

18 March 2020

Our Ref: FOI7109

## **Freedom of Information: Right to know request**

Thank you for your Freedom of Information request of 13 February 2020 for information relating to applications for de-authorisation in the defined benefit transfer market. Full details of your request can be found in Annex A below.

We have considered your request in line with the provisions of the Freedom of Information Act 2000 and our response is outlined below.

The FCA has not introduced a process for “temporarily blocking” cancellation applications for firms who form part of our review into the defined benefit transfer markets. All firms are expected to have “*made suitable arrangements to deal with any complaints and liabilities that might arise*” (<https://www.fca.org.uk/firms/authorisation/cancel>) prior to submitting an application to cancel its permission. This is an expectation written into both our Handbook (SUP 6.4.19G, reproduced below for ease of reference) and primary legislation, The Financial Services and Markets Act 2000.

Under SUP 6.4.19G, “[The FCA] will usually not cancel a [firm's Part 4A permission](#) until the [firm](#) can demonstrate that, in relation to business carried on under that permission, it has, as appropriate:

- (1) ceased carrying on [regulated activities](#) or fully run off or transferred all insurance liabilities;
- (2) repaid all [client money](#) and client deposits;
- (3) discharged [custody assets](#) and any other property belonging to [clients](#); and
- (4) discharged, satisfied or resolved complaints against the [firm](#).”

Consequently, the FCA has not been required to introduce a specialist policy to “temporarily block” applications to cancel. Where firms fail to meet the above requirements, they can face significant delays in receiving a determination or, in cases of persistent failure, applications to cancel are either rejected by the FCA or withdrawn by the firm.

We can confirm that two applications for firms in the above review have experienced significant delays due to failure on the firm’s part to mitigate our concerns prior to cancellation.

If you are unhappy with this response, you have the right to request an internal review. If you wish to exercise this right you should contact the Information Disclosure Team 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](http://www.ico.org.uk).

Yours sincerely

Information Disclosure Team  
Financial Conduct Authority



## **Annex A**

*"Under the Freedom of Information Act 2000 please could I request the following information:*

*How many applications for de-authorisation has the FCA temporarily blocked whilst it completes its review in relation to the defined benefit transfer market - specifically from firms who are currently fielding supervision inquiries from the regulator? Please could you provide the figures from January 2019 to February 2020.*

*The policy in question is the same featured here - <https://www.ftadviser.com/regulation/2020/02/19/fca-blocks-adviser-de-authorisations-in-db-crackdown/>"*