

24 June 2022

Final report by the Complaints Commissioner**Complaint number FCA001646***The complaint*

1. On 28 March 2022 you asked me to investigate a complaint about the FCA.

What the complaint is about

2. In its decision letter to you dated 29 November 2021 the FCA described your complaint as follows:

You have explained that in August 2021, you were advised that Firm A would not renew your PII. As a result, you ceased trading and a request to cancel your FCA authorisation was submitted at the beginning of October. You are unhappy that you received an invoice for the year 2021/22 on 20 December 2021. You do not feel it is appropriate to be asked to pay the full year's fees. You have raised this and have been told that that the fees must be paid regardless of the circumstances.

What the regulator decided

3. The FCA did not uphold your complaint.
4. The FCA stated that it had considered the Handbook rules that apply in relation to fees and cancellation of permissions. The FCA considered your frustration at having to pay fees for a year in which your firm cancelled their permissions. The FCA found that the rules required the fees to be paid in full.

Why you are unhappy with the regulator's decision

5. You disagree with the FCA's decision and feel it is unfair. You feel you should only pay the fee for the period that you were authorised and that circumstances were completely out of your control at the time.

My analysis

6. I have looked at all the information and evidence available to me. Overall, I think the FCA gave you the correct information and it has acted appropriately.
7. The FCA handbook and additionally the FCA's website is clear when it comes to explaining fees if one cancels its authorisation. The FCA handbook provides content on this at Section '...FEES 4.3.13...' here:
<https://www.handbook.fca.org.uk/handbook/FEES/4/3.html#DES127>
8. The FCA's website also states as follows here:
<https://www.fca.org.uk/firms/authorisation/cancel>

Fees

We don't charge anything for cancelling your authorisation. However, you will have to pay the full annual fee for the financial year in which you apply for cancellation.

If you submit your cancellation application to us before 31 March (or before the last day in February, if you are also regulated by the PRA), you will not have to pay the annual fee for the following financial year. If, however, your business continues to operate for 3 months beyond this deadline – that's to say, past 30 June – then you will have to pay the annual fee for the financial year.

9. I understand you did not send your cancellation of permissions to the FCA until October 2021. I appreciate this may sound repetitive, but taking the above into consideration, I agree with the FCA that payment is required for the full annual fee for the financial year. This is fair given the timings of when you sent your cancellation of permissions to the FCA. Whilst I understand you felt that circumstances were out of your control and you feel the rules are unfair, I do not think there was any wrongdoing by the FCA. The onus was on Firm A to be familiar with what was expected of it.

My decision

10. I appreciate this was not the outcome you were hoping for, but I do not uphold your complaint.

Amerdeep Somal
Complaints Commissioner
24 June 2022