

19 July 2022

**Final report by the Complaints Commissioner****Complaint number FCA001542***The complaint*

1. On 4 January 2022 you asked me to review a complaint about the FCA.

*What the complaint is about*

2. The FCA summarised your complaint as follows:

You are unhappy that you provided information to the FCA (between 23 April 2019 and 20 January 2021) on an individual (SR) of Firm X, but the FCA continued to allow him to be authorised. You have been attempting to retrieve your invested funds from SR for 3 years, but you still haven't received anything. You responded, on 22 April 2021, to say: "I have sent you previously documents relating to SR, one includes Independent Financial Advisors: Regulation, 24th April 2018 Volume 639. On page one it states, " The debate does not directly relate to those issues, but does have connections with the regulator, the Financial Conduct Authority, and its willingness and ability to hold those it regulates to account ". I hold the FCA to account as SR was allowed to continue even though the FCA knew about previous cases and that he was allowed to continue ruining people's lives and reaping the rewards for himself. I hope you read thoroughly through the paperwork I have already sent. You have put in your letter that claims for substantial compensation payments are likely to be more appropriately dealt with e.g. court. That is not an option for me as I have no money to do that. I want the £260,000 plus compensation."

*What the regulator decided*

3. The FCA upheld one aspect of your complaint: namely that information you had provided to the Supervision Hub had not been passed to Supervision in 2020. However, it did not uphold your substantive complaint.

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4. It explained that although you claim to have dealt with the individual SR through an FCA authorised company Firm X, you have not provided evidence to substantiate this. A bank statement you provided as proof shows that you invested funds with a different, unregulated company Firm Y. The FCA said: 'You first contacted the FCA with regard to SR on 23 April 2019 and provided documentary evidence in relation to your interactions with SR in early December 2020. The first of these two events was approximately 2 months after SR ceased to need regulatory approval. As that is the case, the FCA was not in a position to investigate SR, or remove any approvals, in response to your submissions.
5. It should be noted that whilst SR was a director of Firm Y, and that he had previously held authorised positions at regulated firms, none of the information you provided on 4 December 2020 indicated that the payments you made to Firm Y were related to regulated activity. In other words, the FCA faced the same problem as the Financial Ombudsman Service had previously encountered: whilst your evidence seemed compelling there was nothing to indicate you had invested in a regulated product or received regulated advice. I could not, therefore, fully uphold this element of the complaint'.

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

6. You have said to me that:

My complaint is the handling of the investigation of SR of Firm X. They [ the FCA have let a dangerous man under their radar to continue giving financial advice and then lost their money ruining people's lives. I invested £260,000 in order to have a monthly income until I decided what to do with it. The problems arose when I started asking for it back. The amount he actually owes me now is around 450K, but I want my £260,000 back. This has affected me financially, mentally and physically. I am in so much debt and feel so ill. There was a high profile case in the house of commons; article 24/4/18 volume 639. The Police have been involved and had him for an interview, he admits this and evidently it was an unregulated activity which he has done in the past, yet still being allowed on the list of regulated advisors.

"The FCA intervenes to impose penalties, including orders to stop trading, prosecute and secure compensation for consumers. By regulating firms, the FCA protects consumers and allow them to have confidence in the services offered to them". I could quote many things that they say they are responsible for. This has been delayed time and time again, firstly from the financial ombudsman and then the FCA.'

*My analysis and decision*

7. I have reviewed the file the FCA has sent me on your case, and I have also reviewed the email extracts you sent by post (undated but received by my office on 24 January 2022).
8. I can see that you emailed Yorkshire Police on 23 March 2021 to say that in 2013 you made two separate transfers totalling £260,000 to Firm Y. You say you believed 'this was an investment through Firm X'.
9. Firm Y is an unregulated firm. You do not have any supporting material to confirm that you were ever a customer of Firm X (a FCA regulated firm). You also do not have any supporting material which may evidence the nature of the advice you received from individual SR and the purpose of the transfer to Firm Y.
10. The emails you have sent me show you were in correspondence with an individual from an email account named [xxxx@gmail.com](mailto:xxxx@gmail.com) but this is a personal account and does not show a company connection with Firm X.
11. I have sympathy for your situation. However, I agree with the FCA that in the absence of any evidence that you were a customer of the (now ex) regulated Firm X, and in the absence of any supporting material to evidence the nature of your alleged investment through individual SR with the unregulated Firm Y, there was nothing to indicate you had invested in a regulated product or received regulated advice. Therefore, I am unable to make a finding that your alleged losses are a result of the FCA's authorisation of individual SR. I understand you have already approached the Financial Ombudsman Service, but it encountered the same problem as the FCA did: lack of evidence to indicate you had invested in a regulated product or received regulated advice.

12. Matters are complicated by the fact that by the time you raised your complaint and provided documentary evidence to the FCA, individual SR had ceased to need regulatory approval. The FCA explained that 'as that is the case, the FCA was not in a position to investigate SR, or remove any approvals, in response to your submissions'.
13. I am very sorry that you are distressed, but for the reasons above I cannot uphold your complaint.

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Complaints Commissioner  
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