

23 December 2021

Final report by the Complaints Commissioner**Complaint number FCA001514***The complaint*

1. On 15 November 2021 you asked me to investigate a complaint against the FCA.

What the complaint is about

2. The FCA summarised your complaint as follows:

My understanding of your complaint is that you recently received your invoice from the FCA for your annual fees, and your annual fee has increased. You are unhappy with the amount the fee has increased which you feel is unfair.

What the regulator decided

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

I have considered your complaint, and whilst I appreciate the concerns you have raised with regards to the increase in fees, unfortunately, this is not a matter I am able to consider under Paragraph 3.4(c) of the Scheme. This is because your complaint relates to the performance of our legislative functions as defined in the Financial Services Act 2012 (including making rules and issuing codes and general guidance).

Although I have not investigated your complaint formally under the Scheme, I have liaised with the area of the FCA most closely connected to your complaint in order to provide you with a response to the matters raised.

The FCA is funded entirely through fees from the firms it regulates and receives no government grants or other subsidies. We set fees to recover costs and not to influence policy.

The minimum fees for consumer credit activities have fallen behind our other minimum fees and so the shortfall is being picked up by other firms. That is why, as we explained in our April 2021 [Consultation Paper](#), we have started to realign them with the fees paid by other firms in the 'A' fee blocks. Our aim is to merge consumer credit with the minimum fee for 'A' blocks so that firms which have additional credit-related permissions, including IFAs, pay only one minimum fee. The consumer credit revenue was originally kept separate to target recovery of the costs of setting up the consumer credit regulatory regime when it was transferred to the FCA in 2014. Those costs have now been recovered and so there is no longer a need to maintain the distinction.

Why you are unhappy with the regulator's decision

4. You have asked me to review the FCA's decision.

My analysis

5. You are a small one-man business operating as a pawnbroker. Last year the fees, (not based on turnover) were just over £300 but this year they have shot up to over £800 and you cannot afford this increase.
6. I can sympathise with your situation, however your complaint relates to the FCA's legislative functions, so the information the FCA Complaints Investigator gave you was correct. Your complaint falls outside the Complaints Scheme and for those reasons I am unable to investigate your matter for you.
7. Whilst I realise you are unhappy with this response, I am pleased to see that the FCA Complaints Investigator, nonetheless, liaised with the relevant team within the FCA and provided you with information on why and how the fees are calculated.

My decision

8. I am sorry as I know that this decision will disappoint you but for the reasons set out above, I agree with the FCA's decision not to uphold your complaint.

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Complaints Commissioner

23 December 2021