Complaints Commissioner

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24 July 2026

Final report by the Complaints Commissioner

Complaint number 202500503

The complaint

1. On 7 October 2025, you submitted a complaint to my office about the FCA. You stated that you had been the victim of a fraudulent scam which had caused you substantial financial loss to the amount of €71,252.51. You alleged that the FCA failed to investigate the alleged scam and that the FCA had failed to supervise the parties involved, namely, Bank X and a regulated payment services provider, Firm Y. I have summarised your complaint as follows:

2. **Element One –** The FCA has not handled the concerns you have raised in relation to the alleged scam, (as outlined below) appropriately.

   Outcome – I do not consider that the FCA has acted unreasonably in its review and investigations of your submissions (as set out in my analysis below). For this reason, I **do not uphold** this element of your complaint.

3. **Element Two –** The FCA has not adequately discharged its regulatory responsibilities in respect of its oversight of Bank X and Firm Y, the regulated payment services provider and holder of the account, into which you transferred the funds. You refer to various regulatory documents and requirements and express the view that, had proper compliance measures been in place, the fraudulent activity should have been detected and prevented.

   Outcome – I am unable to make a finding in relation to Firm Y's Anti Money Laundering (**"AML"**) measures as it is not, in this instance, one of the relevant functions of the FCA. This is the responsibility of HMRC. I do not find that the FCA has failed in ensuring Bank X and Firm Y had proper compliance measures in place with respect to the other issues identified in connection with the scam. The FCA has explained that even when banks have robust systems in place, sometimes Authorised Push Payment (**“APP”**) push fraud occurs. Accordingly, I **do not uphold** this element of your complaint.

Background

4. On 13 September 2024, you contacted the FCA Supervision Hub (the **“SupHub”**) to raise concerns that you had been the victim of an investment scam. You had invested €71,252.51 in what you believed to be a genuine bond being distributed by Bank X after an individual purporting to represent Bank X had contacted you, promoting the bond. The individual requested that you pay the funds into a legitimate account at Bank X using a specific reference. The same individual later invoiced the client of Bank X (using the same reference) to request that the funds were released as they were due to be paid under the invoice. You later learned from Bank X that no such bond existed (the **“Scam”**).

5. The FCA informed you that you had likely been targeted by a clone firm scam and advised you to take a number of actions including, but not limited to, contacting Bank X, contacting your Spanish bank from where the funds had been transferred, contacting the Financial Ombudsman Service (**“FOS”**) if you were dissatisfied with Bank X’s response and contacting Action Fraud.

6. You were also asked to send copies of relevant documentation to the FCA so that it could be passed to the Cloned Firms Team which you did on 16 September 2024.

7. It transpired (through investigation undertaken by you) that the account you had paid money into, in the belief that it was an account with Bank X, was in fact an account with Firm Y, a regulated payment services provider (which used the banking services of Bank X). You do not hold a bank account with Bank X.

8. On 7 October 2024, the FCA issued a consumer alert in relation to its awareness of a clone of Bank X. The alert provided specific contact information which was being used in the clone of Bank X and advised consumers that this was an unauthorised firm and not to deal with it.

9. You made a complaint to the FCA Complaints Team on 20 February 2025, although due to a technical issue at the FCA, this was not picked up until 31

March 2025. The FCA has apologised for the delay in responding to your complaint and offered you £50 compensation.

10. The FCA summarised your complaint and held in its Decision Letter dated 27 August 2025, as follows:

    a. The FCA failed to investigate this scam or take proactive steps to understand its scale and implications following your conversation with the FCA. You felt this was inappropriate, given the severity of the criminal activity and the financial losses you and other victims suffered – **Not upheld.**

    b. You questioned whether the FCA adequately discharged its regulatory responsibilities in respect of it oversight of Bank X and Firm Y. You contend that had proper compliance measures been in place, the fraudulent activity should have been detected and prevented – **Not upheld.**

11. The FCA did not uphold either of the elements of your complaint and stated that the supervisor you had spoken to had "*provided appropriate and comprehensive guidance in line with FCA Procedures"* and that the information you had passed to the FCA had been shared with and reviewed by the relevant supervisory teams. Further the FCA informed you that the intelligence you shared had *"played a role in shaping the FCA's public warning"* issued in October 2024.

12. In addition, the FCA did not identify any failings in its supervisory approach or actions or find any evidence to suggest it failed in its supervisory role which would have prevented the Scam.

13. You subsequently issued a complaint to my office on 7 October 2025.

Preliminary Points

14. I'm aware I have set out the background to the events giving rise to the complaint in much less background than you have, and using my own words. I'm not going to respond to every point raised by either you or the FCA. this is not meant as a discourtesy. Instead, I have focussed on what I consider are the material issues here. If there is something I have not mentioned, it isn't because I have ignored it. I haven't. I am satisfied I don't need to refer to every individual

fact and argument that I took into account in making a decision on whether the FCA acted reasonably.

15. The key findings here are that although you continue to believe that, had the supervision of Bank X and/or Firm Y been different, the fraud may have been prevented. However, for the reasons explained below, I do not consider that this establishes a failing by the FCA:

    a. The account to which you transferred funds was held by Firm Y, rather than by Bank X or in your own name. Based on the information you have provided, Bank X's role was limited to providing banking facilities to Firm Y. There is no evidence that Bank X was directly involved in your transaction or that it provided services to you.

    b. In relation to Firm Y, while the FCA retained certain regulatory responsibilities, supervision of Firm Y's compliance with the anti-money laundering regime fell within HMRC's remit, not the FCA's. It therefore follows that the matters you raise about the adequacy of AML supervision are not matters for which the FCA was directly responsible.

    c. The FCA explained that even where firms have robust systems and controls in place, instances of fraud (particularly APP scams) can and do still occur. These continue to affect thousands of consumers each year despite ongoing efforts by firms, regulators, and law enforcement agencies to prevent them.

16. In the circumstances above I do not consider that the FCA failed to supervise either Bank X or Firm Y in the manner you allege.

Analysis

Element One - The FCA has not handled the concerns you have raised in relation to the alleged Scam, (as outlined below) appropriately.

17. You made submissions to the FCA including regarding AML concerns in relation to Bank X and Firm Y which you say facilitated the Scam.

18. Having reviewed the FCA file and Decision Letter dated 27 August 2025, the FCA has made clear in its findings that your information had been passed to relevant supervisory teams. Further it informed you that the regulator had *“found*

no evidence that the Supervision Hub failed to act on concerns or fell short of FCA expectations in responding to your report".

19. The Decision Letter detailed the background to your contact with SupHub and stated that in reviewing the Supervision Hub's handling of your initial report, it found that the supervisor had provided appropriate and comprehensive guidance. The guidance you were given by SupHub, was in my view, helpful in your circumstances, but this did not answer whether the FCA had adequately investigated or acted upon the specifics of the Scam.

20. The Decision Letter does mention in the conclusions that you had *"expressed concern about the absence of visible enforcement or investigative action"* and the regulator explained that your concerns had been *"logged, assessed, and referred internally for further consideration".* The regulator also explained to you the information it could and could not share with you (which I explain further below).

21. I have now reviewed the full FCA file myself in relation to the regulator's investigation of the Scam, as well as the actions taken by the FCA as a result of the information you provided. In addition, I made enquiries with the FCA Complaints Team and have reviewed its responses as part of my investigation.

22. However, section 348 of the Financial Services & Markets Act 2000 (**"FSMA"**) classes some information the FCA holds about firms as confidential and restricts how that information is dealt with and as a result, the FCA is restricted in how much information, if any, it can share with complainants.

23. In addition to this, any information that is not restricted by s.348 FSMA may be restricted due to the FCA's policy on sharing information about regulated firms and individuals, who also have legal protections. Under this policy, the FCA will not normally disclose the fact of continuing action without the agreement of the firm concerned. There is a good explanation of the statutory and FCA policy restrictions on information sharing here.

24. Like the FCA, I am required to respect confidentiality. This means that sometimes I cannot report fully on the confidential material to which I have access. 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.

25. In this instance, having reviewed the FCA's records, I am satisfied that the FCA considered your allegations in relation to the Scam and has acted reasonably. I can see that the information you provided was passed onto and received by the relevant FCA teams for their consideration and I am satisfied with how the FCA has handled this information. For the reasons above, I **do not uphold** this Element of your complaint.

Element Two - The FCA has not adequately discharged its regulatory responsibilities in respect of its oversight of Bank X and Firm Y, the regulated payment services provider and holder of the account, into which you transferred the funds. You refer to various regulatory documents and requirements and express the view that, had proper compliance measures been in place, the fraudulent activity should have been detected and prevented.

26. Turning to Bank X, I can see that the FCA has explained to you in its Decision Letter that the account to which you transferred funds was held with Firm Y, a regulated payment services provider, rather than directly with Bank X or in your own name. Based on the information you shared, it appears Bank X's role was limited to providing banking services to Firm Y, rather than being directly involved in the transaction itself. Based on the information available, there is no indication that Bank X had direct oversight or knowledge of the individual customers transacting through Firm Y.

27. It has also explained some of Bank X's screening and monitoring procedures and that the bank did not itself identify *"concerns or irregularities with the account in question".* In addition, the FCA informed you that its *"supervisory oversight of Bank X in this matter did not identify any failings".*

28. In relation to Firm Y, the FCA explained to you in its Decision Letter that this firm is a payment institution which is authorised by the FCA under the Payment

Services Regulations 2017. However, it is also registered as a Money Services Business supervised by HM Revenue & Customs (**"HMRC"**) under the Money Laundering Regulations 2017.

29. It may be helpful to explain that the FCA has informed me that this means, whilst the FCA retains some of the regulatory responsibilities in relation to Firm Y, the supervision of AML is within HMRC's remit. When the FCA therefore stated that it had *"passed your concerns to HMRC in its capacity as supervisor",* it was in relation to HMRC being the supervisor of Firm Y in relation to AML.

30. The FCA did also confirm to you that it had *"not seen any evidence that Firm Y's controls failed in a way that would have prevented this scam",* and there was *"no current evidence that the FCA had failed in its supervisory role".*

31. The FCA explained that even where firms have robust systems and controls in place, instances of fraud (particularly APP scams) can and do still occur. These continue to affect thousands of consumers each year despite ongoing efforts by firms, regulators, and law enforcement agencies to prevent them.

32. The FCA also explained that your complaint has been taken seriously and continues to contribute to internal conversations around improving its approach to scam prevention and consumer protection.

33. As I have stated under my analysis to the first element of this complaint, I am required to follow restrictions under s348 FSMA and the additional FCA confidentiality requirements. I am unable give further details on the investigations which have taken place regarding the supervision by the FCA over Bank X and Firm Y or what action it may or may not take as a result of your submissions. I recognise this will be frustrating for you.

34. However, I have reviewed the underlying documentation and have considered the FCA papers in conjunction with your correspondence. The FCA Complaints Team reviewed the concerns you raised and shared them with the appropriate supervisory teams within the FCA. I am satisfied that the FCA dealt with the information you provided properly and that is has acted reasonably in response to your submissions.

35. For the reasons set out above, I **do not uphold** this element of your complaint.

Decision

36. For the reasons set out above, I **do not uphold** your complaint that the FCA has failed to investigate the Scam appropriately. In addition, I **do not uphold** your allegation that the FCA has failed to supervise either Bank X or Firm Y in connection with the scam.

The Complaints Commissioner

Complaints Commissioner
24 July 2026