



10 June 2025

Final report by the Complaints Commissioner

Complaint number 202400677

The complaint

1. On 19 February 2025, you submitted a complaint to my office about the FCA's handling of your firm's Part 4A application for authorisation ("**Application**"), which resulted in the FCA Authorisations department issuing a Minded to Refuse ("**MTR**") notice to your firm. You subsequently withdrew your Application.
2. In particular, you raised the following specific complaints:
 - a. *Element One* – The FCA issued the MTR notice without considering the most recent evidence that you submitted in support of your Application. You request that I assess or arrange for your application to be reassessed taking into account this evidence.

Outcome: Not investigated
 - b. *Element Two* – You consider that the FCA authorisations case officer has acted unprofessionally in her communications with you including leaving a '[date]' placeholder in an email to you which you state indicates a lack of quality control or a potential reliance on pre-drafted or automated responses rather than a substantive assessment.

Outcome: Not upheld.
 - c. *Element Three* – You feel there has been inconsistent communication and service failures from the FCA in processing your application because the FCA failed to engage with your firm from the date it submitted its October 2024 submission for seven weeks before issuing the MTR notice, despite promising monthly updates.

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Outcome: Upheld

- d. *Element Four* – You do not feel that the Complaints Team has carried out an independent review of your complaints and you do not feel that meaningful steps have been taken to assess the case officer’s conduct despite what you allege is evidence of substandard regulatory engagement.

Outcome: Not upheld

Background information

3. On 25 January 2024 you submitted your Application to the FCA in relation to Firm X. The Application was assigned to the principal case handler at the FCA on 20 March 2024. There followed various requests for information from the FCA and answers by your firm.
4. On 11 October 2024, the FCA sent a MTR email to you as key information including relating to policies and procedures was missing from the Application. The MTR email detailed the two options available to Firm X. These were to either withdraw the Application or have the Application escalated to an Executive Decision Maker (“**EDM**”) to make a decision about whether to accept or refuse the application in line with the [FCA’s refusal process](#).
5. On 14 October 2024, you submitted revised policies and procedures in response to the MTR email.
6. On 2 December 2024, the FCA sent you a MTR notice again setting out concerns about the Application and asking whether Firm X wished to refer its application to the EDM or withdraw it.
7. I have not reviewed the subsequent progress of your Application as your complaint covers only the period referred to above.

My analysis

Element One

8. With regards to your allegation that the FCA did not take into account the most recent submissions to your Application and your request that I carry out an independent review of your Application, I am unable to assist you with these

elements of your complaint. It is not within my remit under the Complaints Scheme to investigate complaints about proposed refusals or refused Part 4A applications. The decision-making process for proposed refusals is set out [here](#). The FCA has explained to you why it did not take into account your most recent submissions when issuing its MTR notice: namely because they were provided after the FCA notified you on 11 October 2024 that it had assessed your Application and that it was minded to refuse the Application. It had decided that the previous information supplied by you was not sufficient. It explained on 11 October 2024 the options available to you at that point were to either withdraw your application or refer it to the EDM. It did not provide an option for you to submit revised data in support of your application (which is what you did on 14 October 2024).

9. The FCA's communication to you on 11 October 2024 clearly outlined your available options going forward, as described above. However, a subsequent FCA communication on 2 December 2024, issued in response to your firm's submission dated 14 October 2024, lacked clarity. Whilst the FCA reiterated that your options remained either to withdraw the application or proceed to the EDM, it did not clearly explain how your 14 October 2024 submission had been considered. The FCA has acknowledged this lack of clarity, apologised for the confusion, and confirmed that the intention of the 2 December 2024 communication was to convey that the firm had already been given sufficient opportunity to bring its policies up to the required standard, but had failed to do so within the timeframes set. Despite the ambiguity in that communication, for which the FCA has both apologised to you and provided feedback to the case officer, it remains the case that no further opportunity to revise your submission was offered on 11 October 2024. It seems to me the FCA was therefore entitled to exclude the 14 October 2024 submission from its assessment of your Application. In any event, it appears that the MTR letter extended beyond the matters covered by your 14 October 2024 submission. Matters such as at what stage in the assessment process the FCA would typically stop providing firms with a further opportunity to revise their policies is a matter for FCA discretion.

Element Two

10. With regards to unprofessional conduct and lack of quality control on the part of the case officer, the FCA has explained that the '[date]' placeholder in the 2 December 2024 email was not due to the use of generic templates or artificial intelligence ("AI"). I understand that the case officer intended to insert the date prior to the email being sent to you but this did not occur due to human error. I note that you are not satisfied with this response, because you feel that this is more than human error and indicates "a lack of quality control and potential reliance on pre-drafted or automated responses rather than a substantive assessment." I do not share your view. It does not seem reasonable to me to assume that the case officer was relying on pre drafted automated responses in general based in isolation on the missing date error. The FCA manager has provided feedback to the case officer that the '[date]' error fell below the standard expected. I understand that you have received an apology regarding this error. I consider that an apology in this instance is sufficient.
11. On the above basis, I do not uphold Element Two of your complaint.

Element Three

12. You have said that "the FCA failed to engage with our October 2024 submission for seven weeks before issuing the MTR notice" despite telling you previously that it would update you monthly. I uphold this complaint and I note that the FCA has also upheld this aspect of your complaint as failing to provide the monthly updates is not the high level of service the FCA should be extending to firms. The FCA has communicated feedback to the case officer about the necessity to provide monthly updates and the FCA has apologised to you for this, which I consider sufficient.
13. On this basis, I uphold Element Three of your complaint. However, the fact that the FCA did not provide you with a monthly update does not have a bearing on the outcome of your Application, which was handled within the statutory timescale.

Element Four

14. From my review of the file, I do not consider that the investigation of your complaint has been carried out in a biased manner by the Complaints Team. I

have seen evidence that a thorough investigation was carried out. For this reason, I do not uphold this element of your complaint.

My decision

15. For the reasons set out above, I do not uphold Elements Two and Four of your complaint. I uphold Element three of your complaint for which you have received an apology from the FCA, I consider this sufficient. I am unable to assist you with Element One of your complaint. It is not within my remit under the Complaints Scheme to investigate complaints about proposed refusals or refused Part 4A applications.

The Complaints Commissioner

Complaints Commissioner

10 June 2025