

### compensation over £100,000

The Financial Ombudsman Service has official powers to decide individual complaints between consumers and financial businesses.

If we decide that a financial business has acted wrongly – and a consumer has lost out as a result – we can tell the business to put things right. Generally, the aim is to put the consumer in the position they'd be in if things hadn't gone wrong.

This can include telling the business to compensate the consumer for losses of up to £100,000. This limit doesn't include any interest or costs we might tell a business to pay on top.

In May 2011, the Financial Services Authority (FSA) announced an increase in this limit – from £100,000 to £150,000 – for complaints we received after 1 January 2012.

#### what does this mean for my case?

Most cases we deal with involve amounts much smaller than £100,000. This means they are not affected by the limit on how much compensation we can tell a business to pay.

But in your particular case, *if* we were to uphold the complaint in your favour, it is possible that the amount involved *could* be more than £100,000.

#### does this mean the ombudsman has already decided to uphold my case?

No. At this stage, we have not yet decided whether to uphold your complaint or not. But it is important that you should know how the maximum limit *could* affect your case.

#### what if compensation comes to more than the maximum limit?

We can *tell* the financial business to pay compensation of up to the maximum limit. But we cannot tell it to pay any further amount in excess of this. We can only ask if it would be *willing* to do this.

#### does this mean you can't deal with my complaint?

No. We can still deal with your case. But you need to understand the possible consequences if you continue your complaint with us.

#### is there an alternative to the ombudsman?

You could take the financial business to court instead. The courts can award unlimited compensation.

The courts decide cases formally on the basis of the law. Our service is more informal. We decide complaints on the basis of what we believe is fair and reasonable in each case.

Sometimes we may decide that a complaint involving an amount over the maximum limit might be more appropriately dealt with in court. If we decide this, we won't continue with the case any further.

#### can the ombudsman advise on whether I'm better off going to court?

No. We don't give legal advice. You should get independent legal advice about this – and about the time limits which the courts apply.

## if I continue my complaint with the ombudsman, do I have to accept your decision?

No. You don't have to accept any decision we make. And as long as you *don't* accept a decision from us, you're free to try to get compensation through the courts instead.

## what does this mean in practice?

If we decide to uphold your complaint and you accept this decision, the financial business will have to pay you what we tell it – *up to* the limit of £100,000 (£150,000 for complaints we received after 1 January 2012). We could only ask if it would be *willing* to pay any further amount in excess of this – and the business could refuse. You wouldn't be able to take the business to court for the excess.

Similarly, you wouldn't be able to take the business to court if we decide *not* to uphold your complaint – and you accept this decision.

## how much time would I have, to decide whether to take my case to court?

The courts have their own time limits. You should get independent legal advice, if you're thinking about taking your case to court.

There is more information about how compensation works on our website ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). Look at our *online technical resource* in the publications section.

This fact sheet is only a general guide. It is not legal advice. The rules we have to follow can be complex. We look at each case on its own individual facts and merits. We will always give you the chance to query anything you don't understand or agree with.

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