



15th July 2025

Final report by the Complaints Commissioner

Complaint number 202400738 and 202400695

The complaint

1. On 25 February 2025 and 18 March 2025, you submitted complaints to my office about the FCA. You have alleged that the FCA's cancellation of Firm X's permissions, is responsible for you becoming a victim of fraud.
2. To resolve your complaint, you want the FCA to investigate Firm Y and/or Firm X and help recover your frozen crypto assets.

Decision

3. For the reasons set out below, I do not uphold your complaint.

Background

4. You say that in May 2022, you entered into a contractual relationship with an entity: Firm Y, which was part of a group of companies, Group Z. Firm X was also part of the same group.
 5. Firm X was regulated by the FCA, however, before you entered into a relationship with Firm Y, a publicly available FCA Supervisory Notice, dated 25 June 2021, set out that the FCA placed requirements on Firm X, which prevented it from carrying out regulated activities in the UK. This information was also reflected on the FCA Financial Services Register ("FS Register"). Firm X's permissions were then cancelled in May 2023, and subsequently it ceased being authorised in the UK.
 6. Although Firm X was regulated at the time you entered into a contractual relationship with Firm Y, no other company within the Z group, including Z itself, was regulated by the FCA. Firm X had ceased to be regulated by the time you lost your assets as described below. You allege that in December 2023, you
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transferred crypto currency you held with Firm Y to a personal custodial wallet provided by a third party. At that point, your assets were the subject of a fraud. The perpetrator of the fraud lodged your assets in their account with Firm Y. You alerted Firm Y and asked them to freeze the account to protect your assets. Although they initially did this, you say that they subsequently allowed your alleged assets to be withdrawn, and you have suffered a loss. You acknowledge that Firm Y is not involved in the fraud that was perpetrated against you by a third party. Your complaint is that Firm Y should not have allowed the alleged assets deposited by a third party to be released once you contacted them to alert them to the possible fraud.

7. In February 2025, you submitted a complaint to the FCA alleging that it failed to properly supervise Firm Y and Firm X and to enforce effective consumer protection measures by way of clear and timely public warnings that Firm X was not FCA-regulated. You stated that this resulted in harm to consumers and your loss of investment.
8. The FCA issued two decisions in relation to your complaint. In effect, they related to the same issue. The FCA concluded that as neither Firm Y nor Firm X were regulated at the time of the fraud incident, this is not something the FCA was able to investigate under the Complaints Scheme because your complaint is not arising in connection with the exercise of the FCA's relevant functions.

Preliminary Points

9. I note that you referred both FCA decisions to my office for review. As they concern the same issue, I have decided to issue a single report addressing both complaints.

My analysis

10. Firm Y is a global cryptocurrency company part of group Z, and has never been regulated by the FCA. Firm X was a part of the same group of companies and was regulated by the FCA until May 2023. However, the FCA's First Supervisory Notice, dated 25 June 2021, set out that the FCA placed requirements on Firm X, which prevented it from carrying out regulated activities in the UK, and the reasons for this. This happened before you opened your account with Firm Y in May 2022.

11. The FCA maintains an FS register, which provides the status of all regulated firms, which would have been available for you to check prior to opening your account in May 2022. If you had done so, you would have seen that Firm Y was not regulated by the FCA at the time of your investment and that Firm X did not have permission to carry out regulated activity in the UK.
12. I do not uphold your complaint including for the following reasons:
- a. Your relationship was with Firm Y, which has never been regulated, and not with Firm X. The FCA did not have supervisory responsibility for Firm Y or obligation in respect of protection of its client assets.
 - b. Although you entered into a contractual relationship with Group Y at a time when Firm X was regulated, Firm X did not have permission to undertake regulated activities in the UK from June 2021. In any case, it was no longer regulated at all by the time the fraud occurred. This information was displayed on the public register.
13. In response to my preliminary report, you have indicated that you may have been misled by Group Z or Firm Y into believing that you were dealing with a regulated firm. This is not a point which you raised with the FCA and it has not been subject to an investigation. Although the FCA do not regulate Firm Y, they have a responsibility to ensure that unregulated firms do not hold themselves as being regulated. If you wish to complain about this, I suggest you refer it to the FCA. If you have evidence that Group Z or Firm Y misled you, I suggest you provide this evidence to the FCA for its review.
14. In the meantime, it seems to me the most appropriate forum for you to have your case dealt with is in the courts, and I note you have commenced court action.

The Complaints Commissioner

Complaints Commissioner

15th July 2025