



31 March 2026

Final report by the Complaints Commissioner

Complaint number 202500534

The complaint

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

Element One: IVR complaint.

The FCA upheld your complaint about the IVR system, had alerted the relevant department to rectify the issue and apologised, however, you feel the FCA has not offered a meaningful remedy. You told me that the FCA did not disclose how many other people were affected, how long the glitch persisted for, and how it was escalated internally. You feel this lacked transparency.

Outcome: Not upheld.

Element Two: FCA oversight of Firm X.

You had raised multiple complaints about Firm X and feel these were not properly considered by the FCA. You believe the FCA relied on its historic enforcement actions against Firm X.

Outcome: Not upheld.

Element Three: FCA oversight of the Financial Ombudsman Service (“**FOS**”).

You feel the FCA’s oversight of the FOS is lacking because, by way of example, your complaint to the FOS was rejected because the FOS deemed it to be time-barred. You feel the FCA’s interpretation of Schedule 17 of the Financial Services and Markets Act 2000 (“**FSMA**”) contradicts the FCA’s Memorandum of Understanding (“**MoU**”) with the FOS.

Outcome: Not upheld.

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Element Four: FCA communications.

You feel the communications from different FCA teams was inconsistent and you were misled on the action that would be taken.

Outcome: Not upheld.

Element Five: Home working compliance breaches by Firm X.

You feel the FCA's decision "*entirely omits reference to [...Firm X's] home-working arrangements.*"

Outcome: Not upheld

Background

2. You say that In September 2009 you took out an interest only mortgage which was transferred to Firm X. The mortgage with Firm X did not have income protection and you say your previous mortgage had been a repayment mortgage with income protection. As a result, you believe that your mortgage with Firm X was mis-sold, you feel Firm X is mishandling the account, and you have challenged the charges, interest and arrears.
3. Due to significant multiple adverse personal circumstances, you say you have been a vulnerable customer since before entering into the mortgage. You feel Firm X does not adhere to the FCA's guidance on vulnerable customers.
4. When the mortgage was in arrears, Firm X sought possession. You say that, although the possession was stayed in a 2021 Consent Order, Firm X did not adhere to this. You state that Firm X could not find the Consent Order on its systems.
5. You raised a complaint with the FOS but you say the FOS dismissed your complaint because Firm X had not issued a final complaint response letter.
6. When you complained to the FOS about dismissing your complaint, the FOS deemed your complaint against Firm X to be time-barred.
7. From September 2024 to 10 July 2025, you contacted the FCA with several concerns about Firm X, including:

- a. Account handling and arrears handling
 - b. Mortgage (mis)-selling
 - c. Treatment of vulnerable customers
 - d. Information provision
 - e. Non-adherence and deletion of a 2021 Consent Order
 - f. Complaint handling
 - g. IT systems and homeworking breaches
 - h. Conduct of legal representatives
 - i. Lack of adherence to FCA Principles, DISP, the Consumer Duty, the Mortgage Charter and DORA
8. On 20 September 2024 you complained to the FCA about Firm X not adhering to the Consumer Duty, mismanaging the Consent Order, and its poor IT systems and homeworking practices.
 9. On several occasions, including when you contacted the FCA on 9 July 2025 and attempted to log information using your complaint reference numbers via the IVR system, you were unable to automatically log the information as the FCA's system did not recognise your reference numbers. When you called the FCA to log the complaint, the FCA would locate and confirm the reference number. For example, on your call with the FCA on 9 July 2025, the FCA advised you of the complaint number, logged your complaint and provided you with an email address to submit further information.
 10. On 18 July 2025, under local area complaint reference 211702633, the FCA emailed you to confirm that the IVR system issue had been escalated internally to the relevant department. The FCA explained that, due to policy restrictions, further details on the FCA's internal processes would not be provided and apologised for not being able to provide the specific answers you sought about why and how the error had originated.
 11. On 18 July 2025 you submitted a formal complaint to the FCA with five allegations:

- a. Allegation One - the IVR system rejected valid complaint numbers, which caused you concern about whether your points about Firm X were being logged.
 - b. Allegation Two – the FCA’s response to your complaint about the IVR system did not explain the FCA’s internal remedial steps.
 - c. Allegation Three – the FCA had failed to supervise Firm X regarding the elements in paragraph 7 above.
 - d. Allegation Four –the FCA was wrongly interpreting its oversight of the FOS.
 - e. Allegation Five - the FCA’s communications were inconsistent.
12. The FCA issued its Decision Letter on 31 October 2025 and upheld Allegation One, apologising for the inconvenience. The FCA confirmed there was no data loss in the complaint information you had supplied as a result of the IVR fault, i.e. your concerns had been appropriately logged and dealt with.
13. The FCA did not uphold Allegations Two to Five.
14. On 1 November 2025, you submitted your complaint to me.

Preliminary Points

15. You have asked that I conduct a full independent review of the FCA’s handling of your complaint. I confirm that I have undertaken such a review in accordance with my role under the Complaints Scheme, which is to assess whether the FCA handled the complaint reasonably. Having examined the complaint, the FCA’s file, and the submissions made on referral, I am satisfied that the FCA dealt with your complaint reasonably and sensitively. It considered the complaint points, set an appropriate scope, and provided adequate explanations for its conclusions. I do not find evidence of maladministration in how your complaint was handled.

Analysis

Element One - IVR complaint

The FCA upheld your complaint about the IVR system, had alerted the relevant department to rectify the issue and apologised, however, you feel the FCA has not offered a meaningful remedy. The FCA did not disclose how many other people were

affected, how long the glitch persisted for, and how it was escalated internally. You feel this lacked transparency.

16. The FCA acknowledged that the IVR system had a fault and promptly escalated the issue to the relevant team. The FCA logged your complaint on a call and provided a workaround. You considered that this was inconvenient and the FCA acknowledged the fault and apologised. It wrote to you on 18 July 2025 to explain that it would not be able to update you with information about what caused the fault and how it was fixed as the FCA does not provide details of its internal processes.
17. The FCA confirmed there was no data loss caused by the fault. Your points were logged and dealt with appropriately.
18. I consider the FCA's apology an appropriate remedy for the inconvenience caused. I can see that the FCA has addressed the system issue, both in relation to your case and more generally. For the reasons above I do not uphold your complaint that the FCA did not offer a meaningful remedy.
19. You also say that you think the FCA should have been more transparent about the fault and provided more details, beyond the impact on you, such as how many other individuals were impacted and the duration of time before the fault on the system was fixed. These are not matters you previously raised with the FCA.
20. Nevertheless, I invited the FCA to share any information easily to hand, which they are able to share with you in order to be helpful with respect to the questions you have about the system fault.
21. The FCA has responded that it has no recorded data on how many individuals were affected.
22. You have addressed Element One in your comments on the Preliminary, stating that significant failings were discovered within the SFO's case management and disclosure systems. You understand that the FCA uses similar or the same systems and suggest that its systems will display comparable weaknesses. You have provided no evidence to support this assertion or to link the SFO's failings to the FCA. This is not information you have provided to the FCA before as part of your complaint. If you have any further information you wish to provide, you may submit it to the FCA for its consideration.

Element Two - FCA oversight of Firm X

You had raised multiple complaints about Firm X and feel these were not properly considered by the FCA. You believe the FCA relied on its historic enforcement actions against Firm X

23. Based on the information I have seen in this case, I am satisfied that the FCA's Supervision Team handled the information you provided about Firm X adequately and that the FCA's complaint response was reasonable.
24. I am restricted from commenting further on the FCA's review and any action taken, as the information is confidential and disclosure is not permitted under s.348 FSMA, which restricts disclosure of confidential information by the FCA. 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.
25. Under this policy, the FCA will not normally disclose the fact of continuing supervisory engagement without the agreement of the firm concerned. The FCA has published a good explanation of the statutory and FCA policy restrictions on information sharing.¹
26. Like the FCA, I am required to respect confidentiality and am bound by s.348 FSMA. 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 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 behaved reasonably, as is the case here, but I am unable to give further details.
27. The areas of complaint relating to Firm X are listed in Allegation Three of the FCA's Decision Letter and I can confirm the FCA appropriately considered the information you provided in its review of your complaint. I can confirm that the FCA did not simply rely on historic enforcement actions.

¹ <https://www.fca.org.uk/freedom-information/information-we-can-share>

28. For the above reasons I do not uphold Element Two of your complaint.
29. You have raised Element Two in comments on the Preliminary Report, and question the extent to which the FCA investigated your concerns about Firm X. As I have stated above, both the FCA and I are bound by s.348 FSMA. As such, all I can say is whether I consider that the FCA treated a complainant's information adequately, and in this matter, I consider that the FCA did.

Element Three - FCA oversight of the Financial Ombudsman Service (FOS)

You feel the FCA's oversight of the FOS is lacking because, by way of example, your complaint to the FOS was rejected because the FOS deemed it to be time-barred. You feel the FCA's interpretation of Schedule 17 of the Financial Services and Markets Act 2000 ("FSMA") contradicts the FCA's Memorandum of Understanding ("MoU") with the FOS.

30. You have said to me that *"under paragraph 11 of the MoU,"* the FCA must monitor whether the FOS operates *"effectively and efficiently."* Also that *"By declining to review whether FOS's 'out-of-time' rejection practice is compatible with its statutory purpose under s.228 FSMA, the FCA abdicated its responsibility to ensure effective consumer redress mechanisms".*
31. FSMA requires the FCA to have oversight responsibility for the FOS. However, this only extends to the FCA taking necessary steps to ensure that the FOS is, at all times, capable of fulfilling its functions under the Act. The FCA cannot interfere in the individual decisions of the FOS. The FOS Board is responsible for oversight of day-to-day operations, not the FCA. Your complaint about how the FOS handled your complaint is excluded under s.3.4e of the Complaints Scheme.
32. In any event, the fact that you disagree with an individual decision of the FOS does not, without more, establish that the FOS is operating incompatibly with its statutory purpose, nor that the FCA has failed in its oversight obligations under the MoU.
33. Your argument appears to proceed on the basis that disagreement with a particular FOS decision, or with FOS's approach to *"out-of-time"* determinations, necessarily demonstrates a systemic failure and a corresponding breach by the FCA of its monitoring responsibilities. I do not think that conclusion follows without evidence of a broader, systemic deficiency.

34. For the above reasons I have not investigated Element Three of your complaint and I do not uphold your complaint that it should be investigated under the Scheme
35. You raise Element Three in your comments on the Preliminary Report, repeating your position that the FCA is not supervising the FOS and its decisions, when it is required to. Schedule 17 FSMA clearly shows that the FCA does not intervene in FOS decisions. The MoU also sets out how the FCA and FOS cooperate and consult with each other, and the FCA's statutory responsibilities regarding the FOS, but does not require the FCA to supervise the FOS.

Element Four - FCA communications and complaint handling.

You feel the communications from different FCA teams was inconsistent and you were misled on the action that would be taken.

36. In your complaint to my office, you alleged that an area within the FCA told you that your complaint would be investigated which you feel created "a *legitimate expectation of supervisory intervention.*" You feel the position was reversed without explanation.
37. The FCA Supervision Hub explained to you in a call on 20 September 2024 that the FOS would consider your individual complaint against the firm with a view to determining whether redress was appropriate, and that the Supervision Hub would review the information you provided as part of the FCA's regulatory work.
38. The Supervision Hub associate responded in general terms that any enforcement action taken by the FCA would be published on its website and would not be kept secret.
39. I do not consider that this exchange amounted to a promise or assurance that enforcement action would be taken against the firm in your case. Your question was hypothetical and framed at a general level, and the response was correspondingly general. It did not represent that such action would in fact be taken. I therefore find no basis for concluding that you were given a specific undertaking that action would be taken against the firm.
40. For the above reasons I do not uphold Element Four of your complaint.

41. Having said that, I note in passing that, although the Supervision Hub associate gave a general answer and did not state that the FCA would take action against the firm, they could have been more helpful in their response about the FCA's approach to firms in general.
42. By way of general background, the FCA uses a range of tools to carry out its responsibilities and meet its objectives. Formal regulatory action is just one of the tools available to the FCA. The FCA assessment of which tool to use includes considering whether using alternative tools to enforcement action is more appropriate, taking into account the overall circumstances of the person or firm concerned and the wider context.
43. The FCA's choice as to the use of a regulatory tool is therefore a question of how the FCA uses its resources effectively and efficiently and how it ensures that it is an effective regulator. The fact that the FCA has not used formal regulatory action against a firm does not mean that it has taken no action to bring the firm into compliance, if appropriate.
44. In addition, unless the FCA takes formal regulatory action which is made public, it will generally not disclose what action it has taken with respect to a firm. 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.

Element Five - home working compliance breaches by Firm X

You feel the FCA's decision "entirely omits reference to [...Firm X's] home-working arrangements."

45. Allegation Three of the FCA's decision explicitly included the complaint element "poor IT systems/ Homeworking breaches" and identified two emails dated 20 September 2024 that included concerns about Firm X's homeworking, among other matters.
46. In its Decision Letter, the FCA said you were aware that your information had been made available to the appropriate area, but stated that further details could

not be provided due to legal and policy restrictions. The FCA confirmed that it was satisfied that adequate regulatory oversight had been exercised for the complaint elements.

47. Having reviewed the FCA's file, I confirm the alleged homeworking breaches were separately considered by the FCA. As discussed under Element Two, I consider the complaint elements were adequately considered, which included the FCA's review of your complaint regarding Firm X's alleged homeworking breaches.
48. For the above reasons I do not uphold Element Five of your complaint.
49. You raise Element Five in your comments on the Preliminary Report, and object that I have not provided more detail on how the FCA considered your information.
50. As I have stated above, both the FCA and I are bound by s.348 FSMA. As such, all I can say is whether I consider that the FCA treated a complainant's information adequately, and in this matter, I consider that the FCA did.

The Complaints Commissioner

Complaints Commissioner

31 March 2026