

14 January 2026

## Final report by the Complaints Commissioner

**Complaint number 202500355**

### *The complaint*

1. On 8 July 2025, you submitted a complaint to my office about how the FCA has contributed to your issues with Cypriot Firm X.
2. I have summarised your complaints as follows:

**Element One** – The FCA should not claim that it has no powers over a firm once it is no longer authorised, as this could allow that firm to avoid potential FCA enforcement and consumers would be unable to obtain compensation from the Financial Ombudsman Service (“**FOS**”) or the Financial Services Compensation Scheme (“**FSCS**”).

**Outcome: Not investigated.** This element of your complaint appears to be connected to a similar complaint you previously raised about the FCA in relation to Firm X, which was the subject of a Final Report issued by the Complaints Commissioner published on our company website here:

<https://frccommissioner.org.uk/wp-content/uploads/202400410-Issued-17-December-2024.-Published-06-March-2025.pdf>

As the substantive issues have already been addressed in a concluded complaint, I will not investigate them further.

**Element Two** – The FCA told you during a call in October 2019 that you should contact Firm X and the Cyprus Securities and Exchange Commission (“**CySEC**”) to understand how your funds were protected, and only contact the FSCS if and when you required compensation. The FCA should have told you this in a call you allege you had with the FCA in September 2019, before you invested with Firm X.

**Outcome:** You have provided no evidence of the call in September 2019 and the FCA stated that it has no record that such a call ever took place. In this event I cannot reach a decision on this element of your complaint.

3. You have asked to be compensated for the loss of £46,000 deposited with Firm X at 8% interest p.a. together with £300 for personal stress and inconvenience.
4. However, because I have not investigated one element of your complaint and cannot reach a decision on the other, I do not recommend compensation.

### *Background*

5. In September 2019 you invested funds with Firm X, which had a right to carry out regulated activities in the UK under what was known as a “service passport.”
6. In June 2020 the FCA issued a supervisory notice, withdrawing Firm X’s authorisation to provide financial services in the UK and requiring it to return client balances.
7. On 13 May 2024 you made a complaint to the FCA consisting of three sections, one of which was that you asserted that the FCA had misled you in relation to Firm X so that you had lost money, and it had provided consumers with a *“false sense of financial security and assurances.”* The FCA time barred this element of complaint.
8. You referred this to the Commissioner who concluded in Final Report 202400410 issued on 17 December 2024 that the FCA had been wrong to time-bar this section of the complaint and recommended that the FCA conduct an investigation. The FCA accepted this recommendation and, following its investigation, issued a decision on 19 May 2025 not upholding your complaint. It concluded that, during your call in October 2019 to the FCA, you were not given a *“false sense of financial security and assurances,”* but were told to ask Firm X about the protections in place for your investments and which compensation scheme you should approach in the event that Firm X became insolvent.
9. You then replied to the FCA that you had an earlier, brief call in September 2019, before you invested with Firm X, where you asked whether Firm X was authorised by the FCA, and were told by the FCA call handler that it was. You explained that it was this call that gave you confidence to invest in Firm X

*“knowing there was a trusted financial safety net in place.”* You added however that the FCA should have told you about the extent of protections for your investments during this September 2019 call.

10. However, the FCA found no record of this phone call on its systems, and you were unable to produce any evidence about the timing or content of this alleged call.
11. On 25 July 2025 you made a complaint to my office.

### *Analysis*

*Element One – The FCA should not claim that it has no powers over a firm once it is no longer authorised, as this could allow that firm to avoid potential FCA enforcement and consumers would be unable to obtain compensation from the FOS or FSCS.*

12. This is not a complaint which the FCA investigated in its Decision Letter dated 19 May 2025. I consider that your complaint appears to be connected to a similar complaint you previously raised about the FCA in relation to Firm X, which was the subject of Final Report 202400410. As the underlying issues have already been addressed in a concluded complaint, I will not investigate them further.
13. I have considered your comments on my Preliminary Report. While they expand upon arguments previously made, they do not identify any factual error, procedural failing, or new evidence capable of altering my findings. In my view, the comments seek to re-open issues already considered and concluded in Final Report 202400410. I therefore see no basis to depart from the conclusions set out in that Preliminary Report.

*Element Two - The FCA told you during a call in October 2019 that you should contact Firm X and CySEC to understand how your funds were protected, and only contact the FSCS if and when you required compensation. The FCA should have told you this in a call you allege you had with the FCA in September 2019, before you invested with Firm X.*

14. In its 19 May 2025 Decision Letter, the FCA explained what it had told you on the October 2019 call. It stated: *“you were provided with factually accurate information about the FCA not directly regulating the firm and you were given*

*the correct information about who to contact to establish any protection in place for your funds.”*

15. In response, you alleged there was an earlier, brief, call in September 2019, in which you asked the FCA if Firm X was authorised, and it replied that Firm X was. You considered the FCA was telling you that it would “*have [your] back*” in the event your investments became at risk.
16. You have also stated that at the time of the October 2019 call, where the FCA explained what protections were available for your investments, you had already invested around £14,000. You add that the FCA did not, and should have, told you what protections were available for your investments during the alleged September 2019 call.
17. The FCA does not address your allegation about a call in September 2019 in its Decision Letter because it had no record of it and you had not raised it specifically as part of your complaint to the FCA. You subsequently did raise it with the FCA, and it informed you that it had no record of a call before the October 2019 call. You have also provided no evidence of a call in September 2019.
18. Given the absence of evidence, I am unable to reach a decision about the alleged September 2019 call.

#### *Other*

19. You also ask why I issue recommendations which the FCA can decide whether to follow or not. Part 6 of the Financial Services and Markets Act 2012 sets out my powers as Commissioner, and s.87(5) confers the power to recommend that the FCA compensate a complainant or remedy the matters forming the complaint against it, but does not obligate the FCA to accept my recommendations. This is how Parliament set up the rules.

*The Complaints Commissioner*

Complaints Commissioner

14 January 2026