

# what we've seen

## uncertainty

Over the years we've seen how political and economic events can affect how people feel about their finances – making them more or less cautious, more or less likely to save or invest, and perhaps more confused about how to plan for the long term. And by any standards, the past year has brought significant uncertainty.

During 2016/2017 we heard from people with a range of complaints reflecting national and global events. For example, some people had transferred money overseas around the time of the UK's referendum on its membership of the European Union – and were upset that their transactions had been affected by fluctuations in the exchange rate. Others believed Brexit had affected the price of their shares or the margins on their trading accounts.

## rise in foreign currency complaints

# 31%

118 in 2017/2016 compared with 90 in 2015/2016

 for more information see *data in more depth* (table 9) p.52 

## April 2016



We talk to visitors at the independent living exhibition *Naidex* in Birmingham



We help people in Manchester at BBC's *Rip-Off Britain's* pop-up shop

We respond to the Claims Management Regulator's consultation *Cutting the costs for consumers*



We talk to BBC Radio Ulster's *On Your Behalf* and BBC Radio 5 Live about financial fraud and scams



## small business deal falls through

Mrs H, a small business owner, told us her bank's delays had left her out of pocket. She said she'd tried to make an online payment to a contractor in India around the time of the EU membership referendum – but the bank had said they couldn't transfer the money until they'd carried out some security checks.

By the time the money arrived the exchange rate had fallen. Mrs H could no longer afford the purchase and had had to cancel the deal. She'd lost £80 in bank fees, £600 on samples and over £3,000 on the order.

We saw the bank had tried to call Mrs H to carry out the checks, but hadn't been able to get in touch with her. This was the cause of the initial delay. And looking at the sequence of events, it didn't seem Mrs H had contacted the bank to sort things out sooner, even though there'd been time to do so.

We explained to Mrs H that the bank's security measures weren't unusual and were there to protect customers against fraud. We appreciated that she was disappointed, but we decided the bank hadn't done anything wrong.

**rise in travel insurance complaints**

**41%**

for more information see  
*data in more depth* (table 9)  
p.52

During the summer of 2016, at the height of the Rio Olympics, the Zika virus had spread to more than 60 countries and was causing concern for people planning to travel overseas. As Zika hit the headlines, we answered media questions about how we can help with problems with travel insurance. And where complaints did arise, we worked with insurers and their customers to find fair answers to disputed claims.

The past year has also seen a number of security incidents across the world. We heard from people who'd changed their plans due to trouble in countries they'd intended to visit – and were having trouble claiming on their travel insurance. In these cases, among other things, we checked whether the Foreign & Commonwealth Office (FCO) had issued specific warnings about the areas in question.

**May 2016**

We're in the Midlands – meeting the Insurance Institute of Coventry, running a workshop for local consumer advisers, and meeting small businesses in Wolverhampton



We get the highest weekly number of enquiries about mortgages



We meet visitors to the Balmoral Show, Northern Ireland's largest agricultural event, to explain who we are and how we can help



The FCA opens applications for its regulatory sandbox – a safe space for businesses to test innovative financial products and services

The Public Accounts Committee publishes its report *Financial services mis-selling: regulation and redress*, which highlights our role in dealing with the fall-out of mis-sold PPI



We speak at the launch of the FCA Occasional Paper on access to financial services



We meet money advisers at the Institute of Money Advisers' annual conference in Manchester



### zika causes travel concerns

Mrs S had become pregnant after booking a holiday in a country affected by the Zika virus. Having read official advice that pregnant women should consider avoiding this country, she and her husband contacted their GP – who advised them not to go. But when they tried to claim on their travel insurance for the cost of cancelling their trip, their insurer rejected their claim – saying they weren't covered for "travel disruption".

From Mr and Mrs S's policy, we could see they hadn't opted for this extra cover. But looking at the cover they actually had, they wouldn't be covered if they travelled against medical advice. So Mrs S wouldn't be covered for medical issues if she *did* travel – but also wouldn't be covered if she *didn't*. In these circumstances, we told the insurer it would be fair and reasonable to pay the couple's claim.

# 168,769

PPI complaints received compared to 188,712 last year

for more information see *data in more depth* (table 4) p.49

# 37.5%

of packaged bank account complaints were brought by claims management companies – 62% in 2015/2016

for more information see *data in more depth* (table 28) p.63

By the end of 2016/2017 we'd received over 1.6 million complaints about mis-sold payment protection insurance (PPI). We've been dealing with the impact of the mis-selling scandal for many years now – and resolved many hundreds of thousands of complaints based on similar issues. But in late 2014, the Supreme Court's judgment in *Plevin v Paragon Personal Finance Ltd* created new uncertainties.

The judgment means that some people may have new grounds to complain about PPI – based on the amount of commission the business received for the sale, and whether they disclosed that commission. This uncertainty carried on late into 2016/2017, as the FCA considered how the rules for handling PPI complaints needed to change in light of *Plevin*.

The fact we were waiting for new rules and guidance to come into force meant we didn't resolve as many PPI complaints as we'd planned to at the beginning of the financial year. However, despite the issues raised by *Plevin*, we still made good progress in giving people initial answers about whether their PPI policy was mis-sold. We've published our timetable for dealing with PPI complaints on our website – including our plans for giving answers to people who've been waiting the longest.

There was a different picture for packaged bank accounts – an area that had previously been a growing area of complaint – where complaints fell by more than half this year.

## June 2016



We visit Money Advice Scotland's annual conference in Crieff



We meet small businesses at our workshop in Norwich



We get the highest weekly number of enquiries about pensions



We discuss the perils of scams and jargon with BBC Radio Sussex & Surrey



## fair and final answers about PPI

Richard Thompson  
principal ombudsman and quality director

In March 2017 the FCA published new rules and guidance about handling PPI complaints. This was the culmination of a complex consultation process – all stemming from the Supreme Court’s ruling in *Plevin v Paragon Personal Finance Ltd*. At the end of 2016/2017, the issues raised by the court’s judgment in *Plevin* affected around 140,000 of the 170,000 cases we’ve yet to resolve. So the publication of the FCA’s guidance is undoubtedly good news for consumers and businesses waiting to move forward with their PPI complaints.

On the other hand, there’s still a fair amount of uncertainty. As well as setting out new rules, the FCA has set a final deadline of August 2019 for consumers to complain about mis-sold PPI. And before then, they’ll be running an awareness campaign. We don’t know how many more people will complain as a result of this. And we don’t yet know how claims management companies, who bring the majority of PPI complaints to us, are going to react.

Unfounded PPI claims are costly and frustrating for everyone involved. So we’ll continue to work with claims managers and their regulator to stop complaints coming to us unnecessarily – as well as reminding everyone that consumers can contact us directly for free.

The FCA’s rules don’t come into force until 29 August 2017. Before then, there’s a lot of detail for businesses to work out about how they’ll put things right for customers. But we’ve built up considerable experience in sorting out complaints on a large scale – and in building effective working relationships with businesses and claims managers, as well as organisations representing consumers. So I’m confident that, even if the end may be some way off, we’ll ensure everyone with concerns about PPI gets a fair and final answer.

# 83%

of PPI complaints waiting for our answer were affected by the judgment in *Plevin* (as at 31 March 2017)

