Financial Conduct Authority Complaints Team
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

25 June 2021

Dear Sirs

Letter of Support: Complaint from Shearman & Sterling (London) LLP re London Capital & Finance Plc (in administration) (FRN: 722603) ("LC&F")

Complaint regarding (i) lack of compensation to LC&F investors for regulatory failures and (ii) the Financial Conduct Authority's incorrect reliance upon a purported "solely or primarily responsible" causation test for ex gratia compensation payments.

Introduction

We write further to our correspondence with the Financial Conduct Authority ("FCA") in relation to the regulatory complaints scheme established pursuant to section 84 of the Financial Services Act 2012 (the "FS Act"), the Scheme Rules and the Remedies Statement published on 17 June 2020.

We also write further to the letter of complaint sent to the Financial Regulators Complaints Commissioner (copied to the FCA) on behalf of certain investors in London Capital & Finance Plc (in administration) dated today 25 June 2021 (the "LC&F Investors Complaint"), which has been shared with us.

Declaration of Support

We advocate and support the central tenant of the LC&F Investors Complaint, namely the purported introduction by the FCA of a "solely or primarily responsible" test of causation in the FCA's announcement dated 19 April 2021 (the "LC&F Compensation Statement") and the prejudicial consequences of the application of this test to the LC&F bondholders

In particular:

1. **The "solely or primarily responsible" test of causation has no legal basis:**

The causation test as expressed in the Remedies Statement and LC&F Compensation Statement has no legal basis in the FS Act, the Scheme Rules or in any aspect of the relevant legislative framework.

2. **The FCA has failed to further its statutory objectives:**

The introduction and application of the "solely or primarily responsible" test is not one that is in accordance with the FCA's statutory duties or objectives set out in the Financial Services and Markets

Act 2000 (as amended) ("FSMA"). By deliberately limiting the grounds upon which compensation will be payable without any legal basis, the FCA cannot be fulfilling its objective to secure "an appropriate degree of protection for consumers." On the contrary, the FCA appears to be eroding the legitimate interests of consumers.

As you will be aware, we have articulated these (and other) concerns with the FCA's approach of attempting to adopt its revised version of the Scheme Rules (set out in CP20/11: "Complaints against the Regulators") through the "back door" in the Remedies Statement on several occasions since September 2020.

Our concerns have not been adequately and comprehensively addressed to date by the FCA.

The unfair treatment of the LC&F Investors is an unfortunate – but not unforeseeable - consequence of the actions of the FCA to introduce fundamental legislative change through subterfuge.

Yours faithfully,

Gina Miller

Alan Miller

Gina Miller

Alan Miller

50 Sloane Avenue, London, SW3 3DD
+44 (0)20 7838 8650
www.trueandfaircampaign.com