

31 October 2025

Final report by the Complaints Commissioner**Complaint number 202500223***The complaint*

1. On 19 May 2025, you submitted a complaint to my office concerning the FCA's determination to decline compensation on your firm's application pursuant to s28A(2)(b) FSMA. You were concerned that no one with the name of the Credit Intermediary (CI) noted on the relevant form, was a regulated firm. You concluded that an unregulated firm had acted as a broker. The FCA's determination was made on the basis that the credit agreements entered into by your clients with two banks were not rendered unenforceable under s27(1) FSMA. Although the Standard European Consumer Credit Information Form (SECCI) incorrectly described the CI, the FCA concluded that this was an error in entering the name of the firm and the CI was in fact a regulated entity (Firm X). Your complaint to me is in two parts:
2. Element One: The FCA did not address why the same misidentification error arose across both financial institutions, nor whether this might indicate a broader deficiency in lender due diligence.
3. Element Two: The FCA did not consider that the wrongful naming of the credit intermediary may have led to consumers being misled about who brokered the loan; and that the acting intermediary may in fact not have been Firm X at all.

Preliminary Points

4. You provided the FCA with a letter of authority from your clients authorising you to deal with the lenders on their behalf. I have not, however, seen any authority allowing you to submit a complaint under the Complaints Scheme on their behalf. Without that authority, your firm is not an eligible complainant under the

202500223

Scheme and a determination on your complaint cannot be issued. The FCA has agreed with this assessment after I raised the point during my investigation.

5. In your response to my Preliminary Report, dated 6 October 2025, you submitted that you do in fact have the authorisation of your clients to submit this complaint on their behalf. Whilst neither the FCA nor I have these letters of authority in relation to submitting the complaint under the Complaints Scheme, as advised in my Preliminary Report, in order to be helpful, I have considered the concerns you raised and set out my observations below.

Background

6. The background to your complaint is that your claims management company (CMC) represents clients on whose behalf you submitted an Application under s28A(2)(b) of the Financial Services and Markets Act 2000 ("FSMA") to the FCA regarding S Bank and B Firm ("the Lenders") and Firm X who acted as a CI between the Lenders and your clients.
7. These applications requested the FCA to make determinations for compensation for your clients. The basis of these claims was that the CI who brokered the loans listed on the SECCI carried out a regulated activity (credit broking) without the relevant permissions. The loans in these agreements were brokered by Firm X who were authorised by the FCA at the time of the agreements, however, the Lenders incorrectly described the name of the sales centre (X Centre) as the CI.
8. The FCA said that:

"The FCA investigated these claims and responded to you on 24 October 2024. The letter that was sent to you explained that the Lenders had told us that there was an error in the credit agreements in that the credit intermediary was wrongly named X Centre due to a system population error. Nonetheless the credit intermediary acting for the Credit Agreements was in fact Firm X who were authorised to carry out the relevant credit broking activity.

Section 27 of the FSMA does not therefore apply as Firm X held a credit broking permission and was not in breach of the general prohibition. Section 27 requires the involvement of an unregulated person performing regulated activities. Therefore, as the precondition that the Credit Agreements were

unenforceable under s27(1)FSMA was not met, and the FCA do not have any jurisdiction under s28A(2)(b) in respect of this specific set of facts to make determinations for compensation.

As explained above and [as] was explained to you in the FCA letters of 24 October and 1 December 2024, the FCA has investigated claims that there were unlicensed credit intermediaries carrying out regulated activity without the relevant permissions. No breach was found to be relevant for s27 of the FSMA which would entitle the Consumer to compensation under s28A FSMA provisions”.

9. You then referred the complaint to me.

Analysis

Element One

10. I note your comments of 6 October 2025, and I can confirm that I have considered these as well as all the issues you raised in your original complaint. I am satisfied that the FCA has appropriately considered the broader concerns and the potential for systemic harm across the relevant lender population, and that its response was reasonable in the circumstance. Unfortunately, I, like the FCA, am also subject to legal restrictions under section 348 of the Financial Services and Markets Act 2000 (FSMA), which prevent the disclosure of certain confidential details about firms, as well as the FCA’s confidentiality policies. For this reason, I am unable to provide further details about the FCA’s consideration of this element of complaint. I appreciate that this limitation on the information I can share may be frustrating.
11. Even if this complaint were considered eligible under the Scheme (for example, if up-to-date letters of authority were provided), it would not change the outcome. Even if it were, my review of the information provided has not identified any evidence of fault by the FCA. Therefore, regardless of whether the complaint is eligible under the Scheme, I would not have upheld it.

Element Two

12. As mentioned above, you have not provided evidence of authority from your clients to pursue a complaint under the Scheme on their behalf. Your firm is

therefore not an eligible complainant. Even if such authority were provided, this matter, as formulated in your complaint to my Office, has not previously been raised with the FCA's Complaints Team by your clients (or by you on their behalf), so the FCA has not had an opportunity to consider it in the first instance, which is the usual practice under the Complaints Scheme. If you wish to pursue this element of complaint because you or your clients have further information you wish to share, I suggest you refer it to the FCA in the first instance for its review. I have nevertheless considered the concerns such as you have set them out to me provide and provide my observations below, which I hope will be helpful.

13. The FCA has explained that, notwithstanding the differing names, which appears to be the result of an error, they accepted the CI was Firm X, a regulated firm and that consumers understood this to be the case. It follows that individuals would have recourse via the usual channel, namely the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS), which are the appropriate organisations to consider such matters. If your clients feel that they were misled by Firm X as a result of which they have suffered loss, they are eligible to approach Firm X, FOS or the FSCS in the normal way, and that is the correct course of action for individuals to take if they have a dispute with their financial services provider. This is the appropriate way to seek individual redress.

The Complaints Commissioner

Complaints Commissioner

31 October 2025