

Quarterly KPIs: 2015/2016

As at September 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the distribution of all decisions, i.e. the percentage of applications that have been authorised, registered, granted, withdrawn or refused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 This includes context on why applications are refused or withdrawn and why the APT may have changed.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 This includes applications that may subsequently be withdrawn because they have not met the necessary conditions, or where the applicant subsequently retracts their application.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: 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:

We have seen a better than anticipated improvement in our APT for both retail and wholesale firm type applications. The APT for retail firm type applications has improved as a result of temporary staff becoming fully proficient. The APT for wholesale firm type applications has improved due to process improvement and temporary staff becoming fully proficient.

Minimum processing time of zero weeks reflects applications which have been processed in between one and three days. The maximum processing time of ninety weeks reflects a peer-to-peer application.

Firm type	Minimum and maximum processing times (weeks)							
	Oct-Dec15		Jan-Mar16		Apr-Jun 16		Jul-Sep 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	6	52	0	50	0	74	0	90
Wholesale	2	69	5	55	2	53	1	52

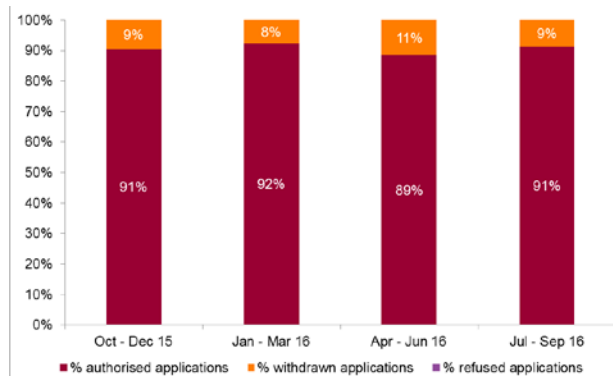
2) Volume of determined applications



What the chart is saying:

As expected we see a continued improvement in the volume of determined applications for both retail firm type and wholesale firm type applications. This is due to the increasing proficiency of new staff.

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 decreased but remains consistent throughout the year.

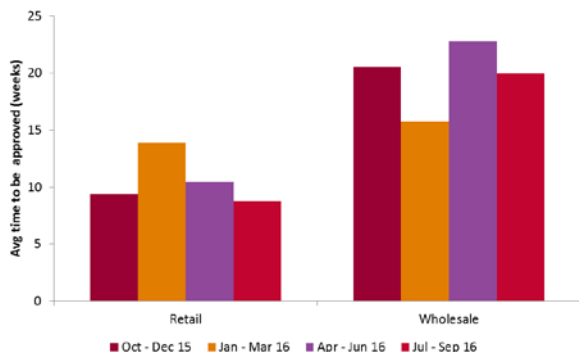
Firms most commonly withdraw when:

- 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: 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



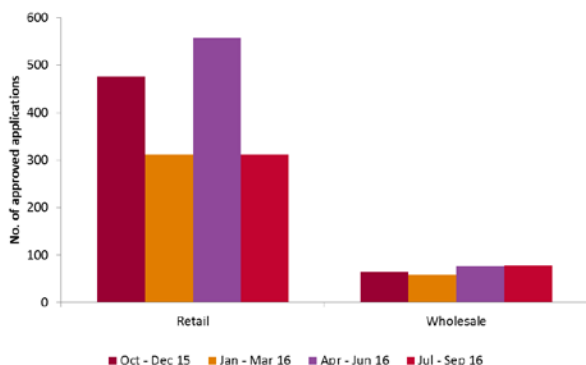
What the chart is saying:

Our APT for retail firm type applications and wholesale firm type applications has improved as a result of cross team training which has enabled case officers to manage a wider range of cases and ultimately determine applications more quickly.

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)							
	Oct-Dec 15		Jan-Mar 16		Apr-Jun 16		Jul-Sep 16	
	Min	Max	Min	Max	Min	Max	Min	Max
Retail	0	50	0	38	0	44	0	49
Wholesale	9	49	0	49	0	56	0	53

2) Volume of approved applications

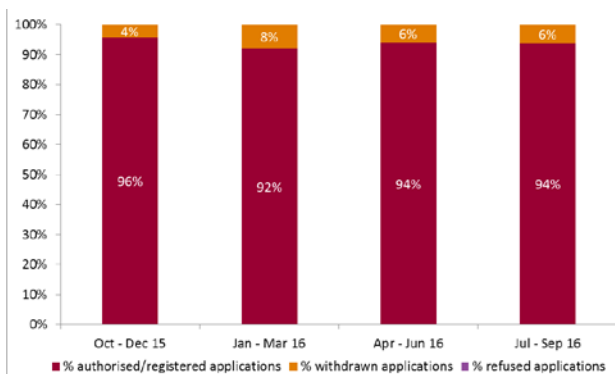


What the chart is saying:

The volume of determined retail firm applications reduced to more consistent levels in the last quarter. The reason for the difference between this and the previous quarter relates to the number of low complexity, high volume applications which we processed during April to June to train new staff. The team dealt with more time consuming and complex applications during the current quarter and this, coupled with absence due to the summer holiday period, contributed to the numbers returning to a more stable level.

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 remained stable.

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

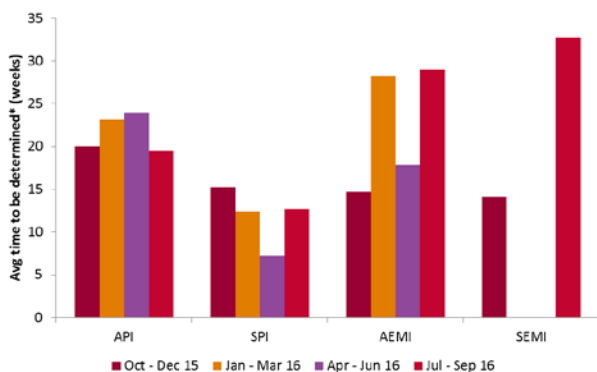
**Authorisation and variation of permissions appendix:
Glossary of terms**

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: 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 decreased slightly for authorised payment institutions (APIs) in the last quarter, it has remained broadly consistent throughout the year. The APT for small payment institutions (SPIs) has increased slightly, primarily due to a number of applicants not responding to requests in a timely manner.

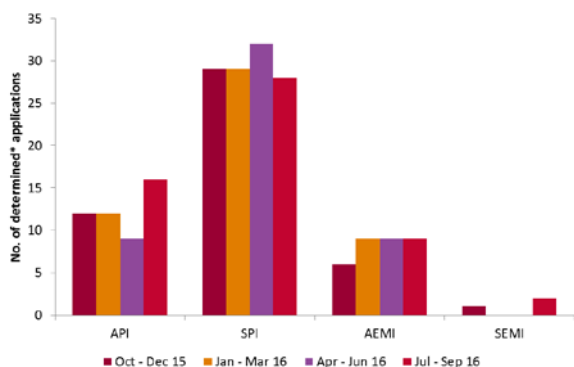
The APT for authorised electronic money institutions (AEMIs) has increased in this period primarily due to a number of firms being unable to immediately satisfy the conditions of authorisation.

Due to the comparatively low volume of e-money applications that we receive from AEMIs and Small Electronic Money Institutions (SEMIs) and determine in any given period, there can be significant changes in the APT from time to time.

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

Firm type	Minimum and maximum processing times (weeks)							
	Oct-Dec 15		Jan-Mar 16		Apr-Jun 16		Jul-Sep 16	
	Min	Max	Min	Max	Min	Max	Min	Max
API	7	40	11	34	6	45	8	47
SPI	5	32	2	25	1	34	2	39
AEMI	7	31	14	48	6	44	6	52
SEMI	14	14	N/A	N/A	N/A	N/A	32	33

2) Volume of determined applications



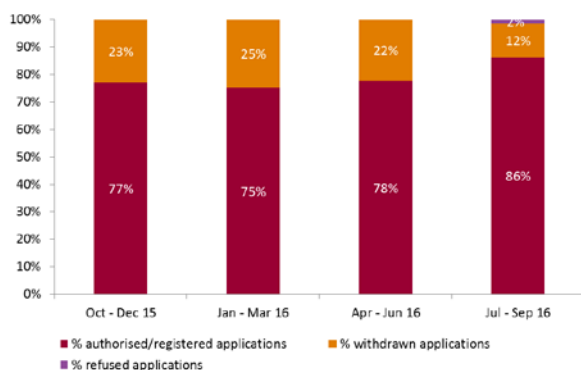
What the chart is saying:

The volume of determined API cases has increased primarily due to additional staff being recruited and trained.

The volume of determined SPI cases has remained broadly stable during the year.

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 refused one application this quarter.

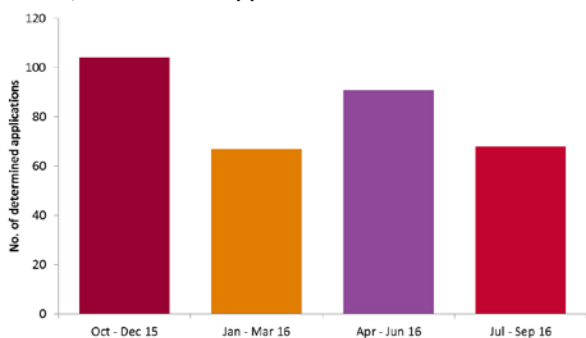
The percentage of withdrawals has decreased. Although the ability of API and AEMI applicants to satisfy conditions relating to safeguarding of customer funds remains an issue, this situation appears to have improved over the last period. This has contributed to fewer applications being withdrawn.

**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) Volume of applications



What the charts are saying:

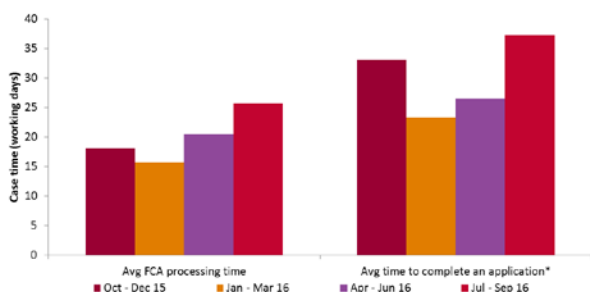
During July to September 2016, 68 applications for waivers and modifications were determined, which is lower than in the previous quarter. This number is typical for the period covered largely due to the fact that we generally receive fewer applications during the month of August.

The average time to complete an application in the previous quarter increased to 37 days. This is due to a number of long-running, complex cases closing which has pushed up the average. We expect a decrease in this figure in the future.

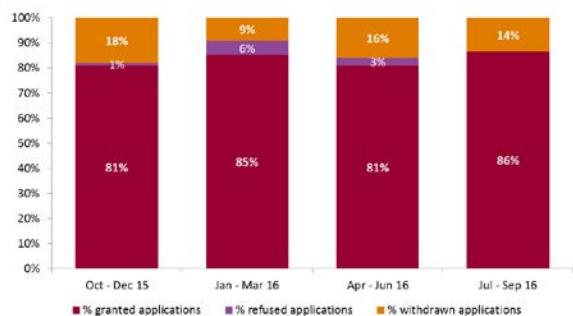
There were no refused applications during the last quarter. Applications are refused when the applicant cannot demonstrate that:

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

2) Time to complete



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