

11 January 2022

**Final report by the Complaints Commissioner****Complaint number FCA001418***The complaint*

1. On 8 September 2021 you asked me to investigate a complaint against the FCA in connection with Firm X.

*What the complaint is about*

2. The FCA summarised your complaint as follows:

You believe that by allowing Firm X a complaints moratorium the FCA is harming the customers of Firm X.

The remedy you are seeking is for the FCA to tell Firm X they must inform all people who have made a complaint, they do not need to make payments until their complaint has been decided, and if their complaint is upheld, Firm X should have to refund all payments made in 2021.

*What the regulator decided*

3. The FCA did not uphold your complaint. It explained the background to the regulatory moratorium in connection to Firm X and it said the remedy you seek is not available to you under the Scheme.

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

4. You have sent me numerous emails summarising your displeasure with Firm X and the FCA. I can summarise the crux of your complaint as follows:
5. You are currently repaying a certain amount each month to Firm X in connection with a loan you have with the firm. However, you also tell me that you complained about the firm to the Financial Ombudsman Service, (FOS) and that it has adjudicated in your favour and you are owed redress from Firm X, which it will not pay. You are now in a position where you are meeting your obligations to the firm, but it is not meeting its obligations to you (with respect to the FOS

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ruling and the redress you believe you are owed). You are frustrated that you must continue repaying your loan amount every month.

*My analysis*

6. Firm X are a consumer credit firm who specialise in guarantor lending. At some point in 2020 the firm began to receive large numbers of complaints and as the FCA explained to you, Firm X's total estimated redress bill is likely to be greater than its assets, and so the firm has sought to reduce its redress liabilities through a scheme of arrangement. Such a scheme of arrangement must be approved by a Court. The High Court considered the Scheme as well as the FCA's representations, and it did not approve it.
7. Firm X shortly after issued a statement that it continues to consider all options, which includes insolvency. You have said you have a complaint at the FOS against Firm X, however, the FOS has suspended reviewing complaints against Firm X. It has stated that the reasons for this are that any Firm X has said it is not able to pay redress awarded to consumers outside of the Scheme arrangement, which was not approved by the Court. It seems you have been caught by this as the firm has not repaid the redress amount you say you are owed.
8. Your concern stemming from the events so far connected with Firm X is that you are currently repaying your monthly loan, but at the same time you have a complaint at the FOS and say you are entitled to redress from the firm. However, you are concerned that if the firm is to enter insolvency proceedings, you will not receive any potential redress. You believe you should be able to stop your monthly repayments to Firm X until the matter is resolved one way or another.
9. You are not the only complainant who has approached the FCA and me with a similar predicament with respect to this firm. The FCA has told other complainants (although not you) the following:

The FCA does not investigate individual complaints and cannot intervene in individual situations. The FCA is also unable to give any advice or guidance to individuals about their circumstances.

I can understand that you are in a stressful situation and are seeking to understand the options that you have.

I am afraid I cannot provide you with any guidance about your circumstances or options. However, you may find it helpful to visit MoneyHelper. MoneyHelper is a free service provided by the Money and Pensions Service. The Money and Pensions Service is an arm's-length body, sponsored by the Department for Work and Pensions.

MoneyHelper provides some information about dealing with debt, please see here for further details, <https://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt/help-if-youre-struggling-with-debt>.

10. I also appreciate how stressful the situation must be for you. However, the FCA is correct. Neither the FCA nor I can provide you with advice on your options with respect to your monthly repayments to Firm X.
11. I am sorry, but I am not able to help you with the matters you raise under the Complaints Scheme. The FCA has pointed out an organisation which may be able to provide you with information, and I suggest you contact it.
12. I do consider, however, that it would have been helpful if the FCA had provided this information regarding MoneyHelper to you (and any other complainants directly) and I suggest it reviews its correspondence with complainants on this matter to ensure this information is provided to those seeking options about the repayment of their loans. The FCA has said it will do so in future.

*My decision*

13. I understand you remain dissatisfied and frustrated with my report, however, it remains the case that I cannot help you under the Scheme.

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Complaints Commissioner  
11 January 2022