

24 September 2021

**Final report by the Complaints Commissioner****Complaint number FCA001394***The complaint*

1. On 19 August 2021 you asked me to investigate a complaint about the FCA.

*What the complaint is about*

2. The FCA summarised your complaint as follows:

You are unhappy with the change to RPI and CPI in the calculations for DB transfer when providing compensation which is used by the FSCS. You believe that the redress you have received looks low relative to the amounts received by your colleagues more recently. You told us that your calculation was carried out by the FSCS in November 2020 before the FCA made a change to the CPI assumption. You have asked if the calculation can be redone using the same assumptions used for your colleagues as you think this is a fair resolution.

*What the regulator decided*

3. The FCA did not investigate your complaint, they advised you:

Under paragraph 3.4(e) of the Scheme, excluded from the Scheme are complaints:

“About the actions, or inactions, of the Financial Ombudsman Service, the Financial Services Compensation Scheme or the Money Advice Service.”

Unfortunately, as set out in the above paragraph, this type of complaint is excluded from the Scheme. This is because your complaint relates to an action by the FSCS which is operationally independent of the FCA.

*Why you are unhappy with the regulator's decision*

4. You have told me: 'Do not leave me financially vulnerable from a process in place to help people like myself. There has been no structure by the fscs/fca to the way claims are handled or picked for processing & this I feel has effectively hurt me financially, physically & mentally'.

*Preliminary points (if any)*

5. This Complaints Scheme is concerned with the actions or inactions of the FCA. It cannot deal with complaints against banks, individual firms [or against the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS).], nor is it a redress service for individual consumer complaints. The Financial Services and Markets Act 2000 explicitly provides for a consumer redress service separated from the FCA.

*My analysis*

6. You are unhappy with the calculation the FSCS have used to calculate your DB pension transfer and want it to be recalculated.

As confirmed by the FCA, the FSCS is operationally separate to the FCA and neither the FCA nor my office can ask the FSCS to recalculate your compensation.

Whilst the complaint cannot be investigated under the Scheme, I note and welcome the information the FCA has provided you in relation to the change of calculating CPI.

The FCA confirmed:

In November 2020, the government announced that they planned to change the way they measure RPI in future. As they did not change future CPI, this meant that the 1% adjustment was no longer appropriate for consumers who would have been in a scheme with CPI inflation if they had not transferred. So, we made changes to the adjustment in our guidance. The change means that the estimate of the

amount a consumer needs in their transferred pot to be able to secure the benefits they gave up remains appropriate.

However, there are many reasons why redress can differ for different people, based on their service record, age and salary. And it is normal for calculations carried out at different dates to vary as we expect firms to change the economic assumptions, they use quarterly. This is because the market indicators which feed into the assumptions move from day to day and so does the value of the transferred pot.

The FCA also confirmed that whilst it understands that the FSCS follows the same approach when calculating redress, it is not a firm and is not subject to FCA guidance, how the FSCS calculate redress is a matter for FSCS.

*My decision*

7. 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  
24 September 2021