

Final report by the Complaints Commissioner**Complaint number FCA00415***The complaint*

1. On 23rd November 2017 you wrote to me to complain about the FCA, and the payment which the FCA had asked you for in respect of the credit licence which you have cancelled.
2. I sent you and the FCA a preliminary report on 3rd January, to which you both responded. In the light of your response, I made some further inquiries of the FCA, to which I refer later in this report.

What the complaint is about

3. In its decision letter of 16th November 2017, the FCA described your complaint as follows:

Part One

You're unhappy that your firm incurred an annual fee for this year. You explained that you were told, on a telephone call prior to submitting your application to cancel, you would not have to pay any fees after you had applied to cancel.

Part Two

You explain that your firm made no money from consumer credit activities because you have been told by other lenders your firm was not "set up properly".

Part Three

You're unhappy because you were told it would not be possible to set up a payment plan.

What the regulator decided

4. The FCA partially upheld part 1 of your complaint. This was because, when in May 2017 you telephoned the FCA to apply to cancel your licence, you were told that although you would have to pay the current year's fee, you would only have to pay pro rata up to the point of cancellation. This was incorrect – you were liable for the whole year's fee. The FCA apologised for this.
5. The FCA rejected part 2 your complaint. Having investigated the matter, it appeared that your firm had been set up properly on the system.
6. The FCA also rejected part 3. While it acknowledged your disappointment at not being able to pay the outstanding sum by instalments, the FCA explained that its published policy was that all fees had to be paid in full by the due date, and that running an instalment facility would incur costs which would have to be passed on to fee payers.

Why you are unhappy with the regulator's decision

7. In your letter to me, you repeat your complaint that when you approached finance companies they told you that the credit licence “was not set up properly”. You also say that you made repeated attempts to contact a member of staff at the FCA, but your messages were not returned – I do not think that this was part of your original complaint to the FCA. You say that “at no time was I advised that there would be a further fee of £303 for 2017/2018”, and that you believe that you “bought a service which was not fit for purpose”.
8. In your response to my preliminary report you say that if you had been told that you would be liable for the full year's fee at the time of cancellation, you would have let the agreement run, and looked at ways of getting it set up properly for the future.

My analysis

9. The FCA's decision letter of 16th November shows that your complaint was investigated thoroughly. You were given a full explanation of the information which you were given at the time you applied for a licence, and during the recorded telephone calls. From that information, it is clear that:
 - 1) You were told at the time of application that you would remain liable to pay fees until the FCA had cancelled your permissions, and you were given details of how to manage your account;
 - 2) You were told in October 2016 that you would be liable for the following year's fees unless you cancelled before 31st March 2017;
 - 3) You were told on 22nd May 2017 that you were liable for the fees for 2017/18, although you were wrongly told that you would only be charged pro rata.
10. On that basis, it seems to me clear that, because your firm had not applied to cancel by 31st March 2017, you knew or should have known that a fee was payable. While it is unfortunate that you were mistakenly told that you would only be charged pro rata for 2017/18, by the time that you were given the wrong information it was already too late to avoid the fee. I can see that, had you known that fact, it is possible that you would have let the licence run till the end of the year, but it is hard to see what benefit this would have given you, since you had already found yourself unable to use the permissions which had been granted.
11. You have complained that calls made to a member of FCA staff were not returned, but that did not form part of your original complaint. Unfortunately, you have not been able to give any further details of these calls, but I asked the FCA to make a further check of its records. The FCA told me that calls to individual case officers are not recorded, but that the file shows that there was a conversation between you and an FCA officer on 3rd August 2016 relating to your firm's permissions. The Customer Contact Centre (which does record calls) have searched their telephone records for any other calls from the two numbers for you which they have on file, but have not found a record of any additional calls. In the circumstances, I cannot take that issue any further.
12. In relation to your complaint that your firm's credit licence was not set up properly, the FCA's checks have not revealed any fault, and you have not been able to supply any further details.

13. Finally, while I can see why you would like to pay the outstanding fee by instalments, the FCA has explained why it does not offer this facility, and I do not think that the FCA's position is unreasonable.

My decision

14. I am sorry to have to disappoint you, but I do not uphold your complaint.

Antony Townsend

21st February 2018