

**Sent by email****28 May 2025**

Our reference: 207229843

Dear Complainant,

**Complaint to the Financial Conduct Authority regarding Basset & Gold Plc (B&G), Basset Gold Ltd (Basset Gold) and B&G Finance Ltd (BGF)**

1. We are writing to you following the completion of our investigation into complaint allegations made by you and other investors regarding B&G, Basset Gold and BGF.
2. Firstly, we are sorry that you have suffered financial loss and have a great deal of sympathy for your situation. Losing any sum of money can be deeply upsetting and a cause of significant worry and frustration.
3. We are also sorry for the length of time it has taken for us to respond to your complaint, which we accept may have added to any distress. It was important that we allowed regulatory work by the FCA to conclude, which meant that the investigation of your complaint was deferred between March 2021 and September 2023. We cover the FCA's response to this delay later in this letter.

**Your complaint**

4. We received a number of complaints from May 2020 about the actions and/or inactions of the FCA in relation to B&G, Basset Gold and/or BGF, including yours.
5. We wrote to you initially with a summary of our understanding of your complaint. We have also previously explained that our investigation of complaints into this matter was deferred for a period in accordance with paragraph 3.7 of the relevant [Complaints Scheme](#) (the Scheme).

6. On 13 September 2023, we wrote to you explaining that the deferral of the complaint investigation had been lifted and that we were resuming our investigation.

### **Complaint allegations**

7. As part of our investigation, we have grouped the complaints we have received into 5 complaint allegations:

*Complaint allegation 1: There was a failure by the FCA with regard to the authorisation of B&G and Basset Gold through its principals, [Thornbridge Investment Management LLP](#) (Thornbridge) and [Gallium Fund Solutions Ltd](#) (Gallium).*

*Complaint allegation 2: There was a failure by the FCA with regard to the supervision of B&G and Basset Gold through its principals, Thornbridge and Gallium.*

*Complaint allegation 3: There was a failure by the FCA with regard to the authorisation of BGF.*

*Complaint allegation 4: There was a failure by the FCA with regard to the supervision of BGF.*

*Complaint allegation 5: The FCA should have stopped B&G selling mini-bonds sooner and that if the FCA had acted sooner, it would have prevented people from investing.*

### **Remedy sought**

8. You have asked the FCA to apologise and to pay compensation for the loss of your investment(s) and/or for the distress and inconvenience caused by the FCA.

### **Our decision on your complaint and the Remedy you are seeking**

9. Following a detailed investigation in accordance with the Scheme, including careful consideration of the FCA's actions and the wider circumstances of B&G and related entities, we have upheld 3 of the 5 complaints as we found that:
  - a. We did not holistically consider all information about B&G and related entities whilst they were Appointed Representatives (AR) of Gallium and Thornbridge (Complaint allegation 2); and

- b. There were failings by the FCA in relation to the authorisation and supervision of BGF (Complaint allegations 3 and 4).
- 10. Taking the factors in paragraph 7.14 of the Complaints Scheme into account, our view is that the appropriate remedy is an apology to all complainants.
- 11. We acknowledge that the FCA did not meet all the standards you are entitled to expect.
- 12. Notwithstanding the failings identified in complaint allegations 2, 3 and 4, the FCA was not the direct cause of your losses; rather, this was caused by the failure of B&G and related entities. Issuing mini-bonds is not a regulated activity. Although B&G and Basset Gold were ARs that appeared on the Financial Services Register, the FCA did not directly regulate or approve the registration of these companies as ARs. This was the responsibility of the principal firms.
- 13. The majority of investors in B&G mini-bonds have received redress directly from Gallium or through the Financial Services Compensation Scheme (FSCS). We understand that a very small number of complainants have not been able to recover all their losses because they invested beyond the FSCS protection limit.

### **Delay in responding to your complaint**

- 14. We are sorry for the length of time it has taken us to respond to your complaint. To recognise the delay, we would like to offer you an ex-gratia payment of £200 in line with our published [approach](#).
- 15. We would be grateful if you could let us know by 13 June 2025 if you would like to accept this payment. If you require further time to consider this offer, please let us know.
- 16. If you would like to accept the payment as detailed above, please provide your acceptance and your bank details, namely the name on the account, sort code, account number and the name of the bank/building society where the account is held. We will arrange for a payment to be sent to you by electronic transfer.

### **Information we can share**

- 17. There are limits to the information that the FCA can share in its responses to complainants. This is informed by the circumstances of each complaint investigation. If we cannot share certain information with you, it is because restrictions under the Financial Services and Markets Act 2000

(FSMA), the UK General Data Protection Regulation and the Data Protection Act 2018 prevent us from doing so.

## **Summary of our findings**

### ***Complaint allegation 1: There was a failure by the FCA with regard to the authorisation of B&G and Basset Gold through its principals, Thornbridge and Gallium***

18. We have not upheld this complaint allegation.
19. B&G was an AR of two firms, Thornbridge and Gallium, from October 2016 until 28 February 2018.
20. Basset Gold was an AR of Gallium from 17 February 2017 until 28 February 2018. On 20 March 2017, Gallium submitted notification to the FCA that Basset Gold would commence using the trading name "Basset & Gold".
21. Both B&G and Basset Gold were responsible for the sale of mini-bonds until 28 February 2018.
22. In broad terms, the [AR regime](#) permits unregulated firms or individuals to carry out regulated activities under the oversight of a regulated firm. This regulated firm is called a principal. The law governing ARs exempts them from the need to obtain authorisation in relation to the regulated activity for which its principal has accepted responsibility. An AR is a person who is party to a contract with an authorised person (the principal) which permits or requires them to carry out certain regulated activities and for whose activities the principal accepts responsibility.
23. In this case the principal firms, Thornbridge and Gallium, were responsible at the relevant times for ensuring, on an ongoing basis, B&G and Basset Gold complied with FCA rules and requirements. Should issues be identified with B&G or Basset Gold, the FCA was only able to use its supervisory powers through engagement with its principals.
24. Certain individuals performing controlled functions within ARs require approval under the Approved Persons regime. The FCA may only grant an application for approval of an individual if it is satisfied that the candidate is fit and proper for the role. We are satisfied that the relevant process was correctly followed in 2016 to 2018 for the B&G Approved Person applications.

25. The FCA does not have an approval role in relation to the appointment of ARs. When an authorised firm appoints an AR, it is required to notify us of that appointment. In general we do not have the power to refuse that appointment or refuse to add the appointed AR's details to the Financial Services Register. It is the principal firm's decision whether to appoint a firm to carry out regulated activities on its behalf as an AR. The principal firm is required to oversee the firm it is appointing, and it is also responsible for the AR's conduct.
26. This means that B&G and Basset Gold were not authorised by the FCA. As a result, we have not upheld this complaint allegation.

***Complaint allegation 2: There was a failure by the FCA with regard to the supervision of B&G and Basset Gold through its principals, Thornbridge and Gallium***

27. We have upheld this complaint allegation. We are sorry for the failures by the FCA in this regard.
28. As we explained above, the FCA did not directly regulate or supervise B&G or Basset Gold. However, our investigation identified that there were missed opportunities in the FCA's supervision of B&G through its principals particularly in relation to identifying that investors' funds were predominantly invested (through an intermediary company) in Uncle Buck Finance LLP (Uncle Buck), a high-cost short term credit lender, and in not fully investigating concerns relating to promotional activities.
29. For example, concerns were raised with Thornbridge in relation to B&G's financial promotions in November 2016, which were resolved by December 2016. At the same time, concerns about the sustainability of B&G's business model and the potential for its investments to be categorised as non-mainstream pooled investments were brought to Thornbridge's attention by the FCA's supervision.
30. In 2017 and 2018, the FCA was made aware of several further concerns, including misleading advertisements, banner promotions, and a lack of appropriate financial risk warnings in B&G and Basset Gold's financial promotions. While we found that, in many instances, the FCA's supervision teams acted promptly, logging risk events and engaging with Gallium where necessary, these issues were addressed individually rather than being addressed collectively.
31. Additionally, the FCA missed opportunities to connect, and therefore appropriately assess the relevance of intelligence held across the organisation.

32. Had all the available information above been taken together holistically, it may have impacted the FCA's engagement with the principals in relation to B&G and Basset Gold while they were ARs of Gallium and Thornbridge. However, we do not consider these missed opportunities altered the outcome of the FCA's interactions with the principals, or had an impact on B&G's ultimate failure.

***Complaint allegations 3 and 4: There was a failure by the FCA with regard to the authorisation and supervision of BGF***

*Complaint allegation 3 – Authorisation*

33. We have upheld this complaint allegation. We are sorry for the failures by the FCA in this regard.
34. BGF was incorporated on 24 July 2017 and applied to the FCA for authorisation on 29 August 2017 (while B&G and Basset Gold were ARs of Gallium). Authorisation was granted on 2 January 2018.
35. Our investigation identified missed opportunities during the authorisation process of BGF. These included, the handling, sharing and consideration of intelligence held by the FCA and the FCA's ability to assess intelligence and other material to identify connections between relevant individuals and entities to form a full picture of BGF (including its connections to B&G and Basset Gold). Had those conducting the authorisation process been fully sighted and assessed these at the time of the authorisation process, connections could have been identified between B&G and the related entities. This may have led to further consideration of the authorisation of BGF.
36. Ultimately, while there were missed opportunities in that process, we cannot definitively say that these would have changed the outcome of BGF's authorisation. For instance, although it is noted that certain intelligence was not considered, this does not automatically imply that the authorisation would have been refused. Some intelligence may not have met the threshold required for authorisations to rely on it to refuse the application, meaning the result would have remained the same.
37. Additionally, the approval of BGF did not change the conduct of B&G and we consider that refusal of BGF's application would not have stopped B&G selling further bonds. B&G continued to sell mini-bonds under the regulatory oversight of Gallium during the BGF application process and for 8 weeks after approval of BGF, when B&G ceased to be an AR of Gallium on 1 March 2018.

#### *Complaint allegation 4 – Supervision*

38. We have upheld this complaint allegation. We are sorry for the failures by the FCA in this regard.
39. From 1 March 2018, BGF acted as an intermediary between B&G and investors, arranging investments in the bonds issued by B&G. BGF was also responsible for the sale of the mini-bonds and approval of B&G's financial promotions.
40. As noted above, the funds B&G raised via its bonds were almost entirely invested in Uncle Buck. Following engagement with the FCA, BGF agreed to suspend B&G's bond issuances from May 2019 as the destination of the funds was unclear in the marketing, and due to concerns about liquidity risk from the poor performance of Uncle Buck's loan book.
41. Uncle Buck entered administration on 27 March 2020, followed by B&G and BGF on 1 April 2020. Basset Gold was dissolved following voluntary strike-off on 12 January 2021. By July 2022, B&G, BGF and Uncle Buck were all dissolved.
42. We have identified missed opportunities in the supervision of BGF. The FCA failed to consider the structure of B&G and related entities, including Uncle Buck, in a comprehensive way to identify risks which may have identified potential consumer harm earlier. The FCA focused on B&G's financial promotions individually, rather than as a whole. It also engaged with BGF over a prolonged period without considering the full scope of concerns. However, we are satisfied that the relevant process at the time was correctly followed in considering these all the Approved Person applications relating to BGF.
43. Throughout 2018, the FCA received notifications about B&G's potentially misleading financial promotions. This resulted in ongoing engagement with BGF, who were approving and communicating financial promotions relating to B&G mini-bonds.
44. The FCA directed BGF to make changes to its promotions to provide the required transparency as to the risks associated with the mini-bonds and the destination of the money invested. BGF made improvements to its website advertising in December 2018.
45. The FCA gave careful consideration to using its intervention powers in relation to BGF. This resulted in an agreement that BGF would issue a letter to warn B&G bond investors of the [concentration risk](#). The FCA decided that this was the appropriate course of action with the firm,

noting at the time the FCA was balancing other supervisory priorities including responding to other mini-bond concerns. But we accept that the content of this letter did not go far enough to provide the clarity and transparency to consumers.

46. The FCA maintained ongoing engagement with BGF through 2018, but the issues persisted into 2019. Following further engagement with BGF and after extensive internal discussions, in April 2019, the FCA secured agreement from BGF to implement measures including the withdrawal of B&G's mini-bond promotions from both the BGF and B&G websites, and the suspension of the planned B&G mini-bond issuance for May 2019.
47. While accepting there were failures in this complaint allegation, the FCA's risk-based approach to supervision requires making choices and prioritisation decisions. Given these different factors, we believe it was reasonable that the FCA acted when it did during 2019 and did not take more significant supervisory interventions to suspend issuance before then.

***Complaint allegation 5: The FCA should have stopped B&G selling mini-bonds sooner and that if the FCA had acted sooner, it would have prevented people from investing***

48. We have not upheld this complaint allegation.
49. While we recognise complaint allegations 2, 3 and 4 that there were missed opportunities for the FCA to have acted sooner and potentially reduce the total amount invested by consumers, we believe the risk-based approach taken by the FCA at the time to be reasonable and proportionate.
50. In particular, it is our view that the FCA adopted a measured and controlled approach. Taking action to halt the sale of mini-bonds at an earlier stage, without fully assessing the broader context and the associated risks and impacts on investors, would not have aligned with the FCA's risk-based methodology. Instead, the FCA pursued a considered and proportionate course of action, consistent with its regulatory responsibilities and the information available at that time.
51. This meant the FCA:
  - a. took steps to understand the relationship between B&G and other associated entities, ensuring the FCA had sufficient information to consider its options with those involved firms;



- b. understood the implication of any intervention action for each firm and its consumers; and
  - c. operated a risk-based approach which involved the FCA making choices and prioritising decisions before deciding to use significant supervisory intervention to prevent the sale of further B&G mini-bonds. The FCA did this April 2019, by securing agreement from BGF to suspend B&G mini-bond promotions on both BGF and B&G websites, and to halt the planned B&G mini-bond issuance for May 2019).
52. Additionally, it is important to recognise that B&G was never authorised by the FCA, therefore we cannot categorically state that if the FCA had acted sooner it would have prevented B&G issuing further mini-bonds. B&G could have carried on regardless as mini-bonds were not a regulated product and a separate FCA-regulated firm could have provided the relevant approval of financial promotions.

### **Improvements since the events of B&G**

53. The FCA is committed to continuous improvement and learning lessons from previous cases. Since the events of B&G, we have made significant changes that have enhanced protections for consumers. The measures outlined below represent some of the key enhancements made to date, though they do not constitute an exhaustive list.
54. From 1 January 2020, the FCA temporarily banned the mass-marketing of speculative liquid securities (including mini-bonds) to retail investors.
55. As of 1 January 2021, the FCA banned the promotion of mini-bonds to consumers, unless they were sophisticated or had a high-net worth. If they are to be promoted to high-net worth and sophisticated investors, issuers must clearly state the risk of losing all the investment. They must also provide clear information on the costs and charges associated with the product.
56. In February 2023, we introduced new rules to raise standards for firms promoting high risk investments and approving financial promotions. These included stronger risk warnings, a ban of investment inducements, improved client categorisation and stricter appropriateness tests. We also reinforced the responsibilities of firms approving financial promotions, ensuring that they have the relevant expertise to assess the promotions they approve and help improve overall financial promotion quality in the market quality in the market.

57. Furthermore, as of February 2024, all authorised firms that want to approve financial promotions for unauthorised firms must apply to the FCA for specific '[approver permission](#)'. This is designed to ensure that firms approving financial promotions have the relevant skills and experience to do so.
58. Lastly, following the implementation of the Consumer Duty in July 2023 we hold authorised firms to high standards to ensure they act in a way that will deliver good consumer outcomes.

### **The role of the Complaints Commissioner**

59. The Complaints Commissioner is an independent person appointed by HM Treasury to be responsible for the conduct of investigations in accordance with the Scheme. If you are dissatisfied with how we have dealt with your complaint, you can contact the Complaints Commissioner requesting a review of my decision. You must contact the Complaints Commissioner within three months of the date of this letter. If you contact the Complaints Commissioner later than three months, the Commissioner will decide whether there is good reason to consider your complaint.
60. The contact details for referring your complaint to the Complaints Commissioner are:

The Office of the Complaints Commissions  
Alliance House  
12 Caxton Street  
London SW1H 0QS

Telephone: 020 4599 8333

Website: <https://frccommissioner.org.uk/making-a-complaint/>

Email: [info@frccommissioner.org.uk](mailto:info@frccommissioner.org.uk)

**When contacting the Commissioner please let them know your FCA complaint reference number.**

**Please note that accepting our offer of an ex-gratia payment for the delay with the handling of your complaint does not prevent you from referring this decision to the Commissioner.**

Yours sincerely



**Ashley Wood**

Head of Department

Risk & Compliance Oversight Division