

20 July 2021

## Final report by the Complaints Commissioner

### Complaint number FCA00925

#### *The complaint*

1. On 21 April 2021 you asked me to review a complaint about the FCA's oversight of some banks compliance with its Strong Customer Authentication (SCA) guidance.

#### *What the complaint is about*

2. You complained to the FCA that 11 banks (which you name) are failing to provide alternative methods of authentication despite FCA guidance, which disadvantages customers who have no access to a phone line but wish to make online transactions.

#### *What the regulator decided*

3. The FCA excluded your complaint under Paragraph 3.4(c) of the Scheme because it explained your complaint relates to the performance of the regulators' legislative functions as defined in the Financial Services Act 2012 (including making rules and issuing codes and general guidance).
4. The FCA confirmed that it had nevertheless passed the information you provided to the relevant supervision teams of the banks for their consideration, but that due to confidentiality reasons you would likely not be told the outcome of any action taken (or not taken).
5. The FCA also reiterated that it had 'published guidance at Para 20.21 of Our Approach Document, making clear our expectation that firms consider the impact of strong customer authentication on particular groups. In particular, that firms must provide a viable means of authentication if customers do not possess a mobile phone or may be in areas without mobile phone reception'.

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

6. You feel that your complaint should be investigated and that action should be taken against firms who do not follow regulations.

*My analysis*

7. Your complaint is about several banks who you allege are not adhering to FCA guidance in its Approach Document on strong customer authentication, and you would like the FCA to take action regarding this matter.
8. It does not seem to me that you are complaining about the FCA's rule making and therefore I do not agree that Paragraph 3.4(c) of the Scheme applies to your complaint. I am therefore accepting your complaint in the Scheme.
9. Having said that, there is little more that can be asked of the FCA than it is already doing: it has passed the information you provided to the relevant supervision teams within the FCA who will assess it. The FCA is right to say that due to confidentiality reasons it will likely not be able to provide you with feedback on what actions, if any, it takes.
10. 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.
11. I recommended that the FCA reports back to me with the results of the Supervision Teams review of the information you provided, which it has now done. For the reasons given above, I am not able to provide you with any specific details but I can assure you that the matters you raise have been considered and appropriate action taken.

*My decision*

12. Although I am unable to provide you with specific details on what action has been taken as a result of your complaint, I can assure you that the information you provided has not been ignored and appropriate action has been taken as a result of your complaint. It is the FCA's intention that an alternative method to

mobile verification is provided to customers of financial services providers, and it is working with all firms to ensure this happens. I invite the FCA to report back to me in six months time on the progress of their work on this matter.

Amerdeep Somal

Complaints Commissioner

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