

**The FCA's response to the  
Complaints Commissioner's Report 202201587  
Published on 21 March 2025**

This complaint concerns the FCA (and its predecessor, the FSA's) actions regarding the Connaught Income Fund Series 1 and connected companies (the Fund). We took action against the operator of the Fund which resulted in affected investors receiving up to £66 million in redress via the [Capita Financial Managers \(CFM\) redress](#) scheme (scheme).

The Commissioner has concluded in this complaint that we had a contributory role in the complainant's losses and recommends that we should pay compensation in respect of tax the complainant paid which was not refunded as part of the scheme.

We accept we made errors in our handling of the Fund, for which we apologised and have made significant changes to how we operate as a regulator since [our response](#) to the Independent Review into this matter was published in December 2020.

However, our view remains that we are not the cause of the complainant's losses and in any event, the complainant received compensation in line with the scheme.

In a separate [complaint](#), the previous Commissioner did not consider our failings or culpability about our handling of the Fund, but did consider the methodology of the scheme we agreed with the firm, concluding that it was not unreasonable.

Therefore, having carefully considered the Commissioner's Report, we do not accept the Commissioner's recommendation.

### **Our approach to compensation**

We assess individual complaints on a case-by-case basis in accordance with the Complaints Scheme which applies when the complaint was made, as we have done in this case.

We have made ex-gratia payments in the past for our failings where it was appropriate to do so.

We recently consulted on a revised Complaints Scheme which included information about our approach to considering compensation. Details regarding the levels of payments we have made in the past are explained in our [Policy Statement](#) when we concluded our consultation on the revised [Complaints Scheme](#).