



12 July 2024

## Final report by the Complaints Commissioner

### Complaint number 202400038

#### *The complaint*

1. On 19 April 2024, you submitted a complaint to my office about the FCA in connection to its oversight of Firm X.
2. You have been a retail customer of Firm X since 2018. You allege that:
  - a. You provided information about the systems and controls failures at Firm X to the FCA. These included incorrect fund pricings displayed on the firm's website which you reported in 2020, and later in 2024, you said the firm had unreported shortfalls in units purchased, incorrect online valuation systems, hidden transaction costs which unfairly affect customers and inappropriate reliance on 3rd party systems which are not regulated by the FCA in 2024. You say the FCA has not asked the firm to address the shortcomings you identified and you consider this a failure of supervision on the part of the FCA. The FCA did not uphold your complaint and neither do I (Element one).
  - b. You did not deem staff at Firm X to be properly qualified and/or competent when dealing with your correspondence and you believe the FCA should take action against them. The FCA has not upheld this complaint, although I have not seen evidence it actually investigated it, for which I express criticism. I have reviewed your complaint and I do not uphold it. (Element Two)
  - c. The firm wrote to you on 19 February 2024 informing you that it would be closing all your accounts due to the relationship having broken down and no longer being sustainable. You have requested that with the "Nigel

Farage/Coutts Case” in mind, you want the FCA to investigate the actions of Firm X with regards to the closure of your accounts as a punishment for raising your serious concerns about their poor systems, processes and controls with FCA. The FCA declined to investigate this complaint, and I also exclude it. (Element Three)

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

3. In your correspondence with my office you stated that you were not satisfied with the FCA’s investigation and outcome of your complaint and as such, wanted an independent investigation of your complaint. You have not provided any further information about why you disagree with the FCA’s decision on your complaints.

*My analysis*

Element One

4. I am satisfied from the evidence I have seen that your concerns raised in 2020 and 2024 were passed to and appropriately handled by the relevant areas of the FCA. I am sorry I am unable to share any further information on this because like the FCA, I am required to respect confidentiality. This is because section 348 (s.348) of the Financial Services & Markets Act 2000 (FSMA) classes some information the FCA holds about firms as confidential, and restricts how that information is dealt with. In addition to this, any information that is not restricted by s.348 FSMA may be restricted due to the FCA’s policy on sharing information about regulated firms and individuals, who also have legal protections. Under this policy, the FCA will not normally disclose the fact of continuing action without the agreement of the firm concerned. This can be frustrating for complainants, but it is better that I am able to see the confidential material as an independent person in order to assess see whether I am satisfied that the FCA has behaved reasonably.
5. For the reason above, I do not uphold Element One of your complaint.

Element Two

6. The FCA has not upheld your complaint about its oversight of the competency/qualification of staff at Firm X however it has not, as far as I can

see from the file, directly investigated this complaint. I consider that this should have been communicated to you rather than providing you with a response that implied it had been. Whilst there are confidentiality restrictions about what the FCA can disclose about its review of how it supervised Firm X, it ought not to use these in a way in which it fails to make clear about what the Complaints Team actually reviewed. I am critical of how the FCA investigation treated this element of your complaint.

7. Having said that, I have reviewed your allegations on this matter and I have reached a conclusion as follows:
8. Your concerns about staff at Firm X stem from your views that the firm's systems and controls are inadequate: you have communicated this to the firm, however, you are of the view that nothing has been done, and staff have not helped. In as far as any customer service issues or direct financial detriment to you arises from actions of the firm, it is open to you to submit a complaint to the FOS. Over and above that I do not believe sufficient evidence has been provided to suggest supervisory failure on the part of the FCA.
9. In as far as the overall "state" of the firm's systems and controls are concerned, the issues you have raised have been reviewed appropriately by the FCA's Supervision team.
10. For these reasons, I do not uphold your complaint.

#### Element Three

11. The firm wrote to you on 19 February 2024 informing you that it would be closing all your accounts due to the relationship having broken down and no longer being sustainable. The FCA were correct to exclude this complaint for the reasons it gave which is that it does not fit within the FCA's relevant functions as per paragraph 2.10 of the Complaints Scheme.
12. There may be some cases where it is appropriate for the FCA to review financial services closure procedures from a supervisory perspective, however, I do not agree with you that your situation is the same as the Nigel Farage's case. In your situation, you have been engaged on various issues with Firm X over a period of years which has led the firm to conclude that the relationship

with you has broken down. I am sorry to hear that this has happened, but this is not a matter that can be reviewed under the Complaints Scheme.

13. The FCA has passed on the information you shared with it to the relevant area having responsibility for Supervision of Firm X for its supervisory purposes, however, disputes about a Firm involving your individual account are for the Financial Ombudsman Service (FOS), and the FCA correctly referred you to that organisation.
14. I understand you do not agree with my decision. I have carefully considered your arguments, however, my view remains the same for the reasons I give above.

Rachel Kent  
Complaints Commissioner  
12 July 2024