

09 September 2021

Final report by the Complaints Commissioner**Complaint number FCA001339***The complaint*

On 23 July 2021 you asked me to review a complaint about the FCA.

1. The FCA summarised your complaint as follows:

You allege that as a consequence of the regulatory action taken against Firm X with effect from 11 February 2020 access to Firm Z's account has been frozen. You claim that this has caused business losses and you feel that the FCA has acted in contravention of regulation 81 (1)(e) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, by failing to take into account relevant factors.

What the regulator decided

2. The FCA did not uphold your complaint.

Why you are unhappy with the regulator's decision

3. You have said to me that:

You believe the FCA did not act in accordance with the Complaints Scheme and you have asked me to review the outcome of your complaint with the FCA.

My analysis

4. The background to your complaint is that you were a client of firm X, which suspended its activity on customer accounts in February 2020. This decision

was taken following a review, by the FCA, of firm X's anti-money laundering systems and controls, which identified weakness that required remediation.

5. As a result of this, you (and other of the firm's clients) have been unable to access your funds since then. You are concerned about this.
6. The FCA has explained to you that due to confidentiality restrictions it can't provide you with full details on why the restrictions of firm X were agreed.
7. Like the FCA, I am required to respect confidentiality This means that sometimes I 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 (or has not) behaved reasonably – but I am unable to give further details. This can be frustrating for complainants, but it is better that I am able to see the confidential material.
8. I recognise that there's a difficult balance to be struck between protecting confidential information, and the need to give consumers sufficient information and confidence to judge whether or not the regulatory system is operating effectively. However, having reviewed the papers, I am satisfied that the FCA was correct to engage with firm X with respect to its activities, and that it is reasonable for it not to disclose further information due to confidentiality reasons. Furthermore, I have found no evidence of the FCA not acting in accordance with the Complaints Scheme.
9. I appreciate you would like to access your funds as soon as possible and I have sympathy with your situation. However, I cannot interfere with the ongoing regulatory action or give directions for deadlines for the remediation (which could only be recommendations) under the Complaints Scheme.
10. As confirmed by the FCA, on February 25, 2021 firm X agreed an easing of the suspension of its activities, being the first step in the phased re-opening of the business, enabling customer refunds. You may find it useful to contact the firm again directly to get an update.

My decision

11. I have not upheld your complaint for the reasons stated above. I realise that this outcome may be disappointing for you but I hope that you have understood how I have reached it.

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Complaints Commissioner

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