

13 June 2025

Final Report by the Complaints Commissioner: The House Crowd (THC) Time Bar Complaint

The complaint

1. This report concerns a series of complaints received under the Complaints Scheme ("the Scheme") about the Financial Conduct Authority ("FCA") and its oversight of The House Crowd Limited ("THC").
2. The specific issue addressed in this report is the FCA's decision to deem these complaints out of scope under paragraph 2.4 of the Scheme, on the basis that they were submitted more than 12 months after the complainants allegedly became aware of the issues giving rise to the complaints.

Decision

3. Following careful consideration, I find that the application of the time bar in these circumstances was neither reasonable nor appropriate. I recommend that the FCA lift the time bar and proceed to investigate the substance of the complaints.
4. Under the Scheme, I do not have the power to compel the FCA to follow my recommendations. However, if the FCA declines to do so, it must publicly state its reasons. Should the FCA decline to accept my recommendation to lift the time bar and investigate the substance of the complaints, given the public interest in this matter, the number of complainants involved, and the serious concerns raised about the FCA's oversight of the P2P sector, I may invoke the discretion afforded to me under paragraph 1.3 of the Complaints Scheme (November 2023). This provision allows the Complaints Commissioner to review

a complaint even where the regulator has not conducted or completed its own investigation.

Preliminary Points

5. I have received 51 complaints concerning the FCA's oversight of THC, and I understand this number is growing. I have decided to issue one report covering all such complaints.
6. This report does not comment on the substance of the complaints about the FCA's oversight of THC, which have not yet been investigated.

Background

7. THC was a peer-to-peer (P2P) lending platform that entered administration on 21 January 2021. The complainants were investors who claim to have lost all or part of their investments due to THC's mismanagement and/or misconduct.
8. The complaints to the FCA were submitted in late 2024. Complainants have explained that they became aware of potential grounds to complain against the FCA only upon reading the Investment Fraud and Fairer Financial Services All-Party Parliamentary Group (APPG) [report](#) on its Call for Evidence about the FCA, published in November 2024.
9. The FCA rejected the complaints as out of time under paragraph 2.4 of the Scheme, which requires complaints to be made within 12 months of becoming aware of the issues.

Legal Framework: Paragraph 2.4 of the Scheme

10. Paragraph 2.4 of the Scheme provides:
11. "You must notify us of your complaint within 12 months of the date you first become aware of the issues you are complaining about. We will only investigate complaints made later than this if we consider that there is a good reason for the delay."
12. The correct test is when the complainant first had actual knowledge of the issues giving rise to the complaint (hereafter, "Relevant Events").

13. Constructive knowledge (what a reasonable person might have known) is not sufficient. Paragraph 2.4 does not permit the FCA to substitute constructive for actual knowledge.

Analysis

The FCA's Interpretation of the Triggering Knowledge

14. The FCA accepts that the correct test is actual knowledge but argues that complainants must have acquired this when they first invested in THC, or at any event by 2021 from the administrator's report and/or involvement in the THC action group.

Awareness of FCA authorisation

15. The FCA suggests that complainants' awareness of THC's FCA authorisation at the time of investment evidences knowledge of FCA involvement.
16. In my view, while investors may have known that the FCA authorised THC, this does not equate to knowledge of regulatory failings. Authorisation is a matter of public record and background knowledge—not knowledge of acts or omissions which might form the basis of a complaint. What is required is actual knowledge of "the issues you are complaining about".

The Administrator's Report

17. The FCA argues that Chapter 3 of the Joint Administrator's Statement of Proposals (April 2021) informed investors of: THC's regulatory difficulties, the imposition and lifting of a Voluntary Requirement (VREQ), ongoing engagement with the FCA, and the FCA's concerns about THC's management.
18. The FCA concludes that this would have put investors on notice that there may have been grounds to complain.
19. In my view, the administrator's report provides background and operational details but does not assert or imply wrongdoing by the FCA. There is no clear indication in this document that the FCA may have failed in its oversight duties.
20. Awareness that the FCA engaged with THC is not equivalent to awareness that such engagement was potentially inadequate or unreasonable.

21. In the absence of explicit commentary on the FCA's regulatory failure, this report cannot be taken to have provided actual knowledge of the Relevant Events.

Action Group Involvement and the Use of a Template Letter

22. The FCA notes the existence of an investor action group and suggests that the complainants are likely members, referencing their use of a shared complaint template and the involvement of Mr X, a member of the group's steering committee. Mr X submitted evidence in 2021 that was later included in the APPG report, which complainants state only came to their attention upon its publication in 2024.
23. In my view, the FCA has not, however, provided evidence that each complainant was a member of the group or was aware of the APPG contributions in 2021. Mr X has said that he did not share his information online in 2021 as *"I don't use any form of social media, so nothing has been shared on such platforms"* and the complainants have specifically said they gained their awareness from the APPG report.
24. Use of a template letter in 2024 does not imply knowledge in 2021. Templates may be prepared and circulated at any time (e.g. on knowledge of the APPG report) and do not confirm earlier awareness of a complaint basis.

Awareness Triggered by the APPG Report

25. The APPG report, published in November 2024, explicitly criticised the FCA's oversight of P2P firms, including THC. Complainants consistently cite this report as the trigger for their complaints.
26. This is credible. The report brings together information about regulatory failings in a way that would not have been available to ordinary investors through earlier documents.
27. I consider the APPG report to be a reasonable point at which some complainants could, for the first time, become aware of the FCA's possible failings. This is what the majority of complainants have said to me and there is no evidence to the contrary.

28. I do not accept that the FCA has demonstrated that the majority of complainants had actual knowledge of Relevant Events more than 12 months before making their complaints.
29. The FCA's reliance on speculative inferences, indirect associations, and general awareness of regulatory involvement falls short of the standard required under paragraph 2.4 of the Scheme.
30. The FCA has concerns that Mr. X's information may have been circulated widely within the THC Action Group. However, it has not provided any evidence to corroborate this.

The Complaints Commissioner

Complaints Commissioner

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