

22 September 2025

Final report by the Complaints Commissioner**Complaint number 202500130***The complaint*

1. On 15 April 2025, you submitted a complaint to my Office regarding the Financial Conduct Authority (FCA) as follows:
2. Element One: You allege that the FCA failed to enforce rule CASS 7.13.36(1) in relation to Bank X, specifically concerning the number of business days it takes for the bank to pay dividends earned through certain investor accounts. You further allege that, by failing to act, the FCA has not fulfilled its duty to protect consumers.

Outcome: I **do not uphold** this element of your complaint.

3. Element Two: You submitted a complaint to me about the FCA's handling of information it received from you regarding delayed payments of tax-related elements of Real Estate Investment Trust (REIT) dividends to Smart Investor customers of Bank X. You allege that these delays began following a 2016 system change at the firm and did not affect ISA account holders or clients of comparable firms.
4. The FCA's response to you was that it characterised the issue as a tax matter, stating it was not within its remit and suggesting that you contact HMRC.

Outcome: At the preliminary stage I upheld this element of your complaint, as the FCA had wrongly treated the issue as a tax matter without considering whether the payments were client money under CASS. The FCA has since acknowledged this mistake and provided further clarification of how it dealt with the information within its supervisory processes. Having reviewed this, I am satisfied the matter has been dealt with appropriately by the FCA in accordance with its procedures and therefore **do not uphold this element in my final report.**

202500130

Background

5. Based on the information you provided; you held an investor account with Bank X from 2016 until approximately May 2023. You state that from September 2022 onward, Bank X began paying dividends after the due date, whereas previously they were paid on the “due date”. You report that this delay increased in both frequency and duration, culminating in April and May 2023, when only one of 12 dividends was paid on time—the rest being delayed, with the longest delay being eight days. You attribute this change to the time when Bank X migrated to a new platform.
6. You are concerned that this practice may be affecting all customers holding the same investor accounts with Bank X and that delayed payments may have a negative financial impact, especially when compared with other providers who pay on time.
7. You raised these issues with Bank X, but were not satisfied with its response. You also complained to the Financial Ombudsman Service (FOS), which issued a decision on 15 May 2024. The FOS did not uphold your complaint, finding that Bank X had not acted improperly in relation to dividend payment timings. It did not investigate the REIT tax credit issue, as you had not first raised this with Bank X.
8. Ultimately, because you could not obtain a resolution that would prevent financial loss (e.g., loss of interest from delayed payments), you decided to change providers. You state that this process was stressful.

Analysis

Element One

9. The rule you allege the FCA has failed to enforce is CASS 7.13.36(1), which provides:

“A firm must allocate any client money it receives to an individual client promptly and, in any case, no later than ten business days following the receipt (or where subsequent to the receipt of money it has identified that the money, or part of it, is client money under CASS 7.13.37 R, no later than ten business days following that identification).”

10. In its Decision Letter dated 28 February 2025, the FCA explained that it does not intervene in individual disputes between firms and consumers, and that such matters fall within the jurisdiction of the FOS. I note that you are aware of this, having already submitted your complaint to the FOS, which did not find in your favour.
11. The FCA also stated that the information you provided was shared with the relevant supervisory area. However, due to the restrictions under section 348 of the Financial Services and Markets Act 2000 (FSMA), as well as internal confidentiality policies, the FCA is unable to inform you of what, if any, action was taken.
12. Having reviewed the complaint file and the FCA's response, I am satisfied that the FCA's actions were reasonable and that your concerns were shared internally as required. I am also bound by the confidentiality restrictions under section 348 FSMA, and therefore cannot disclose what I have seen during my investigation. I note, however, that the longest delay you reported in receiving a dividend was eight calendar days. The rule requires firms to allocate client money promptly, and in any case within a maximum of ten business days. While I acknowledge your view that the word "promptly" implies a shorter period, your own evidence shows that the delays fell within the maximum ten-business-day window allowed by the rule.
13. For the reasons above I do not uphold your complaint.

Element Two

14. While the FCA is correct that tax policy and tax credit calculations fall under HMRC's jurisdiction, the complaint here concerns the handling and timing of payments once those funds have been received by the firm. At that stage, such monies are arguably client money within the meaning of CASS.
15. At the provisional stage of my investigation, I upheld this element of your complaint. I considered that the FCA had mischaracterised the issue as a tax matter without first assessing whether the payments constituted client money, and I recommended that the FCA revisit the information provided, consider supervisory enquiries with respect to the firm, and review its processes for triaging consumer intelligence.

16. In response the FCA has revisited the matter and acknowledged that it should not have concluded that it was for HMRC only and that suggesting you contact HMRC was not inappropriate. Feedback on this matter was shared with the Supervision Hub, and they have acknowledged it. The FCA Supervision Team has also explained to me how it has handled the information you provided, and I can see that the information was appropriately processed according to the FCA's internal procedures. For this reason, the FCA has said that there is no need for it to revise its triage processes and based on the further information provided to me I agree. I can say that I am satisfied that the FCA's consideration of the matter is not unreasonable and it has dealt with the information you provided according to its procedures. Unfortunately, like the FCA (which explained its confidentiality policy and restrictions to you), I am required to respect confidentiality. This means that sometimes I cannot report fully on the confidential material to which I have access, as is the case here. However, as part of the Complaints Scheme, I have access to all the FCA's complaints papers, including confidential material. This is so that I, as an independent person, can see whether I am satisfied that the FCA has behaved reasonably. Sometimes this means that all I can say to complainants is that, having studied the confidential material, I am satisfied that the FCA has (or has not) behaved reasonably – but I am unable to give further details. This can be frustrating for complainants, but it is better that I am able to see the confidential material.
17. Having reviewed this, I am satisfied the matter has been dealt with appropriately by the FCA in accordance with its procedures and therefore do not uphold this element in my final report.

The Complaints Commissioner

Complaints Commissioner

22 September 2025