



Many companies were wrongly excluded from the Financial Conduct Authority's redress scheme  
ALAMY

## Hidden clock's ticking over swaps fiasco

[James Hurley](#)

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Thousands of businesses have been warned of a hidden deadline to register a complaint about being mis-sold financial hedging products by banks.

The policy, which has not been publicised, affects companies who were wrongly excluded from the Financial Conduct Authority's redress scheme for those damaged by interest rate hedging products.

So-called swaps were marketed as protection against the risk of rising interest rates, but left companies with disastrously high costs when rates fell after the financial crisis.

A redress scheme paid out £2.2 billion but in December, an independent review by John Swift QC concluded that the FCA failed in its duties when it introduced a sophistication test which froze out about one in three businesses who were mis-sold swaps.

The all-party parliamentary group on fair business banking is seeking a judicial review of the FCA's decision not to accept Swift's finding on the sophistication test. The FCA has refused to recommend compensation for those excluded from the review. However, the regulator has quietly agreed to review complaints in the light of Swift "with an open mind" and to "consider the issues on individual merits".

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It said it was willing to revisit complaints in the light of any "decision of the court in the ongoing judicial review proceedings, if appropriate", but does not expect to pay compensation for financial loss for upheld complaints.

The regulator's general approach is that complaints should be made within a year of the date on which the complainant first became aware of the circumstances giving rise to the complaint. Swift's findings were published in December, meaning companies only have about four months left to register their grievance. The deadline and complaints policy have not been publicised, only appearing in FCA board minutes.

Ned Beale, partner at Hausfeld, a law firm working on the judicial review, said: "I encourage any victims with complaints to register them ahead of [the] deadline, even though the judicial review is likely to conclude later."

An FCA spokeswoman said: "We will always investigate complaints made within 12 months of the issue being known to the complainant, and we also have the flexibility to investigate complaints raised after that time so long as reasonable grounds for delay are shown."

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