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By email

27 September 2017

Our Ref: FOI5322

Dear

Freedom of Information : Right to know request

Thank you for your request under the Freedom of Information Act 2000 (the Act), for information about published service standards in relation to notification of a proposed change in control. For full details of your request please refer to Annex A.

Your request has now been considered. I can confirm we hold information for points 1-4 and point 7. The relevant information can be found in Annex B. We do not hold any information for points 5 and 6.

Yours sincerely

Information Disclosure Team

Annex A

Request received on 2 September 2017:

“One of the service standards published by the FCA is “Service Standard [R6.1] – Statutory - To make a decision after receiving a ‘complete’ notification of a proposed change in control”. The service standards published by the FCA in May 2017 show that, during the period from April 2016 to March 2017, such service standard was met in 100% of Consumer Credit and Non Consumer Credit cases.

We are preparing an analysis on change in control applications under FSMA and, for the purposes of our analysis, it would be extremely helpful to receive from the FCA under the Freedom of Information Act 2000 the following information in respect of each financial year since the FCA was established on 1 April 2013:

1. how many Non Consumer Credit change in control notifications were received by the FCA in the relevant financial year;

2. how many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of a ‘complete’ Non Consumer Credit change in control notification;

3. how many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of an ‘incomplete’ Non Consumer Credit change in control notification;

4. on average:

a. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (whether the acknowledgement was of a ‘complete’ or ‘incomplete’ notification);

b. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of a ‘complete’ notification);

c. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of an ‘incomplete’ notification);

5. how many proposed controllers received from the FCA upon submission a written acknowledgement of receipt of an ‘incomplete’ Non Consumer Credit change in control notification without the acknowledgement specifying what additional information the FCA required in order to deem their notification as being ‘complete’;

6. on average, how many working days elapsed between the day a proposed controller received from the FCA upon submission a written acknowledgement of receipt of an ‘incomplete’ Non Consumer Credit change in control notification that did not specify what additional information the FCA required in order to deem their notification as being ‘complete’ and the day on which the proposed controller was notified of what additional information the FCA required in order to deem their notification as being ‘complete’; and

7. how many Non Consumer Credit change in control notifications received in the relevant financial year were determined by the FCA within a period of 60 working days beginning with the day on which the FCA acknowledged in writing receipt of the relevant notification (whether the acknowledgment was of a 'complete' or an 'incomplete' notification).

If some of the above information is not easily available to the FCA, we would be happy for the FCA to provide the relevant information by reference only to a random sample of say 50 or ideally 100 Non Consumer Credit change in control notifications for each relevant financial year."

Annex B

Before responding to each of your questions I would like to explain we have made the following assumptions in relation to your request:

- For responses in relation to "Non Consumer Credit" applications we have included firms whose permissions include at least one non-consumer credit permission but excluded firms who only hold consumer credit permissions.

Where a single change in control notification relates to multiple target firms, the whole case has been included within "Non Consumer Credit" where at least one target firm is within this definition of "Non Consumer Credit".

- For responses in relation to "Change in Control notifications" we have included notifications of new controllers and increases but excluded decreases, cases involving no change in control (e.g. queries, cases submitted in error, duplicates, changes for which no approval is required), pre-applications, post-notifications (i.e. notifications which are submitted after the change has taken place and to which the statutory timescales in FSMA do not apply) and cases relating to firms authorised or registered under the Payment Services Regulations (to which the statutory timescales in FSMA do not apply).
- Where we refer to cases "Received by the FCA" we have included cases where the FCA is the administrative lead but excluded cases with dual-regulated target firms where the PRA is the administrative lead and formal decision-maker (in consultation with the FCA)

In all cases, notifications have been split into years according to the date that the notification was initially received and not the date on which written acknowledgement was sent or the date that the decision was made.

- All data is provided for each financial year starting 1 April and ending 31 March. For 2017, data is provided for the quarter starting 1 April and ending 30 June. Please note the date provided is current as at 5 September 2017.

I will now respond to each point in turn.

1. How many Non Consumer Credit change in control notifications were received by the FCA in the relevant financial year;

	"Non Consumer Credit" change in control notifications received
FY 2013/14	737

FY 2014/15	798
FY 2015/16	876
FY 2016/17	908
Q1 2017/18	225

2. How many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of a 'complete' Non Consumer Credit change in control notification;

Please note this information is not held per controller. A single notification might itself include notifications from multiple controllers. The information is held per case.

	"Non Consumer Credit" notifications acknowledged as COMPLETE on receipt
FY 2013/14	331
FY 2014/15	415
FY 2015/16	492
FY 2016/17	400
Q1 2017/18	104

3. How many proposed controllers in the relevant financial year received from the FCA upon submission a written acknowledgement of receipt of an 'incomplete' Non Consumer Credit change in control notification;

Please note this information is not held per controller. A single notification might itself include notifications from multiple controllers. The information is held per case.

	"Non Consumer Credit" notifications acknowledged as INCOMPLETE on receipt
FY 2013/14	406
FY 2014/15	383
FY 2015/16	384
FY 2016/17	508
Q1 2017/18	121

4. On average:

a. how many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (whether the acknowledgement was of a 'complete' or 'incomplete' notification);

Note: Working days between two dates have been calculated in all cases using Excel's NETWORKDAYS function, with provision made for standard UK bank holidays. Where a notification was acknowledged on the same day as receipt, this is counted as zero days. Cases acknowledged the day following receipt are counted as one day, and so on.

Note: Applications submitted to the FCA after 4pm are treated as being received the following working day. The date of receipt (and not the date of submission) is used in this calculation.

	Average number of working days to acknowledge receipt
FY 2013/14	1.8
FY 2014/15	2.0
FY 2015/16	2.3
FY 2016/17	2.6
Q1 2017/18	2.6

b. How many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of a 'complete' notification);

	Average number of working days to acknowledge receipt – COMPLETE notifications
FY 2013/14	1.3
FY 2014/15	1.4
FY 2015/16	1.6
FY 2016/17	1.4
Q1 2017/18	1.6

c. How many working days elapsed between the day a Non Consumer Credit change in control notification was submitted to the FCA and the day the FCA acknowledged in writing receipt of that change in control notification (in cases where the acknowledgement was of an 'incomplete' notification);

	Average number of working days to acknowledge receipt – INCOMPLETE notifications
FY 2013/14	2.2
FY 2014/15	2.7
FY 2015/16	3.1
FY 2016/17	3.5
Q1 2017/18	3.5

5. How many proposed controllers received from the FCA upon submission a written acknowledgement of receipt of an 'incomplete' Non Consumer Credit change in control notification without the acknowledgement specifying what additional information the FCA required in order to deem their notification as being 'complete';

This information is not held.

6. On average, how many working days elapsed between the day a proposed controller received from the FCA upon submission a written acknowledgement of receipt of an 'incomplete' Non Consumer Credit change in control notification that did not specify what additional information the FCA required in order to deem their notification as being 'complete' and the day on which the proposed controller was notified of what additional information the FCA required in order to deem their notification as being 'complete'; and

This information is not held.

However, in the interests of helpfulness, we can confirm that our usual expectation is that where a case is acknowledged as incomplete on receipt, a case officer will request the missing information within a maximum of 10 or 15 working days depending on case volumes and the extent of the missing information.

7. How many Non Consumer Credit change in control notifications received in the relevant financial year were determined by the FCA within a period of 60 working days beginning with the day on which the FCA acknowledged in writing receipt of the relevant notification (whether the acknowledgment was of a 'complete' or an 'incomplete' notification).

Please note the information provided here does not take into account any interruption periods but instead measures the passage of time (in working days) between the two events.

	Cases determined within 60 working days of ack. of receipt
FY 2013/14	653
FY 2014/15	749
FY 2015/16	790
FY 2016/17	820
Q1 2017/18	199

	Cases determined within 60 working days of ack. of receipt – COMPLETE notifications
FY 2013/14	327
FY 2014/15	411
FY 2015/16	486
FY 2016/17	393
Q1 2017/18	102

	Cases determined within 60 working days of ack. of receipt – INCOMPLETE notifications
FY 2013/14	326
FY 2014/15	338
FY 2015/16	304
FY 2016/17	427
Q1 2017/18	97

Under s189(1) Financial Services and Markets Act 2000 ('FSMA'), the FCA must determine a change in control notification within 60 working days from the day when the notification is acknowledged as complete. This period can be interrupted once for a maximum of 30 working days in order to request further information from the notice-giver. This means that in some cases the statutory assessment period will expire more than 60 working days after the application is initially acknowledged to be complete.

In the interests of helpfulness, the tables below indicate the number of cases determined within 60 working days of the acknowledgement of the notification, with interruption periods taken into account.

	Cases determined within 60 working days of ack. of receipt (excluding interruption periods)
FY 2013/14	659
FY 2014/15	753
FY 2015/16	802
FY 2016/17	827
Q1 2017/18	200

	Cases determined within 60 working days of ack. of receipt (excluding interruption periods) – COMPLETE notifications
FY 2013/14	330
FY 2014/15	414
FY 2015/16	492
FY 2016/17	394
Q1 2017/18	102

	Cases determined within 60 working days of ack. of receipt (excluding interruption periods) – INCOMPLETE notifications
FY 2013/14	329
FY 2014/15	339
FY 2015/16	310
FY 2016/17	433
Q1 2017/18	98