



31 March 2025

## Final report by the Complaints Commissioner

### Complaint number 202400633

#### *The complaint*

1. On 20 January 2025, you submitted a complaint to my Office about the FCA, in which you allege it:
  - a. allowed Bank X to ignore “Anti Money Laundering Regulations”, specifically Regulation 8(2) of the Money Laundering Regulations 2007 (MLR). This regulation pertains to the concept of “ongoing monitoring” within a business relationship. Specifically, it requires scrutiny of transactions throughout the relationship to ensure they align with the customer’s expected business activity and risk profile, and the verification of the source of funds, where necessary.
  - b. allowed Bank X to operate without appropriately implementing “Know Your Customer” and “Customer Due Diligence” checks, therefore, to operate without adequately monitoring the business accounts it held for Firm X (a non-regulated firm).
2. As a result, you say that Firm X was able to operate in a fraudulent manner, effectively running a “ponzi scheme...*for over 2 years seriously damaging the financial health of 400+ Investors*”.
3. By way of a resolution, you “*urge the Complaints Commissioner to:*
  1. *Recommend that the FCA investigate [Bank X’s] systemic failings and advocate for the reimbursement of Bond 2 holders.*
  2. *Extend this recommendation to include all receiving banks, such as [Bank Y], that facilitated [Firm X’s] fraudulent activities.*

*Reimbursement is administratively feasible, aligns with the FCA's mission, and provides meaningful redress for victims."*

#### *Decision*

4. After careful consideration of the information provided both by you and the FCA in the complaint file and its responses to the queries I raised with it in another complaint related to the same issues ([please see the related Final Report here](#)), I **do not uphold** your complaint. It follows that I do not recommend any remedy. The reasoning behind my decision is set out below.

#### *Preliminary points*

5. Much of the information you provided relates to the activities of the unregulated Firm X, which do not fall within the remit of the FCA. I note that the FCA has confirmed that all the information you provided has been forwarded to the relevant department within the FCA for their consideration, which is the correct course of action to take.
6. In order to be able to address your complaint, I have reviewed the points you made, the materials provided by the FCA, and the FCA's responses to additional questions I asked in the related complaint which I recently investigated, in order to be able to better understand the factual matrix of the background and the work undertaken by the FCA.
7. Unfortunately, much of the information reviewed in the course of investigating your complaint is covered by s348 of the Financial Services and Markets Act (FSMA) 2000 and the FCA's confidentiality policies. As such, this report will not be able to cover much of the underlying material in detail. Whilst it is likely to be frustrating for complainants that I am unable to comment on confidential materials, it is important that my office has access to these in order to be able to fully investigate complaints and hold the regulators to account, where necessary.

#### *Background to complaint*

8. Your complaint arose as a result of you losing your investment of £26,000 in mini bonds in Firm X, an unregulated firm.

9. In your complaint and the additional information contained in your Evidence Bundle which you provided me with, you detail the various companies and accounts involved in the activities of Firm X, why you believe that Bank X failed to comply with the relevant banking rules and in turn, how this means that the FCA failed to adequately supervise the bank.

*My analysis*

10. Your allegations in relation to the failures of the FCA to adequately supervise Bank X related to not ensuring that the bank complies with anti-money laundering regulations and CDD/ KYC requirements. You provided information in relation to Firm X's accounts to support your case.
11. The FCA did not uphold your complaint on the basis that it *“did not find any evidence that [the FCA failed to ensure Bank X complied with MLRs] and am content with the way in which the FCA has been supervising [Bank X] in this regard.”*
12. As previously stated, I had already investigated a complaint about the FCA in relation to the same issues and in the course of that investigation, I made enquiries of the FCA as to how it had handled the allegations about Bank X in connection with Firm X and as to whether the allegations were indicative of a pattern regarding the bank's AML systems and controls. The FCA provided me with a good amount of background information in response to the queries I raised with it, for which I am grateful.
13. The information shows that the FCA Supervision Team considered the allegations about this particular situation and had given them appropriate consideration. You have asked if I am satisfied that the FCA acted reasonably, and I can confirm that I am based on the evidence the FCA has provided me with. Again, unfortunately, for confidentiality reasons I cannot disclose further details about the information I was provided with. The additional information ('evidence bundle') you have submitted does not provide any evidence about wrongdoing on the part of the FCA. You have also suggested that the firm used 'PLC' designation in its title when it ought not to have. I suggest you share this and your evidence bundle with the FCA for its information, if you have not already done so, although due to confidentiality reasons the FCA may not be able to tell you what consideration it

will give it. I note you would like further scrutiny of this matter, but in the absence of any new evidence there is nothing more that can be done under the Complaints Scheme.

*My decision*

14. For the reasons above, I do not uphold your complaint.

*The Complaints Commissioner*

Complaints Commissioner

31 March 2025