

We have received many emails about complaints related to London Capital and Finance (LCF), which have been deferred by the Financial Conduct Authority (FCA). Our last update informed complainants of Dame Elizabeth Gloster's [Independent Investigation](#), the FCA's [response](#) and The Treasury's plans to set up a [compensation scheme](#) for LCF investors.

We also shared the work of the Financial Services Compensation Scheme [FSCS](#) and the Serious Fraud Office [SFO](#).

The Treasury Compensation Scheme:

The Commissioner has been following the FCA and The Treasury's developments regarding LCF and closely monitoring the situation. The Treasury has today announced that a compensation scheme is expected to pay out around £120m in compensation in total for bondholders who have not already been compensated by the FSCS. This scheme provides 80% of LCF bondholders' initial investment up to a maximum of £68k. You can find The Treasury announcements here:

<https://questions-statements.parliament.uk/written-statements/detail/2021-04-19/hcws922>

and

<https://www.gov.uk/government/news/details-of-compensation-scheme-for-london-capital-finance-bond-holders-announced>

Complainants must take note that the Government will be providing further details on this and how the Scheme will be operating in due course. Complainants are asked to remain extra vigilant due to the risk of scammers posing as services to help them claim. Please remember the scheme has not yet opened and bondholders should await further updates and next steps from the Government.

FCA April 2021 update:

The FCA has today announced its approach to assessing LCF complaints. This can be accessed here:

<https://www.fca.org.uk/news/statements/fca-sets-out-broad-approach-assessing-lcf-complaints>

A small number of LCF investors who were given incorrect information in direct communications with the FCA in which those direct communications may have been a factor in their decision to invest, or to remain invested, which then led to investors losing money, will be offered an ex-gratia payment by the FCA. The FCA will contact these complainants directly. The ex-gratia offering will be for investors who have not already been compensated by the FSCS.

The FCA has confirmed in its update that it anticipates providing a response to LCF complainants by the end of June 2021. This means you should receive an outcome from the FCA regarding your LCF complaint by the end of June 2021.

If you have not yet raised your complaint with the FCA you can do so here:

<https://www.fca.org.uk/about/complain-about-regulators>

The FSCS:

As of 18 February 2021, we understand that the FSCS has paid out just over £56.3m in compensation to 2,878 LCF bondholders who held 3,815 LCF bonds. More information on this can be accessed on the FSCS website here: <https://www.fscs.org.uk/failed-firms/lcf/>

We suggest that if you have a question for the FSCS or if you have not yet contacted it with a claim, you should do so now. Contact details for the FSCS can be found here: <https://www.fscs.org.uk/contact-us/>

Referring your complaint to The Commissioner:

We are sorry to hear of the length of time taken regarding this matter and the trouble and upset this has caused to many complainants. Once the FCA has completed its review, you can ask the Commissioner for an independent investigation if you are not satisfied with the FCA's decision.

However, LCF complainants must await the FCA's response to their complaint which is scheduled to be the end of June 2021 before approaching The Commissioner.

Only then will complainants be able to approach The Commissioner to review their complaint if they remain unhappy with the FCA's decision.

The Commissioner's view has remained the same since our last update, that it is best for the FCA to complete its investigation first, as that is usually the best way of resolving matters. The Commissioner will continue to correspond with the FCA and closely monitor the situation and further updates will be published on our website.

Thank you for your ongoing patience.

19 April 2021