

**Special Public Bill Committee
c/o Tom Wilson
Clerk in the Legislation Office
House of Lords
London
SW1A 0PW**

from Richard Goodman
Policy Director

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Dear committee members,

We would like to thank you for your offer to present written evidence to the committee on the Insurance Bill. Please find our evidence below.

about the Financial Ombudsman Service

The ombudsman service was set up by Parliament to sort out individual complaints that consumers and financial businesses are not able to resolve themselves. It is an independent service for settling complaints fairly, reasonably, quickly and informally, which is free to consumers. The business must be given the chance to look into a problem first – and they have eight weeks to consider it. If the business does not respond within eight weeks, or does not respond to the consumer's satisfaction, the consumer can go to the ombudsman service.

our evidence

Our duty is to come to a fair and reasonable decision, taking into account relevant law and regulations, codes of practice, regulators rules and guidance, and good industry practice. It follows that relevant law is only one factor we consider when coming to a determination that we believe is fair and reasonable.

Our approach to insurance disputes has been developed over years, taking account of regulatory developments and best practice whilst working with both businesses and consumers to understand their needs. The ombudsman service therefore worked with the Law Commission and Scottish Law Commission on their Insurance Law project with the aim of promoting understanding of the approaches we have developed. The recommendations of the Commissions reflected our approach, and so we have supported them.

We articulated that support in our response to the Treasury consultation on the Insurance Bill when it was in draft form, believing that terms relevant to particular descriptions of loss (clause 11) and implied term about payment (clause 14) were appropriate for inclusion in this bill.

We believed those provisions would move the law in a fairer and more reasonable direction, in line with the changes in Consumer Insurance (Disclosure and Representations) Act (CIDRA) and other areas of common law. We explained in our response that they would also support the best practice of the industry. Although

these provisions would be largely aimed at policyholders other than consumers, we explained how we would expect some to apply equally to consumers and could provide clarity and protection for businesses and their customers.

For similar reasons, we also agreed with the recommendations that led to the CIDRA. We felt that the Act replaced the outdated legal position, ensuring consumer protection and clarity for businesses, again in line with the ombudsman service approach.

I hope our views are helpful in this issue and would be happy to answer any questions that may arise.

Best wishes,

A handwritten signature in blue ink, appearing to read 'R Goodman', with a large, stylized flourish at the end.

RP Richard Goodman
policy director