The Financial Regulators Complaints Commissioner

Reviewing how the financial services regulators consider complaints

Annual Report
2025/26

The Financial Regulators Complaints Commissioner

Annual Report and Accounts 2025-2026
(for the year ended 31 March 2026)

Presented to Parliament pursuant to section 87 of the Financial Services Act 2012 (as amended by the Small Business, Enterprise and Employment Act 2015 and the Financial Services and Markets Act 2023).

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ANNUAL REPORT 2025-2026

This is the Annual Report of the Complaints Commissioner.

It covers the period from 1st April 2025 to 31st March 2026.

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About the Complaints Scheme

The Financial Regulators Complaints Commissioner (the "Commissioner") provides an independent review of complaints about the UK financial services regulators. The role was established by Parliament to support transparency, accountability and confidence in regulatory decision-making.

The Commissioner considers complaints about the Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA), and, in the case of the Bank of England, complaints about its oversight of clearing houses, central securities depositaries, inter bank payment systems and wholesale cash distribution.

The Commissioner also considers complaints about the Payment Systems Regulator (PSR) under a voluntary complaints scheme.

The Complaints Scheme (the "Scheme") is available to individuals and regulated firms who are dissatisfied with how a regulator has carried out its relevant functions. In exceptional circumstances, the Commissioner can exercise her discretion to consider a complaint that has not been first made to the relevant regulators. The Commissioner considers whether the regulator acted reasonably in the circumstances, taking account of the regulatory framework and the information available at the time.

The Commissioner issues a preliminary report for comment before reaching a final view. If a complaint is upheld, the Commissioner may make recommendations. These can include recommending an apology, remedial action, or the payment of compensation. Regulators are required to respond and explain the steps they propose to take regarding any such recommendations.

The Scheme is open to anyone directly affected by the actions or inactions of the regulators, including both individual consumers and regulated firms. The Commissioner is committed to openness and fairness, and her office works in line with the principles of good complaints handling set by the Ombudsman Association.

2 Foreword by the Commissioner

Rachel Kent
Complaints Commissioner

> "This year has been defined by a clear shift in the nature and complexity of the complaints received by my office."

Foreword

This year has been defined by a clear shift in the nature and complexity of the complaints received by my office.

An increasing proportion of our investigations now arise from complaints linked to the failure of authorised firms. These may be brought by groups of complainants or, in some cases, by a single individual. These cases typically involve complex issues, often affecting large numbers of consumers over extended periods, and they raise questions about the FCA's oversight across the entirety of its remit, including authorisation, supervision and enforcement. They also include cases concerning how the FCA has identified and responded to risks arising from the activities of unauthorised firms.

These cases differ from the more typical complaints seen in previous years, requiring detailed, retrospective examination of regulatory activity and decision-making. This includes the examples set out below:

- **Mini-Bonds:** Following the Gloster Report into the FCA's regulation of London Capital and Finance plc, I have received complex complaints relating to mini-bond issuers, including Blackmore Bond plc and Basset & Gold plc, which remain ongoing. The complaints I have received relating to mini-bond issuers, including Blackmore Bond plc and Basset & Gold plc, were submitted before the conclusion of the Gloster Report but were deferred by the FCA for ongoing action. The events described in these complaints are contemporaneous with those examined in the Gloster Report, and the complaint investigations are now taking place in 2025/6. I acknowledge that the FCA has taken significant measures to protect consumers in the mini-bond market since the Gloster report; nevertheless, the complaints before me remain important, notwithstanding the historical timing of the events. During the year, I also upheld a complaint concerning the FCA in connection with Amyma, a firm involved in the distribution of mini-bonds, although the issues in that case were broader and also concerned the FCA's perimeter team and its actions with respect to Amyma's conduct as well as the application of the appointed representatives regime.
- **Peer-to-Peer Lending (P2P):** I have also received additional, complex complaints relating to P2P lending platforms, including Funding Secure and Collateral (UK) Limited; these investigations remain in progress. As noted in last year's report, my office has been considering complaints in this area for some time, and I expect further matters to be referred to me after the FCA completes its ongoing review of complaints about its role in connection with P2P firms.
- **Pensions:** The recently concluded investigation into the FCA's handling of issues arising from the British Steel Pension Scheme (BSPS), raises questions about the oversight of the defined benefit pension transfer advice market. I upheld the allegation that the FCA had consistently been behind the curve in anticipating, preventing and responding to widespread unsuitable financial advice, which caused serious detriment to BSPS members. Systemic regulatory failings enabled that advice to proliferate, and the FCA did not take timely or appropriate action to protect those affected. It is disappointing that, despite a consistent body of independent findings that the FCA's actions in relation to BSPS were insufficiently robust, proactive, or timely, the FCA has not accepted those

conclusions. More importantly, the BSPS investigation highlighted wider issues about the operation of the regulatory framework, such as the limitations on capital adequacy and professional indemnity insurance (PII) in addressing compensation for widespread mis-selling. These mechanisms are not designed to respond to losses of the scale encountered here, and the FCA has itself recognised the challenges inherent in relying on them in such circumstances. As a result, the underlying risk remains of similar outcomes in the event of future large-scale mis-selling. The FCA has since implemented significant preventive measures, including banning contingent charging, requiring advice to be reviewed by pension transfer specialists, introducing continuing professional development requirements, publishing comprehensive guidance for firms, establishing early intervention protocols with TPR and MaPS, and providing consumer-facing information and tools. However, these measures do not directly address the historical failings, the detriment already suffered by BSPS members, or the structural limitations I identified above in the regulatory framework, such as the inadequacy of capital and professional indemnity insurance to provide compensation for losses on this scale. The FCA has argued that requiring small firms to hold high levels of capital to cover potential redress liabilities could force them to exit the market, potentially reducing consumer access and increasing costs for advice, and that trade-offs must be made between consumer protection, market access, and consumers legal right to access pension freedoms. While these considerations are acknowledged, they do not address the core risk identified in the BSPS investigation: undercapitalised firms may be unable to meet large-scale compensation obligations, leaving consumers exposed to serious detriment. Ensuring consumer access cannot justify maintaining insufficient safeguards against systemic mis-selling, as the BSPS issues demonstrate that inadequate capital directly contributed to harm.

> "Many of these cases involve significant consumer detriment, often affecting large groups over extended periods. They provide an opportunity not only to address particular complaints, but also to identify improvements for future regulatory practice."

- **Official List:** The Official List refers to companies whose shares or other securities are officially approved for trading on a regulated market, such as the London Stock Exchange (LSE). This year, I have reviewed several complaints about how the FCA discharges its responsibilities concerning companies admitted to the Official List, and it is apparent that many complainants appear to have a limited understanding of the FCA's role and responsibilities in this context. I concluded that while the FCA oversees companies' compliance with disclosure obligations, such as those under the Market Abuse Regulation (MAR) and the Listing Rules, its role is limited to matters directly related to these obligations. Specifically, when a listed company is not authorised by the FCA, the regulator does not have a general mandate to investigate all aspects of its conduct.

These developments reflect the shift in the nature of complaints towards matters relating to the FCA's exercise of its regulatory functions, including the supervision of firms and response to risk.

Many of these cases involve significant consumer detriment, often affecting large groups over extended periods. They provide an opportunity not only to address particular complaints, but also to identify improvements for future regulatory practice.

It is increasingly evident that many cases extend beyond individual firms and may require scrutiny of how the FCA has supervised regulated activities across multiple sectors. Examples of this include:

Insurance: My investigation into the FCA's intervention in the guaranteed asset protection (GAP) insurance market required examination of how regulatory judgments operate at market level, including whether it was appropriate to allow a period during which GAP insurance was unavailable to consumers. I concluded that the FCA had balanced a range of competing considerations, including the need to ensure fair value while supporting effective market functioning, and did not uphold the complaint.

P2P lending platforms: This year, concerns relating to P2P lending platforms have continued to evolve. As noted previously, a number of complaints raised issues about historic market practices, particularly in the period between 2014 and 2018, as well as broader questions about the suitability of the regulatory framework. Since that time, complaint volumes have remained significant and the issues raised have continued to show common features. One complainant has invited me to recommend that an independent inquiry be established into the sector. I am also aware of at least five additional P2P cases currently in progress with the FCA which may, in due course, be referred.

Against this backdrop, my consideration of whether to suggest that the FCA undertake further investigative work remains ongoing. Any decision as to the form and scope of such work would, of course, be a matter for the FCA. Given the volume of complaints currently in train, it is prudent to assess whether the outcomes of these cases may have a bearing on any recommendations.

At the same time, I am mindful of the need to satisfy myself that the issues identified in relation to historic market practices have been adequately addressed and are not ongoing within the sector. In this context, I intend to write to the FCA to seek further assurance.

Minibonds: As mentioned above, this year, concerns relating to the FCA in connection to mini bonds have been prevalent. A complainant has raised issues about historic market practices, and that the FCA failed to act decisively and promptly to stop the promotion of mini-bonds to retail investors until December 2020. The FCA has not upheld this complaint. I am currently reviewing it.

Motor Finance: I have also received two complaints regarding the FCA's handling of motor finance. The FCA has ruled that one of the complaints is ineligible, citing possible time-bar restrictions. I am currently reviewing whether this determination is accurate, and I am also reviewing the other case.

The increasing prevalence of large, complex group complaints has had a material impact on the work of my office. These cases typically involve significant volumes of material, extensive factual histories and prolonged regulatory engagement over many years. As a result, they are inherently more resource-intensive and have a disproportionate effect on case complexity and workload. This shift has placed sustained pressure on our work, and while we have continued to meet our service standards in the majority of cases (particularly at the preliminary report stage), the scale and nature of these investigations mean that some matters have progressed more slowly than originally anticipated.

In response, I have taken steps during the year to strengthen the capacity and capability of the office, including increasing the available budget and enhancing investigative resource. However, the specialist and demanding nature of this work means that maintaining current service levels will remain challenging, especially in light of the expected increase in complex and group cases next year.

A number of broader issues have emerged from the complaints received during the year. Some build on themes identified in previous years, others have become more prominent, and some are newly emerging. They include questions about the limits of the FCA's remit regarding its oversight of the Financial Ombudsman Service (FOS), the scope of compensation available under the Scheme, and the practical effect of procedural rules, including the scope of whistleblowing, the deferral of complaints when enforcement action is ongoing, fees, and the impact of legal and confidentiality constraints on the extent to which decisions can be fully explained.

Taken together, these issues point to a set of underlying tensions which increasingly shape my work. While these challenges are not new, they have become more pronounced in the context of larger, more complex and longer-running cases. This year, I continued my efforts to address a long-standing concern raised by many complainants regarding the FCA's oversight of the FOS. Complaints in this area have been recurring for years, often stemming from a lack of understanding about the FCA's role and responsibilities in relation to the FOS. These complex issues were highlighted in previous reports, and, as observed by past Commissioners, have been intrinsically difficult to resolve.

"Taken together, these issues point to a set of underlying tensions which increasingly shape my work. While these challenges are not new, they have become more pronounced in the context of larger, more complex and longer-running cases."

Through persistent engagement with the FCA, I have successfully encouraged greater transparency and clarity around its responsibilities. This has resulted in a clearer articulation of both the FCA's statutory obligations and the more informal mechanisms it employs in its relationship with the FOS. As discussed in greater detail in the 'Themes' section of this report, the progress made is a significant step toward addressing the concerns raised by complainants and improving overall understanding of the FCA's role in this vital regulatory relationship. Within this context, I will continue to seek to ensure that scrutiny remains both effective and proportionate and that matters are as transparent as possible.

This year, several important consultations have been launched, reflecting ongoing issues that I have raised consistently in my role as Commissioner. Consultations concerning the FCA's fee structure and the FCA's and the FOS's joint consultation paper issued in March 2026 to solicit responses on modernising the redress system, with feedback due by May 11, 2026, issued ahead of government's legislation to deliver reforms as part of the Financial Services and Markets Bill, have addressed concerns that have been the subject of numerous complaints, many of which I have highlighted in previous reports.

The FCA's consultation on fees acknowledges issues related to the rigidity and proportionality of its fee framework, particularly as it impacts small firms. The feedback from firms and my own engagement with the FCA on these matters has underscored the need for more flexibility and clarity in how fees are applied. The FCA's and the FOS's joint consultation paper touches on repeated concerns raised with me in connection to aspects of the FCA's oversight and transparency in its relationship with the FOS; these are issues that I have brought to the FCA's attention in pursuit of greater clarity and fairness.

> "This year, several important consultations have been launched, reflecting ongoing issues that I have raised consistently in my role as Commissioner."

While these consultations are not a direct result of the complaints reviewed under the Scheme, I am pleased to see them reflect the ongoing scrutiny of these matters, with the goal of ensuring that the regulatory framework remains fair, transparent, and responsive to the needs of the firms and consumers it serves.

I am really pleased that this year brought closer engagement with the FCA on a number of levels, thus strengthening the effectiveness of the Scheme. The instigation of weekly operational meetings has improved the timeliness and quality of responses to our enquiries and has helped my team progress investigations more efficiently. The introduction of quarterly "Wider Implications" meetings has provided structured opportunities to explore emerging themes and systemic issues across complaints, facilitated consideration of potential improvements to the regulatory system and has encouraged more consistent knowledge sharing. This engagement has given my office clearer insight when assessing complex issues, and has improved the quality and speed of investigations for complainants. I would like to thank the FCA for this engagement over the year.

I would also like to take this opportunity to thank the FCA, the Bank of England (BoE), the PRA, and the Payment Systems Regulator (PSR) for their continued engagement under the Scheme over another busy and constructive year.

I should note that the majority of complaints received during the year related to the FCA, with only a small number concerning the PRA and none concerning the BoE. This is mainly due to the fact that the FCA's regulatory remit is broader and encompasses the issues described above (e.g. the authorisation and supervision of a large number of firms and markets) relative to the PRA and BoE in this context. The PRA's remit is narrower, focused principally on the prudential safety and soundness of banks, insurers and large systemic firms, leading to fewer occasions where regulated entities or individuals seek to complain about its supervisory actions under the Scheme. Similarly, the BoE's involvement under the Scheme is limited to specific functions such as oversight of clearing houses and payment systems, which generate relatively fewer complaints.

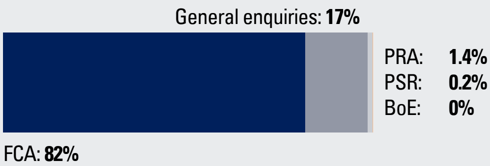
Finally, I want to acknowledge the hard work and professionalism of my team throughout this demanding year. They have managed sustained pressure, adapted to growing complexity, and maintained a strong commitment to fairness, thoroughness, and independence. Their resilience, technical skill, and compassion for complainants underpin every report we issue. I am grateful for their dedication and for the high standards they continue to uphold.

Rachel Kent
Complaints Commissioner

3 The Year at a Glance

650 COMPLAINTS AND ENQUIRIES CLOSED

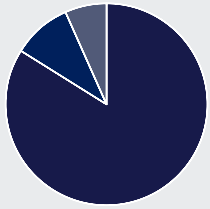
Total closed cases: **650**



210 ALLEGATIONS INVESTIGATED:

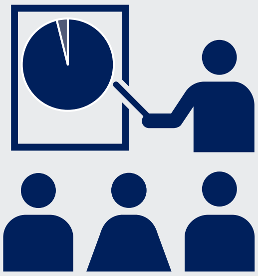
24 UPHELD,

16 DISAGREEMENTS WITH THE DECISION SET OUT IN THE FCA'S ORIGINAL DECISION LETTER



Year at a glance

96.3% OF PRELIMINARY REPORTS ON INDIVIDUAL COMPLAINTS* WERE ISSUED WITHIN OUR SERVICE LEVEL



34 REMEDIES SET OUT BY THE COMMISSIONER, OF WHICH THE FCA DID NOT ACCEPT **3**

* Does not include those complaints received as part of a group investigation.

4 Themes

Key Themes from Our Work

The range and complexity of matters considered under the Scheme is extremely broad, frequently engaging some of the most significant and current issues in financial regulation. The cases concluded this year illustrate this breadth.

At one end of the spectrum are large-scale investigations. This included an extensive group complaint against the FCA in connection with BSPS, which touched upon the FCA's regulation of the defined benefit pensions advice market. The Commissioner upheld a complaint including failings on behalf of the FCA in anticipating, preventing and responding to widespread unsuitable financial advice at the relevant time.

Other cases demonstrate the Commissioner's role in assessing alleged failures by the FCA in relation to activity inside (regulated firms) and outside (unregulated firms) of its regulatory perimeter, including the following examples:

- **Regulated firm:** In a case concerning the supervision of a regulated payment services firm, the Commissioner upheld the complaint, finding that the FCA missed clear red flags and failed to intervene promptly, representing significant shortcomings in its supervisory approach. The FCA acknowledged these failings, apologised to affected customers, and undertook a comprehensive "lessons learned" review. The Commissioner welcomed the improvements made, including measures to strengthen the safeguarding regime.
- **Unregulated firm:** In another case concerning Amyma, which was at the time unregulated, the Commissioner found that the FCA had failed to act appropriately. Serious intelligence had been received alleging unlawful activity, including misconduct towards consumers and misleading claims about the safety of investments. Despite this, the FCA closed its enquiry without sufficient justification, even though there were ongoing indications of consumer detriment and links to individuals previously identified as posing potential risks. The FCA did not accept this finding.

The Commissioner's work also extends to emerging areas of financial activity and the boundaries of regulatory responsibility. One case concerning alleged unlawful financial promotions via social media platforms provided an instructive example of how the rise of new technology platforms and 'finfluencers' is creating practical challenges for regulators.

Another case illustrated the application of regulation where an authorised firm carries on regulated activities outside the scope of its Part 4A permission, and where the conduct does not amount to a criminal offence. In such circumstances, the matter falls within the FCA's regulatory and supervisory remit, with a range of civil powers available, if the FCA deems it appropriate; this includes varying or cancelling permissions, imposing requirements, issuing public censures, imposing financial penalties, and seeking injunctions or restitution. The exercise of those powers involves supervisory judgment and regulatory discretion.

Taken together, these cases illustrate the breadth of issues that may fall within the Commissioner's remit, ranging from issues in the FCA's regulation of markets to individual supervisory decisions concerning specific firms, and emerging risks in digital markets.

Against that background, the following section draws together the key themes arising from the Commissioner's work over the past year.

Confidentiality

A continuing theme this year has been the impact of confidentiality on the Commissioner's ability to provide fully evidenced explanations to complainants. This often concerns the FCA's regulation of firms, where complainants may feel that decisions, particularly those not upheld, are insufficiently explained.

Complainants have expressed concern that, in the absence of detailed reasoning, decisions lack transparency. These limitations reflect legal constraints rather than any deficiency in the complaints process. Section 348 of the Financial Services and Markets Act 2000 (FSMA) restricts the disclosure of certain information held by regulators about firms. In addition, the FCA's own policies on information sharing limit the extent to which information can be disclosed, including in relation to ongoing regulatory action (see: FCA guidance on information sharing).

As a result, there is, for example, no general right for members of the public to be informed of the outcome of reports they make to the FCA. These constraints also apply to the Commissioner. While the Commissioner has access to all relevant material, including confidential information, this cannot always be disclosed in reports.

In some cases, this means that the Commissioner is only able to conclude that, having reviewed the confidential material, the FCA has (or has not) acted reasonably, without being able to set out the full evidential basis for that conclusion; understandably, this can be frustrating for complainants. However, it is an inherent and necessary feature of a system in which sensitive regulatory information must be protected.

The Commissioner remains focused on maximising transparency within these constraints. This includes ongoing engagement with the FCA to explore whether additional information can be disclosed in particular cases without breaching statutory restrictions. Such discussions, including through wider implications meetings, have supported a clearer shared understanding of how confidentiality obligations operate and the extent to which they limit the publication of certain material.

Compensation

The complexities surrounding compensation as a remedy under the Scheme, highlighted in previous Annual Reports, has continued to feature this year. The Commissioner has the power to recommend compensatory payments ''where appropriate''. There are no further restrictions on this power. However, the Regulators' approach—initially adopted as policy and later formalised in the 2023 Scheme—means that compensation for financial loss will rarely be paid. For example, it will normally not be paid unless the regulator is the sole or primary cause of the loss. Complaints normally include material involvement by a firm and so this test is rarely satisfied.

This issue was brought into sharp focus in one case this year, in which the Commissioner identified serious failings in the FCA's supervisory approach and considered it appropriate to recommend a contributory compensatory payment. The FCA accepted the Commissioner's findings, however it declined to make a payment for financial loss, applying its principle that such payments will not normally be made where it was not the sole or primary cause of the loss. It did, however, make a modest discretionary payment in recognition of the distress and inconvenience caused.

This reflects a continuing tension between findings of supervisory failure and the limited scope for financial redress under the current Scheme.

Given the increasing number of supervisory failure cases currently under investigation, the Commissioner anticipates that compensation will be a recurring issue and will continue to keep this area under close review.

Whistleblowing

An emerging theme this year has been complaints from individuals who identified themselves as whistleblowers and submitted information to the FCA. In a number of cases, the FCA did not categorise this as whistleblowing information, instead treating it as broader regulatory intelligence or supervisory information.

Complainants expressed concern that this distinction might result in their disclosures being subject to less rigorous scrutiny. However, the Commissioner saw no evidence that classification affected the level of scrutiny applied, information was assessed on its merits, and there was nothing to indicate that disclosures treated as regulatory intelligence received less rigorous consideration than those formally recorded as whistleblowing.

Market Oversight

The Commissioner has also received complaints concerning companies listed on the stock exchange, that are not authorised by the FCA or the Prudential Regulation Authority (PRA). Complainants often incorrectly assume that, because a company is admitted to the Official List, the FCA is responsible for investigating all alleged wrongdoing by that company.

These complaints raised concerns that the FCA had failed to investigate allegations. This reflects a misunderstanding of the FCA's role. While the FCA oversees compliance with relevant disclosure obligations (such as under MAR and the Listing Rules), its remit is limited to matters that engage those obligations. In particular, where a listed company is not authorised, the FCA does not have a general mandate to investigate all aspects of its conduct.

This does not indicate that concerns are disregarded, but reflects the limits of the FCA's statutory remit.

The Commissioner is satisfied that it was reasonably open to the FCA to conclude that the matters raised did not fall within that remit. The fact that a company is listed does not mean that all allegations concerning it engage the Listing Rules, MAR, or other primary market requirements. Where they do not, the FCA is entitled not to take the matter forward. Information may nonetheless be retained as intelligence or, where appropriate, shared with other bodies better placed to consider and respond to the issues raised.

The FCA's role in connection to the FOS

Over the past year, the Commissioner has issued reports on 11 complaints concerning the FCA's oversight of the FOS, with a further 18 complaints ongoing at the end of the reporting period.

Complaints about the FCA's oversight of the FOS have been a recurring theme over a number of years and continue to raise complex issues. The number suggests that complainants continue to lack sufficient understanding about the FCA's limited role with respect to the FOS. This is not a new issue. As noted in a previous annual report (see Annual Report 2017–2018), a previous Commissioner:

- observed that the issues related to the FCA's responsibilities in relation to the FOS are "intrinsically difficult";
- recommended that greater transparency would assist in addressing these tensions; and
- noted that it would be helpful if the FCA published more information about the nature of its relationship with the FOS and how it monitors the FOS's performance.

The complaints received this year reflect many of the same underlying concerns. Complainants questioned whether the FCA adequately oversees the FOS in practice, including in relation to: quality assurance; the application and interpretation of DISP and other FCA rules; the treatment of evidence; and related matters.

In response to these issues, the Commissioner engaged with the FCA to encourage further transparency and clarity about its role in connection with FOS. This has resulted in a clearer and more comprehensive articulation of the FCA's understanding of its role. In particular, the FCA has set out to the Commissioner both its formal statutory responsibilities in relation to the FOS and the more informal engagement and oversight, confirming the following:

- FSMA requires the FCA to have oversight responsibility for the FOS; however, it is significant that this is not a general oversight.
- Rather, this extends only to the FCA taking necessary steps to meet its statutory duty under Schedule 17(2) of FSMA to ensure that the FOS is at all times capable of fulfilling its legal obligations.
- The FCA also has specific responsibilities for the FOS budget and for appointment to its board.

In practice this means that the powers and remit of the FCA are focused on ensuring the FOS has the tools and resources it needs to do perform its role. Consequently, shortcomings in the FOS's performance in a particular case or cases, even if established, would not support a conclusion that the FCA has failed in its duties. The FCA's oversight responsibility does not extend to giving the FOS or its Ombudsmen directions on handling particular complaints or the making of operational decisions, or monitoring the FOS's quality assurance or its interpretation of regulatory rules.

Under a voluntary arrangement with the FOS, the FCA's Oversight Committee also receives certain data that allows it to understand how the FOS is performing against its service standard. These arrangements cannot affect the outcome of an individual case. The purpose is to ensure that the Oversight Committee is equipped to consider any issues as part of its statutory duties in respect of the FOS.

In addition to the FCA's oversight responsibilities, section 415C of the Financial Services and Markets Act 2023 creates an obligation for the FCA and the FOS to cooperate on matters of common interest. In practice, this is delivered through the Wider Implications Framework (WIF). The WIF brings together the FCA, FOS, FSCS, the Money and Pensions Service, and The Pensions Regulator, providing a structure for members to coordinate on emerging risks, opportunities, and cross-cutting issues.

The FCA and FOS work closely together in the exercise of their roles, and this is set out in a Memorandum of Understanding (MOU) (See: Memorandum of Understanding) – paragraphs 23 to 25 set out in greater detail how the FCA and the FOS will cooperate. By way of example, this MOU commits both organisations to sharing information at an early stage where issues may have wider implications. A 'wider implications' issue may affect a large number of consumers or involve significant redress. The MOU provides for regular engagement at senior levels and mechanisms for exchanging relevant data, and sets out how the FOS can seek the FCA's view about how it interprets an FCA rule, where the issue has wider implications. Even where the FCA provides a view on its rules, the FOS remains fully independent in deciding on individual complaints.

More recently, in March 2025, the government announced that it would review the legislative framework in which the FOS operates and, at the Chancellor's Mansion House speech in July 2025, announced the conclusions of the review and published a consultation on proposed reforms. The government published its response to this consultation in March 2026, setting out the final package of measures to provide greater certainty and consistency for firms and consumers who use the FOS, and in May introduced legislation to deliver the reforms as part of the Financial Services and Markets Bill. The Bill will:

- Adapt the fair and reasonable test to ensure that, where firms have met their obligations under FCA rules, they must be found to have acted fairly and reasonably by the FOS.
- Introduce a referral mechanism to require the FOS to seek a view from the FCA on matters of interpretation where the FOS considers there may be ambiguity in what FCA rules require or issues may have wider industry implications.
- Introduce a time limit of 10 years for bringing complaints to FOS, with exceptions at the FCA's discretion.
- Make structural changes to provide greater consistency in decision making by giving the Financial Ombudsman (formerly the Chief Ombudsman) overall responsibility for determinations.
- Make it easier for firms and consumers to understand and learn from FOS determinations by introducing a requirement for the FCA and the FOS to publish regular thematic reports.
- Ensure the FCA, as part of its responsibility for setting the regulatory response to mass redress events, has the tools it needs to response to these events quickly and effectively.
- Give the government responsibility for appointing the FOS Chair and approving the appointment of the Financial Ombudsman.

Ahead of these reforms, the FCA issued a consultation paper in March 2026 to solicit responses on modernising the redress system, with feedback due by May 11, 2026.

Time Bar

Under paragraph 2.4 of the Scheme, a complaint must normally be submitted to the FCA within 12 months of the complainant first becoming aware of the issue they are raising.

The application of this time limit was again considered in a small number of cases during the year. In two cases, the Commissioner agreed with the FCA that the complaints had been brought out of time, finding that the complainants were aware of the relevant issues more than 12 months before complaining and that there were no mitigating circumstances to justify disapplying the time limit.

However, the Commissioner reached a different conclusion in a group complaint concerning a P2P platform and a motor finance matter. The P2P complaint concerned the FCA's regulation of The House Crowd (THC), now in administration, involving 51 complainants. The Commissioner found that the FCA had applied the time bar too rigidly, rather than demonstrating that the complainants had actual knowledge of the relevant matters more than 12 months before raising their complaints. The Commissioner concluded that this did not meet the required standard under the Scheme, and recommended that the FCA lift the time bar and proceed to consider the substance of the complaints. The Commissioner also noted the significant public interest in a transparent examination of the issues raised, given concerns about the FCA's supervision of the P2P sector.

The FCA accepted the Commissioner's recommendation and accepted that the complainants made their complaint within 12 months of becoming aware of the relevant issues. The FCA agreed to undertake a full (and likely complex) investigation into its regulation of the firm. This represents a significant step, as complaints that would otherwise have been excluded on procedural grounds will now be examined on their merits.

Fee related complaints

Complaints concerning FCA fees continued to feature prominently this year, particularly from small firms. These complaints focused on annual fees and late submission, with firms expressing concerns about administrative charges for the rigidity, proportionality and clarity of the FCA's fee framework.

A recurring issue concerned firms attempting to cancel their permissions shortly after the 31 March deadline, only to find they remained liable for the full annual fee. Firms frequently cited illness, operational pressures or misunderstanding of the cancellation process, and argued for the exercise of the FCA's discretion to waive the fees where delays were minimal. While the Commissioner generally upheld the FCA's application of its rules, she encouraged the FCA to reflect on the fairness of this "cliff edge" in terms of proportionality and the hardship it can create for firms exiting the market.

Although the setting of fees falls outside the scope of the Scheme, the Commissioner notes some firms also raised concerns about receiving notice of fee increases only after the cancellation deadline, limiting their ability to make informed decisions.

Late submission fees also remained a consistent source of complaint, particularly the fixed £250 administrative charge. Examples included returns submitted shortly after the deadline, delays caused by illness, system difficulties or issues with user access. While the FCA applied its rules correctly in most instances, the Commissioner continued to highlight concerns about the lack of proportionality in applying a fixed charge regardless of the length of delay or a firm's compliance history.

Many of these complaints were compounded by difficulties in using FCA systems, including Connect, RegData and MyFCA. Firms reported that they had experienced difficulties using the system which contributed to delays, misunderstandings and failed submissions. The Commissioner did not find that the FCA systems were at fault, however, these cases illustrate the practical challenges small firms face in meeting regulatory obligations, as well as the financial impact of fixed administrative charges and the importance of clear, timely communication.

In a positive development, the FCA issued two consultations at the end of 2025—CP25/33 on quarterly pro-rating of annual fees and CP25/35 on reducing the late submission fee from £250 to £100—which address several of the issues raised in complaints (including the cliff edge effect and the perceived punitive nature of late submission charges). The Commissioner welcomes the FCA's willingness to review these areas and encourages continued progress towards a fee framework that is transparent, proportionate and responsive to the operational realities of firms.

Vulnerable Complainants

During the year, the Commissioner considered a number of complaints concerning the FCA's handling of issues involving vulnerability; seven of these cases were concluded, and three were in progress at the end of the reporting period.

These complaints raised a range of important considerations, including the FCA's oversight of firms' obligations to treat vulnerable consumers appropriately—such as ensuring fair access to financial products or services for those with specific needs—as well as how the FCA itself engages with vulnerable individuals.

On firms' obligations, the Commissioner considered complaints alleging that the FCA had failed to take action against firms in relation to the treatment of vulnerable consumers. While the FCA is not the enforcement body for the Equality Act 2010—with enforcement resting with the Equality and Human Rights Commission and the courts—it does set regulatory expectations requiring authorised firms to treat vulnerable customers fairly and to comply with applicable legislation (which includes the Equality Act).

The FCA has established a framework to support this, including its Guidance on the fair treatment of vulnerable customers and the Consumer Duty, and continues to monitor how firms implement these obligations. Its own reviews have identified that, while some good practice exists, consumers in vulnerable circumstances continue to experience poorer outcomes and face barriers to access, including in areas such as accessibility and reasonable adjustments. However, the Commissioner was satisfied that the FCA is aware of challenges where they exist and is undertaking reasonable steps to ensure firms comply with its guidance. However, these cases highlight the importance of continued supervisory focus to ensure that firms meet their obligations and that poor outcomes for vulnerable consumers are addressed.

The Commissioner also considered complaints about the FCA failing to comply with the Equalities Act by not treating vulnerable customers appropriately. A number of cases on this are still in progress, however, the Commissioner upheld one such case. In this instance, in addition to recommending that the FCA apologise to the complainant, the Commissioner recommended that the FCA review its protocols for dealing with vulnerable consumers who require reasonable adjustments, and report back on the outcome of that review.

As part of its response to this recommendation, the FCA took steps to strengthen its handling of complaints involving vulnerable consumers. These included introducing a dedicated Vulnerable Complainant Subject Matter Expert within the Complaints Team and delivering targeted training on vulnerability, reasonable adjustments and Equality Act considerations. The FCA also put in place additional guidance to support accessible communication, including the provision of information in alternative formats where required.

This work has also informed the Commissioner's wider implications discussions and has led to plans for similar training within the Commissioner's office, helping to ensure continued adherence to relevant requirements and a clear understanding of the standards the FCA is expected to meet in future cases.

Delays and deferrals in complex and group cases

During the year, the Commissioner considered a number of complaints about delays in the FCA's handling of complex and group cases, including matters that had been deferred, often in the context of ongoing enforcement or other regulatory action. While deferral can be appropriate in certain circumstances, complainants have expressed increasing concern about the length of time such cases remain unresolved and delays in progressing complex investigations.

Complaints about delay have related mostly to complex and group cases, where extensive factual histories, overlapping regulatory activity and large numbers of complainants can significantly affect timescales. In this context, the Commissioner has engaged with the FCA on the need for clearer justification, effective oversight and regular review of deferrals linked to enforcement or other regulatory activity (the latter already being part of the FCA's process).

The Commissioner notes that the FCA has itself recognised these challenges and has taken steps to address them, including temporarily increasing resources dedicated to group complaints and reviewing deferrals on an allegation by allegation basis to enable partial progression where it is appropriate to do so. In principle. This represents a welcome move towards a more proportionate approach.

At the same time, the Commissioner recognises that prolonged deferrals can cause significant detriment to complainants. This is illustrated by a small number of cases raised with the Commissioner's office this year where complaints have remained deferred for several years. Even without examining the underlying regulatory decisions, such delays underline the importance of ensuring that deferrals remain actively reviewed, properly justified and brought to an end as soon as it is appropriate to do so.

The Scheme provides a safeguard allowing a deferral to be overridden where continued delay would be prejudicial to an individual. The Commissioner has questioned how this safeguard operates in practice and considers that greater clarity on the circumstances in which it should apply is essential to ensuring deferrals remain proportionate. The Commissioner will continue to monitor deferral practice closely, challenge cases where delay is insufficiently justified, and anticipates making further recommendations in this area as this work develops.

The FCA in connection to P2P lending platforms

This year, concerns relating to P2P lending platforms have continued to evolve. As noted previously, a number of complaints raised issues about historic market practices, particularly in the period between 2014 and 2018, as well as broader questions about the suitability of the regulatory framework.

Since that time, complaint volumes have remained significant and the issues raised have continued to show common features. While the Complaints Commissioner has not, to date, upheld the specific points in individual cases, the consistency of concerns across complaints indicates that these matters warrant ongoing and careful consideration.

One complainant has invited the Complaints Commissioner to recommend that an independent inquiry be established into the sector. The Commissioner is currently considering six further P2P cases, and a number of other complaints have been returned to the FCA for further investigation. The Commissioner is also aware of at least five additional P2P cases currently in progress with the FCA which may, in due course, be referred.

Against this backdrop, the Commissioner's consideration of whether to suggest that the FCA undertake further investigative work remains ongoing. Any decision as to the form and scope of such work would, of course, be a matter for the FCA. Given the volume of complaints currently in train, it is prudent to assess whether the outcomes of these cases may have a bearing on any recommendations.

At the same time, the Commissioner is mindful of the need to satisfy herself that the issues identified in relation to historic market practices have been adequately addressed and are not ongoing within the sector. In this context, the Commissioner intends to write to the FCA to seek further assurance regarding its oversight of the sector.

In particular, the Commissioner notes that the FCA indicated that it planned to undertake a review of the P2P sector as part of its portfolio strategy. The Commissioner will ask the FCA to clarify whether this review has taken place and, if so, what its findings and any resulting actions were, whether there are plans to publish its conclusions, and its current overall assessment of the sector.

5 Overall Scheme Statistics for 2025-2026

Table 1: Total complaints and enquiries dealt with (all regulators)

Complaints and enquiries	2025-2026	2024-2025
In progress at start of the period	370	99
New complaints and enquiries received	696*	855
Total complaints and enquiries closed	**650**	**584**
– FCA complaints and enquiries	531	343
– PRA complaints and enquiries	9	7
– PSR complaints and enquiries	1	1
– Bank of England complaints and enquiries	0	0
– General enquiries (out of scope of the Scheme)	109	233
In progress at end of the period	**414**	**370**

1 The Commissioner concluded four group complaints during the year and 7 remain open.

Enquiries about the regulators relate specifically to how a regulator has handled a complaint about its own actions or decisions. General enquiries commonly arise where individuals contact the Commissioner without realising that the complaints they have raised fall outside the scope of the Scheme and cannot be reviewed.

* Although there was a reduction in new complaints and enquiries this year, most of this decrease can be attributed to a significant fall in general enquiries.

During the period, the Commissioner closed 650 complaints and enquiries, compared to 584 last year.

414 complaints and enquiries are still in progress and will be reported next year, 7 of these are group complaints involving 349 complainants.

Of the 650 closed complaints and enquiries closed, 531 were about the FCA, 9 were about the PRA, of which 5 were enquiries and 1 enquiry was about the PSR.

109 complaints and enquiries were about financial services providers or other bodies, rather than the Regulators, and in those cases, they were directed to the relevant organisations where appropriate.

The OCC processed 8 data subject access request (DSAR) under the Data Protection Act 2018 (related to complaints against the FCA). These requests have a material impact on the resources of our office.

6 The Financial Conduct Authority statistics from 1st April 2025 to 31st March 2026

Table 2: FCA Complaints and enquiries dealt with during the year

Complaints and enquiries	2025-2026	2024-2025
Complaints and enquiries in progress at start of the period[1]	370	95
New complaints and enquiries received	575	618
Closed complaints with a substantive decision	361	235
Closed enquiries	170	108
Total complaints and enquiries closed	**531**	**343**
Complaints and enquiries in progress at end of the year[1]	412	370

1 Includes group complaints.

The Commissioner concluded 531 complaints and enquiries against the FCA this year, compared to 343 in the previous year. Not all complaints received were formally investigated under the Scheme.

In terms of substantive decisions, 361 were concluded this year, compared to 235 last year. This included four group complaints involving 253 complainants: British Steel Pension Scheme (BSPS) (189 complainants); GAP insurance (four complainants), The House Crowd (TBC) (53 complainants), Ablrate (7 complainants).

412 complaints were in progress, compared to 370 last year.

Of the 412 complaints currently in progress, 349 relate to seven group complaints concerning the Financial Conduct Authority's oversight of specific firms, schemes, or sectors. The remaining 65 are individual complaints.

Some of the group complaints currently in progress relate to the same firms or schemes as those reported as closed during the year. This reflects the fact that earlier complaints were concluded in respect of the issues raised at that time, while further complaints have subsequently been submitted raising additional or different points.

The higher number of complaints remaining in progress reflects, in part, the complexity of the group cases currently under investigation. Complex cases require more time to review than less complex matters. As a result, the increase in such cases during the year has led to longer timescales for resolution, which is reflected in the greater number of cases still in progress at the end of the reporting period.

Ongoing investigations and timescales

Continuing the trend observed last year, a significant proportion of ongoing investigations are larger and more complex than in previous periods. As a result, many are taking longer than the Commissioner's 12-week service standard for issuing preliminary decisions. This reflects, in part, the need to obtain additional information from the Financial Conduct Authority, as well as instances where preliminary decisions have required revision following further submissions. These factors contribute to the extended timeframes associated with complex investigations.

Timescales for complex complaints

Some complaints are categorised as complex due to the volume of material, the number of issues raised, or the nature of the matters under investigation. For such cases, the Commissioner aims to issue a preliminary report within six months of receiving the relevant information from the FCA or other regulator. Where further information is required from the regulator or the complainant, the investigation is paused until that information is received, which may extend the overall timeframe. The timing of a final decision will depend on the complexity of the case and any additional information required.

Group complaints

Under the Scheme, complainants have three months from the date of the regulator's decision letter to refer a complaint to the Commissioner. In group complaints, formal investigation typically begins after this referral period has closed and all submissions have been received, although preliminary work may commence earlier to ensure that the necessary information is in place. The Commissioner aims to issue a preliminary report within six months of receiving all relevant information. Timeframes may be longer in particularly complex cases. Updates on the progress of group investigations are provided via the website.

Table 3: Types of complaints against the FCA

Allegations within group complaints were recorded on a consolidated basis rather than individually. Each allegation was recorded only once per group complaint.

As a result, the number of allegations investigated (210) appears lower relative to the number of complaints closed with a substantive decision (361).

Complaint allegation subject	Number	Percentage of total
Failure to regulate a firm or group of firms	42	20.0%
Other	29	13.8%
Customer service	17	8.1%
Complaint Team handling of complaint	17	8.1%
Rules / Guidance	13	6.2%
Failure to regulate FOS / FSCS	11	5.2%
Query answered	11	5.2%
Annual Fees	9	4.3%
Enquiry only / FCA requested return of complaint	9	4.3%
Failure to regulate an industry / activity / scheme	9	4.3%
Late submission fees	8	3.8%
Authorisations	6	2.9%
Confidentiality	5	2.4%
GDPR / DPA	5	2.4%

Complaint allegation subject	Number	Percentage of total
Whistleblowing	5	2.4%
Equality Act	3	1.4%
Regulator time bar of complaint	3	1.4%
Regulator deferral of complaint	3	1.4%
Failure to resolve dispute between complainant and firm	3	1.4%
Register	2	1.0%
Total	**210**	**100%**

A total of 210 complaint allegations were recorded during the reporting period. The most common subject concerned a failure to regulate a firm or group of firms (42 allegations, representing 20.0% of the total).

Complaints relating to the FCA's customer service and complaint handling processes continued to form a notable proportion of the allegations reviewed during the year, accounting in total for 16.2% of complaint allegations.

There was an increase in allegations relating to GDPR and data protection, alongside a continued prevalence of complaints concerning Rules and Guidance, despite such matters falling outside the scope of the Scheme. Although the number of allegations relating to the FCA's handling of complaints decreased compared with the previous year, it remained a material category. Levels of complaint allegations relating to confidentiality and whistleblowing remained broadly consistent, while issues concerning the Financial Services Register and customer service also continued to feature.

As in previous years, the Commissioner received a number of complaint allegations concerning the FCA's failure to resolve a complainant's personal dispute with a firm. These matters fall outside the remit of the Scheme, and complainants are signposted to the appropriate channels to pursue their concerns. While the volume of these allegations reduced compared with the previous year, they remain a notable feature, reflecting continuing public uncertainty about the FCA's role in resolving individual disputes between consumers and firms.

Allegations relating to the FCA's oversight of the Financial Ombudsman Service and the Financial Services Compensation Scheme remained at a broadly consistent level compared with last year and formed part of the Commissioner's wider implications work during the year.

Complaints raised by regulated firms or individuals concerning authorisations, annual fees and late submission fees also continued to feature. Although the number of allegations relating to annual fees and late submission fees decreased slightly compared with the previous year, these issues remain significant for smaller firms, particularly where complaints concerned the basis for fees charged or the consequences of delayed regulatory submissions.

A small number of allegations related to the FCA's refusal to approve authorization applications for firms.

Table 4: Outcomes of allegations investigated by the Commissioner (2025–26)

Table 4 summarises the outcomes of all allegations investigated during the year. These outcomes include allegations that were upheld or not upheld, as well as allegations that were excluded, were not investigated, or were resolved through other procedural routes, such as referral back to the regulator.

Outcome	Number of allegations	Percentage of total
Upheld	24	11.4%
Not upheld	108	51.5%
Not Investigated	40	19%
Complaint returned to FCA for investigation	16	7.6%
FCA requested return of complaint	9	4.3%
Enquiry only	13	6.2%
Total	**210**	**100%**

Note "Not investigated" combines outcomes previously reported as "Cannot investigate" and "Will not be investigated". These outcomes reflect cases where the Commissioner was unable to proceed to a substantive investigation, or determined that an investigation should not be undertaken, in accordance with the Scheme.

Upheld allegations by complaint subject

Table 5: Combined complaints and differing decisions

Complaint subject	Total upheld	Cases where Commissioner differed from FCA	Breakdown of those differences
Customer service	9	2	2 upheld (FCA: 1 not upheld, 1 not investigated)
Complaint Team handling of complaint	7	1	1 returned to FCA (FCA: not investigated)
Failure to regulate a firm or group of firms	3	9	6 upheld (FCA mostly not upheld); 2 not upheld (FCA excluded); 1 upheld (FCA partially upheld)
Failure to regulate an industry/activity/scheme	2	1	1 upheld (FCA: not upheld)
Late submission fees	2	0	–
Authorisations	1	0	–
Rules/Guidance	0	2	2 not investigated (FCA: not upheld)
Failure to regulate FOS/ FSCS	0	1	1 not upheld (FCA: not investigated)

Complaint subject	Total upheld	Cases where Commissioner differed from FCA	Breakdown of those differences
Regulator Time Bar of Complaint	0	1	1 returned to FCA (FCA: not investigated)
Total	**24**	**16**	

This year 361 complaints were closed with a substantive decision. These comprised of 210 complaint allegations. Of these, the Commissioner disagreed with the FCA's decision in 16 complaint allegations, which is approximately 8% of the total allegations made. (we note the FCA does not record outcomes at allegation level only at the overall case level).

Remedies

Pursuant to Section 87 of the Financial Services Act 2012, the Commissioner has the power to make recommendations where the Commissioner thinks it appropriate. In such a scenario where the Commissioner has made a recommendation, the Regulator must respond to the Commissioner's report and inform the Commissioner and the complainant of the steps which it proposes to take in response to the report. The Regulator does not have to accept the Commissioner's recommendations. For ease of reference the relevant legislation can be located here specifically Section 87 (5) of the Act: Financial Services Act 2012 (legislation.gov.uk).

In practice, the Commissioner often makes suggestions in addition to recommendations, particularly in cases where a complaint is not upheld but areas for improvement have nevertheless been identified. In addition, the Commissioner may choose not to make a formal recommendation or suggestion—for example, where circumstances have moved on—but may still make critical observations.

The Commissioner usually makes one of the following recommendations or suggestions for remedy:

- offer an apology: where it is found that the Regulator has made a mistake;
- take action to address the complaint: where necessary, this may include providing further explanation or guidance, taking steps to resolve or reduce delay, waiving or reimbursing fees that should not have been charged, or correcting an error or inaccuracy;
- make improvements: even where a complaint is not upheld, the Commissioner may identify changes to the Regulator's practices, policies, or procedures to improve them or to help prevent similar issues arising in future;
- make a discretionary compensatory payment.

The table below details the remedies made by the Commissioner for the FCA in the past year.

Table 6: Remedies recommended by the Commissioner

Remedies recommended for concluded cases	2025-2026	2024-2025
Explain		
Provide an update to the Commissioner	4	12
Provide an update to the complainant		2
Answering the complainants' question/s		5
Internal actions/improvements		
FCA to provide feedback to relevant area	2	7
Suggestions/Recommendations for improvements within the FCA or criticism	5	31
Invitation to FCA to review information/comments and suggestions from complainants	3	4
Investigation		
FCA investigation needed/lift Timebar	5	10
Apology	2	13
Other		
Miscellaneous		4
Publish	2	
Make things right for complainant	1	
Wider recommendation made to FCA		5
Outcome achieved due to Commissioner's investigation	3	
Pay		
Waive fee		2
Compensation and increase in compensation	7	8
Total	**34**	**103**

Note in some cases, there were multiple recommendations and/or suggestions on individual elements within a single complaint.

Across the complaint elements investigated this year, the Commissioner made 34 recommendations for remedies, regardless of whether the specific element was upheld.

Of the 34 recommendations made, the FCA did not accept 3. These were recommendations that the FCA:

- Make a contributory compensatory payment for financial loss. The FCA did, however, offer a £500 discretionary payment for non-financial loss to the complainant to acknowledge the impact of its handling of this case.
- Revisit its decision not to uphold the complaint made that the FCA was consistently behind the curve in anticipating, preventing and responding to the widespread unsuitable financial advice that caused serious detriment to BSPS members.
- Publish a clear evaluation of the lessons the FCA has learned from BSPS, particularly how its supervisory framework and compensation arrangements can be improved to anticipate and mitigate similar consumer harm in relation to pension transfers in the future. The FCA appears to accept the Commissioner's recommendation in principle, insofar as it points to existing publications as evidence of lessons learned. However, those publications pre-date the current report and therefore do not engage with, or reflect, the new findings identified by the Commissioner.

In addition to the complaint referred to above, which the FCA did not accept, the FCA accepted six further complaints relating to compensation. These concerned recommendations to increase the compensation offered to complainants for delays and/or failures in complaint handling. Any such increases are typically assessed with reference to the FCA's own guidance on these matters[1]:

In addition to monetary awards, the Commissioner makes a range of non-financial recommendations aimed at improving the FCA's processes, decision-making and transparency. These typically fall into the following categories:

1. Improvements to complaint handling and internal processes

Recommendations frequently address how the FCA manages complaints and interacts with complainants, to ensure to ensure complaints are handled fairly, consistently, and in accordance with the Scheme, including:

- reviewing escalation procedures and internal processes
- ensuring complainants receive clear information about how to complain
- providing feedback and training to complaints staff
- reopening or properly investigating complaints that were incorrectly excluded
- providing feedback to the Commissioner on ongoing internal reviews

2. Training, guidance and quality assurance

The Commissioner identified gaps in staff knowledge or consistency of approach, leading to recommendations to improve decision-making quality and reduce repeat errors such as:

- targeted or refresher training (e.g. on remit, external bodies, or correct processes)
- ensuring accurate and consistent information is provided to complainants

1 https://www.fca.org.uk/about/how-we-operate/complain-about-regulators/compensatory-payments-for-complaints-handling-delay

3. Transparency and clarity of the FCA's approach

A number of recommendations seek greater openness about how the FCA operates, to address recurring frustration where outcomes are not well explained or understood, including:

- publishing clear criteria for compensation decisions
- clarifying how policies (e.g. fees or interest) are applied
- explaining how the FCA approaches particular regulatory judgments

4. Supervisory and systemic improvements

In more complex cases, recommendations extend beyond individual complaints to the FCA's regulatory functions, to ensure that lessons from complaints inform wider regulatory practice, including:

- considering measures to mitigate harm in higher-risk areas (e.g. Appointed Representatives)
- reviewing supervisory practices and internal controls
- reporting back on steps taken to address identified failings
- reviewing its protocols for how it deals with vulnerable consumers who require reasonable adjustments

5. Redress, fairness and procedural corrections

Some recommendations focus on correcting specific unfairness to complainants, for example:

- lifting time bars where applied inappropriately
- waiving fees or interest
- issuing apologies
- reconsidering or progressing complaints that were not properly handled

Table 7: Complaints from firms

	2025-2026
FCA complaints and enquiries	**531**
Firm	**40**

Of the 531 complaints and enquiries closed, 40 were from Independent Financial Advisers (IFA), and/or small businesses authorised or otherwise affected by the FCA. The Commissioner issued a decision on 26 of those complaints; 1 was withdrawn, and 13 were enquiries.

A recurring theme in complaints was the level and application of regulatory fees, particularly late submission penalties and annual authorisation charges—mainly raised by smaller firms questioning their fairness or proportionality. None were upheld.

Several complaints concerned the FCA's handling of intelligence, supervisory work, and ongoing investigations, including alleged failures to act on information or unfair enforcement approaches. In all cases, the Commissioner found the FCA had acted appropriately, including where confidentiality restrictions limited disclosure. Customer service and communication issues were also raised but not upheld.

While a few complaints about unfair treatment in authorisation, supervision, and register matters identified with minor service shortcomings already acknowledged by the FCA, most complaints ultimately reflected disagreement with regulatory decisions. The Commissioner emphasised that the Scheme is not a route to challenge regulatory policy or judgment and found the FCA had acted appropriately.

7 Bank of England and Prudential Regulation Authority statistics from 1st April 2025 to 31st March 2026

The Scheme covers complaints about the Bank of England's functions in relation to clearing houses, central securities depositaries and inter-bank payment systems, and wholesale cash distribution, and about the Prudential Regulation Authority (which is part of the Bank).

Complaints against the Prudential Regulation Authority

During the course of this year, the Commissioner concluded four complaints and five enquiries in relation to the Prudential Regulation Authority. At the close of the reporting period, there was one open PRA complaint.

In complaint 202500453, the Commissioner did not uphold a complaint about the PRA's decision not to investigate concerns relating to Firm X. The complainant alleged that the administrators of a Gibraltar-based insurer had manipulated file records in breach of Solvency II Pillars 1 and 2. The Commissioner agreed with the PRA that Firm X is regulated by the Gibraltar Financial Services Commission as its home regulator, and that the matters raised fall within the GFSC's supervisory remit rather than the PRA's. The Commissioner therefore found that the PRA was correct not to investigate the complaint under the Scheme. (See 202500453)

In complaint 202500480, the Commissioner did not uphold a complaint relating to transactions between banks in Germany and Hong Kong. The PRA explained that the issues raised fell outside its jurisdiction and should be addressed with the relevant local regulators and banks. The Commissioner agreed with this approach and further noted that matters concerning the closure of the complainant's accounts do not fall within the PRA's remit. (See 202500480)

In complaint 202500617, the complainant raised a longstanding dispute with a firm dating back to 2014, relating to a land development project. The complainant alleged that the firm had provided false information to the Financial Ombudsman Service and sought PRA action. The PRA excluded the complaint on the basis that it concerned a personal dispute and did not relate to prudential matters. The Commissioner agreed with the PRA's decision and did not uphold the complaint. (See 202500617)

In a separate complaint which the Commissioner did not publish, although not central to the complaint, the Commissioner observed that complainants are not always clear about the different responsibilities of the PRA and the FCA and that the PRA's response could have been more helpful if it had clarified that the complainant may have been able to raise their concerns with the FCA.

During the course of this year, the Commissioner met with the PRA Complaints Team and had a constructive discussion covering a range of matters arising from recent cases. The meeting provided an opportunity for the Commissioner and the PRA Complaints Team to discuss how small refinements to decision letters and to the Bank's external complaints webpage could help improve complainant understanding and potentially reduce referrals to the Commissioner. The PRA welcomed this feedback and undertook to review its external complaints webpage to help ensure that consumers are guided to the appropriate authority where conduct-related matters are concerned. The Commissioner appreciates the PRA's positive engagement and commitment to enhancing the clarity and accessibility of its complaint handling.

Complaints against the Bank of England

Historically the volume of complaints relating to the Bank of England has been low and this year, again like last year, the Commissioner has not received any complaints against the Bank of England.

8 The Payment Systems Regulator statistics from 1st April 2025 to 31st March 2026

The PSR also maintains a complaints scheme to investigate complaints about the PSR function under the Financial Services (Banking Reform Act) 2013. This scheme is voluntary as it is not specifically set out as a requirement in the legislation. The scheme provides that if a complainant is dissatisfied with a complaint made to the PSR the complainant can refer the complaint to the Commissioner to investigate.

Complaints against the PSR

The Complaint Commissioner's office has received only a few complaints relating to the PSR over the past 10 years, and the Commissioner has not issued any reports relating to the PSR this year. At the close of the year the Commissioner had received one enquiry that had closed and currently has one ongoing complaint.

Currently the complaints scheme relating to the PSR is voluntarily complied with as the requirement for the scheme is not listed in statute. The government has introduced legislation as part of the Financial Services and Markets Bill to abolish the PSR and transfer its functions to the FCA. It is assumed that the existing complaints scheme will apply to complaints relating to payment systems in the normal way once the consolidation has taken place. The FCA, PSR and OCC will work together to understand the impact for PSR complaints and a smooth transition.

9 Resources, performance and expenditure

Resources

Under the Scheme, "The Complaints Commissioner must at all times act independently of the regulators; they may conduct an investigation in whatever manner they think appropriate including obtaining, at the regulators' expense, such external resources as may be reasonable."

Performance

The OCC is committed to meeting the standards of the Ombudsman Association Service Standards Framework and performance is monitored according to the service standards which we publish.

Performance is measured based on the timeliness of investigations, the speed with which correspondence is dealt with and the outcomes from complaints about service.

The OCC acknowledges complaints within three working days, indicates the usual timescales for completion of investigations, and updates complainants every four weeks for individual complaints. Group complaints are provided with regular updates on the OCC website.

The OCC aimed to complete complaint investigations (Preliminary Report (PR) issued) within twelve weeks during the past year and this service level target will remain going into next year. This reflects the increase in more complex complaints and the time these cases take.

The OCC has been advised that there is likely to be a number of new group complaints being issued in 2025/6, as a result the company is recruiting additional staff to enable it to manage these cases efficiently. 96.3% of cases received a Preliminary decision within 12 weeks during the past year this is comparable to last year where we issued 97.87% of cases within 12 weeks this was as a result of a backlog of cases carried over from the previous year.

The OCC continues to review how feedback from complainants is obtained, and how this feedback can help inform internal systems and processes and general improvements in the transparency and accountability of the Scheme.

Expenditure Overview

Our total expenditure for the year was £1,449,534 compared to £1,785,720 in the previous year.

Expenditure for the year was lower than originally anticipated principally because professional fees related to case work were lower than the previous year; – and staff expenditure was lower than forecast, principally because the OCC did not reach its planned staffing complement until September 2025, resulting in lower staff costs during part of the period.

However, this delay in reaching the planned staffing complement (which resulted because planned posts took longer than anticipated to fill) contributed to a growing accumulation of cases at the same time as the OCC experienced a significant increase in the number and complexity of group complaints and other resource-intensive investigations. As a consequence, case volumes and work in progress have increased materially during the year, and the OCC expects expenditure to rise in the following financial year as the organisation increases investigative capacity and staffing levels to address the accumulated caseload and manage the anticipated inflow of further complex complaints currently progressing through the FCA complaints process.

This year, in line with broader organisational practice, including that of the regulators, we continued to operate a hybrid working model, with regular in-person attendance expected from case investigators.

Having secured new accommodation last year, we were unexpectedly required to vacate those premises, necessitating a further relocation. This provided an opportunity to reassess our operational needs, and new office accommodation has now been secured for the OCC. The increase in office expenditure (£136,249 this year compared with approximately £132,796 last year) reflects a modest increase in office size to support team growth and on-site attendance, alongside rising rental costs across London over the past 12 months.

Appendix – Expenditure

Profit and Loss Account

For the year ended 31st March 2026

	2025/26 £	2024/25 £
Administrative expenses	(1,449,534)	(1,785,720)
Other operating income	–	–
Operating loss	**–**	**–**
Interest receivable	–	–
Profit on ordinary activities before taxation	**–**	**–**
Tax on profit on ordinary activities	–	–
Profit on ordinary activities after taxation	**–**	**–**

All amounts relate to continuing operations.

There were no recognised gains and losses for 2026 nor 2025, other than those included in the profit and loss account.

Expenditure during the year compared to the previous period.

The audited accounts for the period ending 31st March 2026 are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The company's auditors are Price Bailey.

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