

# Quarterly KPIs: 2017/2018

**As at March 2018**

## **Introduction**

To enable transparency and as part of our journey to become operationally excellent, these Authorisations Quarterly Key Performance Indicators (KPIs) provide key metrics on the performance of the FCA's Authorisations Division.

### **What is in this publication?**

We publish our service standards on our 'Measuring our Performance' webpages, along with these quarterly KPIs, covering the number of applications received and in flight, and the distribution of processing times and outcomes. Details of applicable services standards are provided in appendices.

We provide KPIs for:

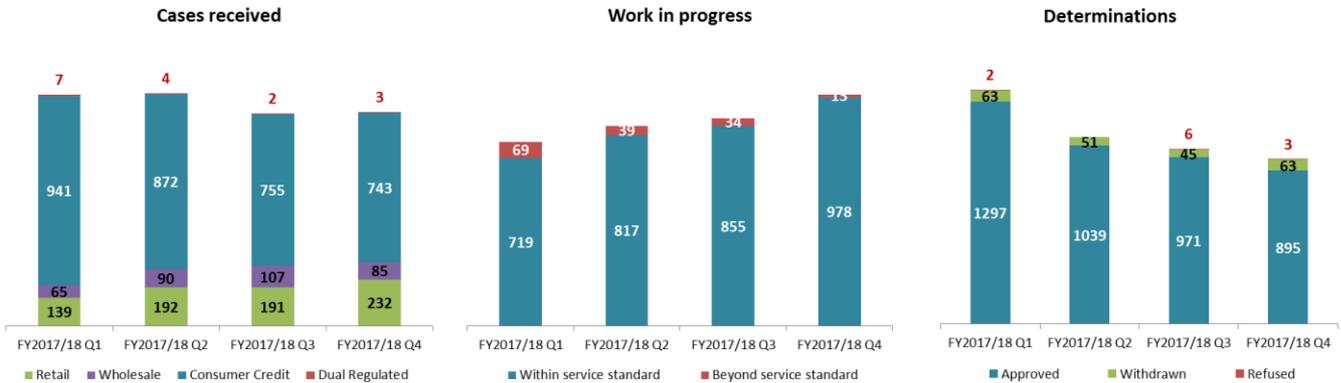
- Authorisations;
- Cancellations;
- Variations of Permission;
- Payment Services and E-money;
- Waivers and Validation Orders;
- Change in Control;
- Approved Persons; and
- Passporting.

Minimum, maximum, mean average, modal (ie most common) and median average processing times are provided by quarter. In addition, open and closed cases that have exceeded service standard timings are shown.

## Authorisations quarterly KPIs:2017/2018

### Authorisations: to process a firm application for a Part 4A permission

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	12.5	<1	6	132.3
FY2017/18 Q2	<1	12.3	<1	5.9	141
FY2017/18 Q3	<1	11	<1	6.6	152.7
FY2017/18 Q4	<1	13.9	<1	9.7	163

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	935	924	98.8%
FY2017/18 Q2	988	979	99.1%
FY2017/18 Q3	1225	1217	99.3%
FY2017/18 Q4	1185	1180	99.6%

Retail authorisation cases received increased by 21% in Q4 2017/18. Wholesale Authorisation cases received reduced by 21%. These changes are consistent with historical fluctuations in volumes. New Authorisation cases required an average of 13.9 weeks to process.

Timelines for dual-regulated firms are set by the PRA. However, for transparency and completeness, we include the cases here. We consider dual-regulated cases closed as at the time we communicate our decision to the PRA. Overall volumes for new authorisations are low but these cases required an average of 36 weeks to process, from date of receipt to communication to PRA, during the four quarters. Pre-application and mobilisation cases are excluded from the figures.

As shown in the Work in Progress chart, the number of open cases that have fallen beyond service standard continues to reduce. This reflects remaining complex consumer credit and peer to peer firms. There remain a very small number of outstanding decisions in this population.

#### Brexit

Brexit-related authorisations cases as part of the temporary permissions regime are also excluded from the figures. We expect to receive approximately 160 of these cases, and have received 45 to date. Three cases have been determined, one approved and two withdrawn, leaving 42 in progress. We have also received an additional 23 Part VII insurance business transfer cases (out of an expected 50) related to Brexit. None have yet been determined. We will provide updates on progress in future quarters.

#### Glossary:

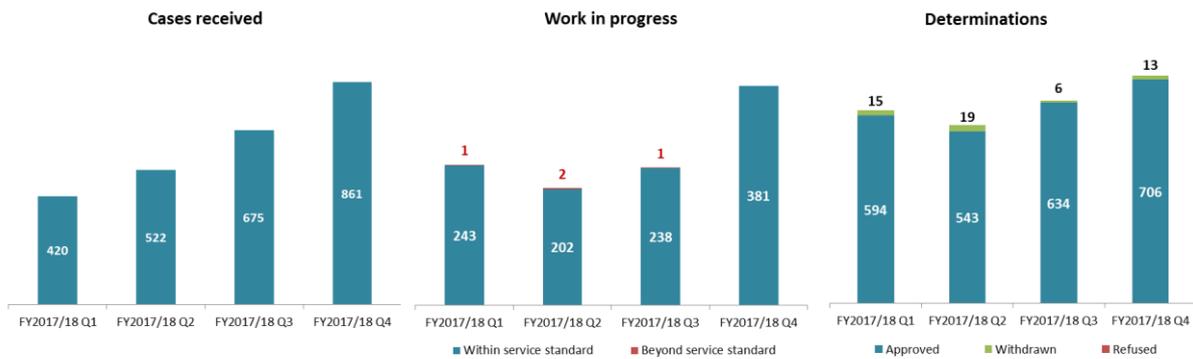
- Retail: Solo-regulated retail investment firms
- Wholesale: Solo-regulated wholesale investment firms
- Consumer Credit: Solo-regulated firms carrying on credit-related regulated activities
- Dual-regulated: Firms regulated by both the Prudential Regulation authority (PRA) and the FCA.

*Note that solo-regulated firms may fall into more than one of the above categories. Cases are assigned to one of the relevant areas according to permissions applied for and overall nature of the firm.*

## Cancellations quarterly KPIs:2017/2018

### Cancellations: to determine an application for Cancellation of Part 4A Permission

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	6.4	1	2.7	74.7
FY2017/18 Q2	<1	5.8	<1	1.4	51
FY2017/18 Q3	<1	4.9	<1	1.1	52
FY2017/18 Q4	<1	4.9	<1	1.6	52

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	450	450	100.0%
FY2017/18 Q2	734	732	99.7%
FY2017/18 Q3	454	453	99.8%
FY2017/18 Q4	447	447	100.0%

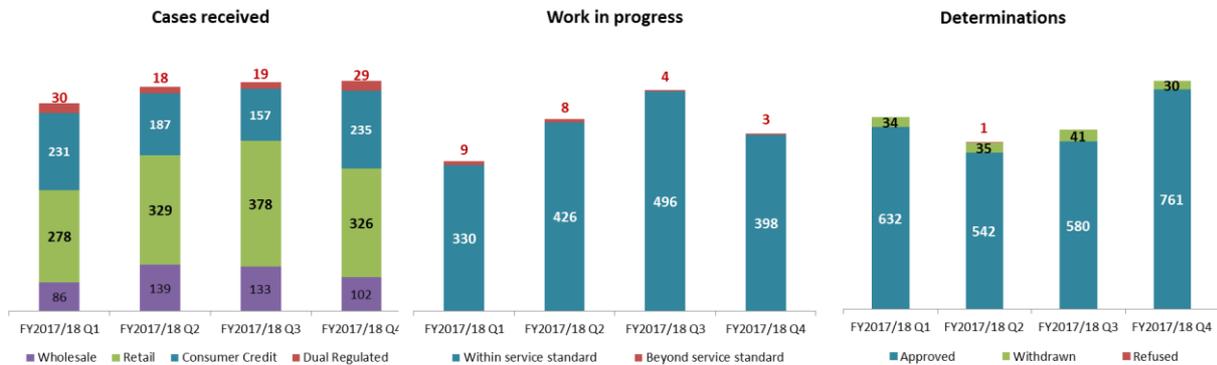
Cancellations have a seasonal pattern where receipts rise in the third and fourth quarters of the financial year. Cases received were considerably higher in this period due to firms seeking to submit their cancellation applications before the 31st March cut-off.

We expect to see a reduction in receipts during the next quarter and for Work in Progress to significantly reduce by the end of this period.

## Variations of Permission quarterly KPIs: 2017/2018

### Variations of permission (VoP): to process an application from an authorised firm for VoP

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	7.8	2	4.6	83.1
FY2017/18 Q2	<1	8.1	<1	5.6	131
FY2017/18 Q3	<1	10.3	<1	8	138.9
FY2017/18 Q4	<1	8.2	<1	6.6	52.7

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	630	625	99.2%
FY2017/18 Q2	692	687	99.3%
FY2017/18 Q3	605	603	99.7%
FY2017/18 Q4	573	569	99.3%

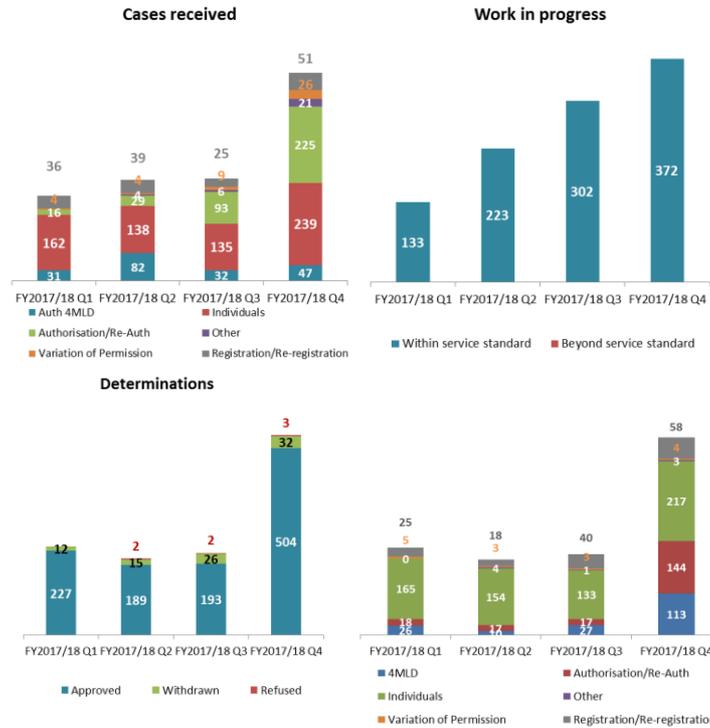
The number of wholesale VoPs has fallen in Q4 by 26%, although we expect the ESMA interventions on CFD firms to result in a significant uptick going into Q1. The bulk of CFD VoPs are likely to involve firms upgrading from IFPRU 125K to IFPRU 730K and will therefore be processed as medium-high risk applications. The VoP breach that has previously been reported is ongoing, due to an insolvency court case.

Consumer credit applications received increased by 55%.

## Payment services and e-money quarterly KPIs: 2017/2018

### Payment services and e-money: to process firm application for authorisation/registration or variation of authorisation/registration

(Applicable service standards: Appendix II)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	5	2	2	52
FY2017/18 Q2	<1	6	1	2.1	52
FY2017/18 Q3	<1	9.1	1	1	157.1
FY2017/18 Q4	<1	10	2	3	162.1

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	46	46	100.0%
FY2017/18 Q2	25	25	100.0%
FY2017/18 Q3	19	19	100.0%
FY2017/18 Q4	21	21	100.0%

With the recent opening of the gateway for PSD2 Re-Authorisation applications, we have seen an increase in applications for both authorisation and re-authorisation in the last quarter. This influx of PSD2 cases (in particular firms applying to re-authorise) and a large number of interconnected VoP cases has led to a significant increase in our WIP.

The number of determinations has risen sharply as we started determining the first of the Re-Authorisation cases we had received. The percentage of withdrawals also increased slightly in this quarter, but again this will vary over time and is dependent on the nature of cases.

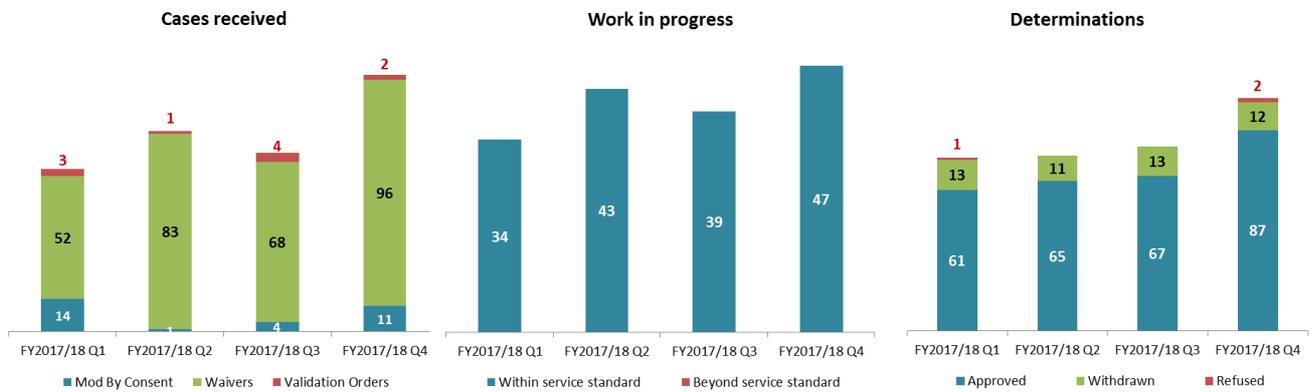
Average processing times are heavily influenced by the volume of Individuals cases, which are dealt with over a short timescale. The mean average processing times over the quarter for each type of case were: 4MLD – 24 weeks; Authorisation/Re-authorisation – 9 weeks; Registration/Re-registration – 16.5 weeks; Individuals – 1.5 weeks; Variation of Permission – 7.5 weeks.

The 162 week case relates to a 4MLD case which is now closed following the failure of the firm to provide necessary information.

#### Glossary:

- 4MLD: Fourth Money Laundering Directive cases
- API: Authorised Payment Institution
- AEMI: Authorised E-Money Institution
- SPI: Small Payment Institution
- SEMI: Small E-Money Institution

## Waivers and Validation Orders KPIs: 2017/2018



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	5.4	<1	1.6	39
FY2017/18 Q2	<1	4.4	2	2.1	40
FY2017/18 Q3	0.1	4.9	1	2.1	30.7
FY2017/18 Q4	<1	5.7	<1	1.3	83.6

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	n/a	n/a	n/a
FY2017/18 Q2	n/a	n/a	n/a
FY2017/18 Q3	n/a	n/a	n/a
FY2017/18 Q4	n/a	n/a	n/a

Receipts increased by over 40% in Q4 FY2017/19. Determinations also increased but not by enough to keep pace with receipts, resulting in an increase in Work in Progress of eight cases.

The fluctuation in mean average processing time is largely a result of changes in the mix of case complexity.

The long maximum processing time in Q4 was due to a long-aged validation order case. The Waivers Team has standardised its process and risk tolerance for assessing validation order cases. Given the lessons learnt on these complex cases combined with an on-going focus on process improvement, the maximum processing time in respect of cases received in recent quarters is expected to improve.

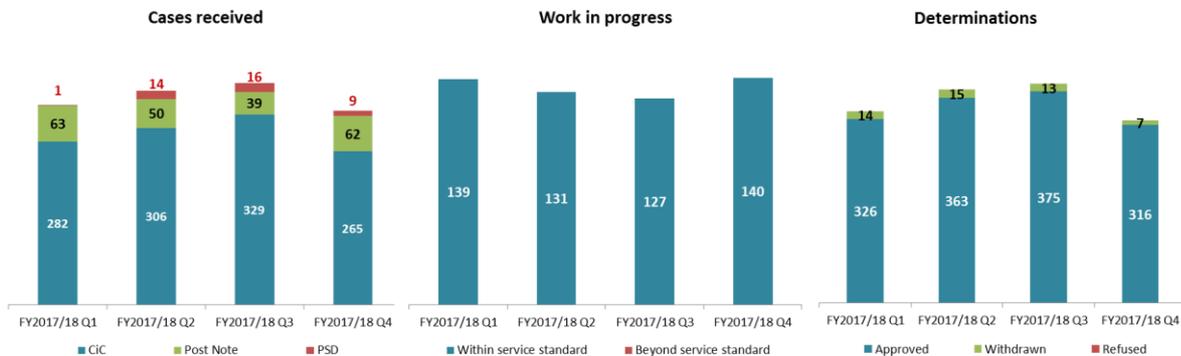
### Glossary:

- Waiver: A waiver or modification to handbook rules
- Mod By Consent: A notification to apply a modification that is made available to a selection of firms
- Validation Order: Validation of consumer credit agreements, currently processed by Waivers team

## Change in Control KPIs: 2017/2018

### Change in Control: to process an application from an authorised firm for a Change in Control (CiC)

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	5	1	3.3	39.4
FY2017/18 Q2	<1	5.1	2	3.3	50
FY2017/18 Q3	<1	4.3	1	2.6	40.3
FY2017/18 Q4	<1	4.8	1	3.4	46

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	285	285	100.0%
FY2017/18 Q2	271	271	100.0%
FY2017/18 Q3	299	299	100.0%
FY2017/18 Q4	321	321	100.0%

All Change in Control cases have been determined within the statutory deadlines.

Approximately 90% of Change in Control cases are deemed to be low risk and/or straight-forward. These cases are usually completed within three weeks.

Where cases are not low risk or straight-forward, the FCA may need to liaise extensively with internal and external stakeholders including foreign regulators and/or pose questions to the notice-giver(s).

The absence of any case refusals in the prior twelve months is attributable to the 3.5% withdrawal rate. When an application cannot be approved, the notice-giver is encouraged to withdraw and re-submit when ready.

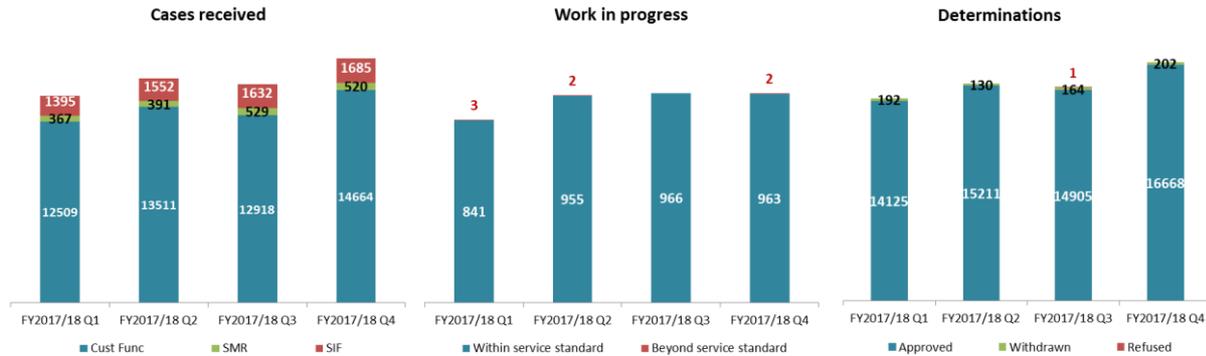
#### Glossary:

- CiC: Notification of an intended Change in Control
- Post Note: Notification a de-facto change in control (e.g. decrease in ownership)
- PSD: Payment Services Directive-Related Case

## Approved Persons KPIs: 2017/2018

### Approved Persons: to process an application for approved person status

(Applicable service standards: Appendix III)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	0.9	<1	0.1	91.7
FY2017/18 Q2	<1	0.7	<1	0.1	81.4
FY2017/18 Q3	<1	0.7	<1	0.1	62.1
FY2017/18 Q4	<1	0.8	<1	0.1	108.9

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	4946	4938	99.8%
FY2017/18 Q2	5056	5054	100.0%
FY2017/18 Q3	5326	5325	100.0%
FY2017/18 Q4	5304	5302	100.0%

Overall receipts continued to increase in Q4 17/18 largely due to an increase in notifications from firms informing us that individuals had ceased to undertake controlled functions and/or the termination of Appointed Representatives contracts. This is likely to be linked to the end of the financial year.

Work in Progress (WiP) remained consistent with Q3 due to an increase in determinations of 11%. Most cases are short-lived and so the level of WiP at quarter-end is mostly a function of the number of cases received in the preceding 1 - 2 weeks.

The majority of cases are low-risk and processed well within 5 - 10 days. We continually review our case management processes and upskill our teams in order to ensure an effective risk-based approach.

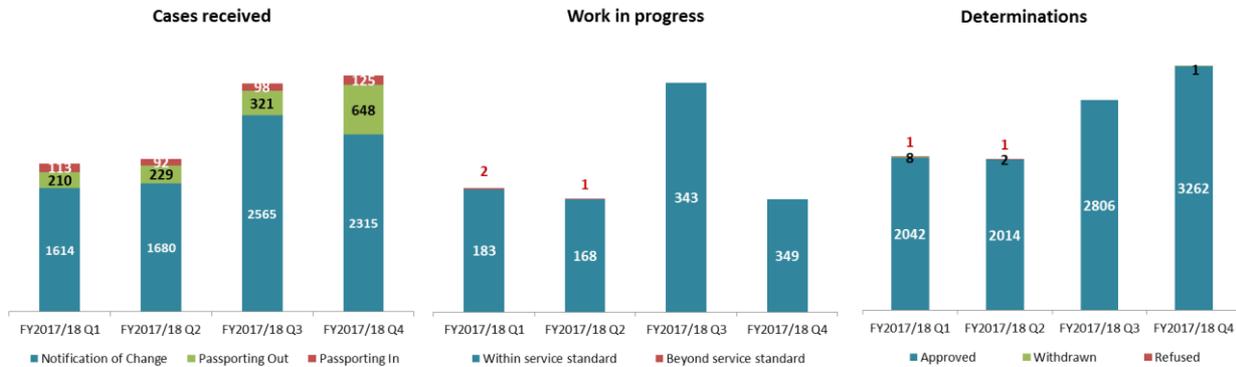
#### Glossary:

- SMR: An application in respect of individuals from a firm covered by the Senior Managers & Certification Regime.
- SIF: Any application from an individual performing or applying to perform a "Significant Influence Function."
- Customer Function: Any application from an individual, approved person or appointed representative not covered under the above two categories. For example, an application to become an approved person, or an application to cancel an approved person permission.

## Passporting KPIs: 2017/2018

**Passporting: to process an application from a firm authorised in the UK to carry out business in another EEA member state or process an application from a firm authorised in another EEA member state to carry out business in the UK and process a notification of change from the same**

(Applicable service standards: Appendix IV)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2017/18 Q1	<1	1.5	<1	1.1	12.7
FY2017/18 Q2	<1	1.3	<1	1	18.3
FY2017/18 Q3	<1	0.9	<1	0.3	11.9
FY2017/18 Q4	<1	0.9	<1	0.1	12.6

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2017/18 Q1	1984	1978	99.7%
FY2017/18 Q2	1967	1966	99.9%
FY2017/18 Q3	2429	2429	100.0%
FY2017/18 Q4	3311	3302	99.7%

Case volumes have continued to rise, though these do not necessarily reflect an increase in Passporting activity - but a greater delineation of cases types required under MiFID II and PSD2.

The mean average processing time for Passporting cases is holding steady at 0.9 weeks.

### Glossary:

- Notification of change: Notification of changes to particulars or to cancel a passport or tied agent.

## Appendix I: Relevant Service Standards: Solo-Regulated Permissions

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

<b>ID</b>	<b>Area</b>	<b>Description</b>	<b>Target</b>
<b>A1.1a</b>	Corporate Authorisations	To process a complete application for Part 4A permission	100% within six months of a complete application (s55V(1)) or within 12 months of receipt of an incomplete application (s55V(2))
<b>R5.1</b>	VoPs	To process a complete application from an authorised firm for Variation of Permission	100% within 6 months of becoming complete (s55v(1)) or 12 months of receipt of an incomplete application (s55v(2))
<b>R8.1a</b>	Cancellations	To determine an application for Cancellation of Part 4A Permission	100% within 6 months of becoming complete (s55V(1)) or 12 months of receipt of an incomplete application (s55V(2))
<b>R6.1</b>	Change in Control	To make a decision following receipt of a 'valid' notification to approve a change in control: Either to notify the s178 notice-giver that the change in control has been approved or to give them a warning notice	100% within 60 working days of acknowledgment of receipt (s189(1))

## Appendix II: Relevant Service Standards: Payment Services

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

<b>ID</b>	<b>Area</b>	<b>Description</b>	<b>Target</b>
<b>PS1</b>	Payment Services	To process a complete application for authorisation under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>PS2</b>	Payment Services	To process a complete application for authorisation under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>PS3</b>	Payment Services	To process a complete application for registration under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>PS4</b>	Payment Services	To process a complete application for registration under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>PS5</b>	Payment Services	To process a complete application for a variation of registration under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>PS6</b>	Payment Services	To process a complete application for a variation of registration under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>PS7</b>	Payment Services	To process a complete application for a variation of authorisation under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>PS8</b>	Payment Services	To process a complete application for a variation of authorisation under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
<b>A1.2</b>	3MLD	To process Money Laundering registrations	100% within 45 calendar days of receipt of application or receipt of any further required information (Reg 34(4) MLRs)

### Appendix III: Relevant Service Standards: Approved Persons

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

ID	Area	Description	Target
R1.1a	Approved Persons	To process an application for approved person status	100% within 3 months of receipt unless attached to an application for part 4A permission (when it is the later of (i) 3 months after receipt or (ii) 6 months after receipt of a complete application for part 4A permission, or 12 months after receipt of an incomplete

## Appendix IV: Relevant Service Standards: Passporting

ID	Area	Description	Target
<b>R10.1</b>	Passporting	To process a notification of changes by a firm authorised by the FSA already carrying out business in another EEA member state, under freedom of establishment, within the timeframe set by the relevant directive	100% within one month of notification
<b>R10.2</b>	Passporting	To process a notification of changes by a firm authorised by the FSA already carrying out business in another EEA member state, under freedom of services, within the timeframe set by the relevant directive	100% within one month of notification
<b>N3.1</b>	Passporting	(Inward establishment) To process a notification received via another EEA member state for one of its authorised firms to carry out business in the UK, under freedom of establishment, within timeframe set by relevant directive	100% within two months of receipt (Sch 3, 13)
<b>N3.2</b>	Passporting	(Inward service) To process a notification received via another EEA member state for one of its authorised firms to carry out business in the UK, under freedom of services, within the timeframe set by the relevant directive	100% within two months of receipt (Sch 3, 14)
<b>N4.1</b>	Passporting	(Outward establishment) To process a notification received from a UK authorised firm to carry out business in another EEA member state, under freedom of establishment, within the timeframe set by the relevant directive	100% within three months of receipt (Sch 3,19) [Note that the required period is less under some directives]
<b>N5.1</b>	Passporting	(Outward service) To process a notification received from a UK authorised firm to carry out business in another EEA member state, under freedom of services, within the timeframe set by the relevant directive	100% within one month of receipt (Sch 3, 20)