

17 June 2020

**Final report by the Complaints Commissioner****Complaint number FCA00722***The complaint*

1. On 30 March 2020 you confirmed that you wanted me to investigate a complaint about the FCA.

*What the complaint is about*

2. In its decision letter of 17 March, the FCA described your complaint as follows:

*you are unhappy with the FCA's new rules around overdrafts. You are specifically unhappy that your interest rate on your overdraft with your bank is increasing from 17% to 40%. You have explained that this will cause you financial hardship and you feel that you are being treated unfairly. You believe that the FCA is accountable for the consequences of its rules, as you feel the FCA implemented this and needs to be fully aware of how this is affecting the public and their livelihood.*

*In order to resolve your complaint, you would like the FCA to put a stop to the increase of the overdraft interest rates.*

*What the regulator decided*

3. The FCA told you, that because your complaint was about rules made by the FCA, it was excluded from this Complaints Scheme. For that reason, the FCA would not investigate it. However, the FCA gave you a full explanation of the reasons behind the new rules which it had imposed upon the banks. The FCA also said:

*When we made our rules, we recognised that for some consumers our changes could lead to higher prices for arranged overdrafts. This is why we made rules to require banks to help customers who may be worse off*

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*because of pricing changes. We expect banks and building societies to take steps to support them and to treat them fairly, for example, by reducing or waiving interest, offering a continuation of overdraft borrowing at current rate of interest, or agreeing a repayment programme.*

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

4. You responded to the FCA's decision, explaining your difficult financial circumstances, and saying that your bank had not responded satisfactorily to your complaint. In reply the FCA explained that, if your bank was not following the requirements to help customers who were worse off as a result of the rule changes, you could complain to the Financial Ombudsman Service (FOS); and that, with your permission, the FCA would approach your bank in order to check that the bank was following the requirements.
5. In your email to me you said that, although your bank had now agreed to freeze your charges for two months, you were worried that at the end of that period it might reapply them.

*Preliminary point*

6. As the FCA has already explained, its role is not to resolve individual consumer complaints – that is the role of the FOS. For that reason, this Complaints Scheme can only consider the actions of the FCA, not the actions of banks.

*My analysis*

7. The FCA was right to say that, because your complaint was about rules, it would not be investigated under this Scheme. However, it gave you what seems to me to have been a full and helpful explanation of the thinking behind the new rules, which were introduced following a full economic analysis which showed that most customers would be better off as a result.
8. Furthermore, the FCA – recognising that some customers would be worse off – placed requirements on banks to support people who, like you, were adversely affected. Additionally, it has asked your permission to use your case in order to check that the bank is providing the necessary support to people in your situation.

*My decision*

9. I have sympathy with your difficult situation, but I consider that the FCA was right not to investigate your complaint, so I cannot uphold your complaint. I think that the FCA has taken care to try to protect people in your situation, and has explained to you that you can complain to the FOS.

Antony Townsend  
Complaints Commissioner  
17 June 2020