

**The FSA's response to the  
Complaints Commissioner's Report  
GE – L0009**

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We have considered the final report of the Complaints Commissioner on complaint GE-L0195 and now respond to her recommendations and comment on her findings.

We have apologised to the Complainant as the Complaints Commissioner recommends in paragraphs 1.6 (a) and (b). We welcome the Complaints Commissioner's reference to the changes we have made to our procedures for dealing with requests to cancel authorisation.

As the Report recognises, the complaint falls in part to be considered under the Transitional Complaints Scheme and in part under the Main Scheme. We consider that an apology is an adequate response in this case. We do not consider it appropriate to make a payment to the Complainant. The Report suggests that the FSA makes an ex-gratia payment to the Complainant. Paragraph 2.4.21 of the Transitional Complaints Scheme says that the Commissioner "shall not include a recommendation [in a report] that a compensatory payment be made". In establishing the two schemes, the FSA Board decided as a matter of policy to make a clear distinction between the two Schemes in this respect. The reasoning was explained in paragraph 2.7 of our published Policy Statement: "the existing [ie pre-N2] Complaints Commissioner arrangements make no provision for such payments, and they were not contemplated when the FSA and the SROs drew up their service level agreements in 1998." Neither Complainants, nor the regulated firms which pay for it, have grounds to expect that compensation will be paid under the Transitional Scheme. By extension of this policy, we will not ordinarily accept suggestions that we make ex-gratia payments to Complainants who have complained under the Transitional Scheme.

We welcome the Complaints Commissioner's recognition that these events took place some considerable time ago and that in the meantime we have made improvements in the processes and procedures in place for the handling and investigation of complaints. The procedures currently operated by the Company Secretariat are designed to ensure that all complaints are recorded and acted upon within published timescales, that our Stage 1 investigations are tracked and supervised and the findings recorded – in particular, whether or not complaints are upheld and remedial action is required. The Secretariat's current practice is to send all Complainants a letter confirming our understanding of the nature of their complaint and the remedy sought, asking them to confirm or comment. In these circumstances, we do not consider that a further review of these arrangements is necessary.

21 September 2004