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Via Email

16 October 2013

Our Ref: FOI3137

Dear

Freedom of Information: Right to know request

Thank you for your request for information under the Freedom of Information Act 2000 (the Act), for the following information.

'I would like to know how many cases the Financial Conduct Authority and the Financial Services Authority before it have handled with regard to the use of private investigators by insurance companies.

My questions are:

- 1. How many complaints did the regulator receive about insurance companies using private investigators in the years 2012, 2011, 2010 and 2009, as well as in the first six months of 2013?*
- 2. How much money has been spent on the FSA investigation on the use of private investigators?*
- 3. How many meetings did the regulator have with insurance companies around this issue before the investigation began?*
- 4. How many meetings with insurance companies have taken place since it began?'*

I apologise for the delay in responding. Your request has now been considered. I can confirm that we hold some of the information you have requested and each point will be answered in turn. Please note, the FCA has recently conducted a thematic review to look at insurer' attitudes, processes and controls when using private investigators in the UK and our response has been provided in relation to that. Details of this review can be found at: <http://www.fca.org.uk/static/documents/factsheets/factsheet-031.pdf>.

In relation to point 1, the information provided in the table below was the result of a search conducted by the FCA's Consumer Contact Centre using the phrase 'private investigators' where dissatisfaction was expressed regarding an insurance company using private investigators. It might also be helpful to note that the FCA as an organisation does not deal with complaints unless they are complaints directly against the FCA and meet the requirements of the FCA's complaints scheme. Therefore, any complainant or enquirer that expresses dissatisfaction in relation to firms or individuals with financial services generally is referred to the Financial Ombudsman Service ("FOS"). You may find it helpful to visit the FOS website at <http://www.financial-ombudsman.org.uk> for more information.

2009	1
2010	0
2011	1
2012	1
First six months 2013	0

We do not hold information in relation to point 2. This is because this particular thematic review was conducted as part of our normal thematic work and there was no separate budget for this particular theme of work.

We also do not hold any information in regard to point 3. This is because the potential for poor practice to arise from insurers using private investigators came to light through the use of market intelligence and reports in the media. The supervisors directly involved in evaluating this matter therefore did not need to engage with insurance companies prior to the start of the thematic review.

In regard to point 4, those engaged specifically in undertaking the thematic review visited three insurance firms during the course of the evaluation exercise.

Yours sincerely

Information Access Team