



08 May 2026

Final report by the Complaints Commissioner

Complaint number 202500472

The complaint

1. On 12 September 2025, you submitted a complaint against the FCA to my office which I have summarised as follows:

You consider the Late Reporting Fee (“LRF”) levied on your firm to be unfair as your firm had mitigating circumstances preventing you from submitting the required information to the FCA prior to the regulatory reporting by the FCA deadline on 14 May 2024 (“the Deadline”).

2. **Outcome: Not upheld.** I set out my reasons below

Background

3. Your firm submitted a number of regulatory reporting submissions between 2020 and 2023 through a series of ad-hoc contact points with the FCA. The Authorised Person for your firm was also the Senior Management Function holder (“**SMF**”) and had, on these occasions, provided the FCA with the necessary security information required to allow them to make access arrangements for this reporting to another individual at your firm.
4. On 11 January 2023, the FCA’s Returns Compliance Team emailed the SMF of your firm, to inform him that you did not have a Principal User (“**PU**”) registered on the FCA system, RegData. This email explained that if your firm did not have a registered PU, it may not be able to submit required data, and this would result in a Late Notification and a charge of £250 as the LRF. Having a principal user would allow someone other than the SMF to submit documents in accordance with the firm’s previous practice. The SMF had to determine the PU.

5. It seems that despite not having a PU registered, your firm was able to complete its regulatory reporting in 2023 and no LRF was imposed. However, the requirement on your firm remained that a PU would need to be registered on RegData in order to be in compliance with FCA rules and regulations and your SMF would need to contact the FCA in order to make the necessary arrangements. Between January 2023 and April 2024, your firm did not make these arrangements.
6. On 18 April 2024, your firm was again notified of the requirement for a registered PU on RegData, the FCA online returns system. The FCA sent a letter to the firm, stating that you had imminent regulatory reporting deadlines and that if you did not register a PU, and were therefore unable to submit the required information, this could result in the FCA taking enforcement action against your firm.
7. In late April, there was some communication between an employee of your firm and the FCA Supervision Hub (“SupHub”) regarding the issue of the PU and requests for assistance to register a PU on RegData. The FCA explained that your SMF, would need to telephone the SupHub to verify his identity before the FCA could take steps to register a new PU, as he had done on previous occasions between 2020 and 2023. The employee communicating with the FCA at the time subsequently left your firm without the issue having been resolved. At this time of communication, your firm failed to make any comment about your SMF not being available or absent from work for any reason.
8. The SMF for your firm did not contact the FCA and therefore on 15 May 2024, the FCA issued the £250 LRF against your firm for non-submission of regulatory returns that were due on 14 May 2024.
9. In June 2024, there were a number of communications between your firm and the FCA. An employee from your firm complained to the FCA that it had not had any problems with submitting regulatory reporting previously, requested that another employee of your firm be set up as the PU and requested the LRF to be waived.
10. On 5 June 2024, the FCA explained to your firm that it needed authorisation from the SMF to register a PU but it was told that the SMF was the “MD of the

company and I know he's already pushed for time, so that'll be, it's near impossible. But also, he's had surgery, so he's not been in the office for a few weeks, and it will be again for another month or so. So again, it's just. No, it's just not possible". This was the first time your firm raised the mitigating circumstances to the FCA.

11. On 9 December 2024 your firm raised an invoicing dispute with the FCA in relation to the LRF. The FCA advised you that whilst your firm's regulatory reporting was still outstanding, it was unable to take assessment of the dispute. The FCA recommended that your firm complete the reporting and raise a new dispute subsequently.
12. Your firm's regulatory reporting was submitted on 12 December 2024 and 2 January 2025.
13. On 24 March 2025, you submitted a complaint to the FCA via a telephone call. You stated that your firm had always submitted its regulatory reporting on time but that when you had tried in May 2024, you were unable to. You complained that this was due to a system issue at the FCA's end rather than the fact that you had not tried to submit the information. You further stated that you did not understand why you were able to submit reports in previous years but had this issue in May 2024. You did not mention any mitigating circumstances in relation to your SMF.
14. On 15 April 2025, the FCA issued its Decision Letter: It did **not uphold** your complaint because the firm had not taken the appropriate action to register a PU on RegData to allow it to submit its regulatory reporting despite notification from the FCA that you should do so. Subsequently, the reporting deadline had been missed.
15. Following the issuance of the FCA Decision Letter, on 24 April 2025, your firm contacted the FCA Complaints Team by telephone to dispute the outcome and you explained that there were mitigating circumstances as to why your firm was unable to submit its regulatory reporting in May 2024. You explained that your SMF had been undergoing shoulder surgery at the time of the reporting deadline and was therefore unable to verify his identity and register the PU in time.

16. During that telephone conversation, the FCA requested evidence from you in relation to the shoulder surgery your SMF had undergone in May 2024 which meant that he could not telephone the FCA SubHub to register a PU in time for the reporting deadline. You submitted this evidence the same day.
17. The FCA considered this evidence and confirmed its decision to **not uphold** your complaint. It accepted that your SMF would have been unable to verify his identity after 2 May 2024 due to shoulder surgery and being away from work. It did not accept that the SMF could not have completed the registration of a PU on RegData prior to 2 May 2024. It reiterated that your firm had been put on notice for over two years that a registered PU was necessary.
18. You were not happy with this decision and on 12 September 2025, you submitted a complaint to my office.

Analysis

19. I have considered your complaint that the FCA has unfairly imposed an LRF in relation to your firm's regulatory reporting submission due on 14 May 2024.
20. Your complaint originally concerned the application of a late fee arising from a specified set of circumstances. Your initial submission was that your firm had previously always submitted its regulatory reporting and that the reason you had not submitted in May 2024 was a system issue, that being the PU point, rather than that you had not attempted to submit the reporting. The FCA investigated those circumstances and issued a formal decision, concluding that the late fee was payable.
21. It is evident that your firm was made aware of the consequences which would result if the regulatory reporting was not submitted before the deadline given in both 2023 and 2024.
22. The FCA stated in its Decision Letter dated 15 April 2025, that *"firms are required to be ready, willing and organised to comply, on a continuing basis, with the requirements and standards under the regulatory system... a requirement for all firms when they apply for authorisation with the FCA"* and *"it is also the firm's responsibility (and not the FCA), to ensure that they are ready and organised to comply with their regulatory returns. This extends to the firm ensuring that they have the systems and controls in place to meet the reporting*

requirements". I am in agreement with the FCA that these are obligations which are placed on all firms and must be followed in order to comply with regulatory requirements. The fact that your firm was allowed to submit its reporting exceptionally without a PU in 2023 reflects a discretionary approach taken in that instance and does not alter the firm's underlying responsibility to comply with reporting deadlines on an ongoing basis, particularly given that the consequences of failing to meet the reporting deadline had been clearly communicated.

23. Following the issuance of the FCA decision, you subsequently asserted the existence of additional and different circumstances which had not been presented during the original investigation (namely that your SMF had been undergoing shoulder surgery at the time of the reporting deadline). At the FCA's request, you provided further information regarding those new circumstances. These assertions had not been made at the time of the reporting Deadline, nor when your firm initially raised its complaint to the FCA.
24. In any event, the FCA considered this additional material on an informal basis and concluded that it did not alter the original decision. No new formal decision was issued.
25. You then referred the matter to me, referring only to the FCA's informal consideration of the newly raised circumstances rather than the original Decision Letter itself.
26. The FCA reviewed the emails provided by your firm which stated that the SMF was absent from work *"for weeks"* prior to his surgery due to pre-operative screenings and injections. This would have included on 18 April 2025, the date on which the FCA, for the second time, notified the firm of the requirement to register a PU. He subsequently underwent shoulder surgery on 2 May 2024 and remained absent from work through and beyond the relevant deadline. On 10 September 2025 the FCA communicated that its decision regarding your complaint remained the same. It stated that, *"While I accept Mr [x] may not have been able to verify his identity after 2 May 2024 due to being away from work following his surgery, I still believe [x] had ample opportunity to contact the FCA to verify his identity before his surgery. I am not of the view that pre-operation*

screenings and injections meant that [x] was unable to make a phone call to verify his identity”.

27. My initial review was confined only to the FCA’s handling of those newly raised circumstances and did not extend to the FCA’s original decision on the complaint.
28. I considered that the FCA’s treatment of the mitigating circumstances was somewhat narrow in that it focused primarily on what could have been done prior to the SMF’s surgery, rather than fully engaging with the impact of his absence during the relevant period as a whole. A fuller explanation of how those circumstances were weighed would have been preferable.
29. I have considered comments received on my preliminary report and, it became clear from responses that it was necessary to do so rather than just the mitigating circumstances on their own.
30. Mindful of this, and having now considered the matter in the round, I am of the view that just reviewing the mitigating circumstances in isolation was too narrow an approach. While I previously placed determinative weight on the SMF’s unavailability following his surgery, I no longer consider that this is the correct approach when the matter is viewed in the round as it did not fully take account of the steps that could reasonably have been taken before that date, nor of the firm’s broader responsibility to ensure that arrangements are in place to ensure that the firm is capable of complying with its obligations on a continuing basis.
31. The evidence shows that your firm had been notified as early as January 2023, and again in April 2024, of the requirement to register a PU and of the consequences of failing to do so. Despite this, the necessary steps were not taken in advance of the reporting deadline.
32. In those circumstances, the failure to comply cannot reasonably be attributed solely to the SMF’s absence after 2 May 2024. Rather, it reflects that appropriate arrangements were not in place to ensure compliance. It was the firm’s responsibility to ensure that it had adequate systems and contingency arrangements so that regulatory obligations did not depend on the availability of a single individual.

33. For the reasons set out above, I am satisfied that the FCA did not act unreasonably in imposing the late reporting fee. While I have taken into account the mitigating circumstances you subsequently raised, I do not consider that they displace your firm's responsibility to ensure that it was able to comply with its regulatory reporting obligations.

34. In the circumstances, I do not uphold your complaint.

The Complaints Commissioner

Complaints Commissioner

08 May 2026