

20 February 2026

Final report by the Complaints Commissioner**Complaint number 202500538***The complaint*

1. On 04 November 2025, you submitted a complaint against the FCA on behalf of your firm about the level and structure of the 2025 regulatory fees and levies charged by the FCA.
2. **Element one:** You are concerned that a 30% fee increase applied to your firm's 2025/2026 fees and question the fee structure, which you consider to be unfair for small firms.
3. **Outcome:** Not upheld. The setting of fees is part of the FCA's legislative function and explicitly out of scope of the Complaints Scheme. The FCA's decision not to investigate the matter under the Scheme, is correct. Your complaint about the level of fees is excluded under the Complaint Scheme.
4. **Element two:** You stated that the FCA had not communicated the fee increase until after the permissions cancellation deadline of 31 March 2025, meaning the full annual fee was due with no rebate available, when the fees invoice was received on 9 September 2025.
5. **Outcome:** Having reviewed the FCA's communications, the level of fee increases were consulted on and confirmed in multiple communications from April 2021 onwards. Your complaint is not upheld.

Background

6. You consider the fees and the fee structure to be unfair because your firm's annual fee is similar to that of a firm with a turnover of £1 million per year, whereas your firm has a turnover of less than £10,000 per year. You feel fees should be

202500538

scaled and based on business size, turnover or regulatory risk and small firms should not pay the same as firms that are much larger.

7. You feel that firms should be able to cancel their permissions and receive a rebate, once the firm is aware of the annual cost. You state your firm received its invoice on 15 September 2025, but the deadline to cancel permissions is 31 March 2025.
8. You stated future increases *“must be communicated well in advance, with an opportunity for firms to respond or opt out before financial commitments are locked in”*.
9. You asked for the FCA to actively engage with small firms and consider the commercial impact of their fees policy, which you feel place a disproportionate burden on small firms.
10. In response, the FCA explained the Complaints Scheme (the “Scheme”) only covers the FCA’s relevant functions and fee setting is part of its legislative functions. Legislative functions are explicitly excluded from the definition of relevant functions in the Scheme. Fee setting includes both change fee increases and fee structures, therefore, the FCA could not consider this aspect of your complaint under the Scheme.
11. Regarding communicating the fee increase, the FCA referred you to (i) consultation paper (CP) CP21/8, an April 2021 consultation on the fee increase proposals; (ii) CP23/7, an April 2023 publication that confirmed the proposed staged increases were expected to be applied in 2023/204 and 2024/2025, and (iii) an article published on their website on 4 July 2025, that confirmed the 2025/26 fees.

Analysis

Element One: You are concerned that a 30% fee increase was applied to your firm’s 2025/2026 fees and question the fee structure, which you considered to be unfair for small firms.

Outcome: Not upheld

12. Fee setting is within the FCA’s legislative function, which is explicitly excluded from the Complaints Scheme. The FCA was correct to deem fee increases and fee structures as outside the remit of the Scheme and, therefore, not capable of being investigated under it.
13. I agree Element one of your complaint is excluded and that the FCA excluded it correctly. Therefore, Element one of your complaint is not upheld.
14. Concerning the call for fairer policies for smaller firms, dedicated outreach to them and a more targeted proactive approach to understand the impact of FCA policy on the smallest firms, the FCA may wish to consider this, particularly in light of the feedback published in Handbook Notice 97, and the comments made in your complaint, regarding the viability of your firm.

Element Two: You stated the FCA had not communicated the fee increase until after the permissions cancellation deadline of 31 March 2025, meaning the full annual fee was due with no rebate available, when the fees invoice was received on 9 September 2025.

Outcome: Not upheld

15. Having reviewed the FCA’s communications on the fee increases, the publications referred to in the FCA’s Decision Letter are only a selected few of the FCA’s communications on this topic. Fuller details of the communications on the fee increases are referred to in paragraph 11 and below.
16. Regarding the FCA’s communications on the fee increases, these were communicated in each fee consultation paper (CP) and policy statement (PS) from April 2021:

	Communications	Publication Date
1. .	CP21/8	20 April 2021
2. .	CP21/33	30 November 2021
3. .	Handbook Notice no 97	25 March 2022
4. .	CP22/7	7 April 2022
5. .	PS22/7	28 June 2022

6.	CP23/7	5 April 2023
7.	CP23/22	21 November 2023
8.	CP24/6	9 April 2024; addendum 29 May 2024
9.	CP25/7	8 April 2025
10.	PS25/8	1 July 2025

17. Consultations CP21/8 (April 2021), CP21/33 (November 2021), and CP23/22 (November 2023), provided you with an opportunity to comment on the proposed fee increases. Relevant extracts detailing the proposed increase, the reasoning and the opportunities for you to respond to these, are included in the annex. Any individual or firm may respond and comment on these proposed increases, by responding to the consultation.
18. Although the 2025/2026 consultation paper and policy statement regarding the 2025/2026 fees were published after the 31 March 2025 permissions cancellation deadline, ([CP25/7](#) and [PS25/8](#) on 2025/2026 fees, published on 8 April 2025 and on 1 July 2025 respectively), the 2025/2026 fee increase was first proposed in 2021 and was then reconfirmed in the consultation papers and policy statements published in 2023/24 and 2024/25, in addition to the 2025/26 publications.
19. You said that you were not made aware of the annual fees increase that would be applied to your firm, from £673.39 in 2024/2025 to £876.15 in 2025/2026, which represents a 30% fee increase, before the permissions cancellation deadline for the 2025/2026 fees. However, the FCA's consultation papers in 2021, 2022, 2023, and 2024 made clear the FCA had consulted on the fee increases applied in 2025/2026. I have included information on the FCA's fee structure methodology in the annex by way of information.
20. Since you were forewarned of the fee increase in 2021, 2022, 2023 and 2024, which is before the permissions cancellation deadline of 31 March 2025 for the 2025/2026 fees, your complaint is not upheld.

Other: Fees Rebate

21. You ask the FCA to consider allowing small firms to cancel their permissions during the year and receive a rebate. The FCA's current fees Consultation Paper,

[CP25/33](#) published on 21 November 2025, proposes quarterly rebates for firms that cancel their permissions during the year and asks for responses to this proposal at Question 18. This is unlikely to help in your individual case.

The Complaints Commissioner

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Annex – FCA Communications on the fee increase

Fee increase proposed and confirmed

April 2021 – CP21/8

1. Staged fee increases for the minimum fees for limited permission consumer credit firms were first proposed in [CP21/8](#), published in April 2021, at 2.36 to 2.44 in “Consumer Credit revised minimum fees” and at 3.3 to 3.12, in “Proposed minimum fees”.
2. For example:
 - 2.36 “Current consumer credit minimum fees are as low as £106 and the proposed revised fees for 2021/22 is the first stage to bring greater alignment of these minimum fees with other authorised firms who currently pay a minimum fee of £1,151.”
 - 2.40 “We are proposing revised consumer credit minimum fees of £250, £500 and £750 for limited permission firms”.
 - 2.42 “This is the first stage to bring greater alignment of consumer credit minimum fees with other authorised firms in the ‘A’ fee-blocks where the minimum fee is currently £1,151.”
 - 3.7 “Current consumer credit minimum fees are as low as £106 and the proposed revised fees for 2021/22 is the first stage to bring greater alignment of these minimum fees with other authorised firms who currently pay a minimum fee of £1,151.”
 - 3.9 “This is the first stage to bring greater alignment of consumer credit minimum fees with other authorised firms in the ‘A’ fee-blocks where the minimum fee is currently £1,151.”

November 2021 – CP21/33

3. In November 2021, [CP21/33](#) proposed, at 2.14 to 2.15, that firms with limited consumer credit permission should pay around half of the fees that fully regulated firms should be paying. This would mean that limited consumer credit

permissioned firms would pay a minimum fee of £1,100 and the FCA consulted on this proposal at 2.18, in question 1 of the consultation:

“2.14 Firms with limited consumer credit permission are subject to a lighter regulatory regime so pay lower fees. Although their costs are included in the model summarised in paragraph 2.7, we believe they should continue to pay lower minimum fees. We do not separately quantify the demands on our services from limited permission consumer credit firms in comparison to fully authorised firms, but we consider it would not be reasonable to set the charge for limited permission firms at more than half of the fee for fully authorised firms. That would in practice mean setting it at half the A.0 fee.

2.15 If the A.0 fee was £2,200, this would make the CC.1 fee £1,100. In 202/21 limited permission firms with income up to £10,000 paid £106 and we raised that to £250 in 2021/22. A jump to £1,100 in 2022/23 seems unreasonably large, so we propose to stagger it over 2 years, with a charge of £500 in 2022/23, then moving to £1,100 in 2023/24 [...]

2.17 [...]

Table 2.1: Proposed minimum fees - summary

Credit-related income	2020/21	2021/22	Proposed	
			2022/23	2023/24
Fee-block A.0				
Not applicable	£1,151	£1,151	£2,200	£2,200
Fee-block CC.1 (limited consumer credit permission)				
Up to £10,000	£106	£250	£500	£1,100
£10,000 - £50,000	£266	£500	£1,100	
£50,000 - £100,000	£424			
Over £100,000	£530	£750		

2.18 [...]

Q1: Do you have any comments on our proposals to rebase minimum fees for the A and consumer credit fee-blocks on our model of the minimum cost of being regulated, and to integrate consumer credit firms into the prudential fee-block AP.0?”

March 2022 – Handbook Notice no 97

4. Feedback and finalised rules from the November 2021 consultation were published in the FCA’s [Handbook Notice no 97](#), in March 2022:

“Review of FCA minimum fees

3.5 We proposed to restructure and increase minimum fees in the ‘A’ and consumer credit fee-blocks on the basis of a model of the minimum cost of being regulated. The model defines the minimal functions of the regulator as:

- regulatory reporting (net of revenue from charges for late returns)
- operating the Supervision Hub to deal with queries from firms and the public
- authorising new entrants to the market (net of revenue from application fees)
- policing the perimeter to eliminate unauthorised trading”

5. Following feedback to CP21/33, Handbook Notice 97 proposed the fee increase to £1,100 would be more staged, by moving to £750 for 2023/24, and then to £1,100 for 2024/25, at table 3.2.

April 2022 – CP22/7

6. In April 2022, [CP22/7](#), published table 3.6, to show the new fee blocks for limited consumer credit permission firms, from 2021/22 through to 2024/2025:

Table 3.1 New structure of minimum fees for fee-blocks A.0, CC.1 and CC.2

Credit-related income	2020/21	2021/22	2022/23	2023/24	2024/25
Fee-block A.0					
Not applicable	£1,151	£1,151	£1,750	£2,200	£2,200
Fee-block CC.1 (limited consumer credit permission)					
Up to £10,000	£106	£250	£500	£750	£1,100
£10,000 – £50,000	£266	£500	£800	£1,100	
£50,000 – £100,000	£424				
Over £100,000	£530	£750	£1,100		
Fee-block CC.2 (full consumer credit authorisation)					
Up to £50,000	£318	£750	£1,500	£2,000	£2,200*
£50,000 – £100,000	£530	£1,000	£1,750	£2,200	
Over £100,000	£1,061	£1,151			

* Note: Fee-block CC.2 fully integrated into fee-block A.0 from 2024/25; consumer credit firms which are also in fee-block A.0 exempt from CC.2 minimum fees in 2022/23 and 2023/24.

7. In CP 22/7, question 1 asked “Do you have any comments on our proposals to rebase minimum fees for the A and consumer credit fee-blocks on our model of the minimum cost of being regulated, and to integrate consumer credit firms into the prudential fee-block AP.0?”

June 2022 – PS22/7

8. The staged fee increases were confirmed in the FCA’s policy statement in June 2022, [PS22/7](#), in Table 2.4:

Table 2.4: Revised structure of minimum fees

Credit-related income	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Fee-block A.0						
Not applicable	£1,151	£1,151	£1,500	£1,750	£2,000	£2,200
Fee-block CC.1 (limited consumer credit permission)						
Up to £10,000	£106	£250	£350	£600	£800	£1,100
£10,000 – £50,000	£266	£500	£700	£900	£1,100	
£50,000 – £100,000	£424					
Over £100,000	£530	£750	£1,000	£1,100		

April 2023 – CP23/7

9. In CP 23/7, the intention to “resume the staged increase for the A and consumer credit fee blocks” was confirmed at 3.3. Separately, at 3.17, firms were directed to an online [Fees Calculator](#) to calculate their fees. Whilst the calculator was focused on periodic fees, rather than minimum fees, a firm can establish their fees (minimum fees) using the online calculator.

November 2023 – CP23/22

10. In November 2023, [CP23/22](#) re-confirmed the staged fee increases were intended to be applied in 2024/25, 2025/26 and 2026/27:

2.14

Table 2.1: Phased increase in minimum fees for fee-blocks A.0, CC1 and CC2

Credit-related income	2023/24	2024/25	2025/26	2026/27
Fee-block A.0				
Not applicable	£1,500	£1,750	£2,000	£2,200
Fee-block CC1 (limited consumer credit permission)				
Up to £10,000	£350	£600	£800	£1,100
£10,000 – £50,000	£700	£900	£1,100	
£50,000 – £100,000				
Over £100,000	£1,000	£1,100		

2.16 “We will attach values to the assumptions set out in this chapter when we consult on the fee-rates in the spring. Meanwhile, we would welcome comments on our approach.

Q1: Do you have any comments on our approach to the 2024/25 consultation on FCA fee-rates?”

Again, in November 2023, firms were specifically asked to comment on the proposed minimum fees rises for limited consumer credit permission firms and the proposed increased were published.

April 2024 – CP24/6

11. In April 2024, [CP24/6](#) confirmed the intentions on fees, up to 2026/27:

1.11 “In 2023/24, due to the inflationary pressures firms faced, we froze minimum and flat rate fees, as well as application fees, to ease cost pressures on the smallest firms. However, we outlined in both our 2023 Policy Statement (PS) (PS23/10) and November 2023 CP (CP23/22) that we would increase minimum, flat rate and application fees in line with the increase of our ongoing regulatory activities (ORA) budget and revert to staged increases of A-block and consumer credit minimum fees from 2024/25.”

12. In CP24/6 at 3.8, Table 3.1 confirmed the proposed fees for 2023/24, 2024/25, 2025/26 and 2026/27:

Table 3.1 Revised structure of minimum fees

	2023/24	2024/25	2025/26	2026/27
Fee-block A.0				
	£1,500	£1,750	£2,000	£2,200
Fee-block CC.1 (limited consumer credit permission)				
Consumer Credit Related Income	2023/24	2024/25	2025/26	2026/27
Up to £10,000	£350	£600	£800	£1,100
£10,000-£100,000	£700	£900	£1,100	
Over £100,000	£1,000	£1,100	£1,100	

Fee structure methodology communication – CP25/33 Annex 2

1. [CP25/33](#) “Annex 2 Compatibility Statement”, (“Annex 2”) explains the FCA’s fee setting methodology:
 - a. Fees are set according to the FCA’s costs of regulating the firm, according to the firm and the market in which the firm operates; and
 - b. Fee blocks of a minimum, variable, or flat-rate fee, are allocated to categories of firms, according to the principles detailed in Annex 2.
2. Your firm has limited permissions for credit broking and firms in this category fulfil the principles for a fee block of minimum fees. Minimum fees are set by the FCA’s estimated minimum cost of regulating each firm with the permissions for that fee block.
3. Currently, firms with limited credit broking permissions are charged the minimum fees and, once income is above the minimum £10,000 per annum threshold, variable fees. The variable fee component is calibrated to firm income.
4. In CP25/33 at 1.13, the link between the FCA’s fees and its objectives are explained as follows: *“The fees we collect enable us to recover the costs of our work. As we approach this work, we must carefully consider how to advance our objectives and deliver against our strategy. As such, although our proposals are not intended to directly advance our operational objectives or secondary objective, they fund our capacity to do so.”*