



18 February 2026

## Final report by the Complaints Commissioner

### Complaint number 202500506

#### *The complaint*

1. On 7 October 2025, you submitted a complaint to my office about the FCA. I have summarised your complaint as follows:

**Element One:** The FCA requires peer-to-peer (“P2P”) firms to hold capital buffers and maintain robust wind-down plans, as FSCS protection does not cover P2P investors. However, the FCA did not properly supervise Firms W, X, Y and Z to satisfy itself that these requirements were implemented effectively. As a result, when those firms failed and entered administration, investors were left without meaningful protection.

#### **Outcome – Not Investigated.**

2. You have raised concerns about the FCA’s supervision of four firms - W, X, Y and Z. The FCA, and I in turn, have already considered your complaint in relation to Firm W, including the issue of its wind-down plans, as part of that earlier case (see <https://frccommissioner.org.uk/wp-content/uploads/The-Complaint-Commissioners-Final-Report-into-the-Financial-Conduct-Authoritys-Oversight-of-Moneything-Issued-21-June-2024.-Published-18-July-2024-2.pdf>). I will not be reopening that complaint as the substantive issue has already been reviewed.
3. There are still outstanding complaints about the FCA’s supervision of Firms X and Y, but these have been deferred while the FCA undertakes further regulatory action. Once the FCA has completed that work and considers your complaints, it will be in a position to examine your concerns about capital buffers and wind-down plans, as these are best considered as part of the FCA’s

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investigation into its supervisory role in relation to Firms X and Y. The FCA has confirmed it will do this.

4. The FCA has completed its investigation into Firm Z and complainants have referred the matter to me for an independent review. I am currently investigating that complaint. Your concerns about Firm Z, namely its capital buffers and wind-down arrangements, are better considered as part of that investigation, and I will assess them within that context.
5. I cannot at this stage say whether your allegations will ultimately form part of that investigation or what the outcome of my assessment will be, as I must first consider issues such as whether they are in time and meet the relevant criteria.
6. In any event, this report deals only with the procedural point that your allegations are more appropriately assessed within the other complaint. I will correspond with you about them in the course of that separate investigation

**Element Two:** You are seeking compensation for your losses. You argue that the requirement for capital buffers and wind-down arrangements means that, although there is no FSCS cover, the FCA requires P2P firms to have alternative protections in place as part of its regulatory framework. As the FCA failed to ensure that suitable arrangements were established, you believe the FCA should either apply FSCS-style protection retrospectively and/or compensate you directly for your losses.

**Outcome – Not Investigated.**

7. On 6 October 2025 the FCA issued a Decision Letter on your complaint. It concluded that your concerns about the lack of FSCS protection for P2P investors, including your proposal that FSCS-style protection should be applied retrospectively, amounted to a complaint about the rules themselves.
8. As rule-making is part of the FCA's legislative function, the matter was therefore excluded from consideration under the Complaints Scheme. The FCA added that the other allegations in your four complaints would be dealt with separately. I agree with the FCA's response.
9. The FCA explained to you (and I concur) that P2P lending has never been covered by the FSCS.

10. In response to the Preliminary Report, you have asserted that X's website stated that there was a statement providing that a wind-down plan operated as a substitute for FSCS protection, or offered equal or more protections than FSCS. From this, you appear to infer that such an FCA rule must have existed. On that basis, you argue that your complaint concerns not the FCA's rule-making function, but rather the FCA's failure to apply or enforce an existing rule. You therefore contend that the complaint falls within the scope of the Complaints Scheme.
11. However, there is no FCA rule that requires P2P firms to hold a capital buffer and wind-down plans to act as an equivalent to the FSCS. There is a rule requiring firms to have a wind-down plan, but it is not required to be an equivalent to the FSCS. However, there is no FCA rule requiring peer-to-peer (P2P) firms to hold a capital buffer or to maintain wind-down plans that operate as an equivalent to the FSCS. While firms are required to have a wind-down plan in place, there is no requirement for that plan to provide protection equivalent to that offered by the FSCS.
12. If you consider that Firm X misled you, and if you have not done so already, I suggest you raise this with the FCA.
13. To the extent that you seek compensation from the FCA for its alleged failures in supervising the firms with respect to their capital buffers and wind-down arrangements, that issue is more appropriately considered as part of the investigations referred to above. The exception is Firm W, which has already been dealt with, and Firm Z, in respect of which I have yet to assess whether your allegations are eligible to be added.
14. You may be alleging that the FCA's failure to enforce adequate capital buffers and robust plans to run off outstanding loans extends more widely within the P2P sector and suggests a systemic issue beyond how it dealt with P2P firms. If so, I cannot properly consider this until the FCA has issued its Decision Letters on Firms X and Y and my own review of Firm Z has concluded. If I identify any systemic issues, I will raise these with the FCA under separate cover.

15. I consider that the FCA could have better explained its stance towards your allegations about its supervisory failings. Although it said that your allegations would be addressed separately, it had already issued Decision Letters for Firm W and Firm Z. The FCA should have made it clear that it was going to deal with your allegations about how it dealt with Firm X and Firm Y separately.

*The Complaints Commissioner*

Complaints Commissioner

18 February 2026