

17 April 2024

**Final report by the Complaints Commissioner****Complaint number 202300548***The complaint*

1. On 19 October 2023, you asked my office to review a complaint about the FCA. My office issued a preliminary report to you and the FCA on 19 March 2024.
2. I have reviewed this complaint and I have **upheld** the complaint for the reasons set out in my report below.

*Your FCA complaint*

3. In its decision letter dated 12 October 2023, the FCA set out that your complaint was as follows:

“You were issued a £250 administrative fee for the late submission of Firm Details Attestation which was due to be submitted by 5 July 2023. You feel that there should have been a reminder sent to your firm informing you that the form had not been submitted. You didn’t submit the Attestation because you pressed the ‘save and close’ button instead of the ‘submit’ button.

You raised a complaint with the Complaints Team on 17 August 2023 and it was passed to the area of the FCA that is the subject of your complaint for them to deal with it locally. You received their response on 29 August 2023, however as you were unhappy with their response your complaint has now come back to the Complaints Team for further investigation.

To resolve your complaint, you would like the fee to be waived.”

*What the regulator decided*

4. In its decision letter dated 29 August 2023, the FCA Data and Strategy & Service Team concluded as follows:

“All authorised firms, solely regulated by the FCA (except ICVC, UCITS qualifier, AIFM qualifier and dormant account fund operator) are subject to SUP 16.10 reporting requirements. If your firm is one of these, you must check, amend, or confirm your firm details at least annually, using the FCA system Connect. This should be done within 60 business days of your firm’s Accounting Reference Date (ARD). This is noted on the FCA website and in FCA handbook.

I value your comments about the need for a reminder to be sent when you have not completely submitted your Attestation, currently this is not something that is available but I have made a note to pass to relevant teams.

We must treat all firms fairly and consistently. Your firm is responsible for completing your reports on time and having the correct systems and controls in place to meet your regulatory obligations.

Due to the above reasons, we cannot waive the fee.”

5. In the subsequent decision letter dated 12 October 2023, issued by the FCA Complaints Team, it again concluded the following:

“I did not uphold your complaint because we must treat all firms fairly and consistently. It is a firm’s responsibility to ensure its details are up to date on the systems and that it is able to meet its regulatory requirements.”

*Why you are unhappy with the regulator’s decision*

6. You set out the following in your complaint to my office:

“We have been fined for not submitting our Firm Details, although the information had been saved on the website. Confirmation that the details had been saved on the website before the due date was given by FCA when we rang them to dispute the fine. All data had been saved except for the final complete button not been pressed. We had

pressed save and exit instead. The websites are challenging to navigate making it troublesome for us to submit data and making it difficult for us to check it has been completed. As far as we were aware all data had been submitted correctly before the due date until we received an email on Friday 7th July 2023 informing of a late submission fine. No emails or letters were received prior to the due date advising that the forms still needed final completion.”

7. You set out three outcomes you were seeking to achieve in resolution to your complaint being the following:

- “1. Cancel the fine of £250.00 that has been imposed
2. Improve the websites to make it easier for firms to navigate and complete submission data
3. Send reminder letters and emails if submission data is incomplete.”

### *Background*

8. Your firm was first authorised in September 2015.
9. Your firm’s accounting reference date was 5 April 2023. You had 60 days from this date to submit your Firm Details Attestation via the FCA’s Connect system.
10. On 6 April 2023, the FCA sent you a courtesy reminder about the firm’s attestation details needing to be completed by 5 July 2023.
11. On 26 June 2023, the FCA sent a second courtesy reminder.
12. Prior to the deadline you completed all of the required information on the form “saved” instead of “submitted” it.
13. 5 July 2023, was the deadline for your Firm Details Attestation to be submitted. Your firm did not submit its details by this date.
14. On 7 July 2023, the FCA issued you with a late fee notification via email.
15. On 17 August 2023, you raised a complaint by telephone with the FCA complaint team which was passed to the Data & Strategy & Service team to address.

16. On 29 August 2023, the Data and Strategy & Services team provided you with a response to your complaint. You were not happy with the response and the complaint went back to the FCA's complaint team to investigate further.
17. On 12 October 2023, the FCA's Complaint Team issued its decision letter to you.

*My analysis*

18. Your firm is authorised by the FCA and is required to comply with the SUP16.10 reporting requirements. This means that you have an obligation to annually attest your firm's details using the FCA's Connect system. Your firm did not effectively submit this information on time.
19. I have reviewed the decisions from the Data and Strategy & Service Team and the Complaints Team. Both decisions clearly set out that it is a requirement under SUP16.10 of the FCA Handbook, for all authorised firms to attest their firm details annually via the Connect system. The latter decision letter by the FCA's Complaint team also set out a more in depth explanation about the requirements and enhanced rules that were introduced in January 2020. I welcome this further explanation in the latter decision letter as it provides the relevant context behind this requirement being imposed onto authorised firms.
20. It is clear to me that you did understand and recognise this fact and that you had attempted to comply with this requirement. Unfortunately, the issue is that as you have detailed, the FCA's Connect website is 'challenging to navigate' and you did not realise that although you had finished completing the required fields, you had hit 'save and close' button rather than the 'submit' button. When you clicked the 'save and close' button the Connect system did not bring up an alert to indicate that you would still need to submit the information, and the Connect system did not contact you prior to the required submission date, to alert you to the fact that you had saved information still pending final submission.
21. This is concerning, as the facts of your complaint have similarities to a complaint that my predecessor reviewed about submitting data to another FCA online platform. In case [FCA00533](#), a similar issue arose where a firm had

completed a return by the due date, but it had failed to then hit the submit button.

22. As set out in my predecessor's report, as a result of that case (and a number of similar incidents) and recommendations made by my predecessor, a warning banner system was implemented by the FCA to ensure that the system clearly flagged to the user under an amber warning banner that:

“Your data item has been saved but still needs to be validated and submitted.”

23. With this previous complaint and its outcome in mind, my office wrote to the FCA questioning whether such a banner system existed on the Connect system. The FCA have confirmed that when a user clicks on the 'save and close' button rather than the 'submit' button to send the data to it, a banner is not shown to the user in the Connect system.
24. It is disappointing that the lessons from previous systems and complaints have not informed the design of the Connect system to avoid these previous pitfalls which impacted users. The FCA had previously recognised there was a need for the banners, and it had also accepted that in circumstances where a firm had clearly completed all the data fields on it returns on time but had simply failed to submit it, the late fee should be waived.
25. As such, I accept and **uphold** your complaint that the FCA Connect system is not clear and that this likely resulted in not being aware that you had not hit the 'Submit' button, and that you were only alerted to the fact that you had only saved the details and not submitted them when you received the late fee notification email. In view of this, I consider that it is appropriate that the FCA should take responsibility for the lack of clarity for users of its Connect system and I **recommend** that it should waive the late notification fee it issued to you.
26. I am pleased to confirm that in response to my preliminary report the FCA has accepted this recommendation and has advised that it will waive the late notification fee, upon receipt of this my final report into your complaint.
27. In my preliminary report I also **recommended** that, in addition to the Data and Strategy & Services team passing on your suggestion to the relevant teams to have a reminder system put into place to send an email when a firm's

attestation is left partially completed, that the FCA must also improve the Connect system to implement the flag system that it used on its Gabriel system to alert users when data had only been saved and not submitted.

28. In response to my preliminary report the FCA has also accepted this recommendation in principle. The FCA has informed me that rather than incorporate these suggestions onto its current Connect system, it will incorporate these improvements in the development of its new system that is currently under way. It has said that a key driver for this work is to improve user experience and one of the first forms being developed of the new system is the Firm Details Attestation form and it plans to incorporate this recommendation in its development. The FCA have stated that:

“User research is already underway for the Firm Details Attestation form, and we will use insights from this work to identify an appropriate solution for this ‘save and exit’ scenario and then test this with firm users. We are currently planning for the new Firm Details Attestation form to be available for use by firms in Summer 2024”

29. I am pleased to see that the FCA has taken forward the suggestion you made in your complaint, which I then put forward to it as a recommendation in my preliminary report, being to improve the website platform that firms use to submit their forms to avoid the issue with the ‘save and exit’ scenario in the future. Whilst I recognise that this does not immediately resolve the issue on its current Connect system, I do acknowledge the FCA’s reasoning that incorporating the changes on the new system, rather than expending time updating a soon to be retired system, represents the best ‘value for money’ for the firms it regulates. I would **ask** that the FCA keep me updated every couple of months on the development and deployment of this new system and provides details of what steps have been taken to avoid the ‘save and exit’ scenario being repeated on the new platform.

*My decision*

30. For the reasons set out above I have **upheld your complaint** and I do consider that in view of the deficiencies in the Connect system that the FCA should waive the £250 fee which it has agreed to do.
31. This is my final report about your complaint and concludes my investigation.

Rachel Kent

Complaints Commissioner

17 April 2024