

## Quarterly KPIs: 2014/2015

As of January 2015

### Introduction

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

#### Why are we making more information available?

Transparency is a priority for the FCA. 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:

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

We publish our service standards portfolio on our Performance Account pages, along with quarterly key performance indicators (KPIs),<sup>1</sup> launched in April 2014, covering:

- the average processing time (APT) for applications- from the time we receive it to the time the application is determined<sup>2,3</sup>
- how many applications we determine<sup>2</sup> and
- the distribution of all decisions, i.e. percentage of applications that have been authorised, registered, granted, withdrawn or refused

We supplement each of these KPIs with analysis and commentary, including context on why applications are refused or withdrawn, and why the APT may have changed.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 necessary information we ask for.<sup>3</sup>

<sup>1</sup> Where the FCA is the sole decision maker

<sup>2</sup> 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 This includes applications that may subsequently be withdrawn, having not met the necessary conditions, or where the application was subsequently retracted.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 Variation of Permission, 'determined' is when we approve the application

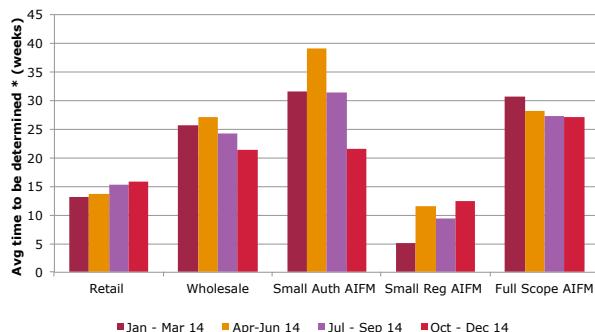
In the case of Waivers applications, we use the term 'complete' to mean when we have decided on the application

<sup>3</sup> 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

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



### What the chart is saying:

The APT for retail firm type applications has seen a small increase.

The APT for wholesale firm type applications continues to reduce.

The APT for Alternative Investment Fund Managers (AIFM) application types remains broadly stable, although the APT for small auth AIFM has reduced significantly in this period

Firm Type	Minimum and Maximum Processing Times (Weeks)							
	Jan - Mar 14		Apr - Jun 14		Jul - Sep 14		Oct - Dec 14	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	1	43	0	50	5	43	6	35
Wholesale	4	51	7	51	2	52	7	65
Small Auth AIFM	29	35	23	51	16	55	6	49
Small Reg AIFM	2	7	4	27	2	26	4	26
Full Scope AIFM	25	37	15	45	11	52	13	80

## 2) Volume of determined\* applications



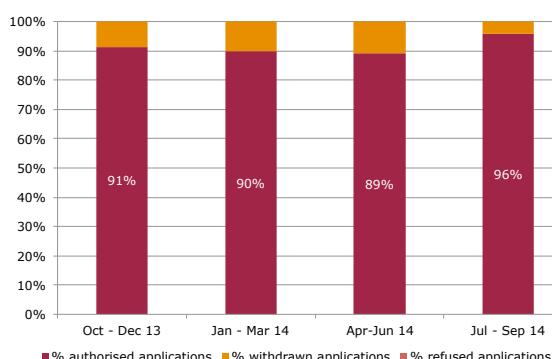
### What the chart is saying:

The number of determined retail firm type applications has risen significantly this quarter due to additional resource availability.

The number of determined wholesale firm type applications continues to rise. This is due to improved resource availability with Alternative Investment Fund Managers Directive (AIFMD) moving into business as usual.

The reduced volume of AIFM applications determined is expected, since the majority of firms wanted to be approved by 22 July 2014.

## 3) Distribution of all applications decided



### What the chart is saying:

There have been no refusals in this quarter. The percentage of withdrawals has reduced because the quality of applications has improved.

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.

\* '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.

\*\* 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.

# Variation of Permission Quarterly KPIs: 2014/2015

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

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



### What the chart is saying:

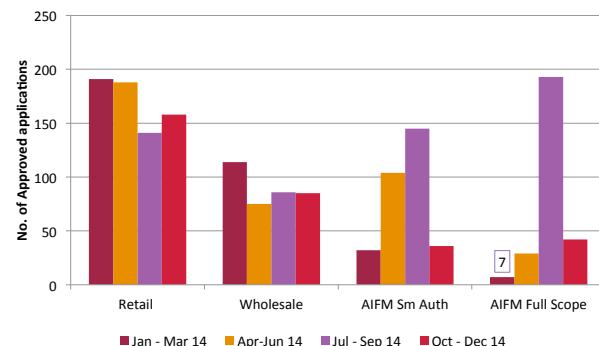
The APT for retail type applications has risen due to the reallocation of resource to focus on improving the APT for wholesale type applications.

The APT for small authorisation AIFM application types has increased due to less resource being available as the project work transitions into business as usual.

## Minimum and Maximum Processing Times (Weeks)

Firm Type	Jan - Mar 14		Apr - Jun 14		Jul - Sep 14		Oct - Dec 14	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	0	44	0	48	0	48	0	40
Wholesale	1	51	0	58	4	51	0	39
Small Auth AIFM	8	24	7	52	2	37	11	29
Full Scope AIFM	13	31	9	47	2	52	11	32

## 2) Volume of approved applications

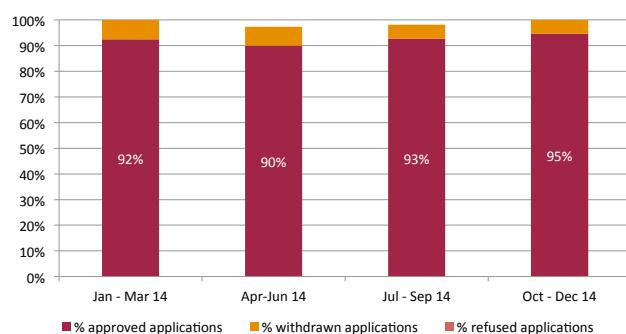


### What the chart is saying:

The volume of approved applications for retail and wholesale firm type applications remains broadly stable.

For AIFM there was a significant decrease in the number of applications determined. This was due to a significant number of applications being determined by the important milestone of 22 July 2014, leaving a smaller volume of more complex applications.

## 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 reduced slightly.

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 wish 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.

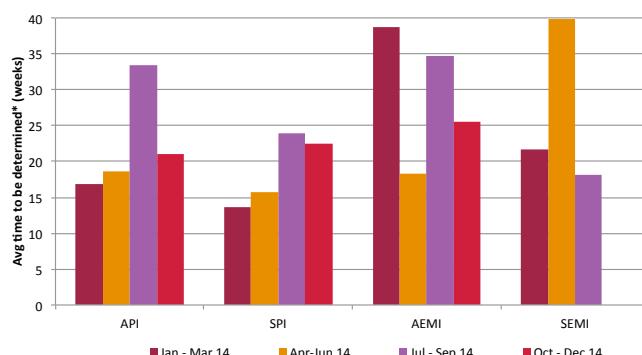
## Authorisation and Variation of Permissions Appendix: Glossary of Terms

Firm Type Category	Application Type/Firm type
<b>Wholesale</b>	Securities and Futures (Non Complex)
<b>Wholesale</b>	Securities and Futures (Complex)
<b>Wholesale</b>	Advisers and arrangers of wholesale funds
<b>Wholesale</b>	Investment manager and C.I.S operator
<b>Wholesale</b>	Home Finance Provider
<b>Wholesale</b>	Personal pension scheme providers (incl SIPPs)
<b>Retail</b>	Investment and Non Investment Insurance Contracts
<b>Retail</b>	Investment, Home Finance and Non Investment Insurance Contracts
<b>Retail</b>	Investment
<b>Retail</b>	Non Investment Insurance Contracts
<b>Retail</b>	Home Finance and Non Investment Insurance Contracts
<b>AIFM (Alternative Investment Fund Managers) Small Auth</b>	Investment manager and C.I.S operator
<b>AIFM (Alternative Investment Fund Managers) Small Reg</b>	Investment manager and C.I.S operator
<b>AIFM (Alternative Investment Fund Managers) Full Scope</b>	Investment manager and C.I.S operator
<b>Retail/Wholesale</b>	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:

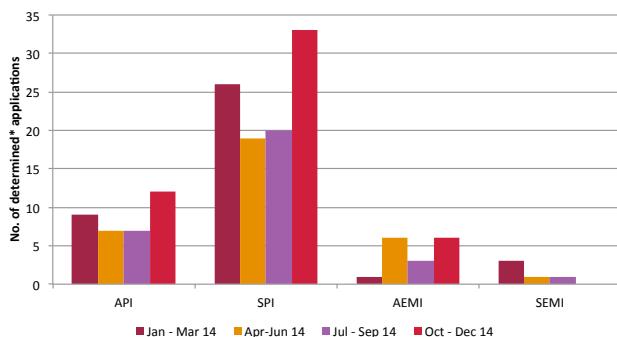
Given the low volume of e-money applications received and determined in any given period, there can be significant swings in APT from period to period as is evident this quarter, e.g. no Small Electronic Money Institutions (SEMI) applications were determined in this period.

The APT for all other firm types has improved, despite continued pressure on Authorised Payment Institutions (API) applicants securing proper safeguarding of customers funds.

### Minimum and Maximum Processing Times (Weeks)

Firm Type	Jan - Mar 14		Apr - Jun 14		Jul - Sep 14		Oct - Dec 14	
	Min	Max	Min	Max	Min	Max	Min	Max
API	6	29	5	33	17	49	13	44
SPI	3	48	8	30	13	40	13	40
AEMI	39	39	21	48	26	44	17	33
SEMI	15	26	40	40	18	18	N/A	N/A

## 2) Volume of determined\* applications

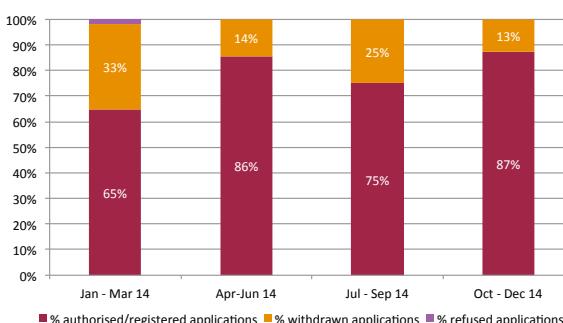


### What the chart is saying:

The volume of determined cases has improved since the last quarter for API, Small Payment Institutions (SPI) and Authorised Electronic Money Institutions (AEMI) as availability of key resources has improved during the period.

The low volume of e-money applications received affects the number of determined cases for AEMIs 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 reduced given the higher proportion of SPIs determined this period, as compared to API's, where safeguarding continues to prove a problem for API applicants.

\* '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.

\*\* 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.

## Payment Services and E-Money Appendix:

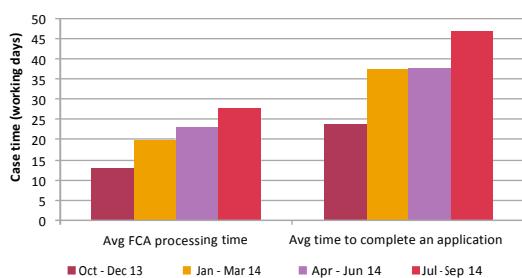
### Glossary of Terms

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

# Waivers Quarterly KPIs: 2014/2015

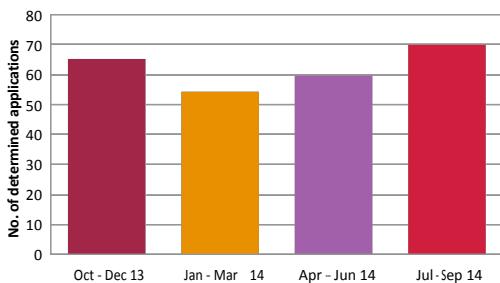
## 1) Time to complete

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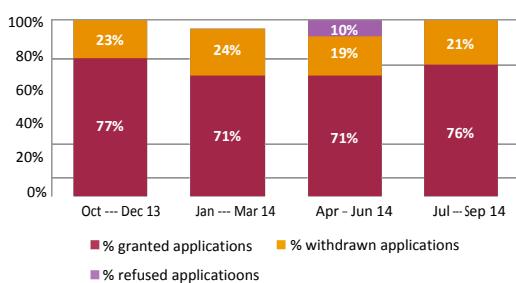


\* this includes lapsed time whilst the FCA waits for more information from applicants.

## 2) Volume of applications



## 3) Application decisions



### What the charts are saying:

Compared to Jul-Sept 2014, this quarter has seen a decrease in both average processing time and average time to complete an application by 6.5 and 2.4 days, respectively. Volumes have remained static – we received 67 cases this quarter compared to 71 the previous quarter.

Processing time for applications relating to the Credit Requirements Directive (CRD IV) which contributed significantly to the increase in the last quarter have fallen significantly to 20.4 days. As predicted last quarter the average processing time for Consumer Credit Act applications has been considerably shorter.

As mentioned last quarter we proactively contacted firms and individuals that had a waiver due to expire in November or December. By engaging early we were successful in avoiding a bottleneck of applications during the year end period.

### 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 whilst 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 – 20 working days to process, in 2013 a liquidity waiver averaged 46 working days to process.