

10 August 2022

Final report by the Complaints Commissioner**Complaint number FCA001694***The complaint*

1. On 6 April 2022 you asked me to investigate a complaint about the FCA

What the complaint is about

2. The Regulator summarised your complaint as follows:

You have explained that you purchased shares in a firm called [X]. The firm were listed on the London Stock Exchange. You purchased the shares on the morning of [x] 2021, following the FCA removing the shares from suspension, however hours later it was suspended again and not traded since. You are unhappy that you have lost your entire investment. You believe the FCA is completely at fault and shouldn't have permitted the shares to resume trading.

To resolve your complaint, you are seeking compensation for the total value of the shares plus 8% interest per annum

What the regulator decided

3. The FCA did not uphold your complaint. It said that in this case following the first suspension in [X] 2021, the firm addressed the issue which had caused the grounds for suspension following the publication of historical financial information and corresponding auditor's reports, so the listing was restored.
4. However, the FCA could not foresee there would be a second suspension at the time the first suspension was lifted, for a different reason altogether.

Why you are unhappy with the regulator's decision

5. You have said to me 'I am a small investor via my lifetime ISA and invested in a Company listed on the LSE, It was originally suspended but the Company had just been approved for relisting by the FCA and given the all clear, I and many

FCA001694

others invested on this basis in good faith that the FCA had done its job properly, it would seem not as just hours after it was back on suspension for reasons surrounding serious fraud. I believe that the FCA failed in its duty and should not have permitted the stock to re-trade, if it had so then myself and many others would not have lost our investment, the stock remains on suspension and is all but worthless’.

Preliminary points (if any)

6. The FCA decided to discontinue the listing of the standard shares of Firm X in July 2022. The FCA has determined that there are special circumstances, which preclude normal, regular dealing in the shares of Firm X. At this stage, the FCA will not provide any further details of the circumstances which have led to the cancellation. The FCA has stated Firm X has the right to appeal this decision by making representations to the FCA or referring it to the Upper Tribunal.

My analysis

7. You invested in Firm X shares after the FCA lifted its first suspension of the listing of firm’s shares in 2021. A week later, the FCA suspended the shares again, did not lift this subsequent suspension and in July 2022 decided to discontinue the listing of the company’s standard shares.
8. The reasons for the first suspension are in the public domain, as is the fact that the suspension was lifted when the Firm addressed the issues (see paragraph 3 above).
9. The FCA is correct to say that it could not foresee there would be a second suspension at the time the first suspension was lifted, for a different reason altogether. My review of this case shows that significant information regarding the company’s affairs was obtained by the FCA after the first suspension was lifted. This information related to issues which were different to the ones referred to in the first suspension.
10. I can see the FCA acted swiftly to review this new information. Consequently, it took the decision to suspend the listing of the shares of the company for a second time, taking into consideration a number of factors.

My decision

11. I have sympathy for your situation, however, I do not think the FCA are at fault for your losses, and therefore I do not uphold your complaint.

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Complaints Commissioner

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