

## Chapter 2

# The FCA's approach to enforcement



2.3 Case selection: Threshold Conditions cases

2.3.1

The *FCA* often takes a different approach to that described above where *firms* no longer meet the *threshold conditions*. The *FCA* views the *threshold conditions* as being fundamental requirements for *authorisation* and it will generally take action in all such cases which come to its attention and which cannot be resolved through the use of supervisory tools. The *FCA* does not generally appoint investigators in such cases. Instead, *firms* are first given an opportunity to correct the failure. If the *firm* does not take the necessary remedial action, the *FCA* will consider whether its *permission* to carry out regulated business should be varied and/or cancelled. However, there may be cases where the *FCA* considers that a formal investigation into a *threshold conditions* concern is appropriate.