

**The FCA's response to the  
Complaints Commissioner's Report 202201743  
Published on 21 March 2025**

We have carefully considered the Complaints Commissioner's Final Report. We accept the Financial Services Register (FS Register) entry for Firm X was not accurate for a period. But we do not accept this inaccurate entry caused the complainant to incur legal fees. Therefore, we do not accept the Commissioner's recommendation to pay any portion of the complainant's legal fees.

Legal fees were incurred when the complainant decided to challenge a decision made by the Financial Ombudsman Service (Financial Ombudsman) in October 2022 about whether it could consider their complaint about Firm X.

The complainant issued legal correspondence to the Financial Ombudsman, challenging their October 2022 decision. The Financial Ombudsman reviewed its decision and issued 2 further decisions: a provisional decision in August 2023 and a decision in January 2024.

The Financial Ombudsman concluded the activity being complained about was not provided into the UK and was therefore outside of their jurisdiction. The Financial Ombudsman did not mention the FS Register in these decisions.

In relation to the legal status of Firm X, when Firm X merged with Firm Y to create Firm XY in May 2021, it ceased to exist. However, Firm XY was the legal successor to all rights and obligations of Firm X. This took place under a process or concept which has no equivalent in the UK.

We accept the complainant contacted the FCA on several occasions to inform us about the inaccurate FS Register entry for Firm X, commencing in November 2022 (after the referral of the complaint to the Financial Ombudsman). We recognise that we also had opportunities to pick up on Firm X's merger before the complainant contacted us.

It took us too long to understand the nature of the concerns being raised by the complainant and we should have handled this better. Because of this, we will apologise to the complainant for the distress and inconvenience caused and offer an ex-gratia payment of £400.

Our investigation into how we handled Firm X and Firm XY established that the issue arose due to the very specific circumstances relating to how the merger process works in the European Union (EU) and its interaction with Brexit and the 'Temporary Permissions Regime', a regime that was established to manage the transition of EU firms operating in the UK, and so will not re-occur. However, we will make information available to colleagues about how firm mergers work in the EU to support learning and development in the future.

We accept the Commissioner's recommendation in paragraph 12 and we are already currently undertaking a case management optimisation programme which includes reviewing our case management processes to improve the efficiency of handovers and records management. We will update the Commissioner as requested in 6 months' time.

We acknowledge the Commissioner's separate letter on this case and will provide a response to her.