

ombudsman news

essential reading for people interested in financial complaints
– and how to prevent or settle them



Natalie Ceeney, chief executive and chief ombudsman

back to college

There's a seasonal flavour to this issue of *ombudsman news*, which looks at complaints involving younger people – including students leaving home and going away to university and college, usually around this time of the year.

We're not, of course, suggesting that younger people should be *expecting* things to go wrong. But the case studies in this issue do point to some of the situations we see where younger consumers may be taking out financial products – and managing their own finances – for the first time.

Dealing with unfamiliar and challenging situations is also part of learning to stand on your own two feet – including knowing how to assert your rights and get any problems or complaints sorted. This can often be as simple as finding the right person to ask for help. And in many of the cases referred to us by younger people, we see others involved such as student reps, campus advisers and, of course, mum and dad.

As part of our *complaints prevention* work, we run a range of activities to target students and younger people – as well as those people who students are more likely to turn to, in the first instance if they have ▶

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Financial
Ombudsman
Service

a financial problem or complaint. These include youth networks and organisations such as the National Association of Student Money Advisers and Connexions. Gaining the confidence of ‘trusted intermediaries’ like these is vital in helping the ombudsman service get known and trusted across a section of the population who can be pretty resistant to traditional messages conveyed in conventional ways.

Of course, it’s not just younger people who want to do things differently – and who might find conventional ways of complaining out of touch and irrelevant. New services like mobile e-money mean that people are interacting with financial services in very different ways – and are increasingly expecting to complain differently too, if something happens that they’re not happy with.

This is why one of the projects that we’re currently starting work on involves looking at our procedures in relation to handling e-money complaints.

This is an area that highlights the speed with which society, business and technology are evolving and transforming. So it’s right that we should be looking afresh at some of our processes, to see how they might be adapted and updated to reflect both business and consumer needs.

This *doesn’t* mean that we’re planning to *tweet* ombudsman decisions anytime soon. But it *does* mean that we should be listening and responding to what different groups of customers are telling us about the complaints process – and the type of service they expect from us.



Natalie Ceeney

chief executive and chief ombudsman



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ombudsman news is not a definitive statement of the law, our approach or our procedure. It gives general information on the position at the date of publication.

The illustrative case studies are based broadly on real-life cases, but are not precedents. We decide individual cases on their own facts.

financial complaints

brought to the ombudsman service by students

This selection of recent case studies features a range of complaints about financial services brought to the ombudsman service by – or on behalf of – students.

While younger people generally tend to own fewer financial products than older consumers, they are just as likely to have bank accounts, credit cards, loans and some types of insurance.

However, our consumer research indicates that consumers aged under 25 are proportionately less likely to bring disputes to the ombudsman service than consumers from older age groups. In our research, 23% of people under 25 said they had '*had a problem with a financial product or service*' – a higher figure than for most other age groups. But only 8% of these young people – significantly lower than for any other age group – said they had then gone on '*to make a formal complaint against a financial company*'. ▶

This appears to support the widely-held view that it is the ‘formality’ of making a complaint – and the time involved in following the ‘official’ procedure – that younger consumers find particularly off-putting. But it may also indicate that complaints made by younger people are less likely to escalate into formal complaints because:

- the products concerned are generally more straightforward; *and*
- financial businesses are more likely to be able to resolve – quickly and effectively – the majority of difficulties that younger people may experience.

However, it is worth noting that problems relating to financial services can have a particular impact on young people, given that they will generally be less financially stable than older consumers and may have more fluid lifestyles.

The Financial Ombudsman Service is particularly keen to focus on younger consumers – to help raise their awareness both of their right to complain and of our role in helping to resolve disputes. Recognising that younger consumers access information differently from older people, we continue to explore different ways of communicating with this age group – and we work with a range of specialist partners to get our message across. This includes:

- featuring tailored messages in publications aimed specifically at students and young people;
- developing our internet presence on social-networking sites such as YouTube and Twitter (but keeping our social-media messages simple and low key, in line with advice from the young people we meet and consult with);
- taking part in events like the *Gadget Show Live* – to encourage young high-spending consumers to confront and deal with financial problems; *and*
- supporting the UK national finals of the *Young Consumers of the Year* competition – as well as the finals of the *Young Consumer Challenge*, which helps young people with learning difficulties become better-informed and more confident consumers.

... the insurance covered his belongings while he was living in a hall of residence.

■ 97/1 student complains about automatic renewal of contents insurance policy taken out to cover his year in student accommodation

Mr M took out contents insurance specifically to cover his belongings while he was living in a hall of residence during his first year at university. It had never been his intention to keep the policy beyond that first year – not least because he was then moving to Canada to undertake a 12-month placement as part of his studies.

On returning to the UK for the final two years of his course, Mr M moved back in with his parents. This was far cheaper than renting student accommodation nearer the university campus – and the village where his parents lived was within reasonable daily travelling distance for him.

It was only when he had finished his course, and was looking in detail at his finances, that he noticed the insurer was still taking policy premiums from his current account. When he rang the insurer he was very surprised to

learn that the policy was still in force. The insurer said the policy had been renewed automatically each year and that he should have cancelled it if he no longer needed it.

Mr M said that, to the best of his knowledge, he bought a policy to cover his possessions for one year only – while he was living in a hall of residence. He therefore could not see why there had been any need for him to cancel the policy.

The insurer refused Mr M's request to refund all the premiums it had taken from his bank account for the automatic renewals. It said he should have known that the policy was renewed automatically, as this was explained in the policy document. The insurer said it had also written to him every year, shortly before the renewal date, to confirm that the policy would continue for a further 12 months unless it was cancelled. ▶

Mr M no longer had the original policy documents. He was certain he had never received any subsequent correspondence from the insurer. And he said he had no recollection of ever being told he needed to cancel the policy if he did not want to keep it beyond the first year.

The insurer then sent Mr M copies of the documents that it said it had sent him each time it renewed the policy. When he saw that these had all been sent to him at the hall of residence where he lived in his first year at university, Mr M brought his complaint to us.

complaint upheld

We asked the insurer to send us a copy of the policy document that Mr M had been given when he bought the policy. We noted that the document mentioned ‘*automatic renewal*’ as a ‘*benefit*’ of the policy and it gave a brief explanation. However, we did not think this was worded at all clearly, particularly since this type of insurance was marketed specifically to students.

In view of this, and the fact that Mr M had never before bought any form of insurance, we did not think the policy wording was sufficiently clear. In particular, we did not think Mr M would have understood, from reading this document, that he had to cancel the policy if he did not want to keep it beyond the first year.

Mr M was able to produce evidence showing he had only lived at the hall of residence during his first year at university. And given that the specific purpose of the policy was to cover his possessions while he was living there, we accepted that he had no reason to think the policy would continue after he moved out.

The policy only offered Mr M cover while he was at a specific ‘*insured address*’ – the hall of residence. It had therefore not been of any benefit to him after he moved away from that address.

That being the case, it would not have been fair for the insurer to keep any of the premiums paid after the first year.

We upheld the complaint and told the insurer to refund all the premiums that it had taken for automatic renewals, together with interest. ■

**... we did not think
the policy wording was
sufficiently clear.**

■ **97/2**
student complains of practical difficulties caused by bank's failure to set up his new account correctly

Shortly before the start of his first term at university, Mr T had a meeting with a member of staff at a local branch of his bank. The meeting had been arranged at his request, as he wanted to change his current account.

A couple of years earlier he had opened a basic current account with the bank. He now wanted to change to the bank's '*student account*', which offered an interest-free overdraft facility and a number of other benefits.

After checking his eligibility for the student account, the bank confirmed that it would set up the new account for him.

A few days later, the bank contacted Mr T to tell him his student account was '*up and running*'. But when he tried to use his new debit card to buy some textbooks, the transaction was declined. Not long after that, he checked his account and found that several direct debits had been returned unpaid. He also found that charges and overdraft interest had been applied to his account.

Mr T then complained to the bank. After investigating, it apologised for having made several administrative errors when closing down his old

account and setting up the new one. The bank told Mr T it would refund the charges and interest that it had applied to his account in error. It said it would also pay him £25 compensation to '*cover any inconvenience caused*'.

Mr T did not think this sum was sufficient. He said he had been caused considerable embarrassment at the local bookshop when his payment was declined. He also said the bank had not fully appreciated the practical difficulties caused by its errors.

When the bank refused to increase its offer, Mr T brought his complaint to us.

complaint upheld

Mr T said that leaving home for the first time had been stressful enough without the '*additional worry*' of being '*stranded without access*' to his own money. He said he had also needed to spend '*a considerable amount of time*' during his first week at university trying to sort out practical problems caused by the returned direct debits.

The bank had admitted making several mistakes when setting up Mr T's student account. And Mr T confirmed that the bank had already refunded the charges and interest it had incorrectly debited from his account. ▶

... he experienced difficulties in obtaining any cash during his first week at university.

So the only issue for us to consider was whether, in the particular circumstances of this case, the bank's offer of compensation was fair and reasonable.

Mr T was able to produce evidence of the difficulties he had been caused while trying to resolve the problems that the bank had caused him. We noted, in particular, that he had needed to return to the university branch of the bank on several consecutive mornings before he had been able to speak to a member of staff. That was the only branch that was convenient for him to get to. However, it was only open in the mornings and had been exceptionally busy during the week in question.

We accepted that Mr T would have suffered some embarrassment when his debit card transaction was declined. We also accepted that he had experienced difficulties in obtaining any cash during his first week at university.

We told the bank that it should pay Mr T £150 for the distress and inconvenience it had caused. This was in line with our published approach to *compensation for distress, inconvenience and other*

non-financial loss and, in the particular circumstances of this case, we thought it a more appropriate sum than the amount the bank had originally offered.

■ 97/3 motor insurer refuses claim for an accident when policyholder's student son was driving her car

When Mrs G rang her motor insurer to make a claim, she said her car had been involved in a minor accident. Her son had been driving and had hit a stationary vehicle while he was trying to park. This had happened outside her son's university hall of residence, in a city that was nearly 200 miles from where Mrs G lived.

Mrs G had added that her son had '*been parking in the same spot every day for months*' and she said it was '*particularly annoying that he had an accident on the last day of term*'. In the light of Mrs G's comments, the insurer rejected her claim and '*avoided*' the policy (treated it as if it had never existed).

When Mrs G applied for the insurance, she had said she was the main driver and that her son only used the car ‘*very occasionally*’. The insurer said it was now evident that her son was the *main user* of the vehicle and that Mrs G had been ‘*fronting*’. This term is used to describe the situation where a car that will be used principally by an inexperienced driver is insured in the name of an experienced driver, in order to obtain a cheaper premium.

Mrs G thought the insurer was being unfair. She admitted ‘*lending*’ the car to her son so that he could use it while he was at university. However she said she had never heard of the concept of ‘*fronting*’ and she denied misleading the insurer when she took out the insurance.

When the insurer told her it was not prepared to reconsider its decision, Mrs G referred the matter to us.

complaint not upheld

We asked the insurer to send us a copy of the recording it had made of Mrs G’s phone call, when she applied for the policy. We noted that during that call, the insurer had asked her a series of clearly-worded questions. Her answers were equally clear and unambiguous and established that she was the main driver of the car.

Towards the end of the call, the insurer had explained the reason for the questions and had said ‘*We do have to ask these things. People sometimes don’t realise that they can’t just insure a vehicle in their own name and then let a son or daughter drive it all the time*’.

We concluded that Mrs G had misrepresented the true situation when she took out the policy and we considered this to be a clear example of *fronting*.

The information on which the insurer had agreed to provide the insurance policy had been incorrect. The insurer was therefore entitled to decline Mrs G’s claim and to *avoid* the policy. We did not uphold the complaint. ■

**... she admitted ‘*lending*’
the car to her son while
he was at university**

■ **97/4**
insurer refuses to pay claim for theft of consumer's laptop from his daughter's student accommodation

Mr V complained when his insurer refused to pay out on a claim he made under his home contents policy. He had told the insurer he wanted to claim for his laptop, which had been stolen from the shared flat that his student daughter rented while she was at university.

In response to questions from the insurer, Mr V had confirmed that the laptop was *his* property – not his daughter's. He said the laptop was less than a year old and he had lent it to his daughter while she was studying for her degree.

The insurer asked if he could produce a receipt for the laptop but Mr V said he had not kept it.

When the insurer refused to pay the claim, Mr V complained that it was treating him '*unfairly and unreasonably*'. He also said he was '*insulted*' that the insurer had doubted his integrity by asking to see a receipt.

The insurer said the circumstances of the claim suggested that the laptop belonged to his daughter – not to him. Since the policy did not cover his daughter's possessions at her term-time address, the insurer was not prepared to pay the claim. Mr V then referred his complaint to us.

complaint not upheld

After looking carefully at the circumstances of the claim – and at the information provided by both Mr V and the insurer – we concluded that it had not been unreasonable of the insurer to ask for some proof of ownership.

We explained this to Mr V and asked him whether, as he had said he did not have a receipt, he could produce anything else which might prove that the laptop was his property. We suggested that he might, for example, have a credit card statement showing the purchase. However, Mr V said he was unable to remember how he had paid for the laptop and had not kept any related documents.

We thought it unusual that he should not have kept any documents that could help prove his ownership of the laptop. It was a relatively expensive model and he had said it was less than a year old, so it would still have been under warranty.

... she said the insurer was unfair to turn down her claim on *'an irrelevant technicality'*.

In all the circumstances – and given that Mr V could not show that he was the owner of the laptop – we decided that the insurer had not acted unfairly by rejecting the claim. We did not uphold the complaint. ■

■ 97/5

student complains about insurer's refusal to pay claim for the theft of her bike

Miss E's bicycle was stolen just a few weeks after she had started back at university. She had an insurance policy that covered her bike in case of theft or damage, so she was very surprised when the insurer refused to pay out on her claim.

The insurer drew her attention to a particular clause in the policy.

This said that claims for theft were excluded unless the insured bicycle was *'secured to an immovable object with an approved lock, when left unattended outside a building.'* The only type of lock that the insurer accepted as an *'approved lock'* was the type known as a *'D-lock'*.

On the evening when her bike was stolen, Miss E had left it chained to the cycle rack outside her university hall of residence. She admitted that she had not used a 'D-lock'. However, she said the chain-type lock she had used was *'the kind used without any problems'* by many of her fellow students.

Miss E argued that she had always made a point of locking her bike whenever she left it unattended, even just for a few minutes. She therefore thought it unfair of the insurer to turn down her claim on *'an irrelevant technicality'*. Miss E also said she had *'never been informed of any specific rules'* about the type of lock she should use.

After trying unsuccessfully to persuade the insurer to pay her claim, Miss E referred the dispute to us.

complaint not upheld

We explained to Miss E that the insurer was within its rights to exclude theft claims unless policyholders used locks of a specific type. ▶

However, as this was a significant exclusion, the insurer was obliged to ensure that the exclusion was set out clearly in the policy – and that it was adequately drawn to the policyholder’s attention at the time the policy was sold.

We asked the insurer to send us copies of the policy document and any other information it had given Miss E when she took out her policy. We noted that the details of the exclusion were set out clearly and prominently in the policy booklet.

The insurer had also sent Miss E an illustrated leaflet. This contained photographs of the approved D-type locks and explained that the policy only provided cover for theft if a D-lock had been used.

This was because the insurer was of the opinion that these were particularly strong locks – and were therefore more likely to deter thieves.

We concluded that the insurer had given Miss E clear information about the policy exclusion and its significance. We did not uphold the complaint. ■

■ **97/6**
bank continues to take loan repayments from student’s account despite agreeing a 12-month repayment holiday

After he obtained his degree, Mr C took a year’s post-graduate course in order to qualify as a teacher. Towards the end of that course he contacted his bank to discuss repayments for the ‘graduate loan’ he had taken out the previous year.

Mr C explained that he had originally planned to find a teaching job as soon as he qualified. However, he had now decided to first spend a year travelling abroad.

The bank agreed to Mr C’s request for a 12-month ‘repayment holiday’, so he would not have to worry about keeping up with his loan repayments while he was out of the country. Unfortunately, however, the bank failed to put this arrangement in place. As a result, it continued to take loan repayments from Mr C’s current account every month.

Mr C only discovered this after he had tried unsuccessfully to withdraw some cash from his current account while he was on his travels. He was then told that the bank had ‘frozen’ the account.

It took Mr C almost a week to sort things out, during which time he had no access to any money. When he eventually returned home, he sent a written complaint to the bank.

He received an apology and an offer of £200 to compensate him for the inconvenience he had been caused.

Mr C did not think the bank had done enough to put things right, particularly when he discovered that his credit history had been adversely affected. He therefore referred the complaint to us.

complaint upheld

The bank did not dispute that it had agreed to the ‘repayment holiday’. It accepted that it had made a mistake in continuing to take the loan repayments from Mr C’s current account. It also accepted that this mistake had adversely affected Mr C’s credit history.

Mr C sent us details of the difficulties he encountered when he was left for nearly a week without any access to his current account. The fact that this had happened while he was travelling abroad had made the situation particularly difficult.

He had needed to make a number of phone calls to staff in different departments of the bank before things were finally sorted out. And on several occasions, bank staff had promised to call him back and then failed to do so.

We told the bank to restore Mr C’s loan account and current account to the position they would have been in, if it had not taken the loan repayments in error.

We said the bank should ensure that any adverse data relating to this error should be removed from Mr C’s credit history. And we said that, in the particular circumstances of this case, it should pay Mr C £450 to compensate him for the inconvenience he had been caused. ■

■ **97/7** **credit card provider fails to deal correctly with student’s claim for a faulty laptop bought with a credit card**

A few weeks before Mr L headed back to university for a new term he bought a new laptop from a local specialist superstore. Just two weeks into the new term the laptop developed what appeared to be a serious fault.

When he visited his parents the following weekend, Mr L took the laptop back to the superstore where he had bought it. He had expected to get a refund without any difficulty, as the laptop was clearly faulty and he had kept the receipt.

He thought he would then use the money to buy a replacement at a shop on the university campus. ▶

... he said he could not put his coursework *'on hold'* while the laptop was sent away for inspection.

However, the manager of the superstore told him it was *'not company policy'* to provide refunds. She offered instead to send Mr C's laptop back to the manufacturer, who would then identify the fault and decide whether it should be repaired or replaced.

Mr L thought this was impractical. He explained that he could not put his coursework *'on hold'* and wait for what might be several weeks while the laptop was sent away for inspection. However, the store manager insisted that this was his *'only option'*.

Reluctant to hand over his faulty laptop but unsure what to do next, Mr L took it back home with him and asked his parents for their advice.

His mother said she recalled hearing something on the radio that might be helpful. A consumer had obtained a refund from the credit card provider when there was a problem with some goods bought with a credit card.

Mr L had used his credit card when he bought the laptop, so his mother told him to ring his card provider's helpline and explain his difficulty. When he did this, however, the card provider said it could not help because the *'quality of the laptop'* was not within its *'area of responsibility'*.

Mr L then borrowed some money from his mother to buy a new laptop. A few weeks later, at her insistence, he complained to the credit card provider in writing. He received an acknowledgment but never heard any more.

Mr L never got round to following this up with the card provider. But a few months later he happened to mention it while talking to the university's *student money adviser* about an unrelated financial matter. The adviser gave him our details and Mr L then referred the complaint to us.

complaint upheld

After looking at all the paperwork that Mr L sent us in connection with his complaint, we contacted the card provider. It was unable to explain why it had failed to reply to Mr L's letter of complaint.

We reminded the card provider that, under section 75 of the *Consumer Credit Act 1974*, customers who have a claim against a supplier for breach of contract or misrepresentation will generally have an equal claim against the card issuer.

The card provider then said it would pay for an independent inspection of Mr L's faulty laptop. This inspection revealed a fault with the motherboard.

We said the laptop should not have developed a fault of this nature so soon after Mr L had bought it. We told the card provider to refund the cost of laptop. We said that as it had given Mr L incorrect information over the phone – and had then failed to deal properly with his complaint – it should also pay him £125 for the inconvenience he had been caused. ■

■ 97/8

student complains of breach of privacy after bank makes an error in recording her change of address

During her second year at university, Miss D moved out of her hall of residence and started renting a shared flat with two friends.

A couple of months later she decided to tidy up the communal entrance hall to her block of flats. A large pile of what appeared to be junk mail had accumulated on top of the numbered letterboxes where mail was left for each individual flat. She was dismayed to find that among the pile of leaflets and free newspapers there were several letters that had been sent to her by her bank.

The letters had all been incorrectly addressed, giving her flat number as '97'. Miss D lived at flat 6 and the apartment block – the only one in that road – contained just 12 flats.

Shortly before she moved into the flat, Miss D had called in at a branch of her bank to let it know her new address. A member of the bank's staff had asked her to complete a form. He had then transferred the details on to the computer and told her the bank's records had been updated. ▶

... She quickly reached the card's credit limit and was finding it difficult to afford the minimum monthly repayments

Miss D contacted her bank to complain. She said its mistake had resulted in private correspondence being left *'lying around in a communal hallway, where anyone could have had access to it'*.

The bank accepted that it had made an administrative error. It apologised for this and confirmed that it had corrected its records. It also offered Miss D £50 to compensate her for the inconvenience she had been caused.

Miss D did not feel this reflected the seriousness of the bank's mistake, bearing in mind the *'breach'* of her *'right to privacy'*. However, the bank was not prepared to increase its offer so she referred her complaint to us.

complaint not upheld

The bank accepted that it had made an error in recording details of Miss D's new address. We noted that it had corrected this error as soon as Miss D told it about the mail she had found in her hallway.

Miss D sent us copies of the letters in question and confirmed that none of them had been opened when she found them. The letters were all mail shots promoting types of insurance offered by the bank. None of the letters contained Miss D's account number, details of her finances, or any other confidential information. And the bank confirmed that no other letters or mail shots had been sent to Miss D in the period since she had informed it of her change of address.

We recognised that Miss D had been inconvenienced by the bank's error. We also accepted that she had been alarmed by the thought that her personal details might have got into the wrong hands. However, it was clear that this had not happened and there had been no breach of confidentiality.

In all the circumstances – and having regard to the general levels of compensation we tell businesses to pay for non-financial loss – we thought the bank had made Miss D a fair and reasonable offer of compensation. We did not uphold the complaint. ■

■ **97/9**
credit card provider accused of irresponsible lending when student was unable to keep up with her monthly repayments

A student, Miss B, ran up a debt on her credit card and was finding it difficult to keep up with the repayments. Her father then made a complaint on her behalf to the card provider. He wanted the card provider to write-off his daughter's debt, as he said the provider had acted irresponsibly by offering her '*too generous*' a credit limit.

Miss B had applied for the credit card while she was in her second year of a full-time course in hotel and hospitality management. She lived at home with her parents and spent most of her evenings and weekends working at a local hotel.

The card provider had approved her application and given her a credit limit of £750. Miss B used the card mainly to buy clothes and accessories from high street stores and from an online auction website.

She had quickly reached the card's credit limit and was soon finding it difficult to afford the minimum monthly repayments. Her problems increased when the hotel where she worked part-time had to reduce her hours.

Miss B was reluctant to let her parents know about her debt, as her father strongly disapproved of any form of borrowing. However, she eventually told him when he happened to see a letter the card provider had sent her.

With Miss B's permission, her father referred the complaint to us, after the card provider refused to write-off the debt.

complaint not upheld

We reviewed the information Miss B had given when she applied for the credit card. We noted that although her income was not large, she had then been earning a reasonable amount from her work at the hotel. This was certainly sufficient to justify the credit limit that the card provider had given her.

We noted that the card provider had acted quickly to prevent any further borrowing on the card, once Miss B had reached her limit. And it had dealt sympathetically with her financial difficulties. When she had told it about the reduction in her working hours, the card provider had offered to accept reduced repayments and to stop charging interest on the account.

We did not uphold the complaint. ■ ■ ■

ombudsman focus: second quarter statistics

a snapshot of our complaint figures for the *second quarter of the 2011/2012 financial year*

In issue 95 of *ombudsman news* we published data for the *first quarter* of the financial year 2011/2012. This showed how many new complaints we received, and what proportion we resolved in favour of consumers, during April, May and June of this year.

The focus in this current issue of *ombudsman news* is our complaints workload in the *second quarter* of 2011/2012 (covering July, August and September 2011).

complaints data about individual businesses

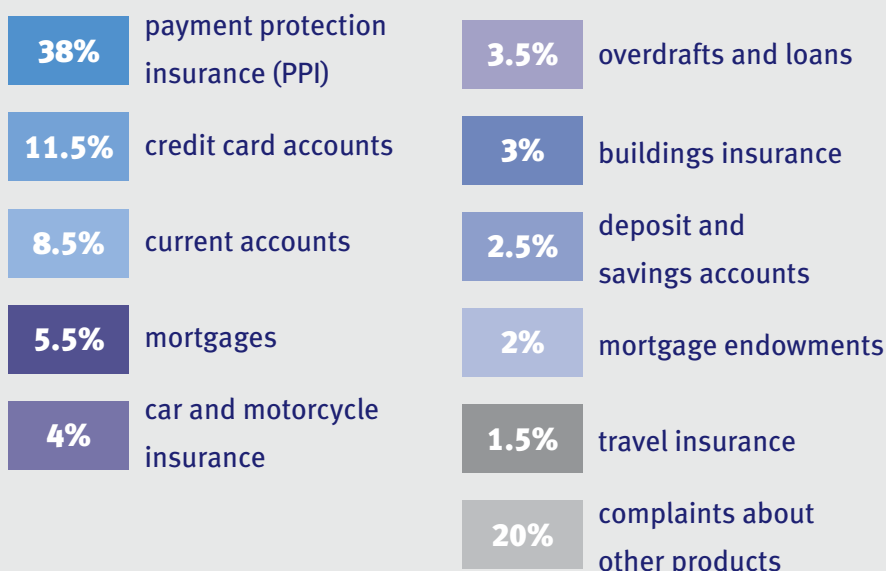
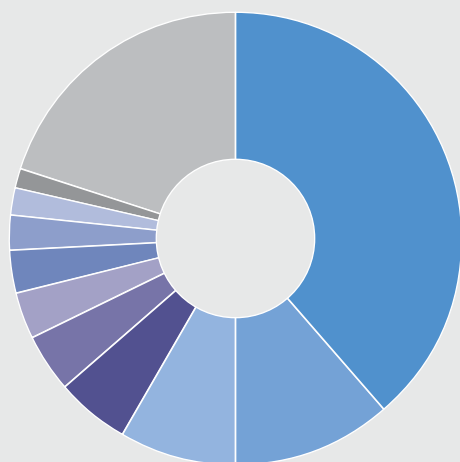
In September 2011 we published on our website the latest six-monthly complaints data (for the period from 1 January to 30 June 2011) relating to named individual businesses – where we received at least 30 new cases *and* resolved at least 30 cases during the period.

The number of new complaints about each of these individual businesses ranged from 30 to 19,569. Five financial businesses each had more than 10,000 complaints referred to the ombudsman service, which together accounted for 72,026 cases (just under half of all the new complaints the ombudsman received during this six-month period).

Across the 157 individual businesses included in the complaints data – together accounting for 93% of our complaints workload – the uphold rates varied substantially between 2% and 98% upheld in favour of consumers.

what consumers complained about to the ombudsman service in July, August and September 2011

| |
|------------------------------------|
| payment protection insurance (PPI) |
| credit card accounts |
| current accounts |
| house mortgages |
| car and motorcycle insurance |
| overdrafts and loans |
| buildings insurance |
| deposit and savings accounts |
| mortgage endowments |
| travel insurance |
| contents insurance |
| 'point of sale' loans |
| whole-of-life policies |
| personal pensions |
| hire purchase |



the financial products that consumers complained about most to the ombudsman service in July, August and September 2011

| number of new cases | | | | % resolved in favour of consumer | | | |
|-------------------------------|-------------------------------|----------------------|----------------------|----------------------------------|-------------------------------|----------------------|----------------------|
| Q2 (Jul to Sep) 2011/12 | Q1 (Apr to Jun) 2011/12 | full year 2010/11 | full year 2009/10 | Q2 (Jul to Sep) 2011/12 | Q1 (Apr to Jun) 2011/12 | full year 2010/11 | full year 2009/10 |
| 19,259 | 56,025 | 104,597 | 49,196 | 92% | 55% | 66% | 89% |
| 5,751 | 5,500 | 17,356 | 18,301 | 55% | 60% | 61% | 68% |
| 4,197 | 3,201 | 19,373 | 24,515 | 32% | 26% | 27% | 20% |
| 2,796 | 2,044 | 7,060 | 7,452 | 33% | 36% | 36% | 37% |
| 2,116 | 1,741 | 5,784 | 5,451 | 46% | 47% | 45% | 38% |
| 1,718 | 1,402 | 5,805 | 6,255 | 38% | 39% | 43% | 48% |
| 1,505 | 1,225 | 3,469 | 3,437 | 51% | 44% | 42% | 43% |
| 1,233 | 880 | 4,326 | 4,508 | 40% | 40% | 42% | 52% |
| 895 | 603 | 3,048 | 5,400 | 28% | 26% | 31% | 38% |
| 728 | 582 | 2,503 | 1,956 | 50% | 50% | 42% | 44% |
| 642 | 461 | 1,697 | 1,863 | 55% | 47% | 41% | 38% |
| 619 | 568 | 2,765 | 1,735 | 52% | 36% | 36% | 52% |
| 596 | 393 | 1,444 | 1,690 | 32% | 29% | 33% | 28% |
| 506 | 347 | 1,126 | 1,359 | 37% | 39% | 36% | 29% |
| 459 | 394 | 1,395 | 1,430 | 48% | 46% | 43% | 48% |

► continued

** Complaints involving home emergency cover and mobile phone insurance were previously categorised under ‘specialist insurance’ – and were not shown separately in previous years.

what consumers complained about to the ombudsman service in July, August and September 2011

| |
|---|
| home emergency cover |
| portfolio management |
| term assurance |
| investment ISAs |
| specialist insurance |
| endowment savings plans |
| warranties |
| legal expenses insurance |
| interbank transfers |
| critical illness insurance |
| income protection |
| debit and cash cards |
| debt collecting |
| cheques and drafts |
| unit-linked investment bonds |
| catalogue shopping |
| ‘with-profits’ bonds |
| mobile phone insurance |
| direct debits and standing orders |
| share dealings |
| credit broking |
| pet and livestock insurance |
| private medical and dental insurance |
| store cards |
| annuities |
| self-invested personal pensions (SIPPs) |

ombudsman focus:
second quarter statistics

| number of new cases | | | | % resolved in favour of consumer | | | |
|-------------------------------|-------------------------------|----------------------|----------------------|----------------------------------|-------------------------------|----------------------|----------------------|
| Q2 (Jul to Sep) 2011/12 | Q1 (Apr to Jun) 2011/12 | full year 2010/11 | full year 2009/10 | Q2 (Jul to Sep) 2011/12 | Q1 (Apr to Jun) 2011/12 | full year 2010/11 | full year 2009/10 |
| 415 | 388 | ** | ** | 66% | 59% | ** | ** |
| 371 | 254 | 1,148 | 1,040 | 61% | 68% | 67% | 48% |
| 344 | 194 | 926 | 912 | 25% | 26% | 27% | 24% |
| 304 | 156 | 824 | 1,301 | 57% | 54% | 48% | 42% |
| 259 | 253 | 1,791 | 1,070 | 53% | 54% | 51% | 50% |
| 250 | 207 | 924 | 1,512 | 38% | 35% | 33% | 25% |
| 240 | 205 | 895 | 863 | 63% | 66% | 61% | 53% |
| 232 | 177 | 619 | 597 | 17% | 23% | 21% | 25% |
| 216 | 132 | 529 | 606 | 44% | 40% | 43% | 43% |
| 215 | 162 | 528 | 598 | 33% | 36% | 31% | 31% |
| 211 | 179 | 702 | 740 | 45% | 41% | 42% | 39% |
| 208 | 196 | 878 | 964 | 36% | 35% | 41% | 43% |
| 206 | 151 | 512 | 697 | 36% | 31% | 42% | 42% |
| 200 | 173 | 691 | 773 | 49% | 48% | 47% | 49% |
| 200 | 178 | 849 | 2,453 | 67% | 70% | 72% | 57% |
| 197 | 133 | 582 | 755 | 61% | 60% | 66% | 79% |
| 186 | 165 | 683 | 1,056 | 23% | 31% | 37% | 28% |
| 177 | 119 | ** | ** | 52% | 58% | ** | ** |
| 174 | 138 | 571 | 737 | 39% | 44% | 45% | 48% |
| 166 | 135 | 979 | 1,105 | 50% | 51% | 62% | 52% |
| 165 | 194 | 697 | 341 | 70% | 74% | 63% | 62% |
| 158 | 121 | 438 | 462 | 36% | 37% | 31% | 24% |
| 150 | 95 | 506 | 652 | 53% | 49% | 50% | 35% |
| 138 | 107 | 480 | 574 | 76% | 74% | 70% | 74% |
| 137 | 103 | 423 | 501 | 41% | 42% | 37% | 33% |
| 125 | 108 | 417 | 410 | 54% | 52% | 46% | 53% |

► *continued*

* This table shows all financial products and services where we received (and settled) at least 30 cases. This is consistent with the approach we take on publishing complaints data relating to named individual businesses. Where financial products are shown with a single asterisk, we received (and settled) fewer than 30 cases during the relevant period.

what consumers complained about to the ombudsman service in July, August and September 2011

| |
|---|
| debt adjusting |
| guaranteed bonds |
| commercial vehicle insurance |
| electronic money |
| (non-regulated) guaranteed bonds |
| roadside assistance |
| commercial property insurance |
| state earnings-related pension (SERPs) |
| occupational pension transfers and opt-outs |
| personal accident insurance |
| guaranteed asset protection ('gap' insurance) |
| merchant acquiring |
| hiring/leasing/renting |
| business protection insurance |
| 'structured capital-at-risk' products |
| money remittance |
| building warranties |
| unit trusts |
| total |
| other products and services |

ombudsman focus:
second quarter statistics

| number of new cases | | | | % resolved in favour of consumer | | | |
|-------------------------------|-------------------------------|----------------------|----------------------|----------------------------------|-------------------------------|----------------------|----------------------|
| Q2 (Jul to Sep) 2011/12 | Q1 (Apr to Jun) 2011/12 | full year 2010/11 | full year 2009/10 | Q2 (Jul to Sep) 2011/12 | Q1 (Apr to Jun) 2011/12 | full year 2010/11 | full year 2009/10 |
| 125 | 102 | 302 | 231 | 69% | 57% | 54% | 65% |
| 118 | 74 | 408 | 595 | 36% | 43% | 40% | 37% |
| 111 | 82 | 317 | 290 | 41% | 37% | 36% | 35% |
| 109 | 94 | 369 | 453 | 30% | 33% | 36% | 49% |
| 103 | 120 | 430 | 421 | 47% | 41% | 40% | 50% |
| 95 | 85 | 300 | 226 | 58% | 52% | 40% | 35% |
| 82 | 65 | 429 | 487 | 28% | 31% | 31% | 22% |
| 81 | 71 | 196 | 560 | 1% | 3% | 7% | 2% |
| 79 | 57 | 281 | 368 | 40% | 47% | 49% | 48% |
| 72 | 62 | 304 | 274 | 41% | 56% | 49% | 26% |
| 70 | 44 | 182 | 224 | 57% | 35% | 46% | 53% |
| 66 | * | 110 | 95 | 17% | * | 15% | 18% |
| 60 | * | 221 | 283 | 62% | * | 43% | 37% |
| 49 | * | 204 | 222 | 31% | * | 22% | 25% |
| 46 | 34 | 550 | 273 | 96% | 96% | 52% | 49% |
| 44 | * | 68 | 19 | 50% | * | 47% | 50% |
| 40 | * | 121 | 161 | 31% | * | 39% | 40% |
| * | 32 | 125 | 192 | * | 51% | 65% | 44% |
| 50,014 | 80,711 | 204,257 | 160,641 | 80% | 49% | 51% | 50% |
| 631 | 590 | 1,864 | 2,371 | 45% | 43% | 34% | 42% |
| 50,645 | 81,301 | 206,121 | 163,012 | 80% | 49% | 51% | 50% |



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the Q&A page

featuring questions that businesses and advice workers have raised recently with the ombudsman's technical advice desk – our free, expert service for professional complaints-handlers

Q. In the last issue of *ombudsman news* you mentioned the 'online technical resource' on the ombudsman's website. Is this widely used?

A. Yes – it's one of the top twenty most-frequently visited areas of our website. We encourage businesses, consumer advisers and anyone interested in resolving consumers' complaints to use this online resource (www.financial-ombudsman.org.uk/publications/technical.htm). It now covers the ombudsman's approach to complaints about the financial products and services that make up over 90% of our total caseload.

The information it contains is based on real cases that we have investigated and decided. The aim is to show how we are likely to approach particular types of complaints if they are referred to us. This should help businesses and consumer advisers to sort out complaints themselves – without needing our direct involvement. It should also help consistency, by clarifying the general framework against which we decide individual cases on their particular facts and merits.

The areas of our online technical resource that are accessed most regularly are these:

general insurance

- payment protection insurance (PPI)
- motor insurance
- household insurance: accidental damage
- household insurance: repairs
- travel insurance
- extended warranties
- legal expenses insurance
- pet insurance
- caravan insurance
- marine insurance
- buildings insurance: storm damage
- pre-existing medical conditions

banking, mortgages and credit

- disputed transactions
- banking transfers, payments and cheques
- consumer credit
- debt collecting
- financial hardship and unaffordable lending
- cash-ISA allowances
- goods and services bought with credit (including 'section 75')
- mortgage arrears and hardship
- mortgages: early repayment charges
- mortgage underfunding
- payments credited to the wrong account
- savings accounts: complaints that the interest rate is too low

investment

- assessing the suitability of investments
- 'with-profits' bonds
- mortgage endowments
- whole-of-life policies
- ISA allowances
- 'churning'
- pensions
- property funds
- stocks and shares
- 'execution only' sales
- portfolio-management agreements
- spread-betting and contracts for difference (CFDs)

information on our general approach

- the six-month time limit
- compensation for distress, inconvenience or other non-financial loss
- is compensation taxable?