

10 December 2024

Final report by the Complaints Commissioner**Complaint number 202400253**

1. On 27 June 2024, you submitted a complaint about the FCA.

Executive Summary

2. You provided information to the FCA via its Supervision Hub about a number of regulated firms, with whom you have a dispute, alleging that they were engaging in criminal activity and violating FCA regulations, so that the FCA could review the conduct of the firms and take regulatory action against them.
3. I asked that the FCA to review the information you provided and to provide me with feedback on how it had dealt with it. The information you had provided via the FCA Supervision Hub had already been passed to the relevant area within the FCA for review. The FCA has now given me feedback on how it handled it. I can say that I am satisfied that the FCA has not ignored the information which you provided and has given it proper consideration with a view as to whether regulatory action is necessary. Therefore, I do not uphold this element of your complaint. Unfortunately, I cannot say any more than that, due to confidentiality reasons, and I recognise that that will be frustrating for you.
4. If you believe the firms are responsible in any way for your losses, that is an individual complaint against the firms and the correct avenue for you to pursue is to complain to the FOS, which I believe you have already done.
5. I note that you are also unhappy with how your complaint was handled by both the FCA and my office. I do not uphold this element of complaint.

Background

6. You had provided the FCA with information about a number of regulated firms, allegedly engaging in criminal activity and violating FCA regulations, so that it
202400253

could review it and take the necessary action. However, after engaging with the FCA's Supervision Hub, you thought that it failed to review and act on the information that you had provided.

Your FCA complaint

7. You therefore filed a complaint with the FCA under the Complaints Scheme concerning:
 - a. Part One: the FCA's conduct which you considered to be *"inadequate, inappropriate and wholly inconsistent with its statutory obligations and duty to investigate the serious and substantial misconduct, wrongdoing and financial criminality of 4 regulated firms"*; and
 - b. Part Two: the FCA Supervision Hub's failure to *"recognise the serious nature of the matters"* you had raised, read the information you had provided and act upon it.
8. The FCA did not uphold your complaint because it determined that the FCA's conduct in the circumstances had been appropriate. It advised that when contacted by a consumer regarding a firm, it is standard practice to request further information to aid in the assessment of the issues where appropriate. The FCA also confirmed that the information you had provided had been reviewed, however as it *"was unclear what you wished [the FCA] to do with the information or why you had contacted the FCA"*, it was reasonable to ask to provide a short summary explaining what actions you wanted the FCA to take, given the voluminous information you had provided to the FCA..

Why you are unhappy with the regulator's decision

9. You disagreed with the FCA's decision and referred it to my office for review. You allege that the information about the regulated firms you had provided to the FCA had been ignored by them, because had it been investigated, the firms in question *"would have become obliged by the FCA to remedy their non-compliance"* and insure your property.
10. Your desired outcome is for the FCA to engage with you and open an investigation into the firms' conduct.

Analysis

11. I issued a preliminary report (PR) saying the FCA acted reasonably in trying to obtain further information from you and that if you want to clarify how the information you provided concerns the FCA, or what actions you would like the FCA to take, you can submit your explanation to the FCA's Complaints Team. You confirmed that you would like the FCA to investigate the alleged misconduct of the regulated firms. Examples of the alleged misconduct referred to in one of the reports include providing regulated services without authorisation and failing to conduct complaint investigations in an FCA-compliant manner.
12. You also submitted a complaint to the Financial Ombudsman Service (FOS), which was the appropriate course of action, and ICO for investigation.
13. From the information on the file, I can see that the FCA Supervision Hub reviewed the documentation you had provided, however they felt that they needed further input from you before they could determine the best way to process your information. An email dated 5th February 2024 from the FCA to yourself confirms this. In it, you were advised that: "*..it would be useful to discuss your concerns over the phone as this way [the FCA could] locate the correct firms, address your specific concerns and get further information from you if necessary.*" This is why the FCA requested a phone call and a summary of the 195-page report.
14. I understand that, based on the questions you were asked by the FCA, you were under the impression that your submissions were not being taken seriously. As a result, you insisted that your documents be read before any further communication could take place. The FCA, in turn, explained that it had read the documents and needed clarification from you, which is why you they were suggesting a telephone call. From this, an impasse ensued, and the telephone call did not take place.
15. I consider that the FCA Supervision Hub acted reasonably in its attempts to progress with your queries, and your documentation was passed onto Supervision for review. I asked the FCA to update me on the outcome of its review, and it has now done so.

16. Having reviewed the FCA's update I can say that I am satisfied that the FCA has not ignored the information which you had provided and has given it proper consideration. Unfortunately, I cannot say any more than that, and I recognise that that will be frustrating for you.
17. You have said that you have concerns whether the FCA has taken any action because you have not seen any evidence that it has.
18. With respect to your point above, first, I can explain generally what the FCA has said about its approach to supervision of firms in the past: *“there will be many instances of non-compliance in firms which the FCA considers it appropriate to address without the use of formal disciplinary sanctions. The FCA uses a range of tools to carry out its responsibilities and meet its objectives. Where a firm or other person has failed to comply with the requirements of the Act, the rules, or other relevant legislation, it may be appropriate to deal with this without the need for formal disciplinary or other enforcement action. The proactive supervision and monitoring of firms, and an open and cooperative relationship between firms and their supervisors, will, in some cases where a contravention has taken place, lead the FCA to decide against taking formal disciplinary action. However, in those cases, the FCA will expect the firm to act promptly in taking the necessary remedial action agreed with its supervisors to deal with the FCA's concerns. If the firm does not do this, the FCA may take disciplinary or other enforcement action in respect of the original contravention”*.
19. The above is not a finding that the FCA did or did not take any action against the firms you are concerned about, but rather to explain that lack of publicly available information about formal FCA action does not mean that the regulator has taken no action or not engaged with firms.
20. While the regulator welcomes information from people who report concerns, the FCA does not generally say what action has been taken in response to the information that it receives, if any. 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 means that, there is no general right for members of the public to know the outcome of reports that they make.

21. I note you remain dissatisfied with how your complaint has been handled, both by the FCA and by my office, however, you have not provided reasonable grounds for this and therefore I do not uphold your complaint about this.

The Complaints Commissioner

Complaints Commissioner

10 December 2024