

## Quarterly KPIs: 2015/2016

**As at June 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:

- authorisations<sup>1</sup>
- variation of permission
- payment services and e-money
- waivers

We publish our service standards on our 'Measuring our Performance' webpages, along with quarterly KPIs<sup>2</sup> covering:

- the average processing time (APT) for applications – from the time we receive it to the time the application is determined<sup>3,4</sup>
- how many applications we determine<sup>3</sup>, 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the distribution of all decisions, i.e. the percentage of applications that have been authorised, registered, granted, withdrawn or refused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also provide analysis and commentary for each of these KPI's. This includes context on why applications are refused or withdrawn and why the APT may have changed.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.<sup>4</sup>

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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.

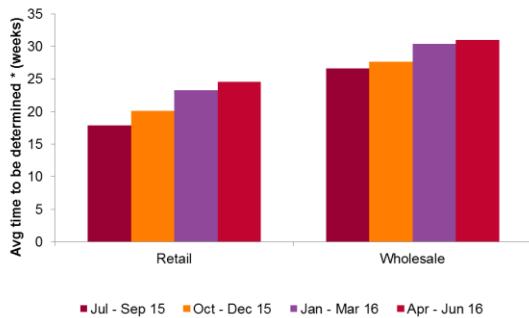
3 For payment services and e-money and authorisations, 'determined' is the earlier of when the application is made 'subject to' or authorised /registered. 'Subject to' is a point in time where we make a decision to authorise, but depend on applicants meeting necessary conditions before we can confirm 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 This includes applications that may subsequently be withdrawn because they have not met the necessary conditions, or where the applicant subsequently retracts their application.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: 2015/2016

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

### 1) Average processing time (APT) of determined applications



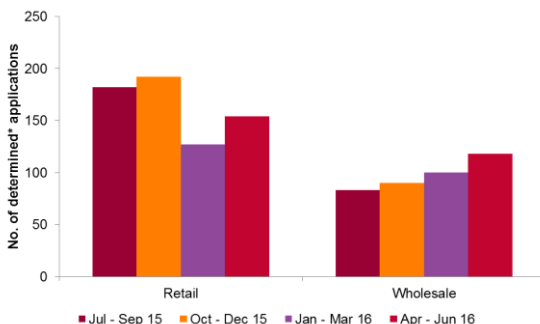
#### What the chart is saying:

Our APT for both retail and wholesale firm type applications has increased as anticipated while additional temporary staff are brought in and trained. We expect our APT to continue to increase in the next quarter as these additional staff become fully proficient. We then expect to see our APT improve.

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)							
	Jul - Sep 15		Oct - Dec 15		Jan - Mar 16		Apr - Jun 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	5	65	6	52	0	50	0	74
Wholesale	9	51	2	69	5	55	2	53

### 2) Volume of determined applications

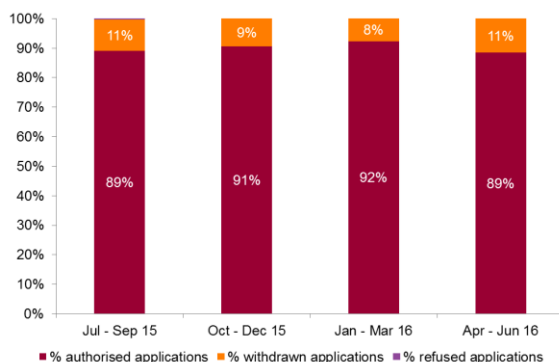


#### What the chart is saying:

As anticipated, there has been an improvement in the volume of determined applications compared with the last quarter. This is due to the increasing proficiency of new staff.

We expect to see continued improvement in the next quarter.

### 3) Distribution of all applications decided



#### What the chart is saying:

We have not refused any applications in this quarter. The percentage of withdrawals has increased.

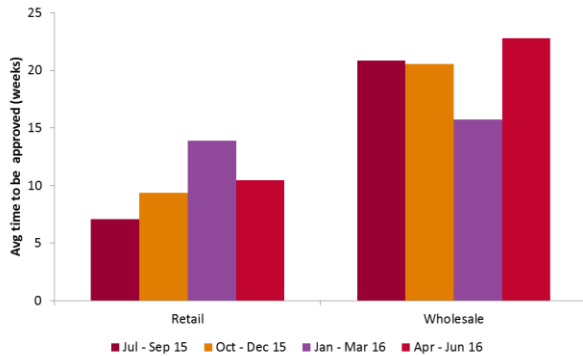
Firms most commonly withdraw when:

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

## Variation of permission quarterly KPIs: 2015/2016

### 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)							
	Jul – Sep 15		Oct – Dec 15		Jan – Mar 16		Apr – Jun 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	0	52	0	50	0	38	0	44
Wholesale	0	65	9	49	0	49	0	56

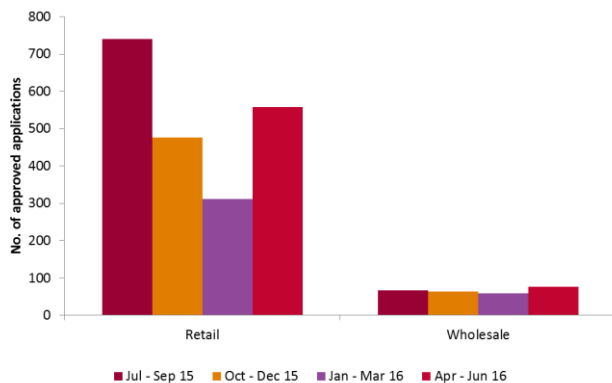
#### What the chart is saying:

Our APT for retail firm type applications has improved as a result of us bringing in additional temporary staff. The APT for wholesale firm type applications has increased due to above average volumes of complex cases, which inevitably take longer to approve.

We expect to maintain the APT for retail firm type applications over the next quarter. The APT for wholesale firm type applications will stabilise as additional temporary staff become more proficient.

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

#### 2) Volume of approved applications

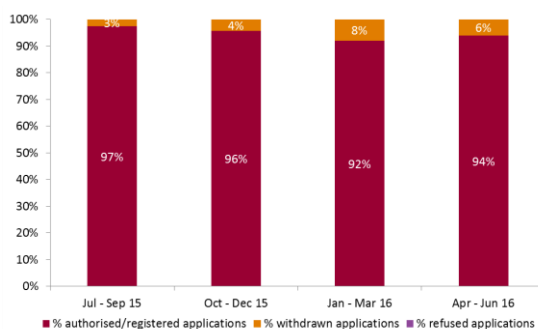


#### What the chart is saying:

The volume of retail firm type applications received has increased over the past year therefore we brought in additional temporary staff to work through those higher volumes. We have witnessed an increase in approved applications as the new starters become proficient.

The volume of approved wholesale firm applications remains broadly stable.

#### 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:

- 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

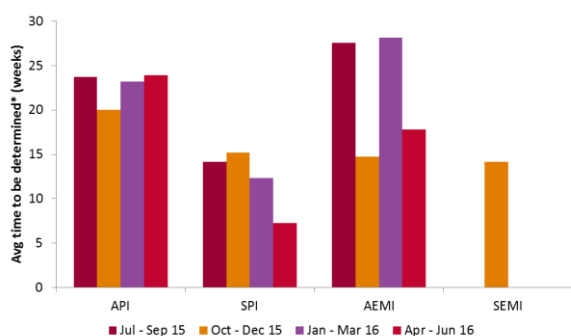
**Authorisation and variation of permissions appendix:****Glossary of terms**

<b>Firm type category</b>	<b>Application type/firm type</b>
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: 2015/2016

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

#### 1) Average processing time (APT) of determined applications



#### What the chart is saying:

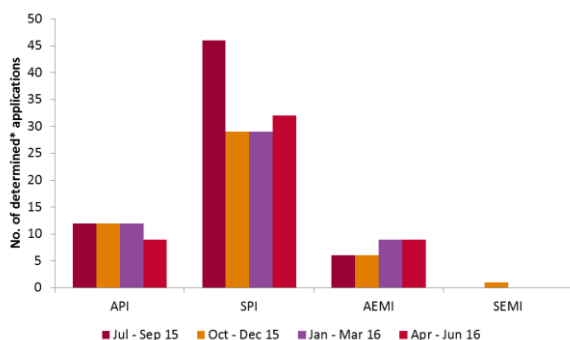
Although our APT has increased slightly for authorised payment institutions (APIs) in the final quarter, it has remained broadly consistent throughout the year.

We continue to determine small payment institution (SPI) applications more quickly.

Due to the generally low volume of e-money applications (Authorised Electronic Money Institutions (AEMIs) and Small Electronic Money Institutions (SEMIs)) that we receive and determine in any given period, there can be significant swings in the APT from period to period, as we saw during the past year.

Firm type	Minimum and maximum processing times (weeks)							
	Jul - Sep 15		Oct - Dec 15		Jan - Mar 16		Apr - Jun 16	
	Min	Max	Min	Max	Min	Max	Min	Max
API	11	45	7	40	11	34	6	45
SPI	2	42	5	32	2	25	1	34
AEMI	16	39	7	31	14	48	6	44
SEMI	N/A	N/A	14	14	N/A	N/A	N/A	N/A

#### 2) Volume of determined applications

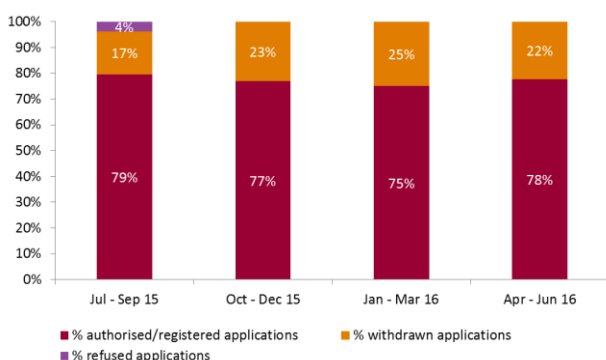


#### What the chart is saying:

The volume of determined API and SPI cases has remained broadly consistent from the last quarter.

The low volume of e-money applications that we received affected the number of determined case for AEMIs and SEMIs. We have seen the previous increase in determined AEMI applications continue in this quarter. This may suggest an increase in activity in this sector.

#### 3) Distribution of all applications decided



#### What the chart is saying:

We have not refused any applications this quarter.

The percentage of withdrawals remains high. This reflects:

- the number of APIs and AEMIs unable to satisfy conditions for safeguarding of customer funds, and
- the number of SPIs seeking registration without the necessary knowledge and experience to meet the required level of professional competence

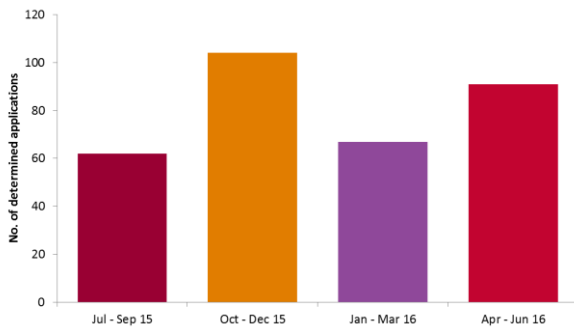
## Payment services and e-money appendix:

### Glossary of terms

<b>Firm type category</b>	<b>Application type/firm type</b>
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: 2015/2016

### 1) Time to complete



#### What the charts are saying:

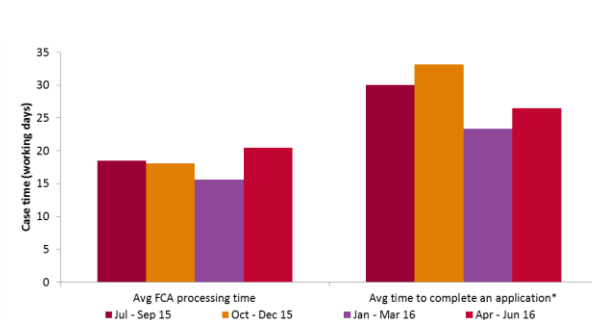
Our average case processing times have increased from 18.1 days in the previous quarter to 20.5 days in the latest quarter. This is largely due to the increase in applications we have received during the period. There have also been a number of more complex applications closed within the period which have taken longer than average to determine. This, in turn, has pushed up the average processing time.

The percentage of waivers granted, refused and withdrawn remains broadly consistent with previous quarters. Waiver applications are refused when the applicant cannot demonstrate that complying with the rule would be unduly burdensome or would not achieve its purpose. Applications are withdrawn for a number of reasons, including when firms receive challenge from the FCA on whether the application is likely to meet the conditions for approval.

We continue to receive a wide range of waiver applications across the various sourcebooks. There were no discernable trends to applications during the Apr-Jun16 period.

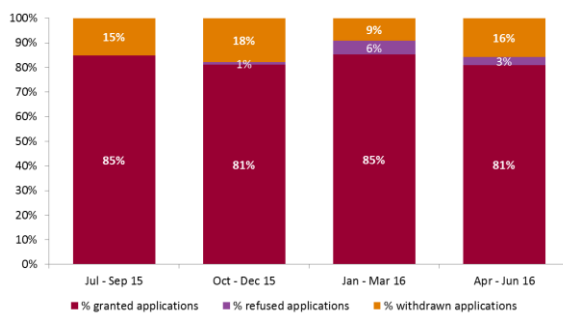
The above KPIs include waiver applications where the FCA is the sole decision maker.

### 2) Volume of applications



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

### 3) Application decisions



\*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