Complaints Commissioner

Date 29 December 2020

Final report by the Complaints Commissioner

Complaint number FCA00845

The complaint

1. On 16 October 2020 you asked me to review a complaint about the FCA's oversight of Firm X.

What the complaint is about

2. The FCA summarised your complaint as follows:

   'You are unhappy that since 11 February 2020 the FCA has suspended the activities of [firm x], and that you have been unable to access the bank account you have with the firm and the funds held within the account. You wish to get access to your bank account at the firm so that you can withdraw your funds.'

What the regulator decided

3. The FCA did not uphold your complaint.

Why you are unhappy with the regulator's decision

4. You feel that the FCA decision letter does not *'justify his decision with any legal reference to why my bank account is being blocked'* or provide the motivation for restrictions placed on the firm.

My analysis

5. The background to your complaint is that you were a client of firm X, which suspended its activity on customer accounts in February 2020 . This decision was taken following a review, by the FCA, of firm X's anti-money laundering systems and controls, which identified weakness that required remediation.

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6. As a result of this, you (and other of the firm's clients) have been unable to access your funds since then. You are concerned about this.

7. The FCA has explained to you that due to confidentiality restrictions it can't provide you with full details on why the the restrictions of firm X were agreed.

8. Like the FCA, I am required to respect confidentiality This means that sometimes I cannot report fully on the confidential material to which I have access. However, as part of the Complaints Scheme, I have access to all the FCA's complaints papers, including confidential material. This is so that I, as an independent person, can see whether I am satisfied that the FCA has behaved reasonably. Sometimes this means that all I can say to complainants is that, having studied the confidential material, I am satisfied that the FCA has (or has not) behaved reasonably – but I am unable to give further details. This can be frustrating for complainants, but it is better that I am able to see the confidential material.

9. I recognise that there's a difficult balance to be struck between protecting confidential information, and the need to give consumers sufficient information and confidence to judge whether or not the regulatory system is operating effectively. However, having reviewed the papers, I am satisfied that the FCA was correct to engage with firm X with respect to its activities, and that it is reasonable for it not to disclose further information due to confidentiality reasons.

10. I appreciate you would like to access your funds as soon as possible and I have sympathy with your situation. However, I cannot interfere with the ongoing regulatory action or give directions for deadlines for the remediation (which could only be recommendations) under the Complaints Scheme.

My decision

11. I appreciate you may also be concerned about how long it is taking for the Firm/FCA to agree when funds can be released. The FCA has said this will be reviewed once regulatory action is complete. I agree that deferring the complaint at this time is appropriate. I will continue to monitor the situation, and you will be able to submit a complaint about this if you choose once the regulatory action is concluded.

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12. I hope that the FCA will take all practical steps to ensure the firm undertakes the remediation as swiftly as possible, but my view is that the intervention of a Complaints Scheme into statutory proceedings is something for which the Scheme was not designed. I appreciate you are not happy with my decision but unfortunately I cannot help you in the way you want under the Scheme.

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