

# Alternative Dispute Resolution (ADR) – annual activity report 2016/2017



Financial  
**Ombudsman  
Service**

In this report we focus on data we are required to publish under The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. This is our annual activity report and all figures relate to the period 9 July 2016 – 8 July 2017.

The report covers the requirements listed in schedule five of the regulations. These figures don't include complaints brought by micro-enterprises<sup>1</sup> but may include complaints brought by charities and trusts due to the way we record complaints.

## a) the number of domestic disputes and cross-border disputes the ADR entity has received

number of complaints received from consumers living within the UK	308,589
number of complaints received from consumers living outside the UK	3,570

number of complaints received about businesses trading within the UK	310,370
number of complaints received about businesses trading outside the UK	1,789

total number of complaints	312,159
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The totals above include those cases which were dismissed or discontinued (see tables e) and f) below).

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<sup>1</sup> An enterprise which:

1. (a) employs fewer than 10 *persons*; and
2. (b) has a turnover or annual balance sheet that does not exceed €2 million.

In this definition, "enterprise" means any *person* engaged in an economic activity, irrespective of legal form and includes, in particular, self-employed *persons* and family businesses engaged in craft or other activities, and *partnerships* or associations regularly engaged in an economic activity.

**b) the types of complaints to which the domestic disputes and cross-border disputes relate**

<b>the types of complaints</b>	<b>number of complaints from within the UK</b>	<b>number of complaints from outside the UK</b>	<b>total number of complaints</b>
banking	93,310	1,586	94,896
insurance	37,659	448	38,107
investments	8,219	400	8,619
pensions	5,163	200	5,363
PPI	164,238	936	165,174

**c) a description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity**

We share information about the complaints we see and our approach to resolving them in our [annual review](#), [ombudsman news](#) and in [insight reports](#) – all available on our website. We also share information and insight with the Financial Conduct Authority (FCA) to help with their operational objective to protect consumers and ensure markets work well. We also share our insights with trade bodies and businesses to help them improve industry standards and complaints handling.

**d) any recommendations the ADR entity may have as to how the problems referred to in paragraph (c) could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices**

As above, we share information about the complaints we see and our approach to resolving them in our [annual review](#), [ombudsman news](#) and in [insight reports](#) – all available on our website. We also share information and insight with the FCA to help with their operational objective to protect consumers and ensure markets work well. We also share our insights with trade bodies and businesses to help them improve industry standards and complaints handling.

e) the number of disputes which the ADR entity has refused to deal with, and the percentage share of the grounds set out in paragraph 13 of Schedule 3 on which the ADR entity has declined to consider such disputes

The total number of cases dismissed – and the proportion they represent of all our cases.

excluding PPI		PPI		All	
1,206	0.8%	6,099	3.7%	7,305	2.3%

The percentages in the table below are based on the total number of cases dismissed.<sup>2</sup>

reason case was dismissed	excluding PPI		PPI		All	
	the complaint is frivolous and vexatious <sup>3</sup>	76	6.3%	4,131	67.7%	4,207
the subject matter of the complaint has been dealt with, or is being dealt with, by a comparable ADR entity	216	17.9%	19	0.3%	235	3.2%
the subject matter of the complaint has been subject to court proceedings where there has been a decision on the merits	115	9.5%	1	0%	116	1.6%
the subject matter of the complaint is the subject of current court proceedings unless proceedings are stayed or assisted (by agreement of all parties, or order of the court) so that the matter may be considered by the Financial Ombudsman Service	57	4.7%	0	0%	57	0.8%
dealing with such a type of complaint would seriously impair the effective operation of the Financial Ombudsman Service. <sup>4</sup>	703	58.3%	1,899	31.1%	2,602	35.6%
other	39	3.2%	49	0.8%	88	1.2%

<sup>2</sup> Percentages may not add up to 100% due to rounding.

<sup>3</sup> Including complaints about the mis-sale of payment protection insurance (PPI) when there was no PPI policy.

<sup>4</sup> This may include cases which have already been dealt with by a court or a comparable ADR entity, or where all the parties are not joined in.

**f) the percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation**

A consumer may choose to withdraw their complaint for one of the following reasons

- 1) the consumer decided to withdraw from our process
- 2) the consumer agreed to be referred to another ADR entity
- 3) the consumer didn't supply the requested information or fails to provide it in time

<b>number of discontinued cases</b>	<b>total number of cases</b>
4,027 (1.29%)	312,159

These figures may include complaints bought by micro-enterprises due to the way we record these complaints.

**g) the average time taken to resolve domestic disputes and cross-border disputes**

For ADR reporting purposes, we measure the period from the day we receive all of the information needed to start investigating the complaint and until the day we issue our first opinion.

This is different from the way we report about timeliness in the annual review – when we measure the period from when we accept the complaint until the date we close the complaint, either because both parties have accepted our opinion or because we have issued an ombudsman's final decision.

The average time it takes to resolve a complaint is likely to change over time due to various factors.

<b>type of complaint</b>	<b>average time</b>
excluding PPI	24 days
PPI	24 days

**h) the rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures**

We don't currently record this information for all cases.

**i) the cooperation, if any, of the ADR entity within any network of the ADR entities which facilitated the resolution of cross-border disputes**

We continue to engage with other ADR schemes through our membership of the Financial Dispute Resolution Network (FIN-NET), International Network of Financial Ombudsman Schemes (INFO) and the Ombudsman Association. These international networks help out-of-court schemes like ours to share good practice and innovation – including how to refer customers to each other efficiently.