

23<sup>rd</sup> February 2018**Final report by the Complaints Commissioner****Complaint number FCA00407***The complaint*

1. You wrote to me on 20<sup>th</sup> January 2018 to complain about the FCA. I sent you and the FCA a Preliminary Report on 6<sup>th</sup> February 2018. You responded to say that you did not agree with my decision, but accepted that you had “reached the end of the road” with your complaint. The FCA did not have any comments. This is my final report.

*What the complaint is about*

2. You invested some money in a firm, which subsequently went into administration. In its letter of 22<sup>nd</sup> November 2017 to you, the FCA described your complaint like this:

*The FCA asked ..... (the firm) to write to investors because the FCA believed that they were undertaking regulated activities without the correct authorisation.*

*You believe that the FCA should have written to you, not the firm, because you would have had time to try and recover your funds.*

*What the regulator decided*

3. The FCA did not uphold your complaint. It said:

*In circumstances such as this it is common practice to ask a firm to write to their affected clients.*

*I have seen that there was considerable work undertaken by the FCA when contacting the firm and their legal representatives about the concerns the FCA had.*

*The content of the letter was agreed with the firm. The firm was asked to send the letter that you received. Unfortunately the firm went into administration without any notice being given to the FCA. When the FCA was notified about the firm’s liquidation it asked the firm’s liquidators ....to send the letter you received.*

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

4. In your letter of 20<sup>th</sup> January 2018, you say:

*Given that nothing was done till [the firm] went into administration. That whqt they had been doing and informing us well after this event that they shouldn’t have*

*been doing it, is quite frankly not up to par with what I would have expected of the FCA.*

*My analysis*

5. I have been able to study the FCA's confidential papers. From those papers, it is clear to me that, in advance of the firm going into administration, the FCA was engaged in work with the firm, including the preparations for the letters to be sent to clients. It is therefore not the case that the FCA did nothing until after the administration. I am satisfied that the FCA made efforts to protect the position of clients, though they were ultimately not successful.
6. It is firms' responsibilities to write to their clients in circumstances such as these, and I do not think that the FCA can be criticised for the approach which they took. The FCA cannot guarantee that clients will not suffer when firms go into administration.

*My decision*

7. I have sympathy with your position, but I am afraid that I do not uphold your complaint. The responsibility for the losses which you suffered rests with the firm, not with the FCA.

Antony Townsend

Complaints Commissioner

23rd February 2018