



17 February 2025

Final report by the Complaints Commissioner

Complaint number 202400526

The complaint

1. On 8 November 2024, you submitted a complaint to my office about the FCA, in which you raised a number of issues, which can be broadly summarised as follows:
 - a. Your firm incurred a £250 late submission fee and you would like this to be waived. There were no prior reminders from the FCA about the upcoming CCR007 submission deadline, however your firm did receive a notification following its failure to submit the report on time. You state that if the FCA was capable of sending a courtesy reminder by mail after the submission deadline, it should have been equally capable of doing so before the deadline. Had the FCA sent you such a reminder by post prior to the report submission deadline with correct information, you would have submitted your firm's CCR007 on time and not have incurred a £250 late submission fee, which you are now seeking to have waived (Element One).
 - b. Poor customer service provided by the FCA (Element Two).
 - c. You are unhappy with the increase in annual fees (Element Three).

Decision

2. I have considered the issues you raised and set out my findings below:
 - a. Element One – I do not uphold this Element of your complaint and agree with the FCA's decision. The FCA is not legally required to send email or postal reminders to firms to fill in their returns. Furthermore, your firm would have received a courtesy notification if they had set up their systems correctly.

202400526

- b. Element Two – I uphold this Element of your complaint and agree that steps should be taken by the FCA to enhance the quality of customer service to a satisfactory level. I note that the FCA has apologised and assured that feedback would be provided by the relevant departments to the supervisors involved, and this is appropriate in the circumstances.
- c. Element Three – your complaint about your annual fees relates to the FCA’s legislative functions and, as such, falls outside the Complaints Scheme. Therefore, I am unable to investigate this matter for you. Although your complaint is excluded, I note that the FCA has provided a reasonable explanation of the basis for calculating its annual fees.

Background

- 3. On 15 July 2024, your firm received a late reporting fee notification letter by post in respect of its late submission of CCR007. The letter inaccurately listed 7 December 2024 as the submission due date and imposed a £250 late return fee.
- 4. Over the following two weeks, you engaged with the FCA to query the submission due date and late return fee. You explained that given the incorrect submission due date in the FCA letter, the fee should be waived. You also informed them that you had terminated your contract with your external compliance consultant, who had been Principal User (PU) on the FCA’s RegData platform, and that they failed to advise you about setting up a new RegData PU.
- 5. In response, the FCA apologised for the incorrect due date in the letter but confirmed that your firm’s CCR007 was due on 12 July 2024, which is why it incurred a late return fee. The incorrect date had no bearing on the failure to pay on time as the firm was already late when the date was given. The FCA further informed you that had your firm’s new RegData PU been registered, your firm would have received courtesy reminders by email. The FCA also reminded you *“that your firm [was] responsible for completing reports on time and having the correct systems and controls in place to meet regulatory obligations, this includes ensuring access to the systems is maintained, and the fee would not be waived on this occasion.”*

6. Then, in October 2024, you contacted the FCA about the increase in your firm's annual fees, questioning why its invoice went from £409.53 in 2023 to £980.00 in 2024.
7. The FCA replied that *"the annual funding requirements for 2024/ 2025 for consumer credit firms ... have increased by 18% from 2023/2024, and the additional increase your firm are seeing is because your firm's fee tariff data is over £10,000."* The FCA also explained how your firm's invoice was calculated.
8. On 15 October 2024, you submitted a complaint about the FCA under the Complaints Scheme and raised the following complaint points:
 - a. *"the FCA systems are not straightforward and numerous"* (Part One).
 - b. the FCA didn't send you a letter before the submission due date but sent one when CRR007 was overdue. *"The FCA could have easily sent you a letter when there were no active Principal Users on RegData to warn you that is the only way reminders are sent."* (Part Two).
 - c. the late reporting fee notification letter stated 7 December 2024 as the submission due date, therefore the submission was not late (Part Three).
 - d. The actual increase in your firm's annual fees is higher than the 18% stated on the FCA's website, which is misleading (Part Four).
9. The FCA did not uphold your complaint on the basis that:
 - a. *"..each FCA system as currently configured serves a unique purpose and it is the responsibility of the firm to ensure that it understands what is required of it by the FCA.."* (Part One)
 - b. *"...the reporting reminder notifications.. are a courtesy and should not be relied upon as the only mechanism for ensuring firm compliance, and it is the firm's responsibility (and not the FCA), to ensure that they are ready and organised to comply with their regulatory returns."* (Part Two)
 - c. *"..while ... the late reporting fee notification letter states the incorrect submission due date, this does not change the fact that your firm's CCR007 was due for submission by 12 July 2024, and was not submitted until 17 July 2024."* (Part Three)

- d. The FCA *“ha[s] clearly explained why your firm are seeing more than an 18% rise in annual fees.” (Part Four)*

Analysis

Element One

10. I understand that you feel you have been treated unfairly by the FCA due to the late submission fee issued to your firm. Additionally, you contend that had the FCA notified you by post about the impending deadline and included correct information about the due date, you would have submitted your firm’s CRR007 on time.
11. Please note that the FCA have no obligation to send email or postal reminders, *“the reporting reminders are a courtesy and should not be relied upon as the only mechanism for ensuring firm compliance.”* As stated in the FCA’s decision letter, *“[f]irms are required to be ready, willing, and organised to comply, on a continuing basis, with the requirements and standards under the regulatory system. This is a requirement for all firms when they apply for authorisation with the FCA. It is also the firm’s responsibility (and not the FCA[’s]), to ensure that they are ready and organised to comply with their regulatory returns. This extends to the firm ensuring that they have the systems and controls in place to meet their reporting requirements, are aware of their reporting schedule and ensuring that reporting submissions are made on time, with a sufficient period before submission to tackle any discrepancies that may take place.”*
12. Further, whilst it is unfortunate that your departing external compliance advisor did not inform you about the need to create a new PU on the FCA’s RegData, it is your firm’s responsibility to ensure its details are up-to-date.
13. I appreciate you are unhappy with the current circumstances as you owe the FCA late fees and it is evident from your comments on the Preliminary Report that you are dissatisfied with my preliminary findings. However, I agree the FCA is right not to uphold your complaint because it has acted in accordance with its standard practice in such cases and I also do not uphold it for the reasons given above.

Element Two

14. I note that you did not raise poor customer service as part of your FCA complaint and only mentioned it to me following the FCA's voluntary acknowledgment of providing sub-standard level of service.
15. I have reviewed the information on the file and understand that on two occasions, when contacting the Supervision Hub, you were let down by the staff. Following your first call to the FCA, the staff member promised to send you a follow up email to enable you to report incorrect information so that it could be escalated to the relevant team for further consideration, however they failed to do so. On the second occasion, you were put on hold for a prolonged period of time at the beginning of the call and when you raised a complaint about this issue with the call handler, their response was inadequately managed.
16. I agree that recurring deficiencies in service levels are unsatisfactory and am pleased to see that the FCA of its own accord investigated the issues, extended an apology and promised to provide further training to the staff in question. Whilst I uphold this Element of your complaint, I consider the FCA approach to be appropriate and sufficient on this occasion.

Element Three

17. I note that you are unhappy about the increase in your firm's annual fees and find it to be "*disgusting in this economic climate for small firms.*" You want the FCA to reconsider its fee structure.
18. Having considered this Element of your complaint, I have come to the conclusion that I am unable to investigate it because it relates to the FCA's exercise of its legislative functions, and such complaints are expressly excluded from the Complaints Scheme.
19. However, I have reviewed the information on the file and note that, in response to your questions regarding the annual fee increase, the FCA has provided you

with an in-depth explanation as to how your firm's annual fees are calculated:
"Revenue advised you that the annual funding requirements (AFRs) for 2024/25 for consumer credit firms in CC.1 (Consumer credit-related regulated activities with limited permissions) and CC.2 (Consumer credit-related regulated activities with full permissions) have increased by 18% from 2023/24. And the additional increase your firm is seeing on your current invoice is because your firms fee tariff data is over £10,000."

20. Further, from the FCA's decision letter, I understand that the FCA has recently published a consultation paper in relation to its regulatory fees and levies, where it set out its proposals for 2025/26. Given your sentiment about the annual fee structure, you may wish to submit your comments, which are due by 24 January 2025. However, as the FCA each year consults with the sector about proposed changes to its fees policy, you have already had an opportunity to comment on this issue.

The Complaints Commissioner

Complaints Commissioner

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