

foi@fca.org.uk

Via Email

29 March 2019

Our Ref: FOI6293

Freedom of Information: Right to know request

I refer to your request under the Freedom of Information Act 2000 ("the Act"), dated 1 March 2019, concerning FCA investigations into introducers of financial products for pensions. For ease of reference the full text of your request is enclosed in annex A below.

We have interpreted your request as referring to 'unauthorised introducers'.

By way of background, unauthorised introducers are generally based in the UK and often play an instrumental role in encouraging and facilitating the transfer of pension funds. They offer free pension reviews to consumers, a service that starts the consumer down the path towards transferring their pension. Introducer firms do not necessarily require FCA authorisation, provided that they do not offer investment advice to the consumer and instead introduce them to an FCA authorised adviser for the provision of independent financial advice.

If an unauthorised introducer is offering investment advice, then they are likely to be carrying on regulated activities in contravention of the "General Prohibition" set out in section 19 of the Financial Services and Markets Act 2000 (FSMA). However, absent evidence of unauthorised introducers acting in breach of the General Prohibition, the FCA's focus is likely to be on the regulated entities who have provided advice and facilitated the transfer or switching of pensions. The FCA is investigating a significant number of regulated firms in this respect.

Turning now to the specific points of your request, these have been considered and I can confirm that we hold the information you are seeking, as set out below.

1. The total number of financial introducers for pension products being investigated at present

The FCA is currently investigating four unauthorised firms and four unauthorised individuals in relation to financial introducers for pension products.

2. The total value of the pension transfers these introducers were involved with

As of 29 March 2019, the total value of pension funds transferred is estimated to be £258m. This is the amount involved only in our investigations into unauthorised activity, not more widely.

3. The total number of people who were introduced to pension products by these introducers.

Based on the records we hold, as of 29 March 2019 the unauthorised introducers under investigation dealt with approximately 6,000 consumers.

If you are unhappy with the decision made in relation to your request, you have the right to request an internal review. If you wish to exercise this right you should contact us within 40 working days of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone: 01625 545 700. Website: www.ico.org.uk

Yours sincerely

Information Disclosure Team
Financial Conduct Authority

Annex A:

"I would like to know the number of investigations the FCA is conducting into introducers of financial products for pensions.

There were at least two firms being investigated last year, as reported here:

<https://citywire.co.uk/new-model-adviser/news/fca-takes-on-pension-introducers-over-86-million-in-transfers/a1147422>

Specifically, I would like to know:

- 1. The total number of financial introducers for pension products being investigated at present*
- 2. The total value of the pension transfers these introducers were involved with*
- 3. The total number of people who were introduced to pension products by these introducers."*