

29 November 2024

**Final report by the Complaints Commissioner****Complaint number 202400135***The complaint*

1. On 8 May 2024, you submitted a complaint to my office about the FCA.

*Background*

2. You and your wife held self-invested personal pensions (“SIPPs”), operated by Firm A. Firm Y provided investment platform services to Firm A, which enabled SIPP holders to trade securities.
3. ██████████ Firm A went into administration and an insolvency firm was appointed to oversee the administration process (the “Administrators”). Soon, after the Administrators sold Firm A’s SIPP assets to Firm X. This meant that Firm X took over the operation your SIPPs.
4. Due to contractual disputes in the business to business arrangement of the entities involved, from ██████████ you and your wife (and other SIPP clients of Firm X) have been unable to withdraw funds for over a year. This is because Firm X had to carry out a reconciliation of the client accounts to ascertain ownership of the assets and to find new custody arrangements. Consequently, you allege you have experienced significant stress and financial loss.
5. Furthermore, you allege that Firm X did not act on your initial instruction to transfer the certificates to a new platform and your subsequent instruction to sell all your SIPP shareholding “*was ignored*”. You also allege that Firm X “*fails to update clients, refuses to return phone calls, fails to respond to letters and blocks transfers to alternative advisors.*”

6. You complained to the FCA about its oversight of Firm X, however, the FCA did not uphold your complaint. It said that it had acted appropriately in supervising Firm X.

*Decision*

7. I do not agree with the FCA and I uphold your complaint that there have been supervisory failings on the part of the FCA with respect to its oversight of Firm X for a period of three months [REDACTED]. I acknowledge this has been a complex situation with a number of difficulties, some of which were outside of the FCA's control, however, in my view the FCA's actions failed to achieve its supervisory objective during this period. Unfortunately, due to confidentiality restrictions, I am unable to go into more detail.
8. This case raises concerns about broader implications which do not have a direct bearing on your specific complaint and I have written a side letter to the FCA which expands on the rationale for my decision and makes a number of suggestions which I ask the FCA to consider. This includes a recommendation that the Supervision team conduct a lessons learned exercise and report back to me with their findings and any changes they propose to make to the supervisory strategy of the SIPP's portfolio. The FCA has agreed to update me in April 2025.
9. I **recommend** that the FCA updates me on how it is supporting the resolution of the issues in the interests of consumers (in so far as its powers and remit allow) as quickly as possible.
10. It is my intention to publish the recommendations in the side letter and the FCA response (when I have received it) in due course. However, I am bound by the same legal restrictions as the FCA, which it has explained to you, therefore due to confidentiality reasons I may not be able to disclose publicly all of the details.
11. In the meantime, your primary recourse remains against Firm X as a customer of that firm, and complaining to the FOS is the correct course of action for you to take. I understand that you have also filed complaints with the Pension Ombudsman and the FOS against Firm X.

12. This has been a highly unsatisfactory state of affairs, and I have sympathy for your situation, and why I urge the FCA to continue monitoring events in order to help rectify this situation.

The Complaints Commissioner

Complaints Commissioner

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