

Complaint number 202400618

On 7 January 2025, you submitted a complaint to my office about the FCA. You state that the FCA has refused to investigate your complaint about the FCA's role in allowing unregulated secured loans to be taken out by customers until 2014. You have asked why the policy/lending criteria changed following 2014. As your home was repossessed in relation to this type of lending, you have requested an award of a compensatory payment.

I have considered your complaint and my comments are as follows:

1. The [Complaints Scheme](#) covers the investigation of complaints that arise in connection with the exercise of, or failure to exercise, any of the FCA's relevant functions. The 'relevant functions' of the FCA are defined in the [Complaints Scheme](#) and [Part 6 of the Financial Services Act 2012](#).
2. For the FCA, broadly speaking, 'relevant functions' include authorisation, supervisory, and enforcement functions, operation of the Complaints Scheme and maintaining the Financial Services Register. Your complaint does not relate to a 'relevant function' of the FCA. Expressly excluded from the definition of 'relevant functions' is anything arising from the FCA's exercise of legislative functions or standard review functions. 'Legislative functions' of the FCA include the making of rules, and the issuing of general guidance.
3. Parliament sets out the FCA's objectives in legislation as well as specifying what financial services activities are within the FCA's jurisdiction. During the time to which your complaint relates, the FCA did not have an obligation or power in relation to unregulated secured loans. In terms of the loan to which you refer, I understand that you are referring to a "second charge mortgage" secured on your home. Until April 2014, this type of lending was regulated by the Office of Fair Trading (OFT). From April 2014, responsibility for this type of lending transferred to the FCA under an interim consumer credit regime which continued until 21 March 2016. From 21 March 2016, the Government decided

to move the regulation of second charge mortgages into the FCA's first charge mortgage regime as part of the UK's implementation of the Mortgage Credit Directive. The Government did this to apply additional FCA consumer protections from the first charge mortgage regime to consumers in the second charge market. Second charge mortgages therefore began to be regulated by the FCA from 21 March 2016.

4. For the reasons set out above, your complaint is excluded from being considered under the Complaints Scheme and we cannot offer any further help under the Complaints Scheme. If you would like to pursue matters further, you may wish to consider discussing your complaint with [Citizens Advice](#) who may be able to offer advice as to the appropriate next steps.

The Complaints Commissioner

Complaints Commissioner

28 March 2025