

Quarterly KPIs: 2014/2015

As of July 2015

Introduction

We are making more information about our performance available by publishing key performance indicators (KPIs).

Why are we making more information available?

We are committed to:

- behaving as transparently as possible
- providing appropriate information on our regulatory decisions
- being open and accessible to the regulated community and the general public

Scope

We've provided KPIs for:

- Authorisations¹
- Variation of Permission
- Payment Services and E-Money
- Waivers

We publish our service standards on our Performance Account webpages, along with quarterly key performance indicators (KPIs)² covering:

- the average processing time (APT) for applications – from the time we receive it to the time the application is determined^{3,4}
- how many applications we determine³ and
- the distribution of all decisions, i.e. the percentage of applications that have been authorised, registered, granted, withdrawn or refused

We supplement each of these KPIs with analysis and commentary, including context on why applications are refused or withdrawn, and why the APT may have changed.

The APT is influenced by the varying degrees of risk, complexity, completeness and quality of the required information we encounter with each application. It also includes the time that has elapsed while we wait for the applicant to send us the necessary information we ask for.⁴

¹ Authorisation figures are defined as Applications from firms which were primarily applying for regulated non-consumer credit activities only, but include peer to peer lending applications.

² Where the FCA is the sole decision maker

³ In the case of Payment Services and E-Money and Authorisations, 'determined' is the earlier of when the application is made 'subject to' or authorised /registered. 'Subject to' is a point in time where the FCA makes a decision to authorise, but with conditions to be met before authorisation can be confirmed. This includes applications that may subsequently be withdrawn, having not met the necessary conditions, or where the application was subsequently retracted. In the case of Waivers applications, we use the term 'complete' to mean when we have decided on the application.

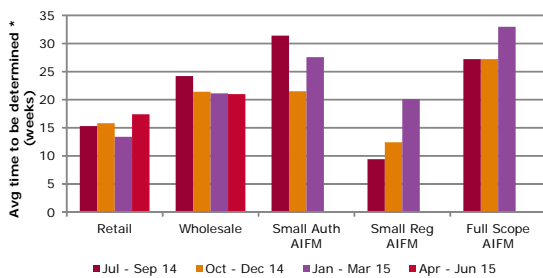
⁴ The Waivers APT excludes the time that has elapsed while we wait for the necessary information from the applicant.

Authorisation Quarterly KPIs: 2014/2015

Authorisation: To process a solo-regulated firm application for a Part 4A permission

The AIFM figures are now being included as part of the wholesale figures as they are now business as usual.

1) Average Processing Time (APT) ** of determined* applications



What the chart is saying:

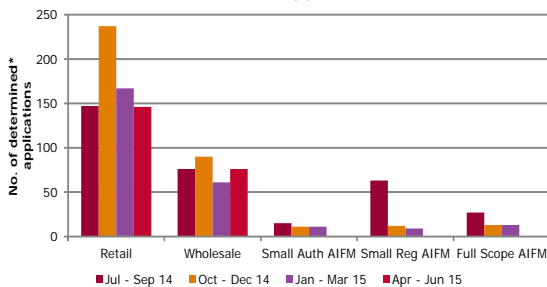
The APT for retail firm type applications has increased due to the complexity of cases being received.

The APT for wholesale firm type applications remains stable.

Applications received across wholesale and retail firm types have increased significantly year on year. Despite process and productivity improvements APT is expected to rise over future quarters.

Firm type	Minimum and maximum processing times (weeks)							
	Jul-Sep14		Oct-Dec14		Jan-Mar15		Apr-Jun15	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	5	43	6	35	2	51	6	50
Wholesale	2	52	7	65	9	51	0	48
Small Auth AIFM	16	55	6	49	12	39		
Small Reg AIFM	2	26	4	26	12	38		
Full Scope AIFM	11	52	13	80	21	51		

2) Volume of determined* applications

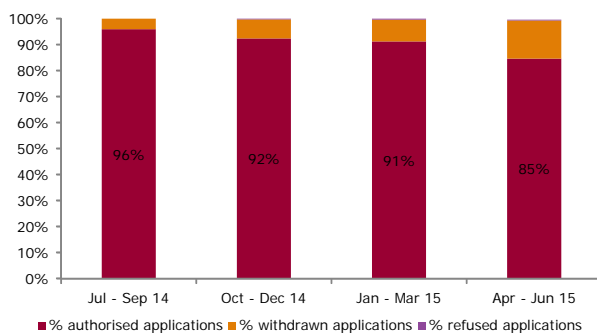


What the chart is saying:

The number of determined retail firm type applications has reduced due to a reduction of resources and resources being diverted to other projects.

The number of determined wholesale type applications has increased, which reflects the AIFM applications now being included in the wholesale category.

3) Distribution of all applications decided



What the chart is saying:

There have been two refusals in this quarter. The percentage of withdrawals has increased.

Firms most commonly withdraw when:

- they face challenge from the FCA, choosing to withdraw rather than risk receiving a refusal decision on their case
- they no longer want to pursue authorisation, typically for commercial reasons

** APT: The processing time of applications on average over a specified period; from the time we receive the application to the time we determine it*. It includes the time that has elapsed while we wait for the necessary information from the applicant.

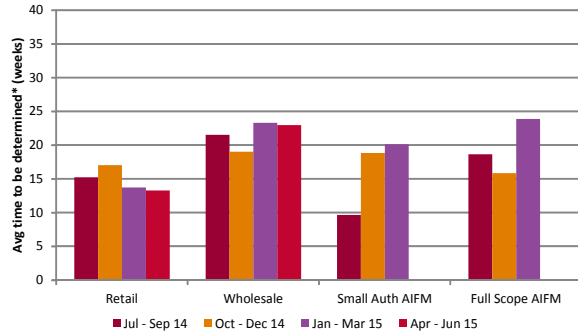
* 'Determined' is the earlier of when the application is made 'subject to' or authorised. 'Subject to' is a point in time where the FCA makes a decision to authorise, but with conditions to be met before authorisation can be confirmed. This includes applications that may subsequently be withdrawn, having not met the necessary conditions or where the application was subsequently retracted.

Variation of Permission Quarterly KPIs: 2014/2015

Variation of Permission (VoP): To process an application from a solo-regulated authorised firm for VoP

The AIFM figures are now being included as part of the wholesale figures as they are now business as usual.

1) Average Processing Time (APT) ** of approved* applications



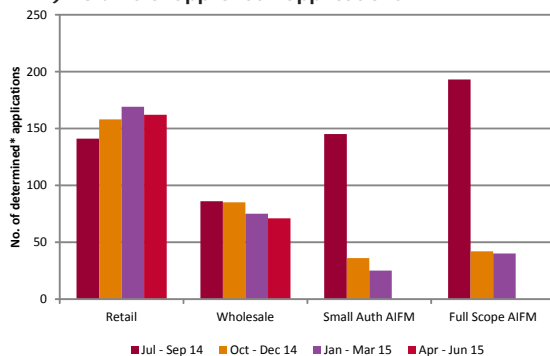
What the chart is saying:

The APT for retail type applications remains stable. The wholesale type applications also remain stable even once the AIFM applications have been included.

Applications received across wholesale and retail firm types have increased significantly year on year. Despite process and productivity improvements APT is expected to rise over future quarters.

Firm type	Minimum and maximum processing times (weeks)							
	Jul-Sep14		Oct-Dec14		Jan-Mar15		Apr-Jun15	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	0	48	0	40	0	51	0	52
Wholesale	4	51	0	39	0	48	1	52
Small Auth AIFM	2	37	11	29	15	39		
Full Scope AIFM	2	52	11	32	18	44		

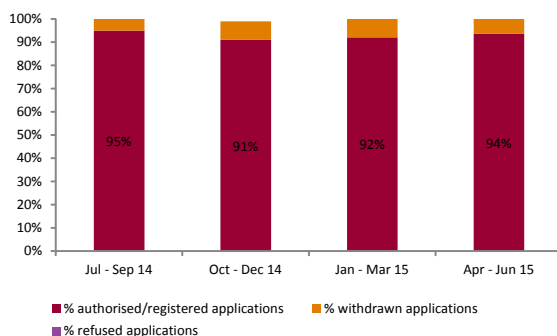
2) Volume of approved* applications



What the chart is saying:

The volume of approved applications has decreased for retail firm type and wholesale firm type applications due to the complexity of cases being received and resources being diverted to other projects.

3) Distribution of all applications decided



What the chart is saying:

We have not refused any applications during this quarter. The number of withdrawals has decreased slightly.

Firms most commonly withdraw when:

- C) they face challenge from the FCA, choosing to withdraw rather than risk receiving a refusal decision on their case
- D) they no longer want to pursue authorisation, typically for commercial reasons

** APT: The processing time of applications on average over a specified period; from the time we receive the application to the time we approve it. It includes the time that has elapsed while we wait for the necessary information from the applicant.

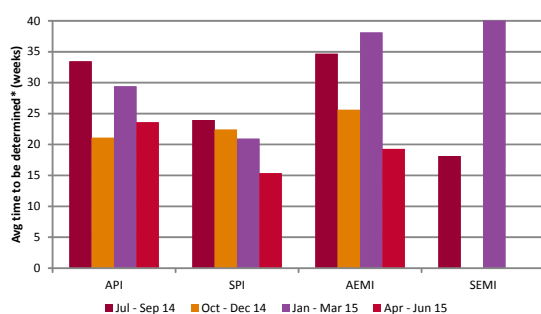
Authorisation and Variation of Permissions appendix: Glossary of Terms

Firm type category	Application type/firm type
Wholesale	Securities and Futures (Non-complex)
Wholesale	Securities and Futures (Complex)
Wholesale	Advisers and arrangers of wholesale funds
Wholesale	Investment manager and C.I.S operator
Wholesale	Home Finance Provider
Wholesale	Personal pension scheme providers (including SIPPs)
Retail	Investment and Non Investment Insurance Contracts
Retail	Investment, Home Finance and Non Investment Insurance Contracts
Retail	Investment
Retail	Non Investment Insurance Contracts
Retail	Home Finance and Non Investment Insurance Contracts
Retail	Peer to Peer lending
AIFM (Alternative Investment Fund Managers) Small Auth	Investment manager and C.I.S operator
AIFM (Alternative Investment Fund Managers) Small Reg	Investment manager and C.I.S operator
AIFM (Alternative Investment Fund Managers) Full Scope	Investment manager and C.I.S operator
Retail/Wholesale	Change of legal status

Payment Services and E-Money Quarterly KPIs: 2014/2015

Payment Services and E-Money: To process a solo-regulated firm application for authorisation or registration

1) Average Processing Time (APT) ** of determined* applications



What the chart is saying:

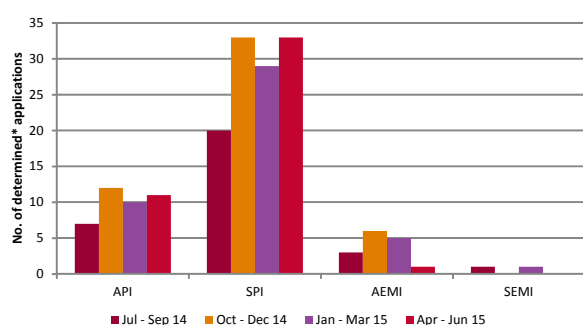
The APT for Authorised Payment Institutions (API), Small Payment Institutions (SPI) and Authorised Electronic Money Institutions (AEMI) has decreased due to process improvement work.

Given the low volume of e-money applications received and determined in any given period, there can be significant swings in APT from period to period as is evident this quarter.

Applications received across APIs and SPIs have increased significantly year on year. Despite process and productivity improvements APT is expected to rise over future quarters.

Firm type	Minimum and maximum processing times (weeks)							
	Jul-Sep 14		Oct-Dec 14		Jan-Mar 15		Apr-Jun 15	
	Min	Max	Min	Max	Min	Max	Min	Max
API	17	49	13	44	15	51	8	40
SPI	13	40	13	40	8	48	2	45
AEMI	26	44	17	33	18	52	19	19
SEMI	18	18	N/A	N/A	45	45	N/A	N/A

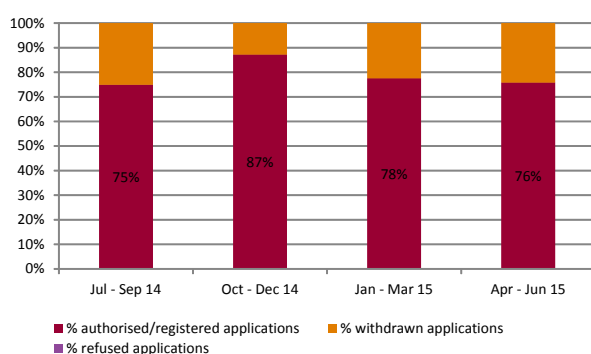
2) Volume of determined* applications



What the chart is saying:

The volume of determined cases remains stable since the last quarter for API and SPI. The low volume of e-money applications received affects the number of determined cases for AEMI and SEMIs.

3) Distribution of all applications decided



What the chart is saying:

There have been no refused applications this quarter.

The percentage of withdrawals has increased reflecting the number of firms unable to satisfy conditions for safeguarding of customer funds.

** APT: The processing time of applications on average over a specified period; from the time we receive the application to the time we determine it*. It includes the time that has elapsed while we wait for the necessary information from the applicant.

* 'Determined' is the earlier of when the application is made 'subject to' or authorised. 'Subject to' is a point in time where the FCA makes a decision to authorise, but with conditions to be met before authorisation can be confirmed. This includes applications that may subsequently be withdrawn, having not met the necessary conditions or where the application was subsequently retracted.

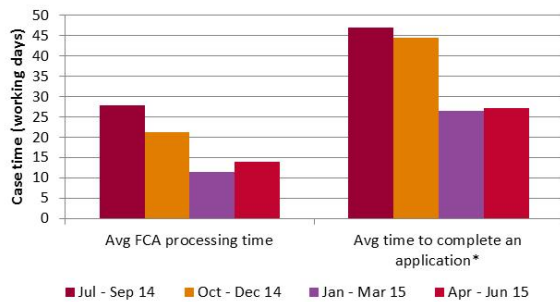
Payment Services and E-Money appendix:

Glossary of Terms

Firm type category	Application type/firm type
API (Authorised Payment Institution)	Authorisation/Merchant Acquirer
API (Authorised Payment Institution)	Authorisation/Mobile Phone Operator
API (Authorised Payment Institution)	Authorisation/Money Remitter
SPI (Small Payment Institution)	Registration/Bill Payment Service Provider
SPI (Small Payment Institution)	Registration/Money Remitter
AEMI (Authorised Electronic Money Institution)	Authorisation/E-Money Issuer
AEMI (Authorised Electronic Money Institution)	Authorisation/E-Money Issuer & Unrelated PSD
SEMI (Small Electronic Money Institution)	Registration/E-Money Issuer
SEMI (Small Electronic Money Institution)	Registration/E-Money Issuer & Unrelated PSD

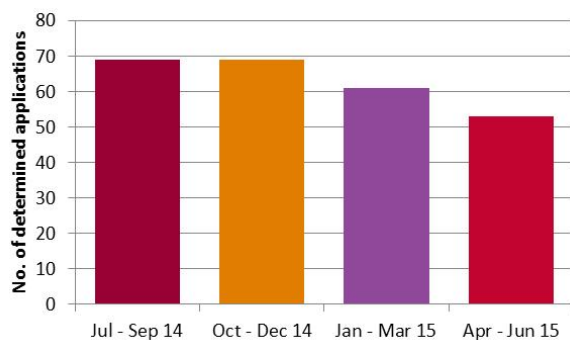
Waivers Quarterly KPIs: 2014/2015

1) Time to complete

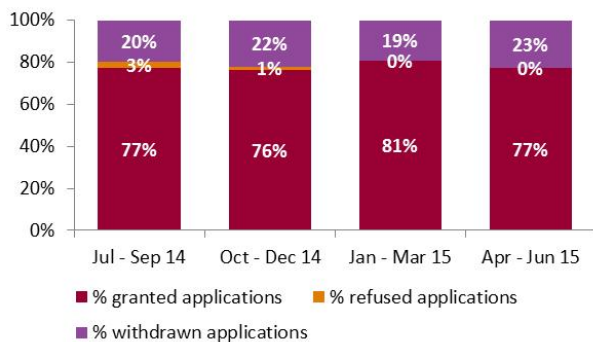


* this includes lapsed time whilst the FCA waits for more information from applicants.

2) Volume of applications



3) Application decisions



What the charts are saying:

Average processing times and average time to complete an application remained relatively static over this quarter compared to the last, standing at 14 days and 27 days respectively.

In line with the last quarter there are no discernible trends to report on in respect of the waiver applications we have determined. We have received a variety of waiver applications, with no particular concentration in any of the source books. We do not foresee any significant changes to processing times and volumes in the current July quarter.

Definitions of terms:

Average time to complete an application:

This is the total time taken from when the FCA receives an application to when a decision is made.

Average FCA processing time:

In some circumstances we will not be able to progress work on an application due to reasons out of our control while we wait for information. Average processing time is the time taken to determine an application, less the time elapsed while we wait. Common reasons for us being unable to process a case immediately are:

- incomplete application
- waiting for additional information from applicant

Included in the above KPIs are waiver applications where the FCA is the sole decision maker

In exceptional circumstances we decide to make a modification available to a selection of firms through our website. These are referred to as 'modifications by consent'. Firms simply inform us they wish to take advantage of the modification as opposed to completing an application form. As the time taken to complete a modification of consent is significantly shorter than our standard application process they are excluded from the above data. Liquidity modifications are also excluded from the data due to the complexity of the decision. While most waivers take 10 to 20 working days to process, in 2013 a liquidity waiver averaged 46 working days to process.