

Quarterly KPIs: 2019/2020

As at December 2019

Introduction

To enable transparency and as part of our journey to become operationally excellent, these Authorisations Quarterly Key Performance Indicators (KPIs) provide key metrics on the performance of the FCA's Authorisations Division.

What is in this publication?

We publish our service standards on our 'Measuring our Performance' webpages, along with these quarterly KPIs, covering the number of applications received and in flight, and the distribution of processing times and outcomes. Details of applicable services standards are provided in appendices.

We provide KPIs for:

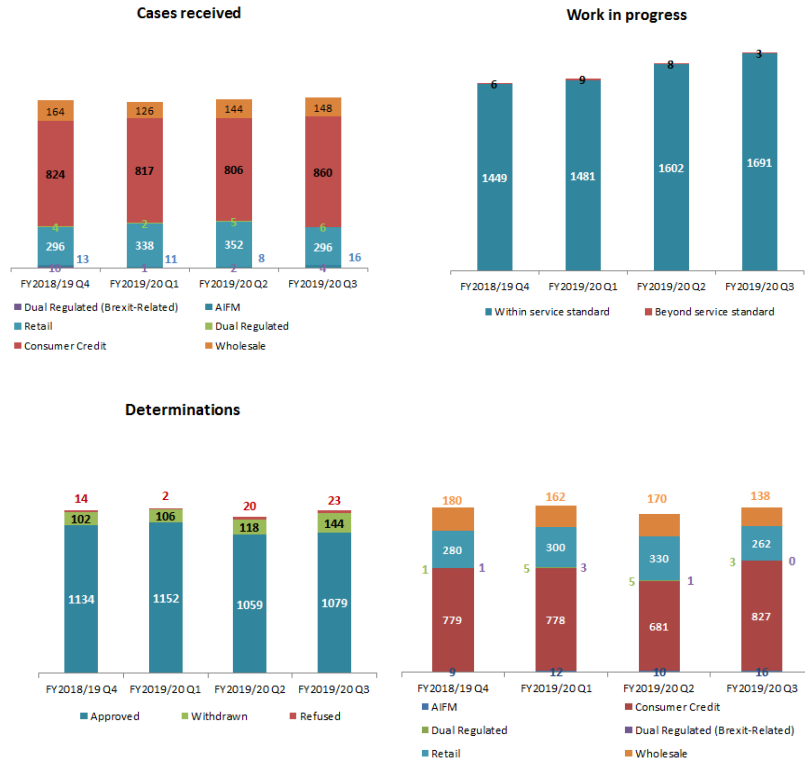
- Authorisations;
- Cancellations;
- Variations of Permission;
- Payment Services and E-money;
- Waivers;
- Change in Control;
- Part VII Transfers; and
- Approved Persons

Minimum, maximum, mean average, modal (ie most common) and median average processing times are provided by quarter. In addition, open and closed cases that have exceeded service standard timings are shown.

Authorisations quarterly KPIs:2019/2020

Authorisations: to process a firm application for a Part 4A permission

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	<1	13.2	<1	6.6	238.7
FY2019/20 Q1	<1	12.4	<1	6.9	84
FY2019/20 Q2	<1	15.4	<1	12	62.7
FY2019/20 Q3	<1	14.8	<1	8.7	146.9

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	1224	1155	94.36%
FY2019/20 Q1	1516	1462	96.44%
FY2019/20 Q2	1388	1323	95.32%
FY2019/20 Q3	1218	1178	96.72%

FY2019/20 Q3					
	Min	Mean	Mode	Median	Max
AIFM	0.1	29.2	25	24.6	76.7
Consumer Credit	<1	6.8	<1	5.6	146.9
Dual Regulated	23	36.7	23	42.6	44.6
Dual Regulated (Brexit-Related)	n/a	n/a	n/a	n/a	n/a
Retail	8.9	30.4	26	27.6	94.3
Wholesale	4.9	31.5	18	26.4	115.7

Overall volumes received remained relatively stable in Q3. Determinations fell short of receipts, resulting in an increase of Work in Progress. The volume of consumer credit applications remains high, contributing to the increasing Work in Progress. We have seen an uptick in withdrawals reflecting earlier intervention on applications which do not meet threshold conditions. Firms most commonly withdraw when they face challenge from the FCA, choosing to withdraw rather than risk receiving a refusal decision on their case, or when they no longer want to pursue authorisation, typically for commercial reasons.

Timelines for dual-regulated firms are worked alongside the PRA, however, for transparency and completeness, we include the cases here.

Glossary:

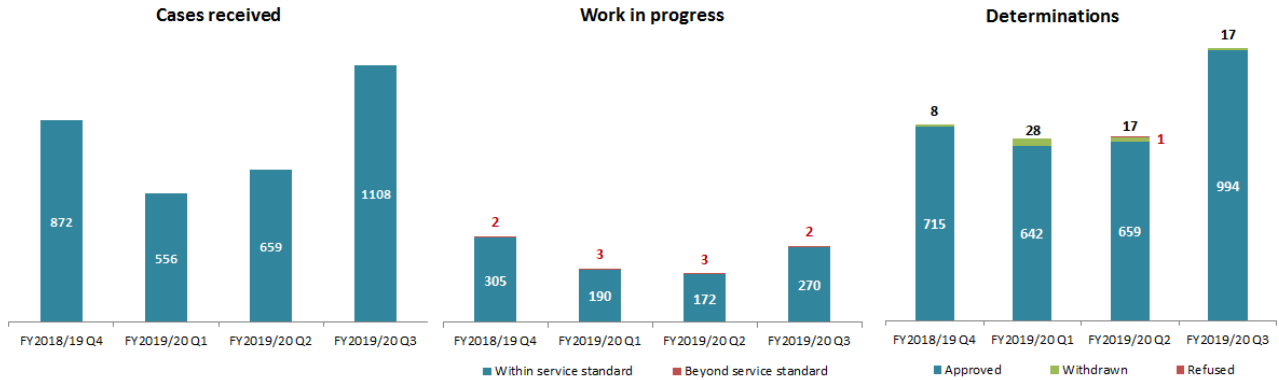
- Retail: Solo-regulated retail investment firms
- Wholesale: Solo-regulated wholesale investment firms
- AIFM: Solo-regulated wholesale investment firms
- Consumer Credit: Solo-regulated firms carrying on credit-related regulated activities
- Dual-regulated: Firms regulated by both the Prudential Regulation authority (PRA) and the FCA.

Note that solo-regulated firms may fall into more than one of the above categories. Cases are assigned to one of the relevant areas according to permissions applied for and overall nature of the firm.

Cancellations quarterly KPIs:2019/2020

Cancellations: to determine an application for Cancellation of Part 4A Permission

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	<1	3.4	<1	0.7	52
FY2019/20 Q1	<1	5.2	1	1.9	166.1
FY2019/20 Q2	<1	3.5	<1	0.9	51.9
FY2019/20 Q3	<1	2.7	1	1	103.7

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	581	580	99.83%
FY2019/20 Q1	743	742	99.87%
FY2019/20 Q2	797	796	99.87%
FY2019/20 Q3	582	581	99.83%

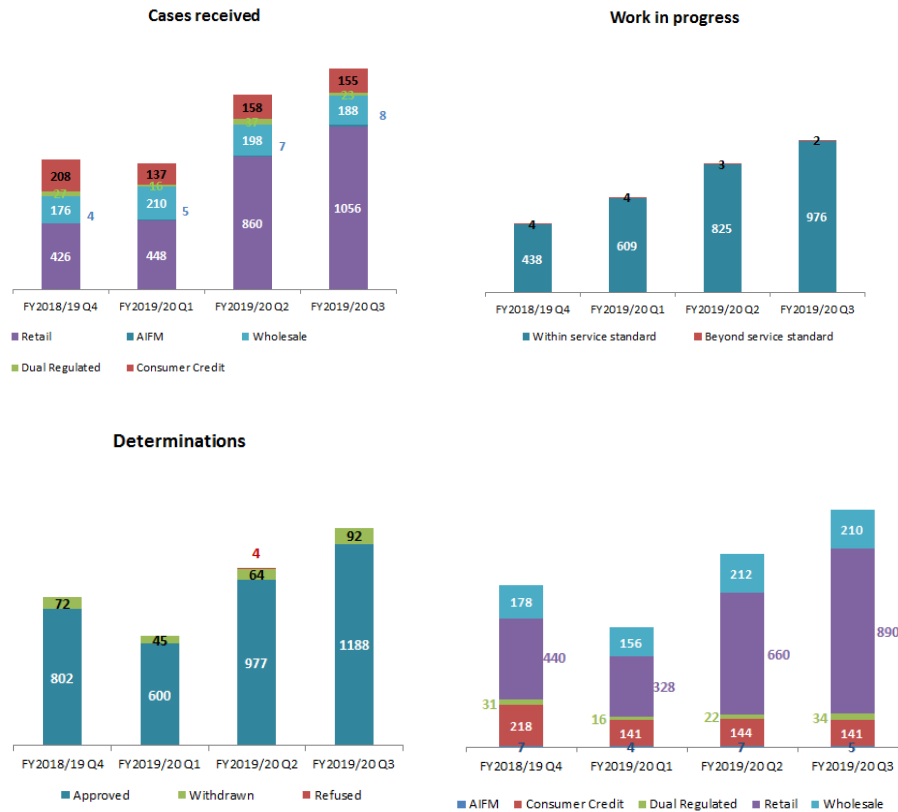
Volumes received in Q3 of financial year 2019/20 increased significantly and determinations did not keep pace with this increase in receipts. This has resulted in an increase in WiP from the previous quarter.

The increase in receipts is likely to be a result of recent/ ongoing data cleanse projects and general communications to firms in certain sectors, such as consumer credit.

Variations of Permission quarterly KPIs: 2019/2020

Variations of permission (VoP): to process an application from an authorised firm for VoP

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	<1	7.8	2	4.6	192.7
FY2019/20 Q1	<1	8	<1	5.6	52
FY2019/20 Q2	<1	8	<1	6	52
FY2019/20 Q3	<1	8.7	2	5.6	66

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	1041	1036	99.52%
FY2019/20 Q1	909	898	98.79%
FY2019/20 Q2	864	850	98.38%
FY2019/20 Q3	771	766	99.35%

FY2019/20 Q3					
	Min	Mean	Mode	Median	Max
AIFM	14.9	29.1	15	21.4	51
Consumer Credit	<1	5	<1	3.3	28.4
Dual Regulated	0.1	16.4	1	11.8	47.7
Retail	<1	6.8	2	4.9	37.4
Wholesale	<1	17.4	<1	15.1	66

The volume of cases received in Q3 continued to increase, due to a large increase in retail intermediary applications. Much of the increase is attributable to advisory firms who are applying to remove pension transfer advice permissions.

Determinations increased but fell short of receipts, resulting in an increase of Work in Progress. Despite the increase, average processing times remained relatively low, with half of applications being completed in 5.6 weeks or less. Timelines for dual-regulated firms are worked alongside the PRA, however, for transparency and completeness, we include the cases here.

Glossary:

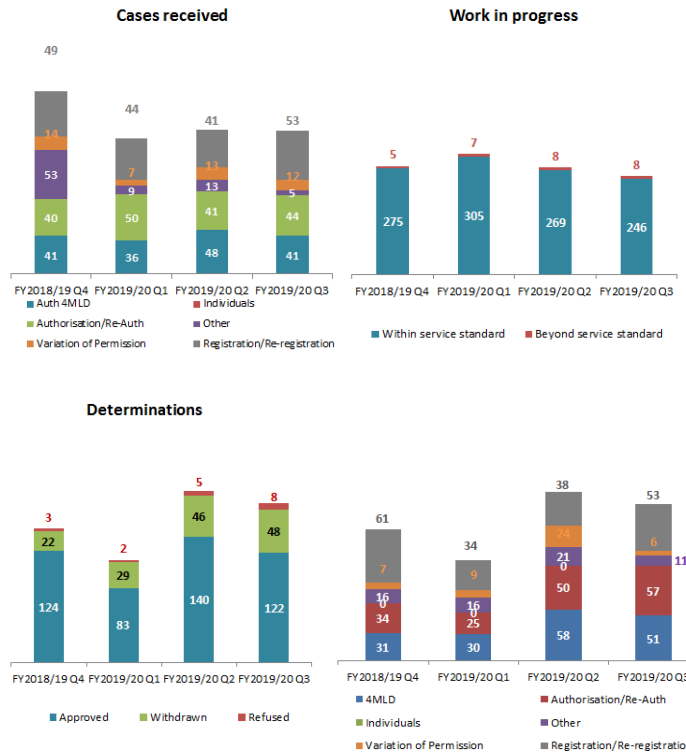
- Retail: Solo-regulated retail investment firms
- Wholesale: Solo-regulated wholesale investment firms
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- Consumer Credit: Solo-regulated firms carrying on credit-related regulated activities
- Dual-regulated: Firms regulated by both the Prudential Regulation authority (PRA) and the FCA.

Note that solo-regulated firms may fall into more than one of the above categories. Cases are assigned to one of the relevant areas according to permissions applied for and overall nature of the firm.

Payment services and e-money quarterly KPIs: 2019/2020

Payment services and e-money: to process firm application for authorisation/registration or variation of authorisation/registration

(Applicable service standards: Appendix II)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	<1	16.8	13	12.9	87.4
FY2019/20 Q1	0.1	17.8	6	12.9	69.6
FY2019/20 Q2	<1	21.3	8	18.3	52
FY2019/20 Q3	<1	20.7	<1	15.9	107

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	314	312	99.36%
FY2019/20 Q1	144	139	96.53%
FY2019/20 Q2	121	117	96.69%
FY2019/20 Q3	182	176	96.70%

Volume of receipts remain steady therefore we have continued to focus on reducing the WiP. The number of withdrawals continue to increase for the same key issues as described in Q2 (1) firms failing to meet a minimum requirement for approval in advance of the statutory deadline; 2) firms not having appropriate knowledge and experience in financial services and/or PSD2; and 3) firms not being based in the UK and therefore not meeting the conditions for authorisation.

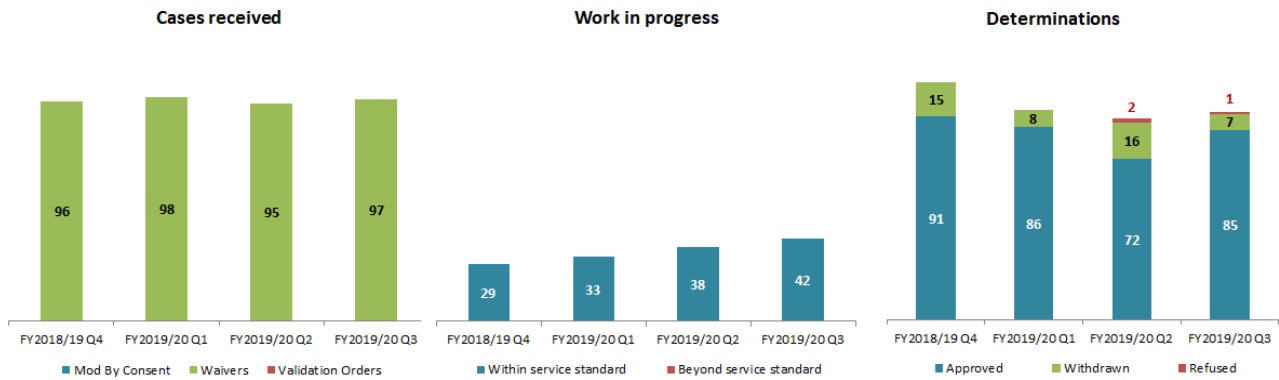
We have seen a slight increase in Registrations/Re-registrations applications but have not been able to identify any particular trend for the increase.

Glossary:

- 4MLD: Fourth Money Laundering Directive cases
- API: Authorised Payment Institution
- AEMI: Authorised E-Money Institution
- SPI: Small Payment Institution
- SEMI: Small E-Money Institution

Waivers KPIs: 2019/2020

To process a waiver or modification request (No applicable service standards)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	<1	3	<1	1.3	20.4
FY2019/20 Q1	<1	3.3	1	1.4	29.9
FY2019/20 Q2	<1	3.4	1	2.3	21.4
FY2019/20 Q3	<1	4	1	2.7	24.3

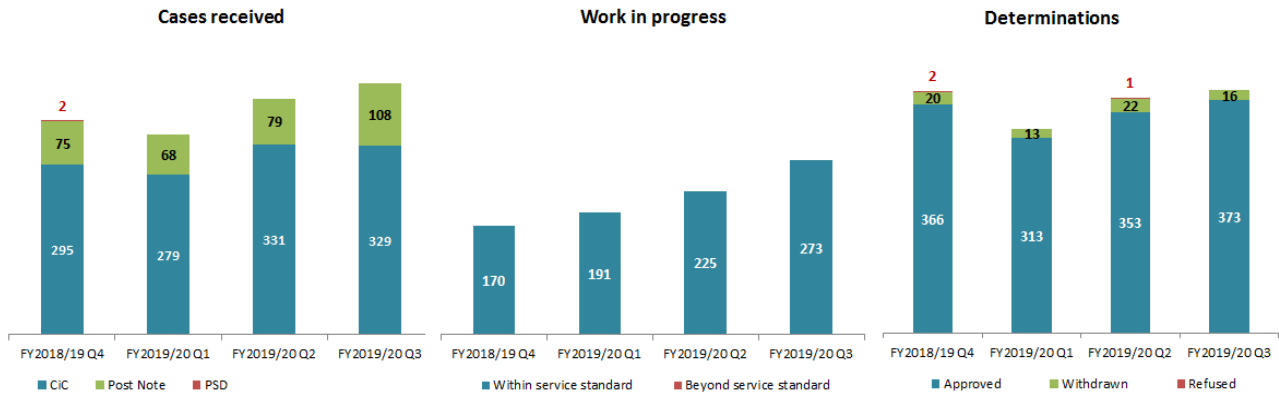
Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	n/a	n/a	n/a
FY2019/20 Q1	n/a	n/a	n/a
FY2019/20 Q2	n/a	n/a	n/a
FY2019/20 Q3	n/a	n/a	n/a

The number of Waivers cases received in Q3 is comparable with previous quarters. Determinations largely kept pace with receipts, resulting in only a slight increase in Work in Progress.

Change in Control KPIs: 2019/2020

Change in Control: to process an application from an authorised firm for a Change in Control (CiC)

(Applicable service standards: Appendix I)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	<1	5.9	1	4.5	46.9
FY2019/20 Q1	<1	6.3	1	4.9	50.6
FY2019/20 Q2	<1	7.1	1	5	71.6
FY2019/20 Q3	<1	7	2	5	70.6

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	300	300	100.00%
FY2019/20 Q1	274	274	100.00%
FY2019/20 Q2	268	268	100.00%
FY2019/20 Q3	289	289	100.00%

All Change in Control cases have been determined within the statutory deadlines. Receipts continued to increase in Q3 compared to previous quarters. Total determinations also increased slightly compared to the previous quarter. Average time to process has remained broadly consistent with the previous quarter.

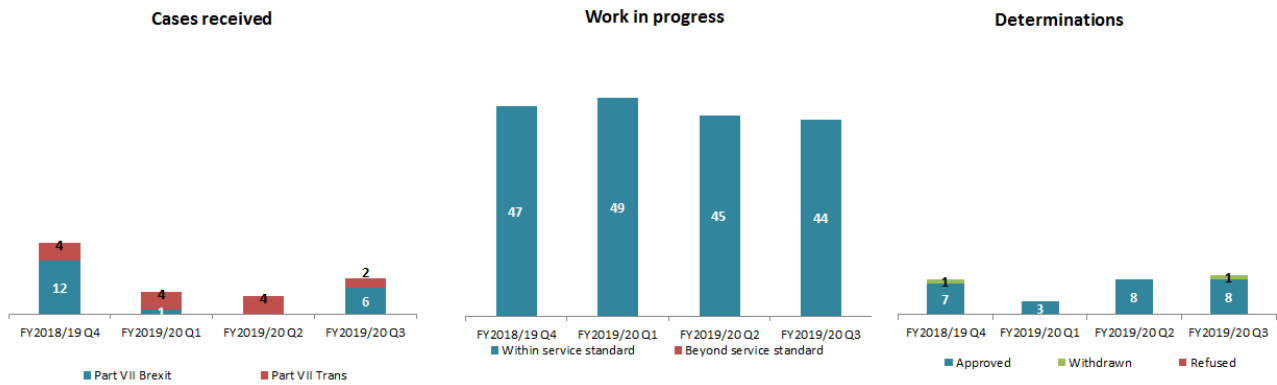
Glossary:

- CiC: Notification of an intended Change in Control
- Post Note: A case where notification has been made after the change in control has taken place
- PSD: Payment Services Directive-Related Case

Part VII Transfer KPIs: 2019/2020

To process a Part VII Transfer

(No applicable service standards)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	51.9	75.6	52	70.2	134.1
FY2019/20 Q1	2.1	50	2	68	80
FY2019/20 Q2	9.3	103.6	9	101.6	187.6
FY2019/20 Q3	4.9	62.5	5	85	127.1

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	n/a	n/a	n/a
FY2019/20 Q1	n/a	n/a	n/a
FY2019/20 Q2	n/a	n/a	n/a
FY2019/20 Q3	n/a	n/a	n/a

Determinations relate to sanctions hearings at the end of the Part VII process. Determinations are not the sole measure of activity levels and the data does not account for directions hearings which are a key interim milestone of a Part VII case.

As expected we received an increase in Brexit-related transfers in FY2019/20 Q3 and determined a similar number to the previous quarter.

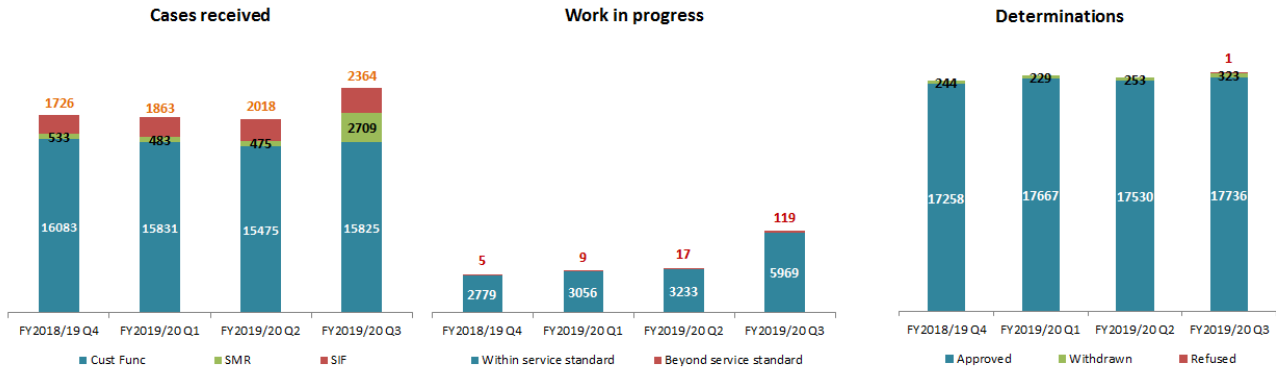
Glossary:

- Part VII Transfer: A court-sanctioned transfer of insurance business between entities under Part VII of the Financial Services & Markets Act 2000
- Part VII Trans: A case relating to a Part VII Transfer application
- Part VII Brexit: A case relating to a Brexit-related Part VII Transfer application

Approved Persons KPIs: 2019/2020

Approved Persons: to process an application for approved person status

(Applicable service standards: Appendix III)



Processing times of cases completed in quarter (weeks)					
	Min	Mean	Mode	Median	Max
FY2018/19 Q4	<1	1.3	<1	0.1	128.9
FY2019/20 Q1	<1	1.6	<1	0.1	232.9
FY2019/20 Q2	<1	2.3	<1	0.1	223.4
FY2019/20 Q3	<1	1.9	<1	0.1	107.7

Service standards			
	Cases required within standard	Of those required, cases determined within standard	% determined within standard
FY2018/19 Q4	6301	6268	99.48%
FY2019/20 Q1	6524	6492	99.51%
FY2019/20 Q2	6515	6435	98.77%
FY2019/20 Q3	6098	5948	97.54%

The final quarter of the calendar year saw a very sharp increase in the volume of SIF and SMR applications received as solo regulated firms responded to the 9/12/19 deadline for the extension of SM&CR to them. The combined increase in SIF/SMR applications compared to the previous quarter was 103%. Almost all of those receipts were confined to the period in the quarter prior to 9/12/19 thus producing a very sharp peak in applications.

This has caused the time for cases to be allocated to a case officer to lengthen and for applications to take longer than normal to conclude. The statutory service standard for these applications is 90 days subject to when the clock is stopped pending further information from the applicant. In the opening months of 2020 applications have taken longer than has been normal to conclude but with overtime working since January we expect to see the position starting to ease by early in Q2 2020.

Glossary:

- SMR: An application in respect of individuals from a firm covered by the Senior Managers & Certification Regime.
- SIF: Any application from an individual performing or applying to perform a "Significant Influence Function."
- Customer Function: Any application from an individual, approved person or appointed representative not covered under the above two categories. For example, an application to become an approved person, or an application to cancel an approved person permission.

Appendix I: Relevant Service Standards: Solo-Regulated Permissions

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

ID	Area	Description	Target
A1.1a	Corporate Authorisations	To process a complete application for Part 4A permission	100% within six months of a complete application (s55V(1)) or within 12 months of receipt of an incomplete application (s55V(2))
R5.1	VoPs	To process a complete application from an authorised firm for Variation of Permission	100% within 6 months of becoming complete (s55v(1)) or 12 months of receipt of an incomplete application (s55v(2))
R8.1a	Cancellations	To determine an application for Cancellation of Part 4A Permission	100% within 6 months of becoming complete (s55V(1)) or 12 months of receipt of an incomplete application (s55V(2))
R6.1	Change in Control	To make a decision following receipt of a 'valid' notification to approve a change in control: Either to notify the s178 notice-giver that the change in control has been approved or to give them a warning notice	100% within 60 working days of acknowledgment of receipt (s189(1))

Appendix II: Relevant Service Standards: Payment Services

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

ID	Area	Description	Target
PS1	Payment Services	To process a complete application for authorisation under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
PS2	Payment Services	To process a complete application for authorisation under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
PS3	Payment Services	To process a complete application for registration under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
PS4	Payment Services	To process a complete application for registration under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
PS5	Payment Services	To process a complete application for a variation of registration under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
PS6	Payment Services	To process a complete application for a variation of registration under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
PS7	Payment Services	To process a complete application for a variation of authorisation under the Payment Services Regulations 2009	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
PS8	Payment Services	To process a complete application for a variation of authorisation under the Electronic Money Regulations 2011	100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application
A1.2	3MLD	To process Money Laundering registrations	100% within 45 calendar days of receipt of application or receipt of any further required information (Reg 34(4) MLRs)

Appendix III: Relevant Service Standards: Approved Persons

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

ID	Area	Description	Target
R1.1a	Approved Persons	To process an application for approved person status	100% within 3 months of receipt unless attached to an application for part 4A permission (when it is the later of (i) 3 months after receipt or (ii) 6 months after receipt of a complete application for part 4A permission, or 12 months after receipt of an incomplete