

Quarterly KPIs: 2015/2016

As at March 2016

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, and
- 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 KPIs² 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the distribution of all decisions, i.e. the percentage of applications that have been authorised, registered, granted, withdrawn or refused

We supplement each of these KPIs with analysis and commentary, including context on why applications are refused or withdrawn, and why the APT may have changed.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 This includes applications that may subsequently be withdrawn, having not met the necessary conditions, or where the application was subsequently retracted.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.

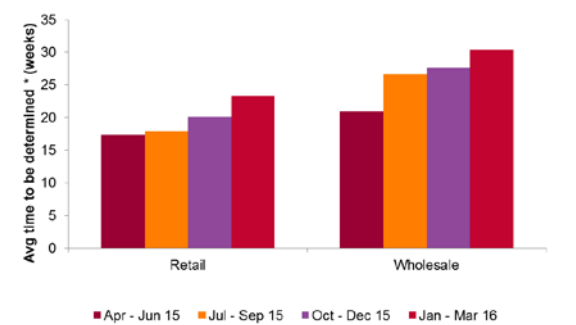
⁴ The waivers APT excludes the time that has elapsed while we wait for the necessary information from the applicant.

Authorisation quarterly KPIs: 2015/2016

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

The alternative investment fund managers (AIFM) figures are 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 and wholesale firm type applications has increased. This is due to the increased complexity of cases that we are currently assessing and due to the large volume of cases we are working through at the moment.

We expect to see a continued increase in the next two quarters while we train additional staff we have recruited in order to deal with the high volume of caseload.

A 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)							
	Apr – Jun 15		Jul – Sep 15		Oct - Dec 15		Jan – Mar 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	6	50	5	65	6	52	0	50
Wholesale	0	48	9	51	2	69	5	55

2) Volume of determined** applications

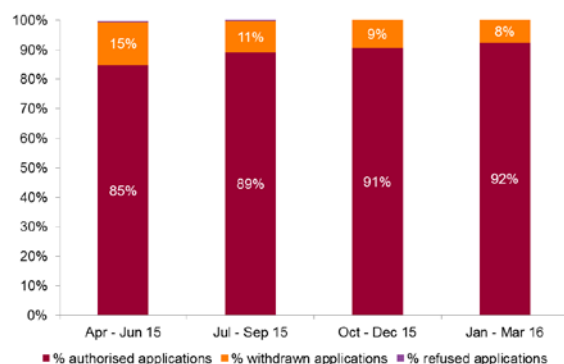


What the chart is saying:

The volume of determined applications for retail firm type applications has decreased as existing staff support the training and onboarding of new staff in order to ensure they are fully operational. We anticipate an improvement in the next quarter.

The volume of determined applications continues to increase in wholesale firm type applications due to process improvements, cross training and more efficient case management.

3) Distribution of all applications decided



What the chart is saying:

There have been no refusals in this quarter. The percentage of withdrawals has decreased.

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

* APT: the processing time of applications on average over a specified period, from the time we receive the application to the time it is determined **. 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: 2015/2016

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

The AIFM figures are 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:

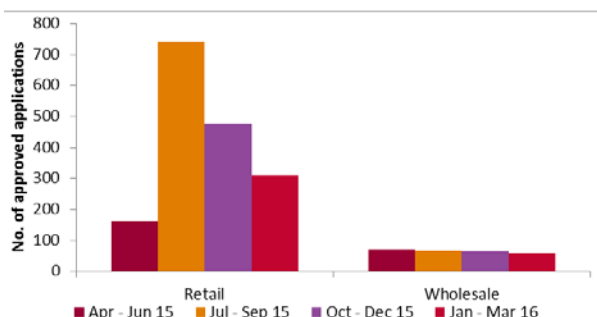
The APT for retail firm type applications has increased due to case complexity returning to normal levels following a surge in case volumes in previous quarters relating to PS 15/12. The gradual reduction in PS 15/12 cases, which were less complex than typical cases, is the overwhelming contributing factor to this increase.

The APT for wholesale firm type applications has improved due to increased training of case officers. Additionally, prior to the drop off in PS 15/12 cases more resource was available for these application types.

A 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)							
	Apr - Jun 15		Jul - Sep 15		Oct - Dec 15		Jan - Mar 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	0	52	0	52	0	50	0	38
Wholesale	1	52	0	65	9	49	0	49

2) Volume of approved applications

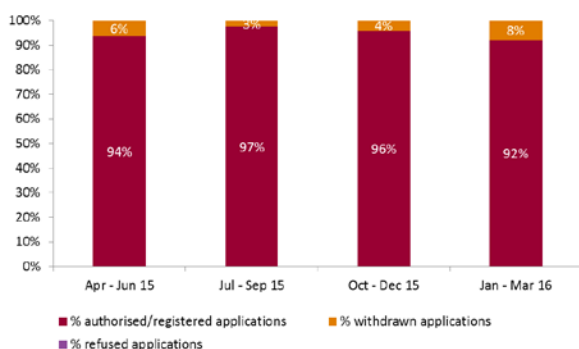


What the chart is saying:

The volume of approved applications for retail firm type applications continues to return to a stable level following the reduction of PS 15/12 applications.

The volume of approved applications remains broadly stable in wholesale firm 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 increased 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

*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.

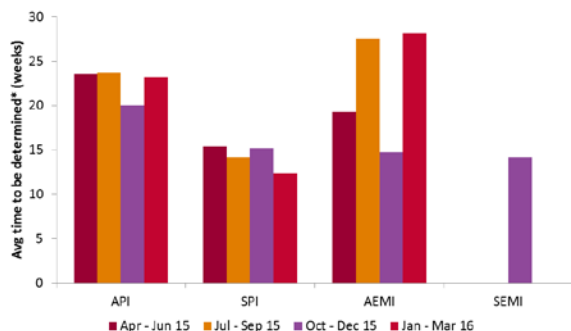
Authorisation and variation of permissions appendix:**Glossary of terms**

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 CIS 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 Authorisation	Investment manager and CIS operator
AIFM (Alternative Investment Fund Managers) Small Registration (excluding EuSEF and EuVECA)	Investment manager and CIS operator
AIFM (Alternative Investment Fund Managers) Full Scope	Investment manager and CIS operator
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:

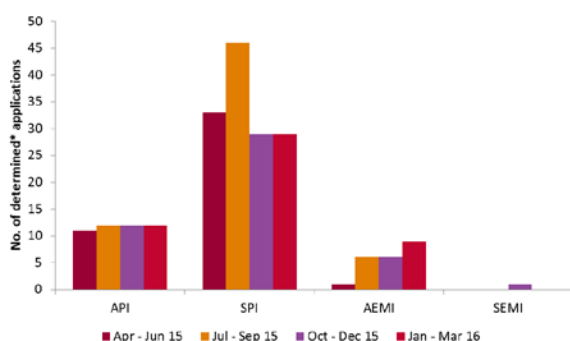
Although the APT has increased slightly for authorised payment institutions (APIs) in the final quarter, it has remained broadly consistent throughout the year.

Small payment institution (SPI) applications continue to be determined more quickly.

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

Firm type	Minimum and maximum processing times (weeks)							
	Apr - Jun 15		Jul - Sep 15		Oct - Dec 15		Jan - Mar 16	
	Min	Max	Min	Max	Min	Max	Min	Max
API	8	40	11	45	7	40	11	34
SPI	2	45	2	42	5	32	2	25
AEMI	19	19	16	39	7	31	14	48
SEMI	N/A	N/A	N/A	N/A	14	14	N/A	N/A

2) Volume of determined** applications

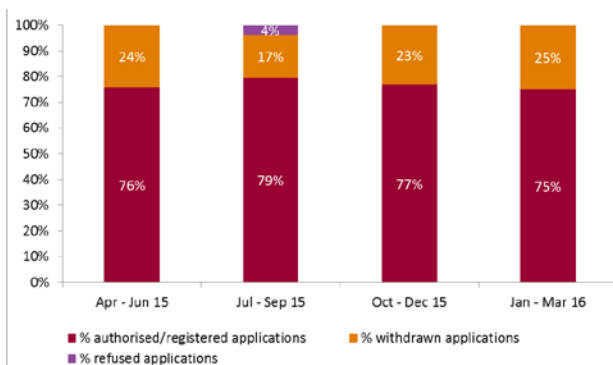


What the chart is saying:

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

The low volume of e-money applications received affects the number of determined cases for AEMIs and SEMIs. A previous increase in determined AEMI applications has been replicated in this quarter and may suggest increased activity in this sector.

3) Distribution of all applications decided



What the chart is saying:

There have been no applications refused 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 requisite knowledge and experience

* APT: the processing time of applications on average over a specified period, from the time we receive the application to the time it is determined**. 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.

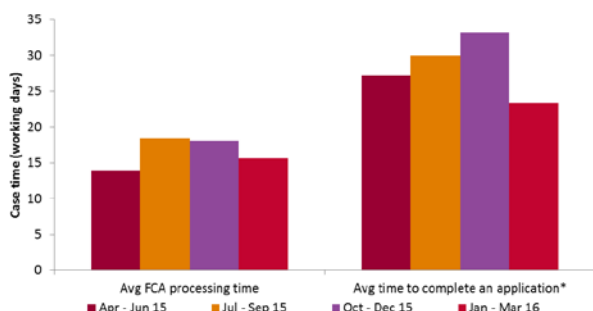
Payment services and e-money appendix:

Glossary of terms

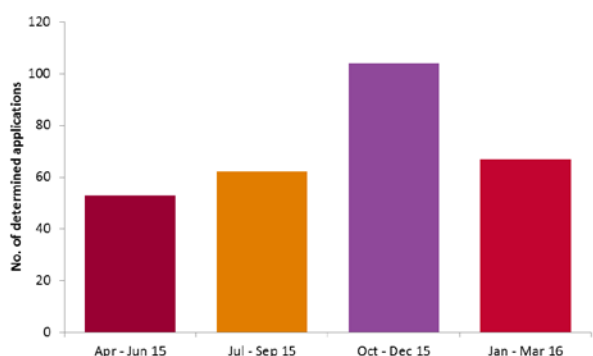
Firm type category	Application type/firm type
API (Authorised Payment Institution)	Authorisation/merchant acquirer
API (Authorised Payment Institution)	Authorisation/mobile phone operator
API (Authorised Payment Institution)	Authorisation/money remitter
SPI (Small Payment Institution)	Registration/bill 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 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

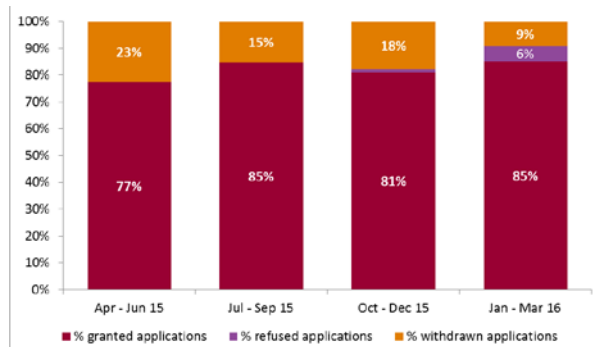
1) Time to complete



2) Volume of applications



3) Application decisions



What the charts are saying:

Chart 1 shows that average FCA processing times* have reduced from 18.1 days in the last quarter of 2015 to 15.6 days in the first quarter of 2016. Meanwhile the average time to complete an application** has gone down significantly from 33.1 days to 23.3 days. This is due to the overall decrease in the volume of cases (Chart 2) and allocation of additional resources to manage workload.

Chart 3 shows that the % of approved applications remains steady at 85% whilst we refused 3 applications and 5 were withdrawn by the applicant firm.

We continue to receive a variety of waiver applications from across the rule books. The proportion of prudential applications remains high and we have also experienced a spike in waivers relating to mortgage rules. This is as a result of the implementation of the Mortgage Credit Directive in March and changes to the MCOB sourcebook, which has widened the scope of regulation.

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 that 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.

*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, less 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

**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.