



12 March 2026

## Final report by the Complaints Commissioner

### Complaint number 202500511

#### *The complaint*

1. On 17 October 2025, you submitted a complaint to my office about the Financial Conduct Authority (“**FCA**”).

**Complaint:** You assert that your Self-Invested Personal Pension (“**SIPP**”) platform provider and administrator (“**Firm X**”) did not treat customers fairly and lacked due skill care and diligence, breached Principles 2<sup>1</sup> and 6<sup>2</sup> and COBS 2.1.1R<sup>3</sup> of the FCA Handbook, and the FCA failed to act. Firm X continues to breach FCA guidance, including PRIN and COBS.

#### **Outcome: Not upheld**

#### *Background*

2. In March 2018 you were introduced to Firm X and you transferred multiple P2P investments into a SIPP administered by Firm X. You subsequently made further investments and/or trades from within your SIPP.
3. By June 2023, none of the investments were tradeable and some were written off. This gave rise to a much higher level of bad debts and defaults than you would have expected from investments that Firm X had considered appropriate to hold within a SIPP. You felt Firm X hadn’t conducted appropriate due diligence on your investments and hadn’t been proactive when things started to go wrong. You complained to Firm X and after it did not uphold your complaint, in August 2023 you approached the Financial Ombudsman Service (“**FOS**”).

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<sup>1</sup> <https://handbook.fca.org.uk/handbook/prin2>

<sup>2</sup> <https://handbook.fca.org.uk/handbook/prin6>

<sup>3</sup> <https://handbook.fca.org.uk/handbook/cobs2/cobs2s1>

4. The FOS did not uphold your complaint. Although it found that Firm X did not undertake appropriate due diligence on your P2P investments, and that Firm X ought not have accepted your investments, it concluded that you would likely have found an alternative SIPP operator to accept your investments.
5. You submitted a complaint to the FCA on 3 August 2025 alleging that the failures of the P2P investments and the lack of due diligence by Firm X indicated a breach of Principles 2 and 6 of the FCA Handbook, i.e. the requirement to act with due skill, care and diligence, and to pay due regards to the interests of customers and treat them fairly, as well as a breach of COBS 2.1.1R, that a firm must act honestly, fairly and professionally. You alleged that the firm is continuing to breach COBS and PRIN, and that the FCA is not taking action to ensure the firm complies with its rules.
6. As a remedy, you wanted the FCA to compensate you for the substantial losses on your P2P investments.
7. On 26 September 2025 the FCA issued its Decision Letter. It told you that it had investigated its supervisory actions during the relevant period from March 2018, when you initially invested, and subsequently, and held that it had taken “*all reasonable steps*” in its supervision.
8. The FCA also confirmed that guidance was issued to the sector several times over a prolonged period and gave you a link to the most recent example, from November 2024.
9. The FCA advised you that due to confidentiality restrictions, under s.348 of the Financial Services and Markets Act 2000 (“**FSMA**”), the level of detail on their supervisory approach that could be provided was limited.
10. On 17 October 2025 you brought a complaint to my office to the effect that the FCA’s 2024 published expectations on SIPP operators came after the P2P investments you participated in were in default and that you had not seen evidence of the FCA using its powers. Further, you considered Firm X continued to mislead customers and breach PRIN and COBS.

## *Analysis*

11. I do not uphold your complaint. Based on the information I have seen in this case, I am satisfied that the FCA's Supervision Department has handled the information you provided about Firm X adequately and its complaint response was reasonable in the circumstances and that there is no other confidential material that can be released to you.
12. This is because s.348 FSMA classes some information the FCA holds about firms as confidential, and restricts how that information is dealt with. 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. The FCA provides a good explanation of the statutory and FCA policy restrictions on information sharing.<sup>4</sup>
13. Like the FCA, I am required to respect confidentiality. This means that I also 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 assess whether the FCA has behaved reasonably.
14. Sometimes this means that all I can say to complainants is that, having studied the confidential material, I am satisfied that the FCA has behaved reasonably - as is the case here - but I am unable to give further details.
15. You have stated that Firm X continues to breach PRIN and COBS,
16. The evidence you did submit, and which was considered during the FCA's review of your complaint, related to the P2P investments referred to above. These investments were the subject of a FOS decision, which did not uphold your complaint, and have already been taken into account as part of this complaint review.
17. Information about those P2P investments therefore forms part of your complaint and has been considered. However, the existence of those investments alone

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<sup>4</sup> <https://www.fca.org.uk/freedom-information/information-we-can-share>

does not, without further supporting material, constitute evidence of ongoing non-compliance by the firm.

18. In my Preliminary Report I suggested that if you have any additional evidence to support your allegation of continuing breaches, you should provide it to the FCA so it can review it in the first instance. In response to my Preliminary Report, you have alleged that the firm continued to breach PRIN and COBS when dealing with your investments following the FOS decision referred to above. You have also provided examples of what you consider to be further breaches by the firm.
19. As explained in my Preliminary Report, if you believe there have been continuing breaches by the firm following the FOS decision, you may wish to provide that information to the FCA for its consideration. It would also be open to you to refer the matter to the FOS again if you consider there are new issues for which you are seeking redress.
20. The information you have now provided appears to relate to alleged events occurring after the matters considered in your existing complaint. As such, it represents new issues which fall outside the scope of the complaint currently under review.
21. Under the Complaints Scheme, under which both the regulators and I operate, it is standard practice for the regulator to consider complaints in the first instance. I therefore suggest that you raise your new information directly with the FCA, providing any relevant evidence for its consideration. If you are dissatisfied with the FCA's response, you may then refer your complaint to me for an independent review. Alternatively, you can submit a new complaint to the FOS.
22. I will therefore not be reviewing this material as part of my investigation.
23. The FCA has also provided you with information about work it has undertaken within the sector generally.
24. Information in the public domain confirms the following FCA regulatory activity specifically directed towards SIPP administrators:

- a. Thematic reviews in 2009 and 2012/2013,<sup>5</sup> and final published guidance (FG13/8);<sup>6</sup> and
  - b. A Dear CEO letter in 2014,<sup>7</sup> a Dear CEO portfolio letter in December 2020,<sup>8</sup> a Dear CEO letter in 2023<sup>9</sup> and another Dear CEO letter in 2024.<sup>10</sup>
25. The 2023 Dear CEO letter confirms that in 2022, the FCA reviewed due diligence procedures conducted by 30 SIPP operators, one of which was Firm X.
26. Together, the FCA's publications demonstrate ongoing regulatory engagement and oversight. Thematic reviews in 2009 and 2012/2013 and the due diligence review from 2022 each involve detailed supervisory work on individual SIPP operators. This demonstrates intensive regulatory supervision and engagement in this sector. Thematic reviews and due diligence reviews are activities beyond just issuing publications and guidance.
27. In addition, more broadly, from May 2021 (CP21/13)<sup>11</sup> and December 2021 (CP21/36)<sup>12</sup> firms were asked to prepare for the Consumer Duty, with final rules published in July 2022 (FG22/5 and PS22/9),<sup>13</sup> which focused on consumer outcomes. The Consumer Duty was in force for new and existing products from 31 July 2023.

The Complaints Commissioner

Complaints Commissioner

12 March 2026

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<sup>5</sup> <https://www.fca.org.uk/publication/guidance-consultation/gc12-12.pdf>

<sup>6</sup> <https://www.fca.org.uk/publications/finalised-guidance/fg13-8-guide-self-invested-personal-pensions-sipp-operators>

<sup>7</sup> <https://www.fca.org.uk/publication/correspondence/dear-ceo-letter-sipp-operators.pdf>

<sup>8</sup> <https://www.fca.org.uk/publication/portfolio-letters/sipp-operator-portfolio-letter.pdf>

<sup>9</sup> <https://www.fca.org.uk/publication/correspondence/dear-ceo-letter-portfolio-letter-sipp-operators-2023.pdf>

<sup>10</sup> <https://www.fca.org.uk/publication/correspondence/portfolio-letter-sipp-operators-2024.pdf>

<sup>11</sup> <https://www.fca.org.uk/publication/consultation/cp21-13.pdf>

<sup>12</sup> <https://www.fca.org.uk/publication/consultation/cp21-36.pdf>

<sup>13</sup> <https://www.fca.org.uk/publications/policy-statements/ps22-9-new-consumer-duty>