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(By email)

4 February 2015

Our Ref: FOI3791

Freedom of Information : Right to know request

We refer to your request under the Freedom of Information Act 2000 ("the Act"), for the following information relating to passporting activities:

- "1) I would like some information on the number of EU businesses (financial services and their permitted activity) that invested in the UK based since the inception of passporting up to September 2014. Please provide this information on a monthly basis.*
- 2) I would like some information on the number of UK businesses (financial services and their permitted activity) that invested in the UK based since the inception of passporting up to September 2014. Please provide this information on a monthly basis.*
- 3) I need to know the number of employment that these businesses generate on a monthly basis up to September 2014.*
- 4) The amount of investments from the EU businesses on a monthly basis since the inception of passporting up to September 2014.*
- 5) The amount of investments of the UK businesses to the EU on a monthly basis since the inception of passporting up to September 2014.*
- 6) The management information for banks treating customers fairly (TCF) from June 2008 - September 2014. Please provide this information on a quarterly basis or, if that is not possible within the FOIA time and cost limits, please provide it on a semi-annual basis.*
- 7) The amount of redress paid to consumers on who have been mis-sold financial products from January 2008 - September 2014*
- 8) The management information of banks treating customers fairly (TCF) from June 1998 - September 2014. Please provide this information on a quarterly basis or, if that is not possible within the FOIA time and cost limits, please provide it on a semi-annual basis."*

Your request has now been considered. However, we estimate that complying with point 6 and 8 of your request would exceed the cost limit. This is because the information is

not held in an easily extractable format and therefore we consider that the following exemption applies:

- **Section 12 (Costs of compliance exceeds appropriate limit)**

We are not required to comply with a request under the Act if it would be too expensive to do so, as estimated in accordance with the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004 (“the Regulations”) made by the Ministry of Justice. The Regulations provide that, for the FCA, the cost limit is £450, i.e. 18 hours at the rate of £25 per person per hour. The Regulations allow us to take into account, when estimating the cost of complying with a request, time spent determining whether we hold the information requested, locating and retrieving it and extracting the information from the relevant document(s).

We do not hold a central record of ‘management information of banks treating customers fairly (TCF)’ from which the information can be easily extracted as we do not have a definitive list of indicators that a firm must satisfy to assure us that they are treating customers fairly. We consider a range of information from a wide variety of sources and make a judgement as to whether or not that has breached our tolerance in relation to customer treatment.

Therefore, in order to answer this request, we would need to make a detailed review of the files of each individual regulated firm to determine whether or not we hold information that falls within the scope of this part of your request.

You may be interested to know that in 2007, the FSA (as the predecessor of the FCA) issued a guide to help firms develop their management information to demonstrate that they are treating customers fairly. This was intended to be a helpful tool for firms and did not require firms to provide us with their management information on a regular basis. We do, however, look at how firms use this information to assess whether they are treating their customers fairly. Further information is available on our website at the following link:

<http://www.fca.org.uk/your-fca/documents/fca--treating-customers-fairly--guide-to-management-information>

When we refuse a request because the appropriate cost limit has been exceeded, it is our general policy to provide advice and assistance to the applicant to indicate how the request could be refined or limited to come within the cost limit. However, due to the volume of information that we have identified in relation to this part of your request, we are unable to suggest how your request could be refined or limited to come within the cost limit. This is because any refinement that we suggest is likely to result in the same level of consideration.

In reaching the conclusion that your request exceeds the appropriate cost limit we have not considered whether any other exemptions apply.

Notwithstanding the above, we are able to provide you with the following information in relation to points 1, 2 and 7, and we have addressed each point in turn below. We do not hold any information in relation to points 3-5.

“1) *I would like some information on the number of EU businesses (financial services and their permitted activity) that invested in the UK based since the inception of passporting up to September 2014. Please provide this information on a monthly basis.*

On 19 January 2015 you clarified your request and confirmed that you wish to receive data on the number of firms in other EEA countries passported to conduct business in the UK.

You further clarified for points 1 and 2 that, by 'since the inception of passporting', you mean 'since the introduction of the regulation that allows for business passporting'.

Please note that there are several different implementation dates for different directives, and therefore different dates for the inception of passporting under those directives. We have provided you with data on the number of establishment and services passports in place for EEA firms passporting into the UK as at 29 January 2015 (see Annex A). However, as previously advised, the existence of a passport does not necessarily confirm an investment in the UK. In some instances a firm may hold a Freedom of Services passport on the basis of an intention to provide services here, but that does not require the firm to have a physical presence in the UK.

Please note that the data provided is for all passports approved since the inception of the FSA (December 2001) to 29 January 2015, and shows any passport approved during this period (even if it is cancelled now), and the month it was approved in.

Although the FCA holds the information you have requested and we are providing it to you, the Prudential Regulation Authority (PRA) takes the lead on certain directives in respect of inward passporting firms. Further information can be found at the following link:

<http://www.bankofengland.co.uk/pru/Pages/authorisations/passporting/default.aspx>

- 2) *I would like some information on the number of UK businesses (financial services and their permitted activity) that invested in the UK based since the inception of passporting up to September 2014. Please provide this information on a monthly basis.*

You clarified that you wish to receive the number of UK firms authorised by the FSA/FCA since the inception of passporting that have investments in the EU (i.e. foreign subsidiaries in the EU).

As above, please note that there are several different implementation dates for different directives, and therefore different dates for the inception of passporting under those directives. We have provided you with data on the number of UK Authorised firms passporting out as at 19 January 2015 (see Annex A).

Please note that the data provided is for all passports approved since the inception of the FSA (December 2001) to 29 January 2015, and shows any passport approved during this period (even if it is cancelled now), and the month it was approved in.

As for point 1, although the FCA holds the information you have requested and we are providing it to you, the Prudential Regulation Authority (PRA) takes the lead on certain directives in respect of outward passporting firms. Further information can be found at the link above.

- 7) *The amount of redress paid to consumers on who have been mis-sold financial products from January 2008 - September 2014*

On 19 January 2015 we advised that we are only able to provide you with information on redress associated with complaints (which does not include redress paid as a result of, for example, past business review, enforcement action, etc). You confirmed that you were content to receive this information and this can be found on our website at the following link:

<http://www.fca.org.uk/firms/systems-reporting/complaints-data/publication-dates-archive>

Further, we have also published data on our website (see links below) relating to redress paid to customers in respect of the following:

Interest Rate Hedging Products (IRHP):

<http://www.fca.org.uk/consumers/financial-services-products/banking/interest-rate-hedging-products>

Payment Protection Insurance (PPI):

<http://www.fca.org.uk/consumers/financial-services-products/insurance/payment-protection-insurance/ppi-compensation-refunds>

Yours sincerely

Information Access Team
Financial Conduct Authority

Your right to complain under the FoI Act

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 three months 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