

# Quarterly KPIs: 2020/2021

**As at March 2021**

## **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:

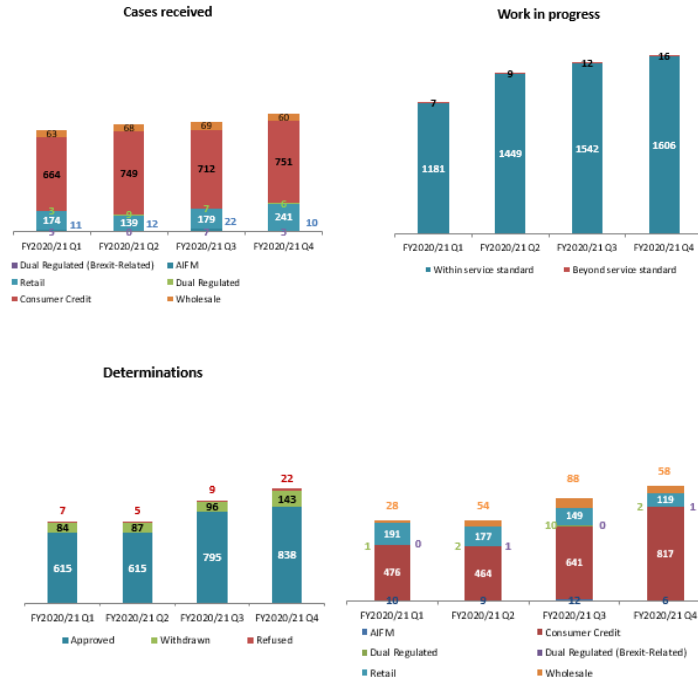
- Authorisations;
- Cancellations;
- Variations of Permission;
- Payment Services and E-money;
- Waivers;
- Change in Control;
- Part VII Transfers; and
- Approved Persons

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: 2020/2021

### 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
FY2020/21 Q1	<1	14.5	<1	10.6	72.1
FY2020/21 Q2	<1	16.8	<1	14.4	108.7
FY2020/21 Q3	<1	18.8	<1	17.9	302.9
FY2020/21 Q4	<1	18.6	<1	19.7	144.7

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	894	876	97.99%
FY2020/21 Q2	1063	1045	98.31%
FY2020/21 Q3	978	953	97.44%
FY2020/21 Q4	826	797	96.49%

FY2020/21 Q4					
	Min	Mean	Mode	Median	Max
AIFM	14.9	35.5	44	36.9	52
Consumer Credit	<1	16.6	<1	17.3	87
Dual Regulated	25.3	31.6	25	31.6	38
Dual Regulated (Brexit-Related)	n/a	n/a	n/a	n/a	n/a
Retail	5.9	26.1	20	22.9	96
Wholesale	0.1	27.2	15	23.8	96

Receipts increased in Q4 2020/21, primarily due to increases in retail and consumer credit cases. Determinations also increased, but did not keep pace with receipts, resulting in an increase in Work in Progress.

In respect of consumer credit cases, queues remained high with many older cases from a peak of receipts in Q2 coming through to assessment. Overall processing times increased during the year as a result of the size of the queue, coupled with increased intelligence checks.

Wholesale receipts fell in the quarter, reflecting suppressed activity due to Covid-19-related lockdown.

Applications to become a dual regulated firm are assessed in conjunction with the PRA. For transparency and completeness, we include these cases here. Dual regulated applications received and determined were in line with historical averages.

*Note: A data error in previous KPI publications has been corrected, whereby retail and consumer credit volumes (receipts, determinations and work in progress) were overstated. This publication contains corrected figures for FY2020/21 Q1 and Q2.*

#### Glossary:

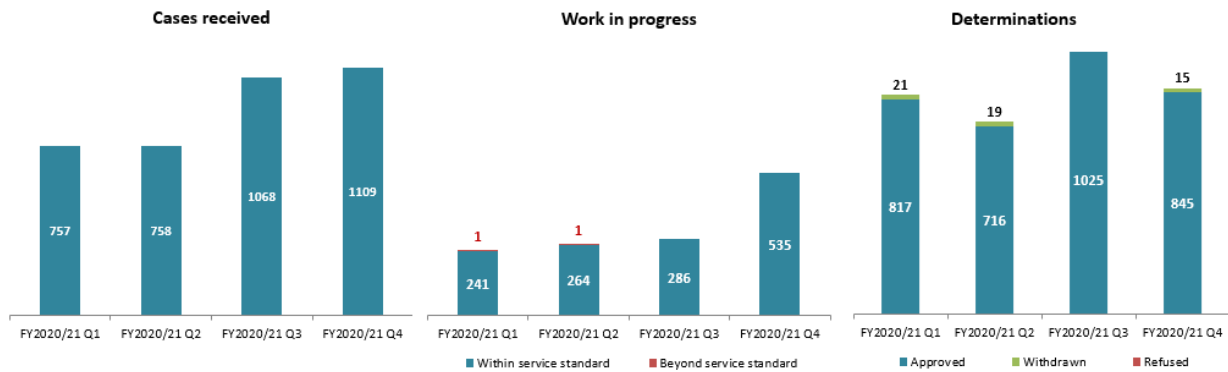
- Retail: Solo-regulated retail investment firms
- Wholesale: Solo-regulated wholesale investment firms
- AIFM: Solo-regulated wholesale investment firms
- Consumer Credit: Solo-regulated firms carrying on credit-related regulated activities
- Dual-regulated: Firms regulated by both the Prudential Regulation 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: 2020/2021

### 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
FY2020/21 Q1	<1	3.9	1	1.4	52.1
FY2020/21 Q2	<1	4	1	1.4	46.1
FY2020/21 Q3	<1	3.5	1	1.1	111.9
FY2020/21 Q4	<1	4.3	1	1.4	48.3

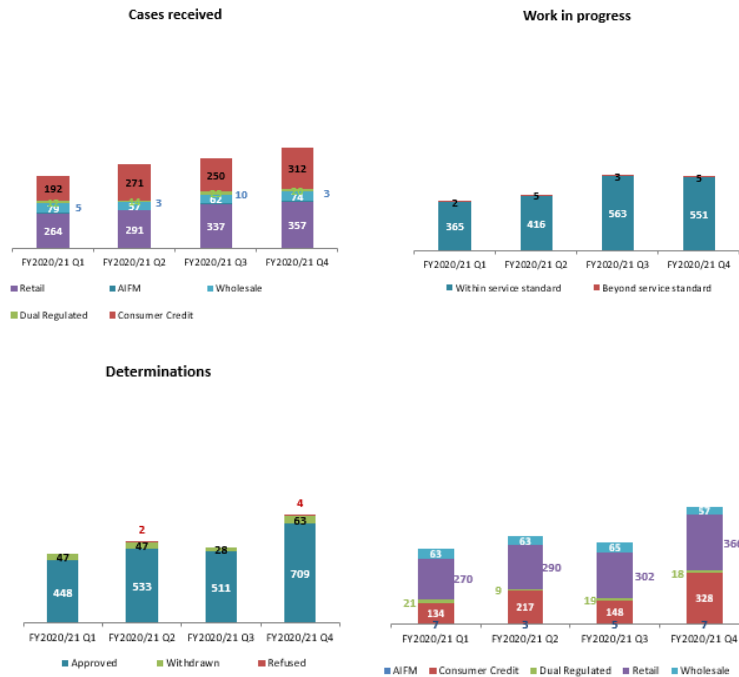
Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	958	957	99.90%
FY2020/21 Q2	1014	1014	100.00%
FY2020/21 Q3	846	845	99.88%
FY2020/21 Q4	587	585	99.66%

The increase in receipts in this quarter is in line with usual seasonal fluctuations, as firms apply before 31 March year-end. However, volumes received have been increasing steadily year on year. Work in Progress at quarter-end was high as a result.

## Variations of Permission quarterly KPIs: 2020/2021

### 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
FY2020/21 Q1	<1	8.2	2	4.1	57.7
FY2020/21 Q2	<1	7.7	<1	3.6	101.4
FY2020/21 Q3	<1	8.6	2	4.1	123.6
FY2020/21 Q4	<1	9.7	2	5	56

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	834	832	99.76%
FY2020/21 Q2	750	742	98.93%
FY2020/21 Q3	566	556	98.23%
FY2020/21 Q4	520	510	98.08%

FY2020/21 Q4					
	Min	Mean	Mode	Median	Max
AIFM	11	25.6	26	26	40.9
Consumer Credit	<1	13	<1	9.3	47.4
Dual Regulated	1.1	25.9	14	19.7	56
Retail	<1	5.3	1	2.7	51.1
Wholesale	<1	12.4	2	8.7	41

Receipt volumes increased during the year, particularly in respect of consumer credit and retail applications. In Q4 2020/21, determinations increased to keep pace, resulting in a high but stable level of Work in Progress.

Applications from dual regulated firms to vary their permissions are assessed in conjunction with the PRA. The number of applications received remained steady in Q4 2020/21.

Note: A data error in previous KPI publications has been corrected, whereby retail and consumer credit volumes (receipts, determinations and work in progress) were overstated. This publication contains corrected figures for FY2020/21 Q1 and Q2.

#### Glossary:

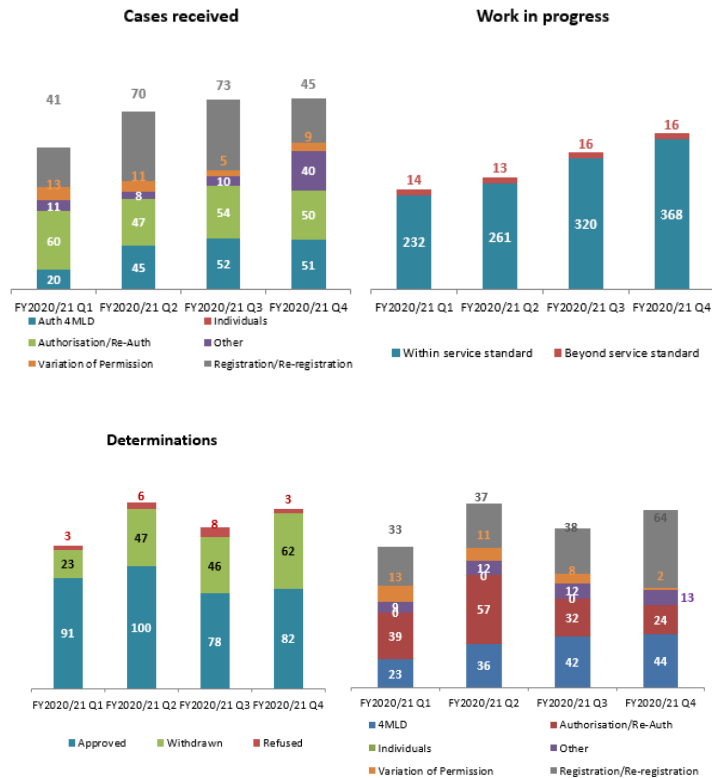
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- Consumer Credit: Solo-regulated firms carrying on credit-related regulated activities
- Dual-regulated: Firms regulated by both the Prudential Regulation authority (PRA) and the FCA.

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.

## Payment services and e-money quarterly KPIs: 2020/2021

### 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
FY2020/21 Q1	0.1	20.4	2	17.9	86
FY2020/21 Q2	<1	20.3	4	12.9	104.6
FY2020/21 Q3	<1	24.4	6	16.3	123
FY2020/21 Q4	0.1	20.5	11	14.3	84.1

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	130	119	91.54%
FY2020/21 Q2	120	112	93.33%
FY2020/21 Q3	149	136	91.28%
FY2020/21 Q4	116	106	91.38%

The volume of applications for both registration and authorisation remained high in Q4 2020/21. This has resulted in the work in progress continuing to increase, totalling 384 at end of the quarter (up from 336 in the previous quarter). The high volumes in Q4 were in part driven by the annual renewal of Limited Network Exclusion notifications, which peak in February and March each year. This peak masks a drop in receipts from Small Payment Institutions (SPIs), following six months of very high application volumes. We will continue to monitor this as it may be an indication of volumes returning to more normal levels.

We continue to see firms experiencing delays in being able to meet some of the conditions for authorisation, in particular delays in the opening of safeguarding accounts. We expect these delays to persist into 2021/22.

The rate of withdrawal continues to increase. In particular Q4 2020/21 saw a total of 38 withdrawals from applicant SPIs from 56 SPI determinations. This withdrawal rate (68%) is driven by poor quality applications, often from firms that have no suitable knowledge and experience to run a payment services firm. These applications are often supported by compliance consultants who appear to be encouraging applications from firms that are below standard.

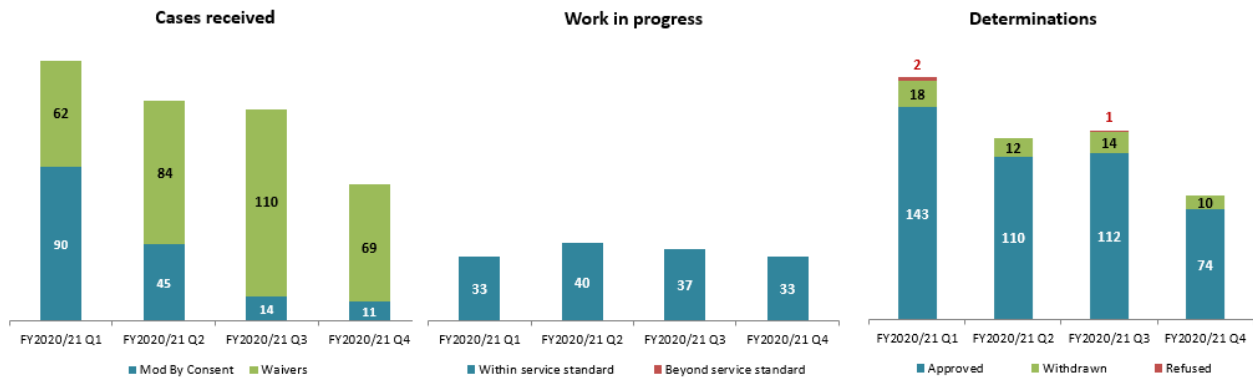
#### Glossary:

- 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 KPIs: 2020/2021

### To process a waiver or modification request

(No applicable service standards)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2020/21 Q1	<1	2.1	<1	0.9	33.3
FY2020/21 Q2	<1	4.4	<1	1.4	54.3
FY2020/21 Q3	<1	4.9	<1	2.3	44.1
FY2020/21 Q4	0.1	6.3	1	3.1	53

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	n/a	n/a	n/a
FY2020/21 Q2	n/a	n/a	n/a
FY2020/21 Q3	n/a	n/a	n/a
FY2020/21 Q4	n/a	n/a	n/a

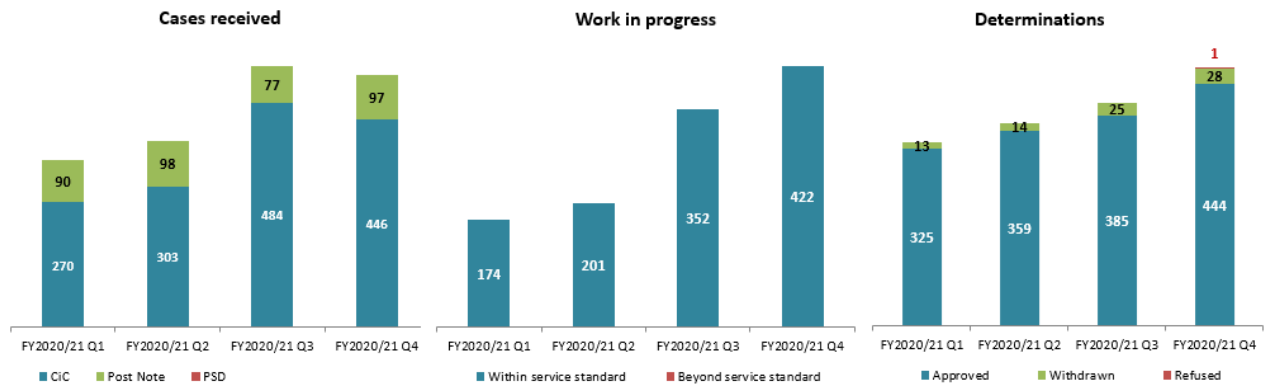
The volume of cases received in Q4 reduced in comparison to previous quarters. This was partially driven by a reduction in the take-up rate for a specific Modification by Consent (MBC) published in May 2020 for solo-regulated firms impacted by Covid-19. This MBC expired at the end of April 2021.

The increase in average processing time is attributable to a small number of aged cases requiring an enhanced level of assessment.

## Change in Control KPIs: 2020/2021

### 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
FY2020/21 Q1	<1	5.7	1	3.4	33.4
FY2020/21 Q2	<1	6.8	1	5	37.9
FY2020/21 Q3	<1	6.6	2	4.7	44.7
FY2020/21 Q4	<1	7.7	4	6.4	41.7

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	307	307	100.00%
FY2020/21 Q2	273	273	100.00%
FY2020/21 Q3	292	292	100.00%
FY2020/21 Q4	387	387	100.00%

All Change in Control cases have been determined within the statutory deadlines. There was a slight drop in the volume of cases received in Q4 2020/21 compared with Q3 and an increase in cases determined in Q4 2020/21 compared to Q3.

Although there has been a slight drop in receipts compared to the previous quarter, the number of cases received remains higher than longer term historical norms. The drivers for continued high receipts are not known, but may be a result of some stabilisation following lockdown. It is anticipated that receipts for the next quarter will continue to be higher than usual as a result of the ongoing challenging economic environment arising from Covid-19.

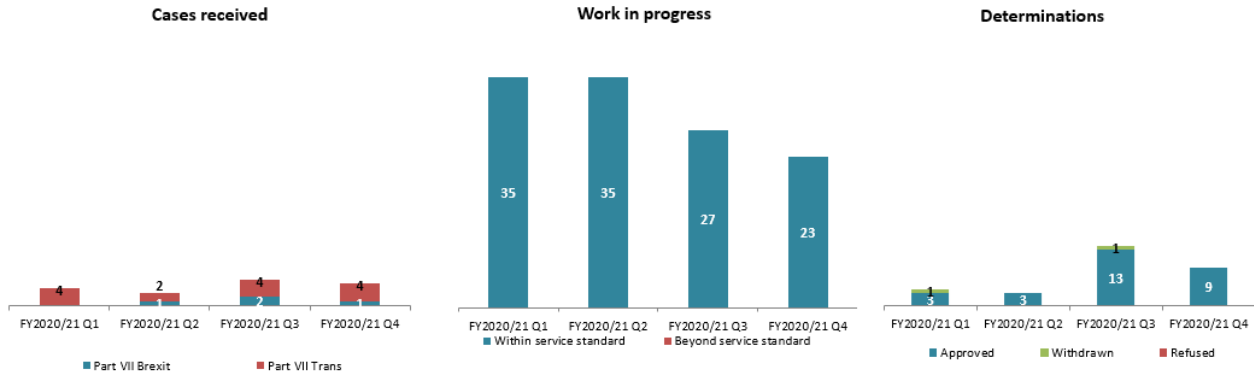
#### Glossary:

- CiC: Notification of an intended Change in Control
- Post Note: A case where notification has been made after the change in control has taken place
- PSD: Payment Services Directive-Related Case

## Part VII Transfer KPIs: 2020/2021

### To process a Part VII Transfer

(No applicable service standards)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2020/21 Q1	3	51	3	53.8	93.6
FY2020/21 Q2	51.6	83	52	57.4	139.9
FY2020/21 Q3	0.7	72.1	93	87.1	139.1
FY2020/21 Q4	36	115.6	36	99	251

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	n/a	n/a	n/a
FY2020/21 Q2	n/a	n/a	n/a
FY2020/21 Q3	n/a	n/a	n/a
FY2020/21 Q4	n/a	n/a	n/a

Determinations relate to the completion of the sanction hearing at the end of a Part VII Business Transfer process but this is not the sole measure of activity. The data does not account for directions hearings which are a key interim milestone of a Part VII case as each sanction hearing is preceded by a directions hearing earlier in the process, but not always in the same quarter.

One additional Brexit-related transfer was received in Q4 2020/21 and Non-Brexit related receipts were in line with Q3 2020/21 volumes. The number of determinations at the start of Q4 2020/21 were as a result of the conclusion of Brexit transfers.

We expect volumes of receipts and determinations will be lower in the next quarter.

It should be noted that the performance data is a mix of UK Part VII business transfers and EEA-EEA business transfer notifications to which the FCA is asked to provide a consultation response. This explains the large variance in minimum (3 weeks) to maximum (51 weeks) determination times.

#### Glossary:

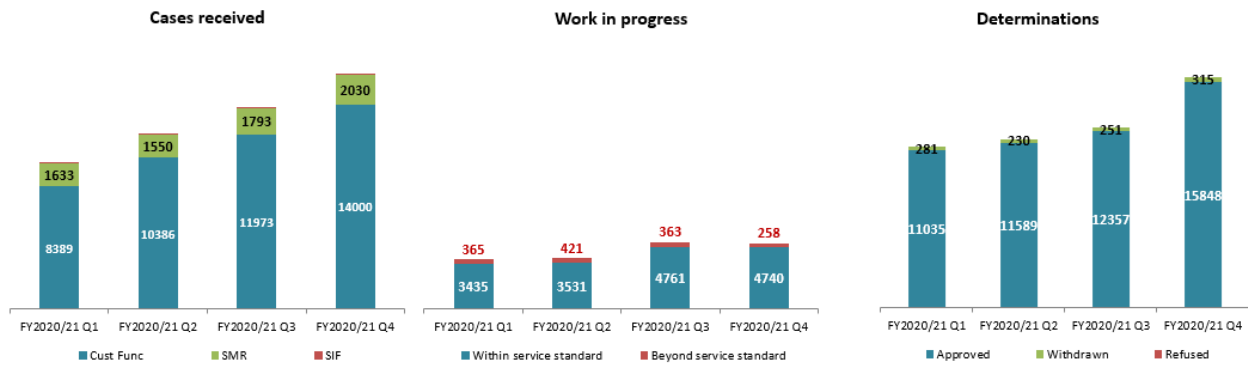
- Part VII Transfer: A court-sanctioned transfer of insurance business between entities under Part VII of the Financial Services & Markets Act 2000
- Part VII Trans: A case relating to a Part VII Transfer application
- Part VII Brexit: A case relating to a Brexit-related Part VII Transfer application



## Approved Persons KPIs: 2020/2021

### 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
FY2020/21 Q1	<1	4.7	<1	1.4	119
FY2020/21 Q2	<1	3.5	<1	1.1	127
FY2020/21 Q3	<1	3.9	<1	1.9	96
FY2020/21 Q4	<1	4.2	<1	2.3	143.4

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2020/21 Q1	2994	2696	90.05%
FY2020/21 Q2	2733	2275	83.24%
FY2020/21 Q3	2649	2152	81.24%
FY2020/21 Q4	2990	2531	84.65%

In Q3 2019/20 we saw a very sharp increase in the volume of SIF and SMR applications received as solo regulated firms responded to the 9/12/2019 deadline for the extension of SM&CR to them.

The statutory service standard for these applications is 90 days subject to when the clock is stopped pending further information from the applicant.

Due to the continuing high work-in-progress levels coupled with increased receipts, including for Appointed Representatives we continued overtime working and added further resource in FY2020/21 Q3 which has contributed to reducing significantly the number of open breaches and increasing determination levels in FY2020/21 Q4 and enabled us to stabilise our work in progress levels. Our aim is to return to a more sustainable position by the end of the Financial Year 2021/22.

#### 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.

## 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