a result of the information you provided could not lead to redress for you personally.
8. You have told me that all banks are using electronic verification and it is a problem across the board. I have reviewed the FCA file and I can see the information you provided was passed to FCA Supervision area, which gave it appropriate consideration.
9. So, although the FCA is responsible for relevant Money Laundering Regulations and other regulations which require banks to take necessary steps to verify their customers identity based on reliable sources, independent of the customer, the regulations themselves do not specify 'how' firms should do this. One way for example has evolved through verification of name, address and date of birth using documentary or electronic evidence.

My decision

10. I am satisfied the information you provided to the FCA was passed to the relevant areas who gave it appropriate consideration. If you feel that your bank's actions in the application of this verification are disadvantaging you personally, then that is a matter for the FOS.

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Complaints Commissioner
11 November 2022