

PRESS RELEASE

FOR IMMEDIATE RELEASE

FCA sets tight deadline for banking victims of two-decade old scandal to seek justice.

07 September 2022 – Deadline of 13 December 2022 for Interest Rate Hedging Products Complaints to the Financial Conduct Authority

- The mis-selling of interest rate hedging products (IRHPs) by banks to business customers is one of the UK's largest ever financial scandals. Livelihoods were lost, businesses built up over many years were destroyed and lives were ruined.
- In 2013, the FCA's predecessor the Financial Services Authority (FSA) entered into agreements with nine banks, which resulted in over £2.2 billion in compensation being paid by those banks to customers who had been mis-sold IRHPs, over the period from 2001-2011 (the Scheme).
- However, over 10,000 sales of IRHPs to approximately 5,000 customers were excluded from the Scheme by the FSA, on the basis of a "sophistication" test, which sought to categorise and exclude victims of IRHP mis-selling based on inflexible and arbitrary criteria. This exclusion affected around one third of the sales, and thus may have prevented customers accessing over £1 billion of compensation.
- Complaints to the FCA, including by the APPG for Fair Business Banking, led to the FCA commissioning John Swift QC to conduct an independent review of the Scheme. He and his team worked for over two years, at a cost in excess of £7 million. His comprehensive lessons learned review was published on 14 December 2021 (the Review).
- The Review concluded that the FCA was wrong to exclude so-called sophisticated customers, but the FCA decided to take no further action on this issue. The APPG is pursuing Judicial Review proceedings against the FCA in relation to this decision (the Proceedings), which it considers to be unlawful.
- Since commencement of the Proceedings, the FCA has, by way of publication of its Board Meeting minutes of 26 May 2022 (which can be found [here](#)), resolved to consider complaints to the FCA concerning the Scheme with an open mind and "in accordance" with the Review, but only if the complaints are raised before 13 December 2022
- This leaves very little time for victims to proceed, and seek legal advice where needed, and the APPG therefore encourages victims of the Scheme to do so without delay.

Kevin Hollinrake MP, as Co-Chair of the All-Party Parliamentary Group on Fair Business Banking, has made the [following statement](#).

ENDS

For further information or for press queries – contact:

APPG Communications Manager, Laurie Woodiwiss – laurie.woodiwiss@parliament.uk | 07540405005