

30 January 2025

Final report by the Complaints Commissioner**Complaint number 202400503***The complaint*

1. On 6 November 2024, you submitted to my office a complaint about the FCA regarding the quality of service you received from the Supervision Hub.
2. In your complaint you said that *“[t]he FCA is clearly at fault and there has been poor customer service, complaint handling and communication by different members of staff, including those in supervisor positions. The complaint concerns that [you] had to raise were upheld by the FCA, but they refused to offer any gesture of compensation. The FCA insist that compensation is not something that they “typically” offer. [You] believe that this is irresponsible and it shows a lack of accountability.”*
3. As a result, you *“believe that the only way to put things right is for the FCA to offer a reasonable gesture of compensation, in order to address the concerns in an effective and tangible way.”*

Background

4. In September 2024, you contacted the FCA’s Consumer Queries to alert them to the poor customer experience you had received from your breakdown car insurer. You advised that you had already submitted a complaint about this issue to the Financial Services Ombudsman (FOS), where you were taking it to the final decision following the initial rejection by an investigator.
5. You subsequently received a response from the FCA, which acknowledged your query, advised of the FCA’s role and that *“breakdown cover is generally excluded from FCA authorisation.”* The FCA also confirmed that your concerns would be shared with the relevant supervision team and included information

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about the next steps available to you if you had exhausted the FCA complaints process.

6. Confused by the FCA's response, you asked for a clarification because at that stage you only sent information to the FCA for consideration and were not aware if you *"had exhausted the FCA complaints process"*.
7. This led to an email exchange, during which the FCA mostly repeated the same information. You responded by pointing out the contradictions in the FCA's emails and advising that you would await the FOS's final decision, adding that you didn't think it necessary to make a complaint about the FCA.
8. However, dissatisfied with the FCA's responses, you decided to submit a complaint about the FCA. This was referred to Supervision Hub for consideration. The Hub upheld your complaint and *"apologised for the level of service you had received on this occasion, advising feedback would be given to the supervisors concerned to ensure the standards expected are reached and maintained going forward. Supervision Hub said the FCA does not typically offer compensation and following investigation of your complaint compensation was unable to be offered."*
9. Unhappy with the outcome, you escalated the complaint to the Complaints department, requesting that compensation be offered.
10. The FCA agreed with the Supervision Hub's decision and upheld Part One and Part Three of your complaint concerned with the quality of service you received. However, it did not uphold Part Two of your complaint requesting compensation for inadequate service. The FCA concluded that on this occasion an apology was the most appropriate remedy.

Analysis

11. I agree that poor customer service is unsatisfactory, and you were right to highlight this issue by way of raising a complaint. However, I do not think that *"the only way to put things right is for the FCA to offer"* monetary compensation. There are a number of remedies available to the FCA to provide redress and these are set out in the Complaints [Scheme](#) (see pp 11-14). The appropriate solution or action to take will vary based on the specific details and conditions of each individual situation.

12. In this instance, I note that even though the FCA advised you that “*breakdown cover is generally excluded from FCA authorisation*”, they agreed to pass on the information you provided about the firm onto their supervision team. In addition, all of your emails received prompt responses.
13. Further, following your complaint, the FCA apologised to you and informed you that feedback would be passed onto the relevant supervisor. I consider the FCA-proposed solution to be appropriate in the circumstances.
14. In your response to the Preliminary Report, you have said that the issue “*is not just whether the FCA are wrong to refuse compensation on this occasion. The point is also about whether the FCA are wrong to have a policy of never giving compensation, in any circumstances, when they are at fault.*” It is not correct to say that the FCA have a policy of never giving compensation. As I have stated at paragraph 11 above, the Complaints Scheme contains various redress remedies, including a mechanism to offer compensation. That said, the rules changed in November 2023 to further restrict the circumstance where the FCA will pay compensation. The Scheme rules amount to “rule making”. The Office of the Complaints Commissioner has no powers under the Scheme in relation to rule making, but we have set out our views in our Annual Report (please see: <https://frccommissioner.org.uk/wp-content/uploads/2023-2024-Issued-29-July-2024-2.pdf>).
15. In view of the above, I do not uphold your complaint.

The Complaints Commissioner

Complaints Commissioner

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