

16 August 2023

**Final report by the Complaints Commissioner****Complaint number 202300079***The complaint*

1. On 22 April you asked me to review a complaint about the FCA. On 28 July 2023 I issued my preliminary report and both you and the FCA have now provided your comments which I have taken into consideration in preparing this final report.

*What the complaint is about*

2. The FCA set out in its decision letter dated 24 March 2023 that you are unhappy that there was such a long delay in shares delivery and that FCA should not have allowed it to happen. To resolve your complaint, you want the FCA to take action so you can get your shares and funds back from the firm.

*What the regulator decided*

3. The FCA found that it had not made an error in this instance and did not uphold your complaint.
4. It set out that 'with respect to your request that the FCA intervene and ask the firm to refund your FPO application fee and/or funds invested, please be advised that our remit as a Regulator does not allow us to intercede in commercial decisions of a firm. It would be the firm's prerogative and decision on whether they agree to such a request. Please note that this would always apply, irrespective to any decision achieved on a complaint.....'

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

5. In your complaint to my office, you have set out FCA/London Stock Exchange / PRA or their joint complaints authority should investigate the apparently malicious long listing timing by Firm X / Firm Y bid and reverse the transaction

202300079

i.e. return the full FPO application amount back to me, & take back late delivered stocks and also pay an additional compensation.

*Preliminary points (if any)*

6. The FCA is subject to confidentiality restrictions under Section 348 (s.348) of the Financial Services & Markets Act 2000 (FSMA) classes some information the FCA holds as confidential and restricts how that information is dealt with. In addition to this, any information that is not restricted by s.348 FSMA may be restricted due to the FCA's policy on sharing information about regulated firms and individuals, who also have legal protections. There is a good explanation of the statutory and FCA policy restrictions on information sharing at <https://www.fca.org.uk/freedominformation/information-we-can-share>
7. Like the FCA, I am required to respect confidentiality. This means that sometimes I cannot report fully on the confidential material to which I have access. However, as part of the Complaints Scheme, I have access to all the FCA's complaints papers, including confidential material. This is so that I, as an independent person, can see whether I am satisfied that the FCA has behaved reasonably. Sometimes this means that all I can say to complainants is that having studied the confidential material, and whether I am satisfied (or not) that the FCA has behaved reasonably – I am unable to give further details.
8. Having reviewed the information provided to me by the FCA I am satisfied that the FCA investigated your complaint thoroughly looking into the background to the issues you raised and reviewing the actions that the FCA took.

My analysis

9. I have reviewed the FCA's decision letter and the information held by the FCA in relation to your complaint. I have also review other information generally available on the internet in my investigation of your complaint.
10. It is my position that the FCA was correct in its decision letter not to uphold your complaint. I will now set out the reasons for my decision **not to uphold your complaint.**
11. Firstly, I have reviewed the background to the complaint set out in the FCA's decision letter and I consider that it has accurately set out the correspondence

that you had with the London Stock Exchange (the LSE) and the FCA. In addition to the background set out in the decision letter I have also conducted my own research into the background of your complaint.

12. I consider that individuals accept a degree of risk when they invest in shares. The onus is on investors to conduct relevant research before committing to their investment. In researching the background to this complaint, I have seen that Firm X had published on its site on 28 January 2022 its 'results of placing and Firm X offer'. This detailed the scheduled timing of the admission date, which was met, being 6 weeks following the placing of the shares. As such I consider that this information was available and discoverable with basic research at the time the shares went on sale.
13. As set out in the preliminary points above, I like the FCA am restricted in what information I can provide to you in relation to any action the FCA may or may not have taken in relation to the information you provided to it. What I can confirm is that the information you provided was relayed to the relevant teams and that it was received and considered. I can also confirm that the FCA conferred with the LSE in relation to your complaint in its role supervising the LSE and confirmed that the LSE had adequately considered your complaint to it.
14. The FCA's decision letter correctly identified that Firm X is not on the Financial Services Register and as such is not authorised by the FCA. What this means is that Firm X should not offer particular services, and if you had dealt with Firm X you would not have any protections from the FOS or the FSCS if something had gone wrong.
15. The FCA has confirmed to you that Firm Y is on the Financial Services Register and that it has permissions linked to investments. The decision letter set out that whilst the FCA is the regulator of the UK financial market as a whole, it does not investigate or intervene in individual cases and it does not have dispute resolution power for individual complaints. These powers are conferred on the Financial Ombudsman Service. The FCA was correct to inform you that if you are unhappy with the service of Firm Y then you should first approach Firm Y (which the FCA understood you had already done), following that you

may be able to make a complaint through the FOS, who may be able to help. However, as noted by the decision letter the FOS are operationally independent of the FCA, so it is at their discretion whether to accept your complaint.

16. What the FCA as the regulator of the UK financial market can and does do, is use information provided to it by members of the public like yourself, to supervise the conduct of firms like Firm Y to ensure that they are following its rules and meeting its standards when dealing with consumers. I can confirm that the FCA passed on your concerns to the Market Integrity Unit and that this information was received and reviewed.
17. It should be noted that there are vast numbers of listed companies on the LSE and they all release numerous public statements each year. As such it is clearly not be feasible for the FCA to pre-emptively fact check all the public statements for listed companies prior to their release. Consequently, the FCA's approach to monitoring can be described as reactive, they monitor the markets on a 'real time basis' and investigate potential breaches after the fact and where necessary take relevant action in response to breaches identified and impose relevant warnings and sanctions. This is why investors must conduct their own research and make their own assessment of the risks they are taking in purchasing shares.
18. I consider that the information provided to you by the FCA both in January and February 2022 and then again at the time of this complaint in February 2023 was both correct and accurate. I am satisfied that the FCA has adequately handled the information you provided to it about Firm X and Firm Y and the LSE. As such I agree that the FCA has not made any error in this instance and I agree that your complaint should **not be upheld**.
19. I note that in your response to my preliminary report you set out further reasons that you consider that your complaint should be upheld. I am sorry but the points you have raised did not alter the position set out in my review of your complaint as it related to your individual case and not the FCA's handling of the information you provided to it.
20. Since I have not upheld your complaint I agree with the FCA that compensation and /or ex gratia payments are not applicable in your case. As such I do not

feel I need to provide any further commentary in relation to this on top of what was set out by the FCA in its decision letter.

My decision

21. For the reasons set out above I have **not upheld** your complaint. This is my final report about your complaint and concludes my investigation.

Amerdeep Somal

Complaints Commissioner

16 August 2023