



14 October 2024

Final report

Complaint number 202400384

The complaint

1. On 12 August 2024, you submitted a complaint about the FCA.

Your FCA complaint

2. On 1 April 2023 your Firm was authorised and regulated by the FCA. You received an invoice from the FCA dated 30 August 2023 for £409.54. Your Firm cancelled its authorisation on 12 September 2023. The invoice was in respect of the Firm's regulatory fees and levies for the period 1 April 2023 – 31 March 2024. You disputed this invoice with the FCA in October 2023. You subsequently raised a complaint with the FCA and in your complaint you mentioned you had cancelled the Firm's direct debit instruction, and that the FCA had instructed debt collection agencies to obtain the annual subscription fees for 2024. You said the FCA recognised your Firm's permissions were cancelled on 12 September 2023. You felt the FCA was requiring you to pay the annual fees for permissions no longer held by your Firm.
3. The FCA did not uphold your complaint. You were provided with information and directed to the FCA Handbook regarding fees in the FCA's Decision Letter. The FCA confirmed that as your permissions were cancelled on 12 September 2023 your Firm would not be liable for the annual FCA fees from 1 April 2024. It explained that your Firm was required to pay the fees for the year ending 31 March 2024 in full, irrespective of whether the permissions had been cancelled during that same annual period and whether you had used them or not.

Why you are unhappy with the regulator's decision

4. You disagree that you should have to pay the FCA's annual fees. You state you have already made a 'without prejudice' offer to the FCA for £150. You feel that the FCA is bullying you into paying for something you do not want or require. You were informed by debt collectors about your FCA complaint decision before you were issued with the FCA decision letter. You think this breaches confidentiality and have asked the FCA about how and why this has happened but they have ignored this correspondence.

Analysis

5. The FCA cancellation deadline date is 31 March of every year. Consequently, any Firm that remains authorised after 31 March will still be liable to pay the annual fee for the following year. The FCA was correct when it informed you of this in its Decision Letter to you. As you cancelled your permissions on 12 September 2023, your firm was liable for the fees due for the year ending 31 March 2024. The FCA has confirmed that its communication is clear when firms apply to cancel. The cancellation application which firms must fill out says : *"If you submit your cancellation application to us before 31 March (or before the last day in February, if you are also regulated by the PRA), you will not have to pay the annual fee for the following financial year. If, however, your business continues to operate for 3 months beyond this deadline – that's to say, past 30 June – then you will have to pay the annual fee for the financial year"*.
6. In response to the preliminary report you stated that you believed you had cancelled your permissions via telecom before the date required. You say you do not have a record of when you made the call or whom you spoke to.
7. Cancellations are undertaken via the Connect system, which is why your application was not cancelled until you submitted the form in the appropriate way. However, my office made enquiries of the FCA to check if it has a record of any calls you may have made about cancellation of permissions in order to check whether you were given appropriate advice.
8. The FCA has confirmed that it has a record of three telephone contacts from your firm since 2022. It said "There have been three calls that have been filed under the firm's reference /telephone number during this time, with only one of

them with a direct link to matters related to cancellation of permissions”. This was a call you had with the FCA on 12 September 2023 when you asked the FCA for advice on how you could cancel your permissions. The other two calls were both made on 24 October 2022 and were queries on your part about what LRF stands for and how you could dispute a late fee.

9. The FCA does not have a record of a phone call you made in which you attempted to cancel your permissions before 31 March 2023, and you have not been able to provide any evidence or even a clear recollection of when such a call took place, and whom you spoke to.
10. I am sorry to say I am unable to rely on your say so alone that such a call took place and that it did so in the context you describe without evidence such as a call recording, phone bill indicating the numbers called, or other. If in future you are able to produce evidence, the FCA will review it. In the meantime, I am unable to conclude that any such telephone call took place or that the FCA gave you the messaging that your permissions were cancelled over the telephone.
11. For the reasons above, your complaint is not upheld and therefore it would not be appropriate for me to recommend that the FCA waive the disputed annual fees.

Other matters

12. You contacted the FCA on 24 May 2024 about being informed by debt collectors regarding the outcome of your complaint before you were issued with the FCA Decision Letter. This is a new complaint point which the FCA has not had an opportunity to review. Under Complaints Scheme to which both the FCA and I operate to it is desirable for the FCA to conduct its own review first. As such please submit this as a separate complaint to the FCA.
13. With regards to the FCA Decision Letter that you received, the letter incorrectly reads as though the FCA was inviting you to contact them by 2 May 2024 if its understanding of your complaint was incorrect. This was a mistake by the FCA. As the letter was the FCA’s Decision Letter it represents its final decision and therefore the end of its complaint process

My decision

14. I do not uphold your complaint that your annual FCA fees are not due for the reasons I give above.
15. **I recommended** that the FCA use the correct wording in its Decision Letters going forward to avoid unnecessary confusion as described in paragraph 13 above. The FCA has accepted this recommendation.

The Complaints Commissioner

Complaints Commissioner

14 October 2024