Complaints Commissioner

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Addendum – 07 September 2026

This Final Report was issued on 27 August 2026 and amended on 07 September 2026 at paragraphs 3, 4 and 20 to ensure factual accuracy. For the avoidance of doubt, the corrections are not material to the Commissioner's decision.

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27 August 2026

Final report by the Complaints Commissioner

Complaint number 202500689

The complaint

1. On 9 March 2026, you submitted a complaint to my office about the FCA.

2. You say the FCA misapplied Paragraph 2.4 of the Complaints Scheme stating that it could not investigate your complaint because it had been raised out of the 12-month time limit.

   Outcome – Upheld for the reasons set out below.

Background

3. You say that in 2012, you took out a loan with Firm X, which together with Firm Y form Group Z. In 2014, due to a decline in your health, you were struggling to make the repayments of the loan, and you requested some assistance from Firm X. You were offered only a one-month break, and you have informed me that there were a number of knock-on effects from not being able to pay the monthly instalments including, default, repossession and further fees.

4. In February 2020, the FCA released a press release which stated that it had fined Firm Y for the unfair treatment of customers of Group Z (including vulnerable customers) between 2014 and 2017. The firm received a 30% discount on the fine for agreeing to accept FCA findings in addition to credit it received for payment of more than £30million in redress to customers potentially affected by Firm X's failings (the **"Redress Scheme"**). You were not contacted and received no compensation.

5. You have informed the FCA and my office, that you only discovered the Final Notice in October 2024. You contacted the FCA's Supervision Hub (**"SupHub"**) on 21 October 2024 to inquire as to why you weren't contacted or paid any

redress as you felt you were eligible. You were advised by the FCA that you would need to contact Firm X to make a complaint.

6. On 22 October 2024, you complained to Firm X, but you were told that your records had been deleted and therefore Firm X didn't investigate. After contacting the FCA again, you were told to raise your complaint with the Financial Ombudsman Service (**"FOS"**).

7. In addition to raising your complaints with Firm X and the FOS, on 27 December 2024, you emailed the FCA SupHub stating that *"there appears to be a lack of accountability in ensuring that the redress and compensation process was fair and inclusive",* the *"FCA appears to have relied on Firm X's representation of who was affected and how much compensation was due"* and *"this was a huge mistake on the part of the FCA".*

8. Your complaint to Firm X and to the FOS, was in relation to Firm X conducting inadequate affordability checks when you took the loan from them and treating you unfairly when you became unwell and financially vulnerable.

9. The FOS investigated your complaint over the course of more than a year. It found, in three separate decisions, that you had raised your complaint outside of the applicable time-limits, even though you highlighted you had only become aware of the 2020 Final Notice which highlighted the redress Scheme in 2024.

10. On 6 and 9 February 2026, you raised a complaint to the FCA Complaints Team that the FCA did not verify that Firm X paid redress to the affected customers (including yourself) under the Redress Scheme following the Final Notice.

11. The FCA issued its Decision Letter dated 27 February 2026, which stated that it could not investigate your complaint under Paragraph 2.4 of the Complaints Scheme. It noted that your first contact with the FCA about the matters you complained about was in October 2024 and subsequently, your complaint was made more than 12 months after that initial contact.

12. As a result, you raised your complaint with my office on 9 March 2026.

Analysis

13. The FCA said that it could not investigate your complaint. Your complaint was that the FCA did not verify whether Firm X's voluntary Redress Scheme paid

compensation to all affected customers as submitted in the FCA press release in February 2020. The FCA said that you had not raised this within 12 months of the date you first became aware of the issue.

14. I do not agree with the FCA findings. Whilst the complaint allegations you have raised in February 2026 may technically be outside of the scope of the time-limits applied by the Complaints Scheme, this was not the first time you raised this specific issue with the FCA.

15. The FCA Decision Letter dated 27 February 2026 quoted your email contact with SupHub on 27 December 2024 as the starting point of when you became aware of the issues giving rise to your complaint.

16. I understand the FCA's position to be that whilst you were aware of these issues in December 2024, you complained about them in February 2026 which is more than 12 months after the date you became aware of the issues you complained about.

17. In my view, in December 2024 you informed the FCA that you considered there to be a lack of accountability in ensuring that the Redress Scheme had been fair and inclusive. You also alleged that the FCA had relied on Firm X's representation of affected customers and amounts of compensation which you said was a "huge mistake" on the part of the FCA. The FCA, as far as I am aware, did not respond to these allegations.

18. The FCA ought reasonably to have recognised that you were not only raising concerns about the firm but were also complaining about the FCA's handling of the matter. In those circumstances, I do not consider it appropriate for the FCA to rely on the time bar when the substance of the complaint had already been brought to its attention within the relevant period. Therefore, in my view, the FCA's decision to reject the complaint as out of time in 2026 was not reasonable

19. Accordingly, I upheld your complaint that the time bar had been applied incorrectly and **recommended** that the FCA lifted the time restriction so that your complaint can be considered on its merits. The FCA has accepted this recommendation and has agreed to investigate your complaint.

20. However, please note that the FCA will only review your complaint outcome, rather than in the context of personal redress for you. Parliament has set up the FOS as the legal complaint resolution scheme under the Financial Services and Markets Act 2000. The FOS' role is to resolve individual complaints between regulated firms and consumers (where eligible) where the firms' products or services are provided in or from the UK. I note you have been through this process in relation to your treatment by the firm and were unsuccessful. I am unable to review matters related to FOS under the Complaints Scheme as these are excluded. Therefore, I make no observation on your FOS case.

21. In addition to my view that your complaint about the FCA was effectively made in December 2024, and therefore the time bar should be disapplied, I also consider there to be a point of public interest in relation to this case. It is understood that the FCA issued a Final Notice and released a press release about that Final Notice in February 2020. It is also understood that the existence of the Redress Scheme was a factor in the 30% discount awarded to Firm X in relation to the fine it received. It is not clear that consumers would necessarily know about the Redress Scheme without the firm contacting them. As the FCA granted the 30% discount on the basis of adequate application of the redress scheme, I consider the FCA ought to be able to provide information about how it has ensured that the redress scheme has functioned adequately, which is your substantive complaint.

Other

22. You have informed me that you consider the FCA investigate the FOS conduct relation to its handling of evidence obtained from Firm X. You have not raised this request with the FCA as part of your complaint and therefore the FCA has not had a chance to review it in the first instance as is the usual practice under the Complaints Scheme. Irrespective of this, I am exercising my discretion to review this directly.

23. In summary, your concern is that information was relied upon during the FOS complaint process which you believe was inconsistent with representations previously made by Firm X regarding the availability of records (it had said initially that your records at the firm had been deleted, but was later able to

produce them). You consider that the FOS relied on that information when reaching its decision and that the FCA failed to intervene appropriately in the circumstances.

24. It is not in the remit of the Complaints Scheme for the FCA to become involved in individual decisions made by the FOS in relation to individual complaints. This element of your complaint is therefore excluded under Paragraph 2.9(d), which states that complaints about the actions or inactions of the FOS are not covered by the scope of the Complaints Scheme.

25. I understand how important it is for you to feel that your concerns have been properly considered, and I appreciate how frustrating it can be when different organisations each have specific roles and limits. As you know, parliament has charged the FOS with the task of reviewing complaints against firms.

26. The FCA is responsible for supervision of firms and is required to be operationally independent of the FOS and the decisions it makes.

27. That does not mean that the FCA cannot investigate concerns arising from information from complainants, but it investigates those in the context of considering whether or not regulatory action is justified, rather than whether or not the individual requires redress. You have said that Firm X was inconsistent with respect to its records keeping policy. In relation to the deleted records point, I note that you did not raise this in your original complaint to the FCA (as you were unaware at that point in time) and so the FCA could not have considered the retention policies of Firm X as part of its supervisory work at that time. The firm is in liquidation and is no longer authorised by the FCA and so this is not a point which the FCA can review from a supervisory perspective. As I have mentioned above, to the extent that you were personally affected by the firm's record keeping policies, that is a matter for the FOS.

Recommendation

28. The FCA agreed, on my recommendation, to lift the time-bar on this complaint which was applied under Paragraph 2.4 of the Complaints Scheme and investigate your allegations about the FCA which were originally raised in December 2024.

29. It is my understanding that the FCA has now investigated your complaint and has issued a Decision Letter dated 29 July 2026.

The Complaints Commissioner

Complaints Commissioner

27 August 2026