

Quarterly KPIs: 2016

As at December 2016

Introduction

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

Why are we making more information available?

Because we are committed to:

- Behaving as transparently as possible
- Providing relevant information on our regulatory decisions, and
- being open and accessible to those we regulate and the general public

Scope

We provide KPIs for:

- authorisations¹
- variation of permission
- payment services and e-money, and
- waivers

We publish our service standards on our 'Measuring our Performance' webpages, along with quarterly KPIs² covering:

- the average processing time (APT) for applications – from the time we receive the application to the time it is determined^{3,4}
- the number of 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the distribution of all decisions, i.e. the percentage of applications that have been authorised, registered, granted, withdrawn or refused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 also provide analysis and commentary for each of these KPIs. This includes context on why applications are refused or withdrawn and why the APT may have changed.

Our APT is influenced by the different levels of risk, complexity, completeness and quality of the required information we receive 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.

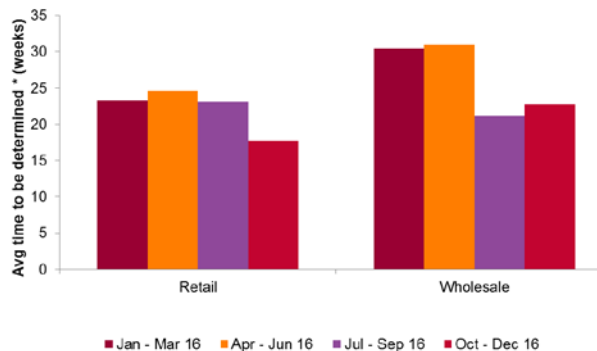
³ For payment services and e-money and authorisations, 'determined' is the earlier of when the application is made 'subject to' or authorised/registered. 'Subject to' is a point in time where we make a decision to authorise, but depends on applicants meeting necessary conditions before we can confirm authorisation. This includes applications that may subsequently be withdrawn because they have not met the necessary conditions, or where the applicant subsequently retracts their application. 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: 2016

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

1) Average processing time (APT) of determined applications



What the chart is saying:

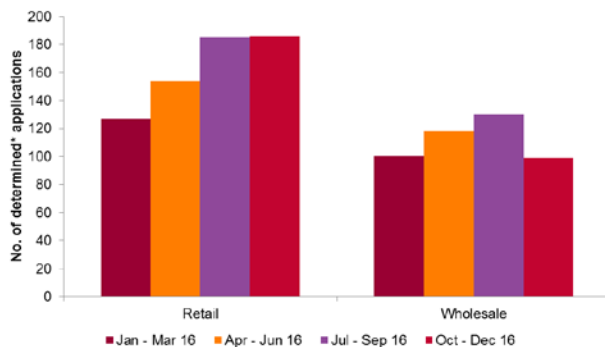
The APT for retail firm type applications reduced for the third successive quarter. There has been a focus on reducing the shelf life of cases and allocating cases more quickly.

The APT for wholesale firm type applications increased this quarter as a result of a small number of very long dated applications being resolved. The vast majority of applications are now being determined quicker as the benefits of our ability to allocate cases more efficiently are being realised. We expect this performance to be maintained in the next quarter.

Minimum processing time of zero weeks reflects applications which have been processed in between one and three days.

Firm type	Minimum and maximum processing times (weeks)							
	Jan-Mar16		Apr-Jun 16		Jul-Sep 16		Oct-Dec 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	0	50	0	74	0	90	2	51
Wholesale	5	55	2	53	1	52	0	77

2) Volume of determined applications

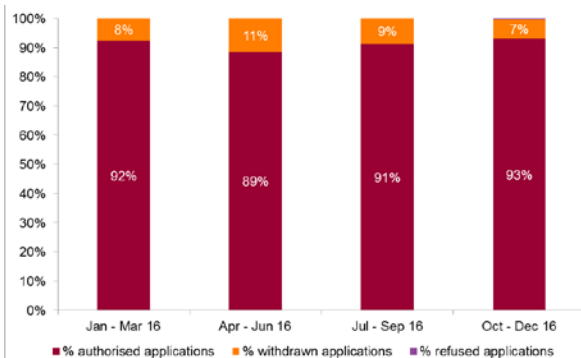


What the chart is saying:

The volume of determined applications for retail firm type applications remains stable as we continue to focus on determining consistent volumes of cases.

The volume of determined applications for wholesale firm type applications reduced reflecting fewer applications being received and a refocus of our resources to deal with backlogs in other processes.

3) Distribution of all applications decided



What the chart is saying:

We have refused one application in this quarter. The percentage of withdrawals has decreased but remains consistent throughout the year.

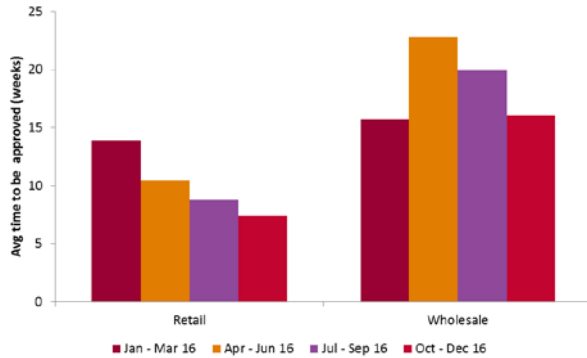
Firms most commonly withdraw when:

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

Variation of permission quarterly KPIs: 2016

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

1) Average processing time (APT) of approved applications



Firm type	Minimum and maximum processing times (weeks)							
	Jan-Mar 16		Apr-Jun 16		Jul-Sep 16		Oct-Dec 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	0	38	0	44	0	49	0	52
Wholesale	0	49	0	56	0	53	0	58

What the chart is saying:

The APT for both retail and wholesale firm type applications has reduced. There has been an increased focus on reducing the shelf time and allocating cases more quickly.

A minimum processing time of zero weeks reflects applications which have been processed in between one and three days.

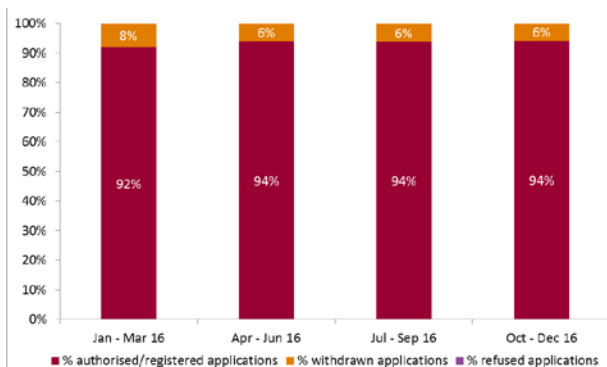
2) Volume of approved applications



What the chart is saying:

The volume of approved applications for retail firm type applications fell as a result of a short term reduction in case allocations following team changes within this quarter and a need to up-skill new staff. The volume of approved wholesale firm type applications remains broadly consistent.

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 remained consistent.

Firms most commonly withdraw when:

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

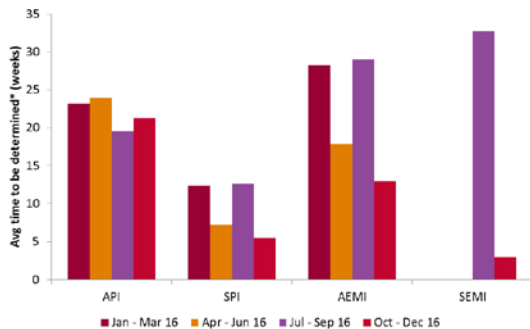
Authorisation and variation of permissions appendix:**Glossary of terms**

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 CIS operator
Wholesale	Home finance provider
Wholesale	Personal pension scheme providers (including SIPPs)
Wholesale	AIFM (Alternative Investment Fund Managers) Small Authorisation
Wholesale	AIFM (Alternative Investment Fund Managers) Small Registration (excluding EuSEF and EuVECA)
Wholesale	AIFM (Alternative Investment Fund Managers) Full Scope
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
Retail/Wholesale	Change of legal status

Payment services and e-money quarterly KPIs: 2016

Payment services and e-money: to process a solo-regulated firm application for authorisation or registration

1) Average processing time (APT) of determined applications



Firm type	Minimum and maximum processing times (weeks)							
	Jan-Mar 16		Apr-Jun 16		Jul-Sep 16		Oct-Dec 16	
	Min	Max	Min	Max	Min	Max	Min	Max
API	11	34	6	45	8	47	5	46
SPI	2	25	1	34	2	39	1	24
AEMI	14	48	6	44	6	52	6	21
SEMI	N/A	N/A	N/A	N/A	32	33	3	3

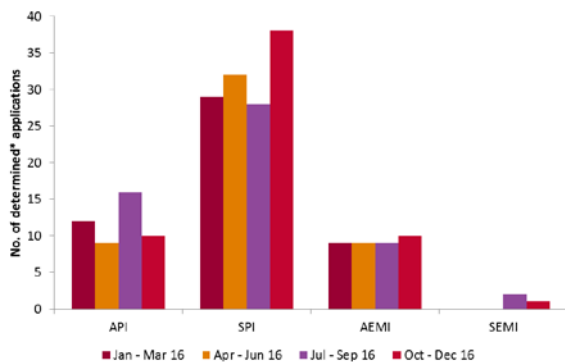
What the chart is saying:

Although our APT has increased slightly for authorised payment institutions (APIs) this quarter, it has remained broadly consistent throughout the year. The APT for small payment institutions (SPIs) has improved due to the additional availability of resource.

Due to the comparatively low volume of e-money applications that we receive from authorised electronic money institutions (AEMIs) and small electronic money institutions (SEMI) and determine in any given period, there can be significant changes in the APT from time to time. This is reflected in the APT for both AEMIs and SEMIs in the last quarter.

We expect all firms to be ready, willing and organised before submitting their application for authorisation or registration. Some applicant firms are less so and this delays the processing time.

2) Volume of determined applications



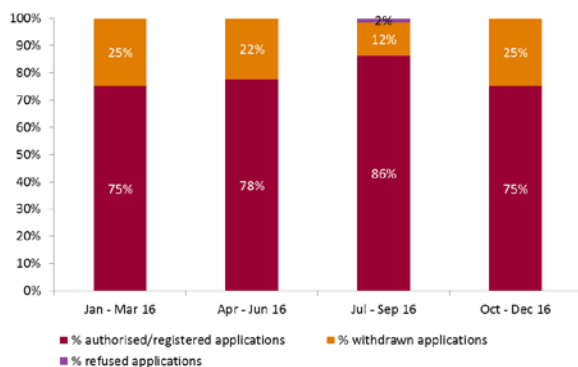
What the chart is saying:

The relatively high number of API cases determined in the previous quarter resulted in a reduction of cases under assessment, leading to a slight decrease in determinations this quarter.

The volume of determined SPI cases has remained broadly consistent during the year, but has increased this quarter due to additional availability of resource.

The low volume of e-money applications that we received is reflected in the number of determined case for AEMIs and SEMIs.

3) Distribution of all applications decided



What the chart is saying:

We did not refuse any applications this quarter.

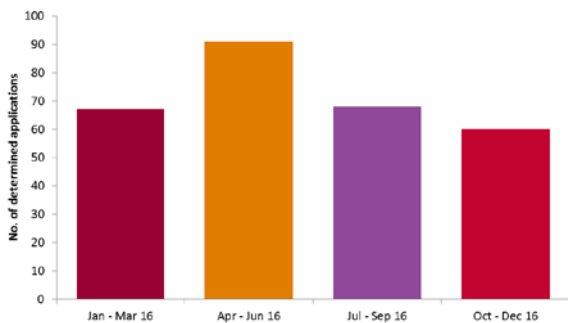
The percentage of withdrawals in this quarter was very similar to that in the first and second quarters. The rate was slightly lower in the third quarter, possibly an effect of the higher number of determinations in that quarter.

Payment services and e-money appendix:**Glossary of terms**

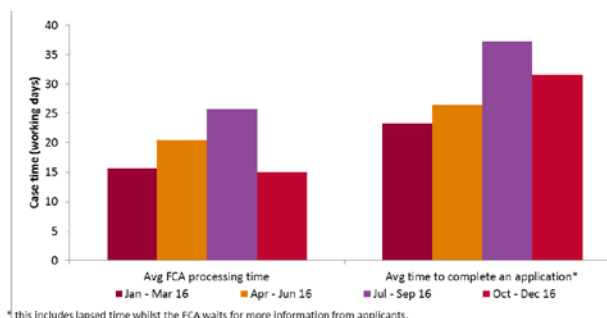
Firm type category	Application type/firm type
API (Authorised Payment Institution)	Authorisation/merchant acquirer
API (Authorised Payment Institution)	Authorisation/mobile phone operator
API (Authorised Payment Institution)	Authorisation/money remitter
SPI (Small Payment Institution)	Registration/bill 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 and unrelated PSD
SEMI (Small Electronic Money Institution)	Registration/e-money issuer
SEMI (Small Electronic Money Institution)	Registration/e-money issuer and unrelated PSD

Waivers quarterly KPIs: 2016

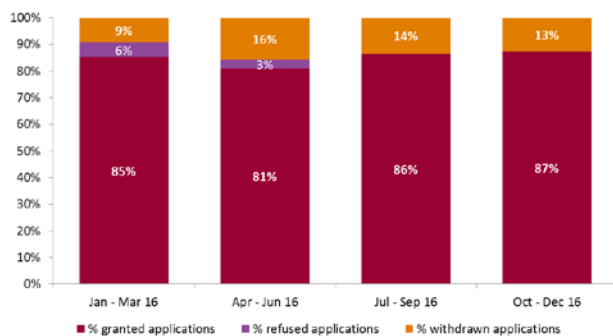
1) Volume of applications



2) Time to complete



3) Application decisions



What the charts are saying:

In this quarter, 60 applications for waivers and modifications were determined - a reduction from 68 in the previous quarter.

The average FCA processing time was 15 days - similar to the first quarter having risen in the two intervening quarters. Within relatively small overall volumes some variation in timings between quarters is always likely.

The average overall time to complete an application, which includes time spent waiting on information from applicants, fell to 32 days from 37 days in the previous quarter. Overall, we spent an average of 17 days waiting on applicants to respond to information requests per case closed during this period.

There were no refused applications, with 87% of applications approved and 13% of applications withdrawn. Applications are typically withdrawn after FCA challenge but before a refusal decision is made; or because a waiver or modification is not needed.

Applications are refused when an applicant cannot demonstrate that:

- complying with the rule would be unduly burdensome or would not achieve its purpose; or
- that the waiver would not adversely affect any of our operational objectives.

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

- an incomplete application
- waiting for additional information from an applicant