



Financial
Ombudsman
Service

fairness in a changing world



annual review
2016/2017



a fair, pragmatic answer



Thank you to all the ombudsman employees who helped look back on our year and who agreed to for their photos to be used







about us

We were set up by Parliament to resolve individual complaints between financial businesses and their customers – fairly, reasonably, quickly and as informally as possible. We can look into problems involving most types of money matters – from payday loans to pensions, pet insurance to PPI.

If a business and their customer can't resolve a problem themselves, we can step in to sort things out. Independent and unbiased, we'll get to the heart of what's happened – and reach a fair, pragmatic answer that helps both sides move on.

If we think the business has acted fairly – or there's just been a misunderstanding – we'll explain how things stand. But if someone's been treated unfairly, we'll use our powers to put things right. That could mean telling a business to do anything from amending a credit file to reducing loan repayments, or from settling an insurance claim to correcting a pension.

Since we were set up, we've seen the real impact of financial concerns, complaints and disputes on people from all sorts of backgrounds and livelihoods. We're committed to sharing our insight and experience to encourage fairness and confidence in financial services.

→ what's in our annual review 2016/2017	
chairman's foreword	02
chief ombudsman's report	04
our year at a glance	08
what we've seen	10
	
how we've helped	32
	
data in more depth	48
	
 for more information go to www.financial-ombudsman.org.uk	

chairman's foreword

Our *annual review* is always an opportunity to look forward as well as back, and this one is no exception. The past year, like its predecessors, has been immensely demanding, as a look at the bare figures shows.

Payment protection insurance (PPI) has dominated much of our activity, as it has done in all recent years. We are still receiving new cases in the thousands each week – figures which are a big reduction from the peak of a few years ago, but which nevertheless represent a massive demand on the skill and attention of our people in reaching fair answers.

Inevitably, awaiting the Financial Conduct Authority's (FCA) final rules and guidance in the wake of the Supreme Court's decision in the case of *Plevin v Paragon Personal Finance Ltd* has had an impact on our progress.

Now that we have the FCA's rules and guidance, as well as the date of the time limit for PPI complaints, we can plan for the future with greater certainty – though, obviously, we cannot be sure how many new complaints the time limit and the publicity campaign to tell people about it will generate. Elsewhere we have seen a discernible rise in the number of complaints about payday lending and other types of consumer credit.

Our focus continues to be on providing a service with our ombudsmen at its heart, using their knowledge and experience to guide towards fair and reasonable conclusions.

our focus continues to be on providing a service with our ombudsmen at its heart, using their knowledge and experience to guide towards fair and reasonable conclusions

Sir Nicholas Montagu KCB



Increasingly, those who use our service now deal with a single person from their first point of contact, who will then investigate and arrive at a fair answer about their complaint.

An important part of this approach is that it often gives us the ability to resolve matters much more quickly than before. I am grateful for the readiness with which financial businesses have supported these new ways of working. To me, one of the most visible indicators of success is the satisfaction expressed by people whose complaint has *not* been upheld: what matters is that they tell us they feel they have been listened to and treated fairly.

This is the future direction of our service. Once again, our people have shown their professionalism and resilience by adapting without losing impetus in their day-to-day work of finding fair and reasonable answers to complaints. We recognise, too, the speed at which technology, ways of communication and customer expectations change. So we are constantly looking towards the future and what we need to do to be able to meet those expectations.

I have already said how fortunate we are in our people; we are, too, in having a talented senior team able to convey the enthusiasm and the leadership to make new directions a reality. I should also record my gratitude to our colleagues at the FCA, with whom our constructive relations help us to work effectively. And, as ever, my thanks go to my board, for their unfailing wisdom and vision. I am grateful for their steadfast commitment to an organisation which, as this review shows, has achieved so much in the past year and which I am confident will go on to still greater things.

Sir Nicholas Montagu KCB
 chairman
 June 2017



chief ombudsman & chief executive's report

Whatever your views on the events of 2016, things have undoubtedly changed since this time last year. And this *annual review* shows vividly how the times we're living in affect how we feel about and manage money.

For example, following the EU referendum, we heard from people who felt they'd lost out from ups and downs in financial markets. We've helped people affected by the collapse of holiday websites, and those who'd cancelled trips because of the Zika virus. We've resolved complaints from dissatisfied drivers of electric cars, and small businesses who'd lost out from hoax websites.

These things underline not just the centrality of financial services to everyday life, but how the surprises, disappointments and unforeseen developments of the year have been reflected in the problems we've seen.

Leaving PPI aside for a moment, the most striking story has been the rise in contact we've had from people having trouble with credit. We've seen around three times last year's volumes of complaints about payday loans. And over the same period – while the numbers involved are smaller – complaints about instalment loans and guarantor loans have risen by 318% and 182% respectively.

The FCA's action on high-cost short-term credit has had an impact – and we're generally looking into complaints about borrowing that pre-date its tougher rules.



as we've helped more people at an earlier stage, we've ensured our ombudsmen's expertise and experience remain right at the heart of our service

Caroline Wayman



However, taken together with wider insight into consumer indebtedness, it's clear that financial difficulties and financial exclusion – and the vulnerability they can both bring and result from – remain very current issues.

Scams, including cybercrime, continue to evolve – affecting people online and offline alike. An ageing population adds another dimension to questions of how financial services meet, and will continue to meet, people's needs. This *annual review* highlights how we've continued to work with the FCA and other stakeholders to address these pressing challenges for the financial services sector.

Of course, in 2016/2017, we were still seeing the impact of past unfairness on a mass scale. Even given the increases we've seen elsewhere, PPI accounted for over half of the total complaints we received. We explained in our *plans for the year ahead* how uncertainty following the case of *Plevin v Paragon Personal Finance Ltd* meant we didn't resolve as many PPI complaints as we'd planned to.

As of the beginning of March 2017, however, we've had more clarity about the way forward. The FCA's announcement that its *Plevin* rules and guidance will come into effect in August 2017 is undoubtedly good news for people waiting for an answer about their PPI. In the coming months, we'll continue to focus on giving an answer to as many of those people as we can – while managing the ongoing uncertainty about the volumes of complaints that we might receive as a result of the FCA's PPI communications campaign.



complaints about consumer credit rose by

89%

25,984

complaints received about consumer credit

8%

of all complaints involved consumer credit

For more information see data in more depth table 9 p.51



we're ready to encourage fairness: helping strike the right balance between innovation and protection



What's also not yet clear is how claims management companies – who brought 85% of all the PPI complaints referred to us in 2016/2017 – will act in the run-up to the two-year time limit for complaints. At the same time, the dramatic fall we've seen in complaints about packaged bank accounts shows how our proactive engagement with claims managers and their regulator can make a real difference in reducing the burden of unfounded claims.

While we'll be dealing with the fall-out of PPI for some time, the end may well be in sight. And it's essential that, as financial services move on, the mistakes of the past aren't repeated.

New technology has the potential to transform the way people engage with their money – and as always, we're ready to encourage fairness: helping strike the right balance between innovation and protection. This *annual review* shows how we've done that this year: for example, giving an insight into the small number of complaints we received about crowdfunded loans and investments.

At a time when people can move money in seconds on their phone, things can go wrong just as fast – and quite rightly, people don't want to wait months for them to be put right. But resolving complaints quickly isn't

just about meeting the expectations of people used to managing things online. As this *annual review* shows, it can mean the difference between people losing or keeping their home.

Through keeping up our focus on working flexibly, in 2016/2017 we resolved the problems people brought to us more quickly than ever – with record numbers of consumers and businesses giving us positive feedback.

And as we've helped more people at an earlier stage, we've ensured our ombudsmen's expertise and experience remain right at the heart of

our service – reflecting the fact that, while speed matters, it's fairness that is and always will be foremost for us.

Challenging and changing long-established processes is no easy task. So I'm really grateful for the support we've continued to receive from businesses as we've worked together on the nuts and bolts.

And none of this would have been possible without the commitment of our own people – who've consistently applied their sense of fairness and sound judgement, making a difference every day and hundreds of thousands of times over the year.

In changing times, it's vital we maintain and grow people's confidence in us. In last year's *annual review*, we said we'd do all we could to support the small businesses we cover – committing to taking forward the *Financial Advice Market Review's* recommendations for giving independent financial advisers (IFAs) specifically more certainty about the ombudsman's role. I hope the roundtables we've held with the FCA this year – in addition to our existing and long-standing engagement with IFAs and others – have gone a long way in giving reassurance that we're on the same page, and always ready to talk.

On the other side of complaints, our partnerships with consumer advisers and representatives have helped people who might have otherwise not reached us to get the independent answers they need. And we've also highlighted examples of how we've shared our experience more widely – supporting the work of regulators and policymakers to promote fairness and confidence, and helping raise standards across schemes like ours in the UK and further afield.

Of course, none of our achievements this year would have been possible without our people. During a time when we've experienced the biggest transformation since we were set up, their tremendous effort is testament to their commitment to our customers. And as we look to the future, their enthusiasm, sound judgement, and sense of fairness will help ensure we continue to provide a relevant, accessible service that not only resolves complaints effectively, but sets the bar for doing so. I'm proud too of our focus on bringing a range of perspectives to everything we do: for example, once again, more than half our people are women, and we've been re-accredited as *Leaders In Diversity*.

Though things never stop moving, it's important to stop and reflect – and this *annual review* is a chance to do that. While there are still challenges ahead, I think 2016/2017 has shown how openness, cooperation and pragmatism can pay off – both for the financial services sector and for the people who rely on it to work fairly.

Caroline Wayman
chief ombudsman & chief executive
June 2017



83%

of complaints were resolved within three months, excluding PPI, compared to 66% in 2015/2016

65%

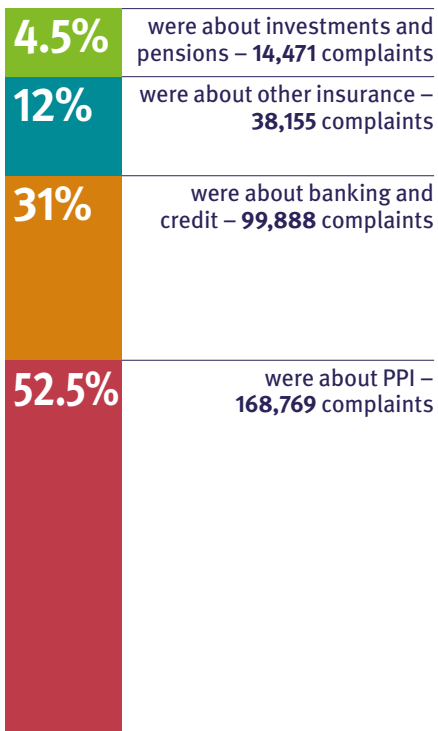
of all complaints were resolved within three months, compared to 38% in 2015/2016

for more information see data in more depth table 22 p.60

our year at a glance

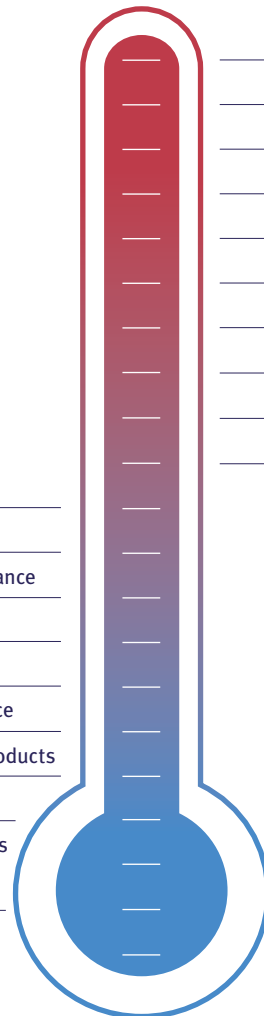


we received **321,283** new complaints



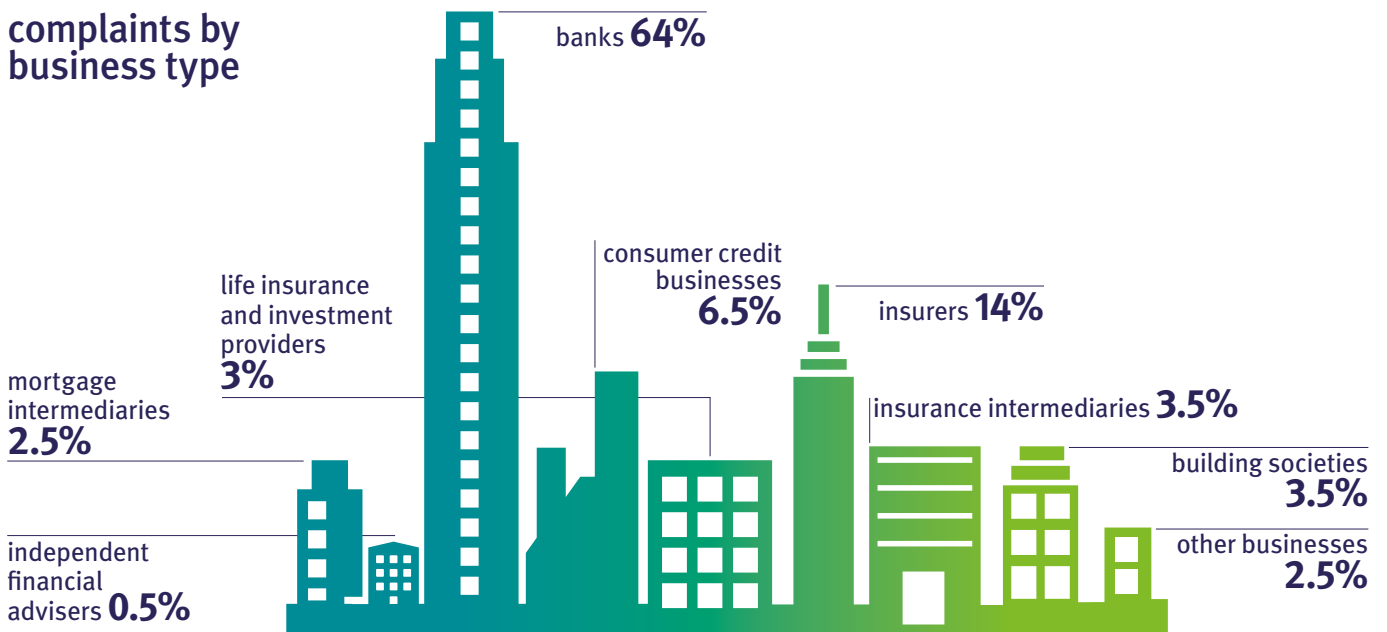
biggest changes in complaints

- 16% structured products
- 18% personal accident insurance
- 21% derivatives
- 22% mortgage endowments
- 26% card protection insurance
- 41% interest-rate hedging products
- 49% SERPS
- 54% packaged bank accounts
- 55% film partnerships
- 60% credit broking

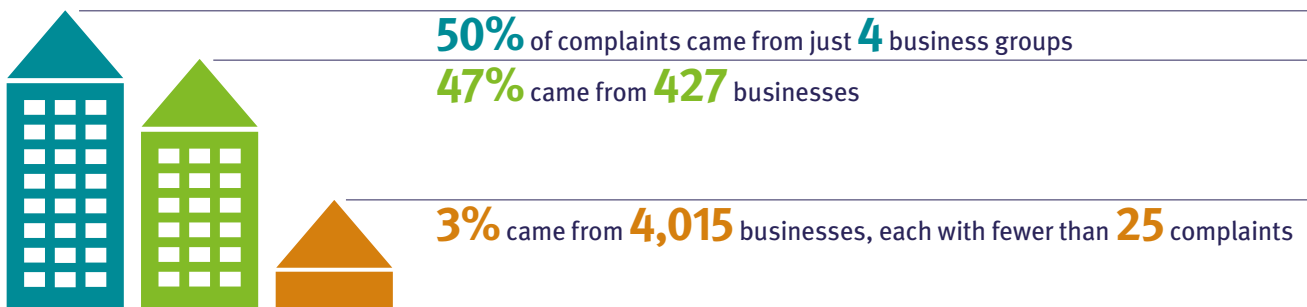


- instalment loans **+318%**
- payday loans **+227%**
- guarantor loans **+182%**
- hiring, leasing and renting **+81%**
- catalogue shopping **+75%**
- logbook loans **+75%**
- electronic payment **+73%**
- building warranty **+70%**
- credit reference agencies **+65%**
- hire purchase **+64%**

complaints by business type



out of the more than 56,000 businesses we cover



resolving complaints



336,381

resolved complaints



38,619

legally binding final decisions made by ombudsmen



83%

complaints resolved within three months, excluding PPI



43%

complaints upheld



59%

complaints upheld about payday loans



65%

complaints resolved within three months, including PPI

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



our year at a glance

→ what we've seen

how we've helped

www.financial-ombudsman.org.uk



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)





debt trouble is made worse by irresponsible lending

Mrs L phoned us, saying she didn't know how to begin to sort things out. She'd initially borrowed £300 from a payday lender, but was now in thousands of pounds of debt.

We could see from Mrs L's bank statements that during the term of her £300 loan, she'd taken out four more loans with other payday lenders, and was still significantly overdrawn. And on the same day as paying off the £300 loan, she'd borrowed a further £500 from the original lender.

The payday lender told us they'd carried out an affordability assessment. But there was no record that they'd taken details of Mrs L's expenditure at the time. We thought the lender should have done more, especially given Mrs L was applying to borrow around a third of her monthly income. If they'd carried out more thorough checks, it would have been clear that she was heavily dependent on payday lending to get by.

We decided the payday lender shouldn't have given Mrs L the second loan. So we told them to refund all the interest and charges they'd applied to it, adding interest – and to work out a fair and affordable way for Mrs L to pay back what she owed.

We also told the lender to make sure there was no adverse information on Mrs L's credit file relating to the loan they shouldn't have given her. And we helped Mrs L get in touch with a free debt charity to help her take control of her wider debt.

vulnerability

The challenges presented by vulnerability continued to receive considerable attention this year. There's a growing understanding that vulnerability isn't just about long-term illness or old age. A sudden change in circumstances – for example, bereavement or the breakdown of a relationship – could have serious consequences for someone's financial situation and their wider wellbeing. According to the National Audit Office (NAO), eight million consumers are over-indebted. And this has consequences that cut across different regulated sectors – with financial difficulties leading to trouble with energy, water and communications bills.

This underlines the importance of organisations like ours continuing to work together to build a picture of how vulnerability arises and how to address it.

June 2016

continued

We discuss debt-management complaints at the Debt Managers Standards Association's annual conference

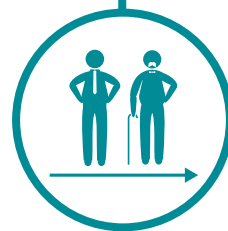
We attend the FCA's roundtable on third party access, held as part of its work on the ageing population



We share experiences with consumer advisers at our workshop in Glasgow, and with small businesses in Edinburgh



We meet people helping to protect consumers at the Chartered Trading Standards Institute conference in Harrogate



17.5%

of non-PPI complaints involved consumer credit

for more information see *data in more depth* (table 5) p.49

complaints about payday lending rose by

227%

complaints about instalment loans rose by

318%

for more information see *data in more depth* (table 9) p.51

52% of the UK electorate vote to leave the European Union



This year we contributed to the NAO's research and the FCA's ongoing work around vulnerability and ran a conference for mortgage companies about lending and financial difficulties. We shared our experience of helping people in vulnerable circumstances with other ombudsmen and complaint-handling schemes in the UK and Ireland. And we continued to build partnerships with consumer groups and charities, who've helped us understand how we can best support people in vulnerable circumstances to use our service.

In January 2017, Bank of England figures showed that unsecured debt had reached its highest level since 2008. While complaints involving

credit rose in general this year, we received three times the number of complaints about payday loans. Although the numbers were much smaller, we also saw significantly more complaints about instalment loans, which are typically repaid over a longer term. And we heard from growing numbers of people having trouble with guarantor loans: mostly those who'd backed up someone else's debt, and were now being pursued for it.

This year we continued to engage with the short-term lending sector – including talking to trade associations and running a workshop for payday lenders to help prevent complaints and encourage fairness when problems arise.



Just over a year after the launch of pension freedoms, we use *ombudsman news* to highlight the issues involved in the small number of complaints we've seen about this issue



bank doesn't join the dots to help customer with mental health issues

Ms T told us that her brother, Mr T, had been taken into care because of serious mental illness. And she'd discovered he'd fallen into serious arrears on a £40,000 secured loan.

Ms T explained that she'd seen her brother's application form and believed there were serious mistakes. She'd complained to his bank that they shouldn't have lent him the money. But the bank had told her they'd had no reason to doubt the information Mr T had provided – and had fast-tracked his application because of the low "loan-to-value" ratio.

We found the bank had missed a number of opportunities to make sure they were doing the right thing by Mr T. He'd told them he had a "guaranteed" income of £12,000 a year from a pension, but the bank hadn't asked for evidence. Mr T had also said he didn't pay council tax, which the bank hadn't questioned. And the driving licence he'd shown had expired, and had only been valid for 12 months in the first place.

In our view, all these things should have alerted the bank to the fact they needed more information. And if they'd asked for even some of it, we thought they'd have realised the loan might be unaffordable for Mr T. The bank agreed that fast-tracking his application hadn't been the right option and said they'd write off the outstanding debt.




all lenders have a responsibility to treat you fairly... and if they don't, that's where we come in

Juliana Francis | ombudsman leader

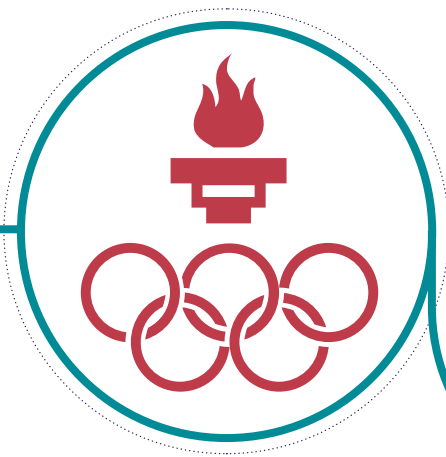


Trouble with money can have far-reaching effects – causing, as well as exacerbating, vulnerability. Following years of research into debt and mental health, the link between the two is now well established – and their complex relationship continued to be reflected in the complaints we saw this year.

In September 2016 we used our regular newsletter, *ombudsman news*, to bring together expert perspectives on preventing problems and breaking down barriers to getting help. And we highlighted examples of how people's sense of stigma, combined with businesses' errors, may mean mental health issues don't come to light until people are experiencing very serious financial difficulties.

 for more information see *ombudsman news* 136: www.financial-ombudsman.org.uk/publications/ombudsman-news/136/136-the-heart-of-the-matter.html

July 2016



The Rio Olympics opens in Brazil, in the midst of concern about the Zika virus



We meet visitors to the *50+ Show* at London Olympia



Following the *Financial Advice Market Review*, we launch a webpage bringing all our online resources for businesses together in one place



keeping a handle on high-cost credit

Juliana Francis
ombudsman leader

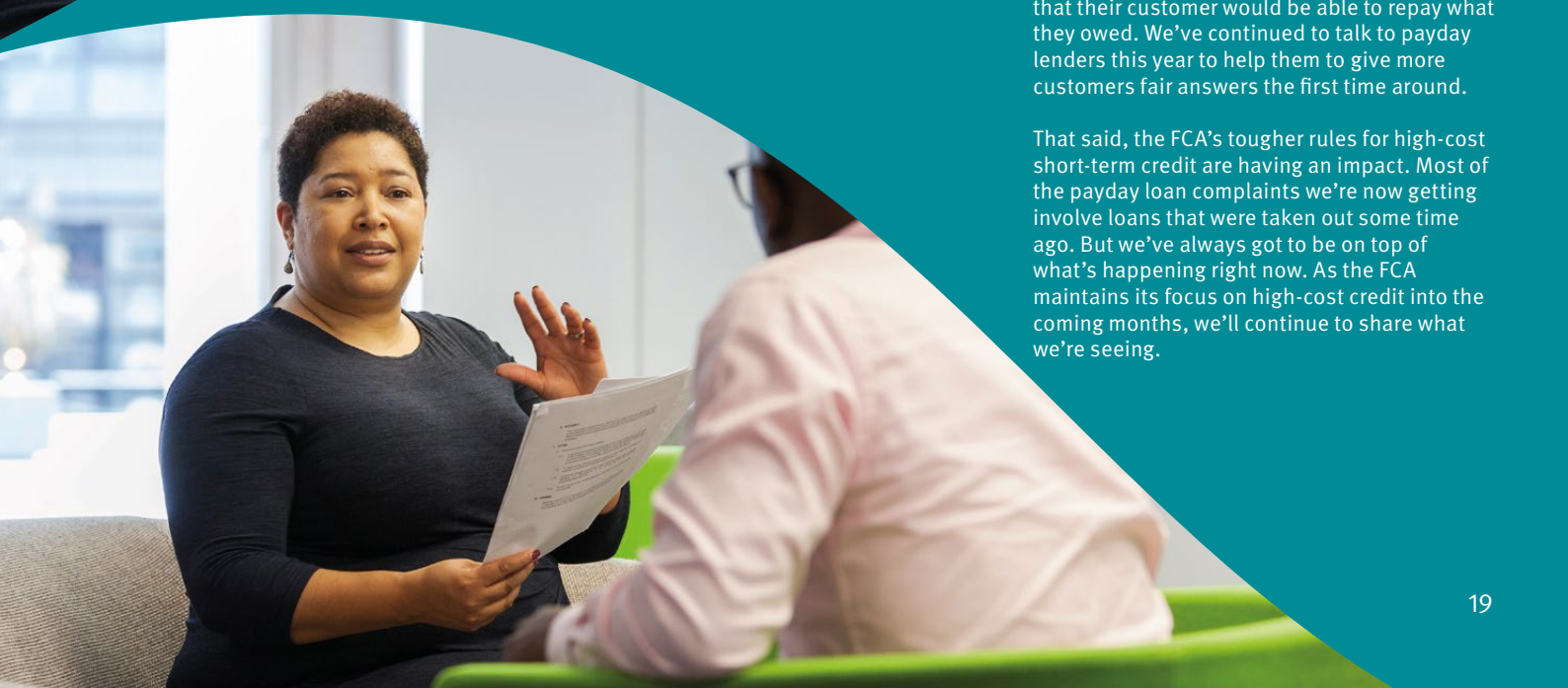
To some extent, we've always been able to help people who've borrowed money. And it was ten years ago now that we got powers to look into complaints about a wider range of problems: from hire purchase and catalogue shopping, to credit broking and debt collecting.

Since then – with a credit crunch in between and all the repercussions of that – the lending sector has continued to evolve. And this year, overall, we've seen a rise in many types of complaints about credit and debt. Take payday loans. By the end of March 2017, we'd seen over 10,000 of these complaints, compared with just over 3,000 in the same period last year.

We hear from people from all sorts of backgrounds who've got into serious debt: students and teachers, nurses and business analysts. People that others might not think of as vulnerable – and who tell us how embarrassed they feel about the position they're in. All lenders have a responsibility to treat you fairly once they're aware you can't repay your loan as originally intended. And if they don't, that's where we come in. No one has to struggle alone – and asking for help is an essential first step in getting back on track.

No two situations are the same. But many people who contact us have taken out more than one loan: in some cases, up to 20, often taken out in quick succession. And in around six in ten cases this year, we decided the lender in question hadn't acted fairly – for example, because they didn't do enough to make sure that their customer would be able to repay what they owed. We've continued to talk to payday lenders this year to help them to give more customers fair answers the first time around.

That said, the FCA's tougher rules for high-cost short-term credit are having an impact. Most of the payday loan complaints we're now getting involve loans that were taken out some time ago. But we've always got to be on top of what's happening right now. As the FCA maintains its focus on high-cost credit into the coming months, we'll continue to share what we're seeing.





job-seeking student ends up with fraud on her records

Miss K, a college student, contacted us after her bank closed her account. She said she'd suddenly found she couldn't use her debit card, mobile payments or online banking. She'd also tried unsuccessfully to open accounts with several other banks.


When we asked Miss K's bank for more information, they told us that her account had regularly received large amounts of money, which had been moved to different accounts almost immediately. They suspected she'd been involved in fraud, and had put a Cifas marker on her records.

We asked Miss K more about the transactions. She told us she'd recently taken a job that she'd seen advertised on a classified ads website. As PA to a management consultant, she'd been asked to receive money into her bank account and send it on to her boss's clients.

We looked carefully at email exchanges between Miss K and her boss. We thought it was very likely that her employer had been a fraudster – but there was nothing to suggest Miss K had, or should have, been aware of this. In these circumstances, we told the bank to remove the Cifas marker from her records.

It's also remained apparent that people from all walks of life can be vulnerable to fraudsters looking to con them out of their money. A significant proportion of the complaints we receive about bank accounts involve alleged fraud of some kind. But when people first contact us, it isn't always obvious that the problem they're having involves fraud.

Regardless of how it happens, the ordeal of being scammed can be distressing and even life-changing. In 2015 we shared our experience of complaints involving phone fraud, which it seemed disproportionately affected older people, who'd lost significant amounts of money. And in 2016/2017 we used *ombudsman news* to highlight how fraud continues to evolve, and the complaints we see as a result.

 for more information see *ombudsman news* 135: www.financial-ombudsman.org.uk/publications/ombudsman-news/135/135-financial-fraud-and-scams.html

July 2016

continued



Chief ombudsman Caroline Wayman signs the Women in Finance Charter, aimed at improving diversity in financial services



We meet consumer advisers in Hertfordshire to explain our role



We meet small businesses at our workshop in Canterbury



we hear every day from people who've fallen victim to financial crime – and scams are evolving rapidly

Michael Ingram | ombudsman leader



We're a guest on the Pete Price Show on Liverpool's Radio City, chatting about how to avoid trouble with travel insurance



We talk to MPs and their caseworkers at a drop-in in Westminster, explaining how we can help their constituents



ombudsman news highlights how we can help people with problems that arise when they're away – from missed flights to leaky pipes

33%

of complaints from under 25s were about bank accounts

for more information see data in more depth (table 35) p.65

This year we continued to hear from young people who'd had their accounts closed without warning – and later discovered they'd got a fraud marker against their name. Together with Cifas, the national fraud prevention database, we highlighted how under 30s may be particularly vulnerable to fraudsters looking for people who'll let them launder money through their accounts in return for a payment.

Letting someone access your account might seem like easy money. But in acting as “money mules”, young people risk a range of serious consequences for years to come: from trouble getting student loans and mortgages, to a criminal conviction and jail. We continued to help prevent these types of problems through our wider engagement – for example, inviting student money advisers to our own free workshops and visiting Newcastle University.

August 2016



Following large-scale train strikes, we begin to hear commuters who've tried to claim back the cost of their season tickets from their credit card providers



We use *ombudsman news* to shine a light on scams and fraud – bringing together perspectives from the Money Advice Service, Financial Fraud Action UK, Citizens Advice and the FCA



The NAO launches a study into vulnerable consumers in regulated industries – and we share our insight into the complaints we receive from people in vulnerable circumstances



our year at a glance

→ what we've seen

how we've helped

www.financial-ombudsman.org.uk



keeping pace with fraudsters

Michael Ingram
ombudsman leader

Managing your money can be complicated enough without the risk of financial crime. Unfortunately, we hear every day from people who've fallen victim – and scams are evolving rapidly. We still see people signing up for fake investment opportunities that have come through their letterbox. Others have had “number spoofing” calls on their mobiles, been ripped off on online auction sites, or found their business banking threatened by malware. On the face of it, complaints involving the same scam may seem similar. But we'll need to consider the individual circumstances very carefully to reach a fair answer in each one.

In my experience, scammers are successful because they make people believe something's gone wrong – and that they can do something about it to get control back. For example, they might say there's a security problem with your bank account – and persuade you to send money to a “safe” account, which is anything but safe. Or they might say they're from an internet provider and need to fix your computer remotely – and in doing so, access your online banking.

We've also heard from people who've been taken in by fraudsters pretending to be someone they're actually *expecting* to pay. For example, they might receive an email that looks like it's from, say, the solicitor they're using to buy a house. The email gives details of a bank account to which payment should be made – which, of course, are the fraudster's.

Although it may be easy to see what went wrong afterwards, it's not always so easy at the time. The people who contact us are often very embarrassed about what's happened: particularly as they may have inadvertently done something that's helped the scammer. But the sooner a bank knows, the sooner they can act – and the more likely it is they can limit the damage.



car bought with peer-to-peer loan goes wrong

Mr U had been having trouble with a car he'd bought with a peer-to-peer loan. In the middle of trying to get it repaired, the garage he'd bought it from had gone into administration.

He'd then contacted the peer-to-peer lending service – who'd said that, if it turned out there was a mechanical problem that would have been covered by the garage, they'd pay for the repairs themselves. But Mr U didn't want his car to be inspected. And now the garage had gone bust, he wasn't sure where responsibility fell for sorting things out.

We asked Mr U about the problems he'd been having. He said the car's lights had started playing up on the day he'd bought it. And they'd continued to do so over the next few months, despite the garage trying to repair them. Mr U thought the car was more trouble than it was worth and just wanted to return it.

We confirmed to Mr U that his loan agreement wasn't covered by section 75 of the *Consumer Credit Act* – and we saw that the peer-to-peer lending service had explained this when he'd got in touch with them. But they'd offered to help him all the same. And we thought it was reasonable that they'd want the car inspected, as they'd need to understand the nature of the problem before arranging any repairs.

In the circumstances, we didn't think the peer-to-peer lending service had acted unfairly – and encouraged Mr U to take them up on their offer.

changing times

Like every year, in 2016/2017 the problems people brought to us reflected a number of wider trends in lifestyles and technology. The UK's financial technology sector – Fintech – has grown rapidly in recent years. And innovations such as new payment systems and apps have the potential to transform the way people manage their money.

While not everyone can, or wants to, engage with financial services in new ways – and new technologies can go wrong – these types of changes have had many positive benefits. In part, this is because past experience has been applied when thinking about the future – and as businesses innovate, they often want to know what our approach might be if problems were to arise.

September 2016



Caroline Wayman talks to BBC *Breakfast* about the complaints we see and how we put them right

We run a workshop for small businesses and a roundtable for financial advisers in Glasgow, where we're joined by the FCA

We talk to lenders about what we're seeing from their sector at the BCCA's annual conference in Leicestershire

citizens advice

We meet consumer advisers at the Citizens Advice conference in Warwick

Although we obviously can't give answers to complaints that haven't yet happened, we can help businesses understand the types of things we'd consider – something we did this year through our ongoing support of the FCA's Advice Unit and Project Innovate.

We also shared our insight into the very small numbers of complaints we'd seen involving crowdfunding – as the FCA asked for evidence around a number of challenges they'd identified for this growing sector. We said that, overall, we'd seen more complaints about loan-based crowdfunding than about crowdfunded investments.

Many of these complaints had come from people unhappy with goods and services they'd bought with peer-to-peer loans, who were unsure what recourse they had.



We talk to BBC Radio Cumbria about preventing problems with money and where we fit in



Which? submits a super-complaint to the Payment Systems Regulator (PSR), calling for extra protection for people who are tricked into transferring money to fraudsters – and we later share our insight with Which?, the FCA and the PSR



driver caught out by excess mileage charge

Mrs F had bought her car with a personal contract purchase (PCP). She contacted us after being charged over £600 for excess mileage at the end of the agreement. The finance company said she'd exceeded her annual limit of 7,000 miles. But Mrs F told us she'd made clear she'd be driving up to 10,000 miles a year for work and leisure.

Having looked at the paperwork and records of discussions from when the car was sold to Mrs F, we decided the limit hadn't made it clear enough to her. Given her commute alone was around 6,500 miles a year, we thought it was unlikely she'd have agreed to a limit of 7,000 miles if she'd known about it – as this would have given her little scope to use the car for anything other than work. In these circumstances, we told the business to waive the excess mileage charge.

64%

rise in complaints about hire purchase agreements

2016/2017



2015/2016



for more information see
 data in more depth (table 9)
 p.51

This year we once again saw trends in what people were buying – and how they were doing so – reflected in the problems people brought to us. We saw more complaints about hire-purchase finance agreements as a whole. And as sales of new cars continued to grow, we heard from people who'd taken out PCP agreements. These typically have lower monthly instalments, but a higher final “balloon” payment than other types of finance. Some people told us they hadn't known exactly how things would work out at the end of the contract.

And in view of record sales of “alternative fuel” vehicles, we heard from drivers who'd bought hybrid cars on finance – who were disappointed at how long their batteries were lasting, especially in dark winter weather with their lights and heating on. Where there's a dispute about what people were told when they bought a car, we'll look carefully at all the evidence about what happened at the time.

September 2016

continued



In the latest *ombudsman news*, our lead ombudsman Richard West explains why and how interest applies when we tell businesses to pay compensation



Our lead ombudsman Caroline Mitchell talks about customer service and vulnerability at the plenary meeting of FIN-NET, the European network of financial dispute resolution schemes

We respond to the House of Lords Financial Exclusion Committee's call for evidence





our year at a glance

→ what we've seen

how we've helped

www.financial-ombudsman.org.uk



keeping one step ahead

Simon Rawle ombudsman leader

We need to be ready to resolve the problems people bring to us – however many there are and whatever they're about. But while life, and things that go wrong, can seem pretty random, that's not to say we can't identify things that might cause complaints to come our way in the future.

In fact, it's something we continually do. Thinking about the last year, we've seen businesses going bust, virus epidemics, travel restrictions, train strikes, new developments in Fintech, and issues being clarified by the courts. All these types of thing could and do have an impact on people using financial services – and we need to anticipate how, and on what scale, we'll need to respond.

With some things, the link with money isn't immediately apparent. For example, in summer, we heard from a Pokémon GO enthusiast – who it turned out wanted to use section 75 of the *Consumer Credit Act* to reclaim the cost of what they believed to be counterfeit Pokémon merchandise.

Other events have the potential for large numbers of people to be left out of pocket – or to be worried they might be. Following the collapse of an online holiday company this year, we worked with the media, who'd been inundated with questions, to help disappointed travellers understand their options for getting their money back.

It's not just about reacting swiftly to things that have already gone wrong. We regularly talk to businesses about trends they're seeing and how they might play out. And we make sure we hear the other side of the story: engaging with consumer organisations across the UK to learn more about what they're hearing. Keeping up with discussions happening online can also be helpful in picking up on concerns early on.

Taken together, these types of insight help us build a picture of what's on the horizon – so we can do all we can to prevent problems arising and encourage fair answers if they do.

Real life doesn't always neatly align with the black and white of terms and conditions. This is something that's particularly apparent in disputes about insurance, where we're often deciding how particular eventualities relate to policies that don't explicitly mention them.

For example, there's recently been growing media attention on the damage caused by cannabis farms to rental properties. This year we heard from a number of landlords who'd had trouble with insurance claims – typically, where properties had been damaged by alterations that had been made to set up a farm, or by fires caused by the electrical equipment involved.

From what we've seen, landlords' insurance policies don't generally mention cannabis farming. But other policy terms and exclusions may be relevant. Many of the policies we've seen exclude claims where the damage has been caused by someone lawfully in a property, and/or where the damage has been caused by illegal activity. So when deciding whether an insurer's decision is fair, we'll ask questions about the circumstances of how the damage arose.

And as discussion around the "gig economy" continued this year, we also got an insight into the interaction between financial services and changing working lives – for example, as people engaged with different products and services to support new patterns of work.

October 2016



We talk to credit businesses at the *CCRInteractive* conference in London



We meet volunteers at Lambeth's *Money Champions* to explain our role and how we can help the people who turn to them

We share our experience of insurance auto-renewals and identify fraud at a live pop-up with BBC's *Rip Off Britain* team





businesses going bust, Fintech, travel restrictions and train strikes – all these things have an impact on people using financial services

Simon Rawle | ombudsman leader



We meet hundreds of consumer advisers at Advice UK's annual conference in Birmingham



courier is confused about insurance cover

Mr P had recently started a business as a courier, but had run into trouble when £3,000-worth of goods were stolen from his van. His insurer had rejected his claim, saying the goods weren't covered under his policy.

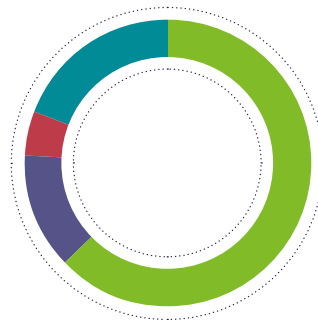
We could see Mr P had told the insurer he was just starting out as a courier and wasn't quite sure what cover he'd need. He'd been put through to what the insurer had called a "specialist team". But in spite of Mr P mentioning carrying goods, the insurer hadn't said that goods weren't covered by the policy they were selling him. In addition, Mr P's paperwork was headed up "goods/commercial vehicles insurance" – which we thought could have given him the impression that his policy covered both.

We accepted that Mr P had a responsibility to check his policy documents. But given the confusing paperwork – and the fact he'd supposedly spoken to a specialist team – we could see why he'd thought goods were covered. In these circumstances, we told the insurer to pay the claim.

During the year intergenerational fairness – the question of whether younger people are worse off than their parents and grandparents – continued to spark debate.

And the broader underlying trends – spanning money, housing, lifestyles and longevity – are being reflected in the way people engage with financial services, and inevitably in the problems people bring to us. As the FCA continued its focus on the ageing population, we looked into the variations in the types of problems that different age groups bring to us – building on the insight we shared in 2015/2016 about complaints that appear to centre on people's age.

over 65s complaints mostly involved



● PPI	63%
● bank accounts	13%
● mortgages	5%
● other	19%

under 25s complaints mostly involved



● bank accounts	33%
● consumer credit	26%
● car insurance	20%
● other	21%

for more information see *data in more depth* (table 35) p.65

October 2016

continued





our year at a glance

→ what we've seen

how we've helped

www.financial-ombudsman.org.uk



communicating clearly to stop age-related unfairness

Simon Pugh
ombudsman manager

Age can be an important factor in designing and pricing financial products and services – and age discrimination isn't necessarily unlawful in this sector. But if a business is considering a customer's age when assessing wa risk, they need to make sure they're only using information that's relevant to assessing the risk – and from a source it's reasonable to rely on. So that's what we'll very carefully consider if people tell us they've been discriminated against.

From what we've seen, though, businesses are getting better at reaching the right answers themselves. This year we've continued to see complaints where – apparently because of their age – people have experienced difficulties with their mortgages. But we've seen a growing willingness on the part of lenders to work flexibly around age limits. I hope that's partly a result of the ongoing conversations we've had with lenders, highlighting situations where strict lending policies might lead to unfair outcomes for certain customers.

There's still work to do though. And I'd say, on the whole, it's communication where lenders are sometimes falling down. This year we've continued to hear from people who simply don't understand why a lender has refused their mortgage application. Of course, lenders might not want to share information that's commercially sensitive. But our experience suggests that the more open the conversations that happen early on, the less chance there is of complaints being escalated.



how we've helped

where we've been

We've been featured on the local radio many times throughout the year – including in Northern Ireland, Liverpool and Sussex

We met visitors to the Balmoral Show in Northern Ireland

We visited Leicester University to share our experience of consumer vulnerability

We hosted a conference on age-related lending and vulnerability and a workshop for short-term lenders

We ran a drop-in session in Westminster with MPs to explain how we can help their constituents

We hosted **4** roundtables for independent financial advisers – Edinburgh, Basingstoke, Sunderland, Stockport

We provided **14** free workshops for small businesses we cover – Wolverhampton, Leicester, Edinburgh, Norwich, Chelmsford, Canterbury, Glasgow, Sheffield, Stockport, Newcastle, Cheltenham, Swansea, Bridgwater, Basingstoke

We ran **4** free workshops for consumer advisers – Chelmsford, Glasgow, Coventry, Sunderland

We talked to student money advisers at Newcastle University

We met visitors to the **50+** Show in London Olympia

how people reached us



89%

people who had some awareness of us



76%

of the public said they'd trust us



2.5 million

people who visited our website



over 78,000

people who complained through our online form



87

people who called us from a payphone

support and insight



we shared insight into issues including mental health and debt, crowdfunding, vulnerability, age-related complaints and to help encourage fairness



22,000

calls answered by our technical helpline from people working in complaints

accessibility and inclusivity



4,787

translated documents into different languages



15

of our people learned British Sign Language



we were re-accredited as Leaders in Diversity



we signed HM Treasury's Women In Finance Charter and half our ombudsmen and executive team and board are women

putting things right



in **one in five** cases, we told the business to do something without a direct cash value – like putting right a credit file or apologising



in **one in six** cases we told the business to pay compensation to make up for upset, inconvenience or other non-financial trouble



53% of people whose complaints we didn't uphold said they'd recommend us



eight in ten consumers and business complaint handlers said we listened, got to grips with their problem and gave clear answers



resolving confusion about auto-renewal

Mr M had recently taken out car insurance with a new provider when he realised his previous insurer had renewed his policy. This meant he was paying for two policies for the same car. He rang us to find out what he could do, saying he hadn't been told his policy would renew automatically.

The insurer was happy for us to get involved straight away – even though Mr M hadn't yet raised his complaint with them directly. They told us they'd no record of Mr M asking to cancel his policy, and showed us the policy documents and the email reminders they'd sent Mr M saying they would renew his policy. But the fact Mr M had taken out a new policy suggested he hadn't realised what had happened.

The insurer said they'd refund Mr M's renewal premium minus a cancellation fee. Mr M, who'd initially been frustrated and confused, was pleased to have some clarity about what had happened and our assurance that the insurer had resolved things fairly.

putting things right

If we uphold a complaint, we generally look to put the consumer in the position they would be in if things had happened as they should – and we tell the business to pay fair compensation.

As always, the proportions of complaints we upheld this year varied considerably between different products, issues and types of business – but overall, we upheld 43% of complaints. This is lower than last year because we didn't resolve as many PPI complaints – which typically have a higher uphold rate – while we were waiting for the FCA's rules and guidance following the case of *Plevin*.

November 2016



We meet members of the Consumer Credit Trade Association at its annual conference in Nottingham



We talk to Advice UK members in Manchester about credit, debt and financial difficulties



We meet smaller businesses at our free workshop in Newcastle



We use *ombudsman news* to share what we've seen in the complaints we've received about crowdfunded loans and investments



We discuss lending into retirement, age-related lending decisions and customers in financial difficulties at our conference held jointly with the Council of Mortgage Lenders (CML)

what we've seen

→ how we've helped

data in more depth

www.financial-ombudsman.org.uk

In some cases, we decide the consumer involved has been left out of pocket as a result of a business's error. In around five in ten cases we upheld this year, we told the businesses to do something that didn't have an immediate cash value – for example, amending a credit file or apologising. And in one in six cases, we told businesses to pay compensation to recognise the non-financial impact of their actions – for example, the inconvenience or upset they'd caused.

working flexibly

The prospect of bureaucracy can be a significant barrier to people getting the help they need to resolve a problem. To ensure it's as straightforward as possible to access our service, this year we continued to focus on working increasingly flexibly.

And following changes to the FCA's rules in July 2015, many businesses have agreed we can step in to look at complaints they haven't yet responded to themselves.

Together, these developments mean we can help more people at an early stage. In 2016/2017, we resolved complaints more quickly than at any time since we were set up in 2001 – in many cases giving our answer in a matter of days, and sometimes hours. This pace has clear benefits in all sorts of circumstances: whether someone's confused about insurance auto-renewal, has a problem paying their bills, or is faced with losing their home.

We chat on TalkRadio about consumer rights when shopping online



We get the highest weekly number of enquiries about consumer credit



We share our experience of helping people facing financial difficulties at the East London Financial Capability Forum

83%

of complaints were resolved within three months, excluding PPI

96%

of complaints were resolved within six months

for more information see data in more depth (table 22) p.60



open conversations help avoid repossession

Miss G contacted us after receiving a "letter of action" from a mortgage administration company, saying they were taking steps to repossess her home. Her husband was terminally ill. Although she'd had an initial conversation with a debt advice charity, she was finding the situation overwhelming and wanted more help.

Miss G hadn't made a formal complaint, but when we spoke to the mortgage administration company they agreed we could get involved straight away. We arranged a three-way phone call so everyone could talk openly about the situation and possible options.

The company explained Miss G had been overpaying in some months and underpaying in others. However, they accepted it was clear she'd been doing her best to keep up with what she owed. They said they'd withdraw their letter of action, capitalise the arrears, clear the interest and charges and extend the mortgage term by six months.

Miss G agreed to set up a direct debit to make sure her payments arrived on time – and, with the help of the debt advice charity, to keep in touch with a named account manager at the mortgage administration company.

While resolving problems as soon as possible is clearly beneficial, speed is only part of the picture. It's essential that people feel we've treated them fairly, whatever the conclusions we reach.

Understandably, people who got the outcome they'd initially hoped for were more likely to be happy with the experience of using our service. But as we've been working flexibly, growing numbers of people whose complaints we *haven't* upheld are giving us positive feedback.

Similarly, our research showed that nine in ten people whose complaints we upheld, and half

of people whose complaints we didn't uphold, would recommend our service.

This year we also received more positive feedback from the business complaint handlers involved in the cases we resolved – with more than eight in ten agreeing we listened, got to grips with the problem in hand and gave a clear answer. And a greater proportion of managers at financial businesses told us they feel that our decisions are fair and that their industry can have confidence in us.

 for more information see *data in more depth* (tables 25 and 26) p.61–62

We know we can always do things better – and we want people to tell us if they think we're getting it wrong. This year we received 1,932 complaints about our service and responded to 2,741 – around 0.8% of the total number of cases we resolved. Our *directors' report and accounts*, due to be published in July 2017, will give more detail about the complaints about us that were referred to the independent assessor – who can look into complaints about the service we've provided.

December 2016

ombudsman news brings together expert perspectives on mental health and debt, and shares case studies on the problems people bring to us



We open public consultation on our plans and budget for 2017/2018, explaining the uncertainties we face in PPI



The FCA announces that it's still considering the next steps for PPI following the case of *Plevin* – and will give an update in early 2017

We take part in the FCA's *Live and Local* event for businesses in the West Midlands



We meet members of the Money Advice Liaison Group in Leeds



We talk to small businesses covered by the ombudsman at our workshop in Cheltenham



what we've seen

→ how we've helped

data in more depth

www.financial-ombudsman.org.uk



knowing what we're talking about

David Millington lead ombudsman

Our knowledge is, and always has been, essential to our job of providing an effective ombudsman service. For people to have confidence in the answers we give, they also need to have confidence that we know what we're talking about.

When we look into a problem someone's brought to us, we always take into account the law, rules and guidance, and good practice. But it isn't enough just to know these inside out. Very often, the words people use to describe what's happened to them don't appear as they do in industry documents.

So first, through all the frustration and confusion, we've got to listen – to understand what's happened and work out where we need to look for answers. Only then can we start applying what we know – always bearing in mind that, in all the complications of real life, the black-and-white rules don't always lead straight to a fair outcome.

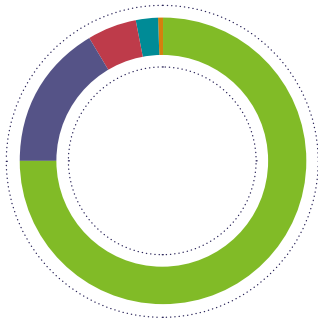
As we've been working increasingly quickly and flexibly, the way our people find and apply knowledge has needed to keep in step. That's why we've improved our online knowledge-sharing systems this year – as well as putting our ombudsmen at the heart of our investigation teams, so their expertise and pragmatism can help businesses and consumers from the start. And we've strengthened our networks of experts across our service, to help our people put problems right and capture new insight that challenges us to think differently about fairness.

Our knowledge is about so much more than just knowing the rules. It's about knowing how to listen, knowing the right questions to ask, and having the sound judgement to reach a fair answer. It's reassuring that businesses and consumers say they've got confidence in us to do that. And to help others see all this in action, we've published another 36,000 of our ombudsmen's decisions on our website this year.



4,533

complaints received from small businesses



● banking	75.0%
● insurance (excluding PPI)	16.5%
● investments	5.5%
● PPI	2.5%
● pensions	0.5%
total complaints	4,533

complaints from smaller businesses

Small businesses' experience of using financial services was the focus of considerable attention this year, following investigations into their unfair treatment by some banks. In 2015 we published our insight into the problems small businesses bring to us. And this year we continued to share our experience to help inform the FCA's review of business banking – which includes questions about whether businesses larger than “micro-enterprises” should have access to the ombudsman.

 for more information see *data in more depth* (table 29) p.63

We can look into complaints brought by small businesses defined as micro-enterprises – with an annual turnover of up to two million euros and fewer than ten employees. This year numbers of complaints from small businesses remained steady. Three quarters involved business banking, with a significant proportion of these relating to banks' customer service.

January 2017

It's announced that UK car sales reached record levels in 2016 – with significant numbers bought on finance



Chief ombudsman Caroline Wayman takes part in a video with *FT Adviser* covering a range of issues that matter to financial advisers

We talk to BBC Radio 4's *MoneyBox* about how we can help with complaints involving scams



We get the highest weekly number of enquiries about travel insurance of any week of the year

We attend the Claims Management Regulator's seminar for newly authorised claims managers to explain what we expect when they refer complaints to us



We meet people who help run credit unions in County Tyrone



We talk to BBC Radio Sussex & Surrey about what section 75 of the Consumer Credit Act means in practice



small business is caught up in hoax website scam

Mr G phoned us when his business lost money to fraudsters. One of his employees, Mrs O, had inadvertently put the business's online banking details into a hoax website – and fraudsters had subsequently transferred around £40,000 out of the account.

Mr G's business's bank had raised an indemnity claim with the banks that the money had been transferred to, but had only managed to recover around £2,000. They'd refused to refund any more money, saying Mr G's business had been "grossly negligent" by giving the passcode to a third party.

However, Mr G's business banking terms and conditions didn't say his business was responsible for losses arising from the passcode being disclosed to a third party. And although Mrs O had typed in the business's passcode, the fraudsters had gone on to make the transactions themselves – so she hadn't actually authorised them.

The bank acknowledged that the hoax website would have looked exactly like their own – so Mrs O couldn't have known she was using a fake site. And according to the bank's records, she'd phoned the bank shortly before she reported the missing money to say the website was running slowly. The bank's adviser had told her she could carry on using the site – despite there being a warning on the bank's own website that a slow-running online system could indicate possible fraud.

In the circumstances, we didn't agree Mrs O had been grossly negligent. The bank's adviser could have alerted Mrs O to the fact something might be wrong – particularly as malware was a problem that the bank was actively warning its customers about. We told the bank to pay Mr G the money they hadn't been able to recover.

84.5%

of PPI complaints were brought to us by claims managers

37.5%

of packaged bank account complaints were brought to us by claims managers

4%

of other complaints were brought to us by claims managers

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

complaints brought by claims management companies

Across most types of complaints we cover, an average of 87% of people contact us directly, with a further 5.5% asking friends, family or a free advice organisation to talk to us on their behalf. But for PPI and packaged bank accounts, the picture is very different. Many people are prompted to complain only after being contacted by a claims management company, and are already tied into a contract by the time we get involved.

As the FCA begins its PPI consumer communications campaign in the second half of 2017, we'll continue to show that it's easy to use our service – so people don't have to lose out on money they might be owed as a result of claims managers' fees and charges.

The continuing fall in complaints about packaged bank accounts shows how our proactive engagement with claims management companies can prevent the burden and frustration of unnecessary claims.

January 2017

continued



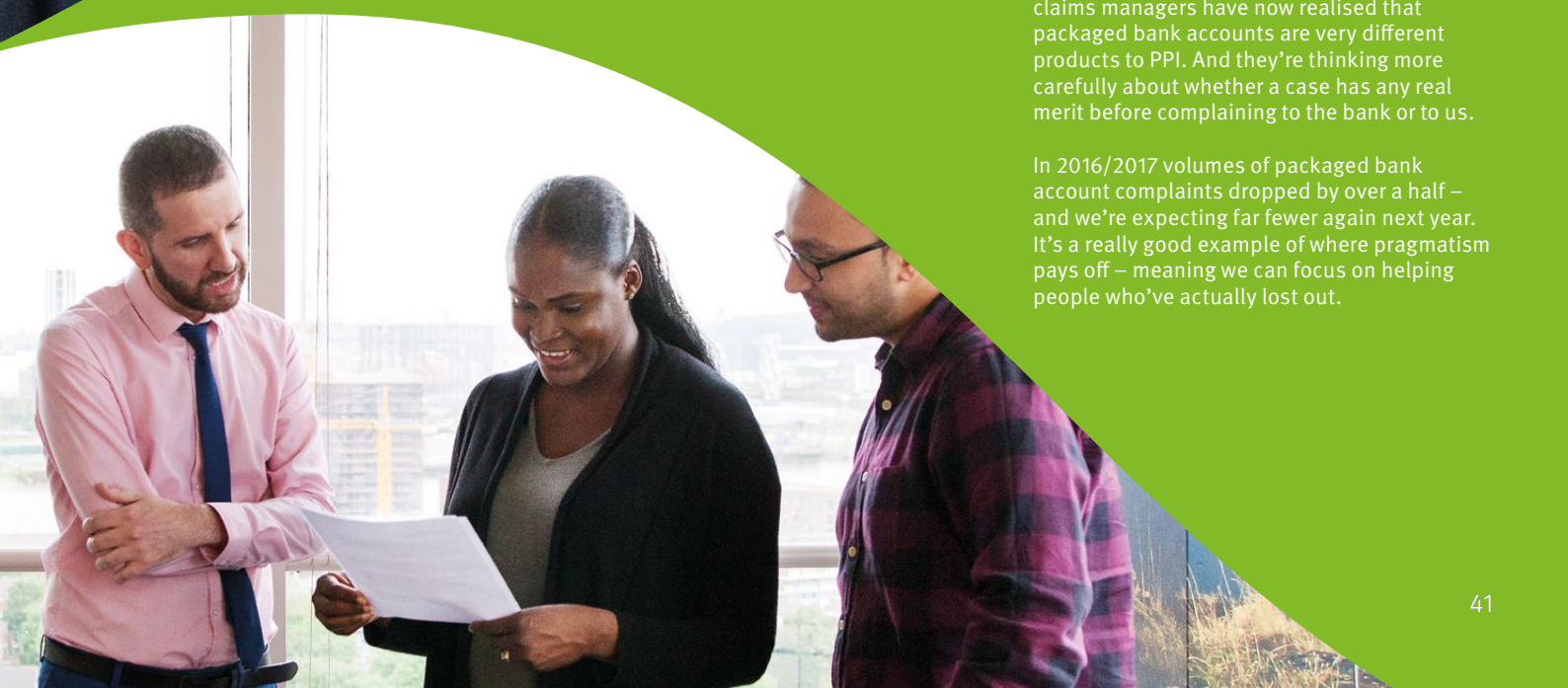
We share our experience of helping people having trouble using powers of attorney, to help inform the FCA's work on the ageing population



We get the highest weekly number of enquiries about savings accounts

We share our experience of consumer vulnerability at a conference at Leicester University





what we've seen

→ how we've helped

data in more depth

📄 www.financial-ombudsman.org.uk



pragmatism, not the new PPI

Steve Townsley
ombudsman leader

While it seems clear now that packaged bank accounts aren't the new PPI, we didn't always know how things would pan out. When claims managers first began to bring large number of complaints about these accounts, we knew we'd need to look closely at what was happening.

We found they were raising very similar issues to those they brought about PPI. Not only that, but just like in PPI, they gave us very little to go on. We often couldn't tell what really mattered to the consumer.

These problems needed to be addressed – and we didn't want misunderstandings to take root. So we ran a series of workshops for claims managers, including some in partnership with the Claims Management Regulator. We discussed the limitations on how far PPI and packaged bank accounts are comparable – and claims managers had the chance to work through real-life case studies, showing different sides of the story. And we also talked in detail with the banks involved – to make sure they understood our approach and could resolve as many complaints as possible themselves.

Since then, we've continued to ask claims managers to really think about the cases they're referring to us. Not because we don't want to help their customers – but because if people haven't actually lost out, then the whole process is just frustrating and disappointing for everyone involved. Most claims managers have now realised that packaged bank accounts are very different products to PPI. And they're thinking more carefully about whether a case has any real merit before complaining to the bank or to us.

In 2016/2017 volumes of packaged bank account complaints dropped by over a half – and we're expecting far fewer again next year. It's a really good example of where pragmatism pays off – meaning we can focus on helping people who've actually lost out.

161

complaints about IFAs involved events that happened more than 15 years ago

36%

of complaints about IFAs were upheld

for more information see *data in more depth* (table 12 and table 20) p.54 and 58

working with the businesses we cover

We cover well over 56,000 financial businesses, ranging from global banks to local firms of advisers – with businesses at the small end of the scale accounting for just a fraction of the complaints we receive. This year we continued to make sure that small businesses, who typically have very little contact with us day to day, have clarity about how we work.

To help address the particular concerns of IFAs, the *Financial Advice Market Review* (FAMR) recommended in March 2016 that we publish more detailed information about complaints relating specifically to the advice

sector, as well as about those involving events that took place more than 15 years ago. In response to this and wider feedback about how we could give greater insight into what we're seeing, in October 2016 we consulted on what data we should publish in the future.

As a result of this, in addition to the recommendations arising from FAMR, we've committed to sharing even more information about the complaints we're upholding about businesses in different sectors about different products and issues. We hope this will help businesses see more clearly what's going well and where they could be doing better.

ombudsman news highlights the complaints we see from different generations – from babyboomers having trouble with mortgages, to millennial “money mules”

February 2017



We meet small businesses at our workshop in Swansea

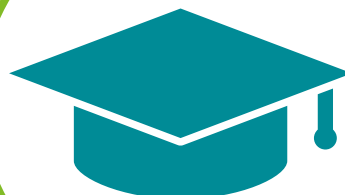


We discuss the complaints we receive about home insurance with TalkRadio

We're in the North East, holding a roundtable for financial advisers in Sunderland, talking to consumer advisers, and visiting Newcastle University's student money advisers



We host a workshop for short-term lenders to explain how we sort out the complaints borrowers bring to us and how to prevent problems arising





what we've seen

→ how we've helped

data in more depth

www.financial-ombudsman.org.uk



on the same page

Caroline Mitchell lead ombudsman

In all my years as an ombudsman, my experience has been that professional advisers are just that: professionals. And while the few exceptions unfortunately get a disproportionate amount of attention, the fact is many advisers haven't ever had a complaint referred to us at all. Even if they have, it's likely to have just been one or two.

That's clearly good news. But all the same, the prospect of hearing from us may be particularly worrying for small businesses – not just because they don't know what to expect, but, in some cases, because of the amount of money involved. That's why over the years we've proactively worked with businesses to explain who we are and the way we work. As usual, this year we ran free events around the country, specifically for those who've had little or no contact with us – so we could address their questions and concerns directly.

In March 2016, the *Financial Advice Market Review* recommended that we do even more to support the small businesses we cover. So over the last few months we've held roundtable discussions in Glasgow, Stockport, Basingstoke and Sunderland, bringing IFAs together with our chief ombudsman and the FCA. We've also attended seven of the FCA's Live and Local events. While our roles are distinct, I think it's been very important that advisers have had the chance to challenge us together – and to get the assurance they need that we're on the same page.

The roundtables have been particularly helpful in getting to the bottom of issues that cause uncertainty for advisers – for instance, what should be included in suitability reports, and how we'd approach cases involving "insistent clients" on the back of pension freedoms. We and the FCA have been able to explain that the regulator's guidance in these areas is clear, and that if a business has done what it should, then there's no need to worry. We've really welcomed the honesty of conversations like these and look forward to them continuing into next year and beyond.

50%

of all complaints came from **4 business groups** (out of more than 56,000 businesses we cover)

of the other 50% of complaints:

47%

came from 427 businesses

3%

came from 4,015 businesses, each with fewer than 25 complaints

for more information see *data in more depth* (table 13) p.55

In 2016/2017 the largest business groups continued to account for the majority of the complaints we received. By talking to these businesses regularly, we can work through existing issues that are causing complaints to be referred to us, as well as identifying potential problems before they become more serious.

Many of these conversations take place at our steering groups meetings – which are a forum for our chief ombudsman & chief executive, chairman and senior ombudsmen to discuss strategic issues with senior people at businesses and trade bodies.

In 2016/2017 our discussions with businesses covered topics ranging from the impact of the *Plevin* case on PPI, to trends in fraud and scams that were giving rise to complaints. We also continued to talk to individual businesses and trade bodies throughout the year – as well as visiting a number of businesses to help us understand their day-to-day operations.

The FCA confirms that its new *Plevin* rules and guidance will come into effect in August 2017, with an August 2019 deadline for complaining about mis-sold PPI



March 2017

We get the highest weekly number of enquiries about PPI, home insurance, credit cards and current accounts



We talk to small businesses we cover about complaints and our role at our workshop in Bridgwater



working with consumer representatives

People might not know about our service – and we're not everyone's first port of call when something goes wrong with their finances. So it's important that we have strong relationships with a diverse range of local and national advice organisations, charities and other consumer networks. These relationships work both ways: first, consumer representatives can help

the people who turn to them to reach our service. Equally, if people who contact us need specialist support that we can't offer, we can signpost them to organisations that can.

In 2016/2017 we maintained and grew these partnerships – including continuing to run free UK-wide workshops for local consumer advice workers, meeting MPs' caseworkers, and sharing our experience of complaints with organisations including Which?, Citizens Advice, MoneySavingExpert and StepChange Debt Charity.



Latest data shows that a quarter of all UK payment transactions are now made using contactless technology



cancer charity asks for clarity about life cover

A cancer charity contacted us about Mr C, who had been given just a few weeks to live. He was worried that his wife would struggle to afford their mortgage repayments after he died.

The charity told us that when Mr C had checked his life assurance arrangements, his provider had told him that his cover wasn't guaranteed to pay off the mortgage. Mr C felt he'd been sold useless cover – and the charity wanted our view.

The life assurance provider agreed that we could look into Mr C's concerns straightaway. They quickly sent over some information from financial planning meetings they'd had with Mr C. We could see that he'd previously been offered the type of cover that would have paid off his mortgage. But he'd turned it down, saying he already had other cover.

The provider told us that Mr C had three other life policies. When we looked at the values of these, we found there would be enough money to pay off Mr C's mortgage. We confirmed this with the cancer charity, who went on to explain the situation to Mr C – giving him the peace of mind he wanted that his wife wouldn't lose their home.

76%

of the public said they'd trust us

a service for everyone

To ensure we're providing a fair and inclusive service, we try to find out more about the backgrounds of the people who complain to us.

In 2016/2017, as in previous years, our research highlighted variations in the problems different groups of people referred to us: for example, PPI barely featured in complaints from the under 25s, whereas over 65s were far less likely to complain about consumer credit. But there were no significant differences in the outcome of complaints that weren't accounted for by variations in the types of product involved.

We also carry out research each year to help us understand how people feel about complaining – and how

far they're inclined to take things when they do complain. When we asked members of the public, one in four said they'd had a problem with a financial product or service. Of these people, 72% told us that they went on to complain to the financial business involved – of which 33% weren't happy with the business's response. 56% of these people said they'd referred their complaint to us, compared with 48% last year.

Our partnerships across the UK, including our work with the media, look to have helped either maintain or improve awareness of our service among people from all backgrounds and regions of the UK.

This year 76% of the public said they'd trust us – up from 75% last year – at a time when research suggests just over half of people trust the financial services sector.

March 2017

continued



We hear what's on financial advisers' minds at our roundtable in Basingstoke and meet other small businesses at our workshop



We take part in the Northern Ireland Consumer Council's Consumer Parliament in Belfast



We meet visitors to *Naidex*, the independent living show, at Birmingham's NEC

fairness through diversity

We want the people who work for us to reflect the people we're here to help. Being diverse and inclusive gives us different perspectives, which gives us confidence in the fairness of the decisions we make.

We were one of the first organisations to sign *HM Treasury's Women in Finance Charter* in July 2016. In January 2017 we were re-accredited by the National Centre for Diversity as *Leaders in Diversity*, and made their top 100 index. And our people continued to support each other through peer-led networks – including lesbian, gay, bisexual or transgender (LGBT), black, Asian and minority ethnic (BAME), faith groups, carers, mental wellbeing, disability and women.

From January 2018, we'll be reporting separately on the diversity of our own people and those who use our service. The backgrounds of our ombudsmen are available on our website, together with more information about our non-executive board and executive team.

This year 45% of our employees are men and 55% are women – and among our ombudsmen, 51% are women. Women account for 50% of our board and executive.

58% of people working for us at the end of the year were aged between 25 and 34 – with 19% aged between 35 and 44, 11% aged between 45 and 54 and 6% older than 55. The age of our employees ranged from 18 to 71.

38% of our employees say they are from a non-white background, 6% say they have a disability, and 4% have told us that they identify as LGBT.

Aside from the difference they make resolving complaints, our people also give their time to support charities and projects in the local community. In total we raised over £38,000 for children's hospice Haven House, our partner charity for the past two years. Other volunteering and giving this year included running lunchtime numeracy and literacy classes in a local school, helping local students with employability skills, contributing to a local harvest festival and food banks, and donating toys to the East London Business Alliance Christmas appeal.



We publish our finalised plans and budget for 2017/2018

data in more depth

about this year's enquiries

1. volumes of enquiries

	phone enquiries	written enquiries (including by email)	total
2016/2017	604,278	790,101	1,394,379
2015/2016	806,171	825,784	1,631,955
2014/2015	927,737	859,236	1,786,973
2013/2014	1,150,002	1,207,372	2,357,374
2012/2013	1,067,607	1,093,832	2,161,439
2011/2012	673,999	594,799	1,268,798

2. how people called us

	% 2015/2016	% 2016/2017
from a landline phone	64	55.5
from a mobile phone	28.5	38.5
overseas/unknown/other	4	3
over the internet	3.5	3

3. what the enquiries were about

	% 2015/2016	% 2016/2017
PPI	23	20
loans and credit	8.5	9
car and motorbike insurance	9	8
packaged bank accounts, interbank transfers, electronic money and other banking services	8.5	7
current accounts	7	6.5
warranties, mobile phone cover, home emergency cover and other insurance	5	4.5
credit cards	3.5	3.5
mortgages	3	2.5
household insurance	2.5	2
mortgage endowments	1	0.5
other products	9	8
other problems and concerns that people didn't know where else to take (for example, debt related worries and confusion about how to sort out a problem.	20	28.5

about this year's new complaints

4. what the new complaints were about					
	banking and credit	investments and pensions	insurance (excluding PPI)	PPI	total new complaints
2016/2017	31 % (99,888 complaints)	4.5% (14,471 complaints)	12% (38,155 complaints)	52.5% (168,769 complaints)	321,283
2015/2016	31% (106,327)	4% (14,576)	9% (31,284)	56% (188,712)	340,899
2014/2015	24.5% (79,763)	4.5% (14,723)	9% (30,080)	62% (204,943)	329,509
2013/2014	13% (65,077)	3% (15,938)	6% (31,213)	78% (399,939)	512,167
2012/2013	15% (77,176)	4% (19,834)	7% (33,172)	74% (378,699)	508,881
2011/2012	24% (64,234)	6% (14,862)	10% (27,563)	60% (157,716)	264,375

5. what the new complaints were about, excluding PPI			
product		% 2015/2016	% 2016/2017
current accounts		37	25
consumer credit products and services (for example hire purchase, debt collecting and catalogue shopping)		9	17.5
motor insurance		5.5	8
mortgages		7.5	7
credit cards		5.5	6.5
unsecured loans		4	4
pensions		3	3.5
buildings insurance		3	3
travel insurance		2	2
savings accounts		2	1.5
term assurance		2	1.5
whole-of-life policies and savings endowments		1	1.5
mortgage endowments		1	1
contents insurance		1	1
other products		16.5	17

about this year's new complaints *continued*

6. what the new insurance complaints were about		
product	% 2015/2016	% 2016/2017
PPI	86	82
all other insurance-related complaints	14	18
<i>of which:</i>		
motor insurance	27.5	31
buildings insurance	13	12.5
travel insurance	7	8.5
term insurance	7.5	6
home emergency cover	5.5	5.5
contents insurance	4.5	4
pet insurance	3.5	4
extended warranty insurance	3	3.5
income protection	3	3
commercial vehicle and property insurance	4	3
private medical insurance	3	3
critical illness insurance	2.5	2
roadside assistance	2.5	2
mobile phone insurance	2	2
legal expenses insurance	2.5	2
personal accident insurance	2.5	1.5
card protection insurance	2	1.5
guaranteed asset protection (GAP insurance)	0.5	0.5
other (including business protection, building warranty and caravan insurance)	4	4.5

7. what the new banking and credit complaints were about		
product	% 2015/2016	% 2016/2017
consumer credit products and services	13	26
packaged bank accounts	41	20.5
current accounts	13	17.5
mortgages	11	10.5
credit cards	8	9.5
unsecured loans	6	6.5
savings accounts	3	2.5
secured loans	1	1
other banking services	4	6

about this year's new complaints *continued***8. what the new investment and pension complaints were about**

product	% 2015/2016	% 2016/2017
whole-of-life policies and savings endowments	13.5	14
personal pension plans	14	13
small self-administered schemes (SSASs) and self-invested personal pensions (SIPPs)	8	11
mortgage endowments	13.5	10.5
investment ISAs	9	9
portfolio management	8	8
stockbroking	6	7
annuities	5	5
derivatives (including interest-rate hedging products and spread betting)	3.5	5
unit-linked bonds	4	3
with-profits bonds	1	2
SERPs	1	1
guaranteed-income bonds	3.5	0
other (including unit trusts, structured investments and income draw-down)	10	11.5

9. volumes of new complaints – by product

product	2015/2016	2016/2017	% year- on-year change
PPI	188,712	168,769	-11
current accounts	58,724	38,299	-35
<i>including complaints about:</i>			
packaged bank accounts	44,244	20,284	-54
all other current account complaints	14,480	18,015	+24
consumer credit products and services	13,713	25,984	+89
<i>including complaints about:</i>			
payday loans	3,216	10,529	+227
hire purchase	3,072	5,029	+64
point-of-sale loans	2,071	2,556	+23
catalogue shopping	939	1,640	+75
debt collecting	707	1,027	+45
hiring, leasing and renting	508	920	+81
instalment loans	211	883	+318
credit reference agencies	351	579	+65
debt adjusting	471	560	+19
store cards	460	440	-4
debt counselling	209	342	+64
home credit	230	328	+43
credit broking	563	228	-60
guarantor loans	61	172	+182
logbook loans	59	103	+75

about this year's new complaints *continued*

9. volumes of new complaints – by product <i>continued</i>			
product	2015/2016	2016/2017	% year-on-year change
motor insurance	8,585	11,844	+38
mortgages	11,288	10,428	-8
credit cards	8,200	9,619	+17
other banking services	4,334	5,377	+24
<i>including complaints about:</i>			
money transfer	1,884	1,645	-3
debit/cash cards	939	1,435	+53
electronic payment	685	1,183	+73
cheque clearing	501	491	-2
foreign currency	90	118	+31
safe custody	75	66	-12
unsecured loans	6,156	6,425	+4
pensions	4,495	5,160	+15
<i>including complaints about:</i>			
personal pension plans	1,985	2,377	+20
small self-administered schemes (SSASs) and self-invested personal pensions (SIPPs)	1,174	1,574	+34
annuities	763	743	-3
SERPs	218	112	-49
income draw-down	160	172	+8
free-standing additional voluntary contribution (FSAVC) schemes	146	127	-13
pension mortgages	39	46	+18
buildings insurance	4,095	4,815	+18
travel insurance	2,267	3,196	+41
investment-linked products	3,182	2,878	-10
<i>including complaints about:</i>			
investment ISAs	1,290	1,261	-2
unit-linked bonds	543	484	-11
with-profits bonds	201	256	+27
capital-protected structured products*	-	140	N/A
unit trusts	125	139	+11
PEPs	76	85	+12
non-structured periodically-guaranteed products*	-	73	N/A
film partnerships	98	44	-55
other structured products	25	21	-16
savings accounts	2,751	2,605	-5
term assurance	2,422	2,295	-5
home emergency cover	1,779	2,117	+19

about this year's new complaints *continued*

9. volumes of new complaints – by product <i>continued</i>			
product	2015/2016	2016/2017	% year-on-year change
whole-of-life policies and savings endowments	1,932	1,997	+3
contents insurance	1,389	1,555	+12
mortgage endowments	1,938	1,511	-22
pet and livestock insurance	1,089	1,508	+38
extended warranty insurance	934	1,327	+42
portfolio management	1,193	1,216	+2
secured loans	1,130	1,147	+2
private medical insurance	873	1,147	+31
commercial vehicles and property	1,215	1,093	-10
income protection	999	1,085	+9
stockbroking	919	989	+8
derivatives	914	720	-21
<i>including complaints about:</i>			
interest-rate hedging products	426	250	-41
spread-betting	209	202	-3
mobile phone insurance	589	904	+53
critical illness insurance	747	849	+14
roadside assistance	803	795	-1
specialist insurance (including marine and event)	553	775	+40
legal expenses insurance	715	715	0
personal accident insurance	709	579	-18
card protection insurance	666	493	-26
building warranty	287	487	+70
business protection	267	241	-10
guaranteed asset protection (GAP insurance)	201	210	+4
caravan insurance	100	125	+25
total number of new complaints	340,899	321,283	-6

* not included in the previous financial year

about this year's new complaints *continued*

10. what issues the new complaints involved		
	%	%
	2015/2016	2016/2017
PPI	56	52.5
<i>of which:</i>		
complaints about sales and advice	99	99
other complaints	1	1
insurance (excluding PPI)	9	12
<i>of which:</i>		
complaints about claims	56	59
complaints about administration	20	22
complaints about sales and advice	24	19
banking and credit	31	31
<i>of which:</i>		
complaints about sale and advice	53	41
complaints about administration	23	30
other complaints	9	12
complaints about charges	9	10
complaints about transactions	6	7
investments and pensions	4	4.5
<i>of which:</i>		
complaints about sales and advice	59	52
complaints about administration	34	42
other complaints	7	6

11. what types of business the new complaints were about		
	%	%
	2015/2016	2016/2017
banks	72	64
general insurers	10	14
consumer credit businesses	3	6.5
insurance intermediaries	3.5	3.5
building societies	3.5	3.5
life insurance and investment product providers	3	3
mortgage intermediaries	2	2.5
independent financial advisers (IFAs)	1	0.5
other (including fund managers, stockbrokers, payment services distributors, electronic money institutions)	2	2.5

12. new complaints about IFAs where the event being complained about happened over 15 years ago		
	% of total complaints about IFAs	
number of complaints		
161	7	

about this year's new complaints *continued***13. how complaints were spread across the businesses we cover**

number of complaints	number of businesses
1	2,242
2	622
3	279
4–10	583
11–20	224
21–50	214
51–100	113
101–250	95
251–500	45
more than 500	60

- out of the more than 56,000 businesses we cover, 50% of complaints came from four business groups.
- of the other 50% of complaints
 - 47% came from 427 businesses
 - 3% came from 4015 businesses, each with fewer than 25 complaints

about this year's resolved complaints

14. total number of complaints we resolved						
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
total resolved	222,333	223,229	518,778	448,387	438,802	336,381
<i>of which:</i>						
resolved by an ombudsman's final decision	20,540	24,332	31,029	43,185	39,872	38,619

15. what our ombudsmen's final decisions were about			
product		% 2015/2016	% 2016/2017
PPI		25.5	41
banking		26	19
insurance (excluding PPI)		21.5	17
consumer credit		7	10.5
investments		9	5.5
mortgages		7	4.5
pensions		4	2.5

16. proportion of complaints in each area resolved by an ombudsman's final decision			
		% 2015/2016	% 2016/2017
pensions		30	24.5
investments		28	23
general insurance (excluding PPI)		24	18.5
consumer credit		21	18.5
mortgages		20	17
banking		11	11.5
PPI		4	7.5

17. how we told businesses to put things right			
		% 2015/2016	% 2016/2017
telling a business to take action that doesn't have a direct cash value – for example, correcting a credit reference		24.5	20.5
redress up to £1,000		16.5	15
£1,000 to £25,000		15	15.5
£25,001 to £75,000		1.5	1.5
£75,001 to £150,000		0.5	0.5
more than £150,000		0.5	0.5
telling the business <i>the basis</i> or <i>formula</i> on which they should pay compensation – for example, where specialist calculations need to be made		41.5	46.5

about this year's resolved complaints *continued***18. complaints where we awarded compensation for non-financial loss (for example inconvenience or upset)**

	% 2015/2016	% 2016/2017
	13	16

19. how many complaints we upheld – by product

product	% upheld 2015/2016	% upheld 2016/2017
overall uphold rate	51	43
insurance	35	31
payment protection insurance (PPI)	66	52
travel insurance	48	38
buildings insurance	38	35
motor insurance	33	30
contents insurance	33	26
health insurance	29	26
banking and credit	27	30
consumer credit	48	43
mortgages	38	31
savings accounts	35	29
other banking services	34	30
credit cards	30	29
current accounts (excluding packaged bank accounts)	18	27
unsecured loans	31	26
packaged bank accounts	14	19
investment and pensions	31	30
mortgage endowments	22	15
whole-of-life policies and savings endowments	21	20
investment bonds	31	36
pensions	32	33
stockbroking and portfolio management	42	33

about this year's resolved complaints *continued*

20. uphold rate for top five most complained-about products – for the seven sectors with most complaints		
sector	complaints resolved	% upheld
banks	180,600	44
PPI	122,927	53
packaged bank accounts	17,268	19
current accounts	12,996	27
credit card accounts	6,029	28
house mortgages	5,318	27
building societies	9,833	17
PPI	6,672	12
house mortgages	928	26
current accounts	788	26
credit card accounts	359	37
deposit/savings accounts	225	29
consumer credit product providers	15,243	45
payday loans	7,234	59
hire purchase	1,272	35
instalment loans	757	40
point of sale loans	749	29
debt collecting	726	31
general insurance and/or mortgage brokers	18,310	42
PPI	5,634	55
car/motorcycle insurance	2,577	35
hire purchase	2,104	30
house mortgages	1,666	49
catalogue shopping	1,272	46
general insurance providers	45,019	46
PPI	24,223	57
car/motorcycle insurance	6,586	27
buildings insurance	3,274	36
travel insurance	2,522	39
home emergency cover	1,296	47
IFAs	1,602	36
self-invested personal pensions (SIPPs)	242	64
PPI	188	25
portfolio management	181	43
personal pensions	132	39
house mortgages	123	20
life insurance and investment product providers	7,549	23
personal pensions	1,223	27
whole-of-life	1,035	20
term assurance	636	15
mortgage endowments	557	14
PPI	486	30
total	336,381	43

about this year's resolved complaints *continued*

21. uphold rate for different complaint issues – by sector		
sector	complaints resolved	% upheld
banks	180,600	44
administration	18,249	33
claims	770	7
sales and advice	145,914	48
other	15,667	23
building societies	9,833	17
administration	1,563	31
claims	55	9
sales and advice	7,207	13
other	1,008	24
consumer credit product providers	15,243	45
administration	3,465	36
claims	187	59
sales and advice	8,138	53
other	3,453	35
general insurance and/or mortgage brokers	18,310	42
administration	4,770	38
claims	1,393	37
sales and advice	8,750	49
other	3,397	33
general insurance providers	45,019	46
administration	3,284	31
claims	16,651	33
sales and advice	25,080	56
other	*	*
IFAs	1,602	36
administration	434	32
claims	*	*
sales and advice	1,094	39
other	48	10
life insurance and investment product providers	7,549	23
administration	3,385	26
claims	1,112	23
sales and advice	2,681	19
other	371	12

* indicates fewer than 30 resolved complaints

about our service

22. how quickly we resolved complaints	% resolved within three months	% resolved within six months	% resolved within nine months	% resolved within twelve months
2016/2017 <i>all complaints</i>	65	79	84	87
2016/2017 <i>excluding PPI complaints</i>	83	96	98	99
2015/2016 <i>all complaints</i>	38	53	62	69
2015/2016 <i>excluding PPI complaints</i>	66	86	92	96

23. proportion of complaints resolved within three months – by product	% 2015/2016	% 2016/2017
product		
current accounts	79	88
credit cards	80	84
motor insurance	75	83
consumer credit	79	81
payday loans	85	74
mortgages	65	70
investments and pensions	51	63
PPI	18	51

24. PPI complaints waiting to be resolved at year end (31 March 2017)	% 2015/2016	% 2016/2017
age of complaints		
less than six months	33	27
between six months and a year	20.5	15
between a year and two years	26.5	25
over two years	20	33

about our service *continued*

25. how people who complained to us rated our service						
	% who agreed 2015/2016	% who agreed 2016/2017	% who expressed no view 2015/2016	% who expressed no view 2016/2017	% who disagreed 2015/2016	% who disagreed 2016/2017
people we helped with an enquiry						
you gave me clear and honest answers and let me know where I stood	84	92	11	5	5	3
you got to grips with things and used common sense	83	92	13	5	4	3
you listened to me and cared about what I had to say	86	91	9	5	5	4
people whose complaints we investigated						
you gave me clear and honest answers and let me know where I stood	95	94	3	2	2	4
you got to grips with things and used common sense	93	96	4	3	3	1
you listened to me and cared about what I had to say	91	97	3	2	6	1
people whose complaints were resolved by an ombudsman's final decision						
you gave me clear and honest answers and let me know where I stood	70	70	12	12	18	18
you got to grips with things and used common sense	62	63	13	11	25	26
you listened to me and cared about what I had to say	68	67	10	9	22	24

about our service *continued*

26. how complaints handlers at financial businesses rated our service						
	% who agreed 2015/2016	% who agreed 2016/2017	% who expressed no view 2015/2016	% who expressed no view 2016/2017	% who disagreed 2015/2016	% who disagreed 2016/2017
you gave me clear and honest answers and let me know where I stood	80	84	16	12	4	4
you got to grips with things and used common sense	72	82	16	10	12	9
you listened to me and cared about what I had to say	70	80	19	14	11	6

27. how managers at financial businesses rated our service						
	% who agreed 2015/2016	% who agreed 2016/2017	% who expressed no view 2015/2016	% who expressed no view 2016/2017	% who disagreed 2015/2016	% who disagreed 2016/2017
the financial services industry can have confidence in the ombudsman service	57	62	20	16	23	22
our service is good value for businesses who pay the levy/case fees that fund us	53	57	27	25	20	18
our decisions on cases are fair and unbiased	49	55	25	22	26	23
our decisions are consistent	50	52	22	22	28	26
we provide a good dispute resolution service for businesses	65	68.5	17	14	18	17.5

about the people who used our service

28. how people brought complaints to us

	% PPI 2015/2016	% PPI 2016/2017	% packaged bank accounts 2015/2016	% packaged bank accounts 2016/2017	% all other products 2015/2016	% all other products 2016/2017
brought the complaint themselves	14.5	12.5	35	58.5	82	87
asked friends and family to complain on their behalf	0.5	0.5	1	1.5	7	5.5
asked a free consumer advice agencies to complain on their behalf	2	0.5	1.5	0.5	4	2.5
complained using a claims management company	81.5	84.5	61.5	37.5	5	4
complained using a lawyer, accountant or other professional	1.5	2	1	2	2	1

29. complaints we received from small businesses

we can help businesses with an annual turnover of up to two million euros and fewer than ten employees

product	% 2015/2016	% 2016/2017
banking	68.5	75
insurance (excluding PPI)	18	16.5
investments	9	5.5
PPI	4	2.5
pensions	0.5	0.5
total complaints	4,777	4,533

30. how people said they'd heard about us

	% 2015/2016	% 2016/2017
from a financial business	23	30
on the internet	25	22
from a friend, relative or colleague	22	13
in the media	14	13
from a consumer advice agency (for example Trading Standards or Citizens Advice)	9	7
from a claims management company	4	6
other/unknown	3	9

about the people who used our service *continued*

31. where people who complained to us live		
location	% 2015/2016	% 2016/2017
South East (including Greater London)	28	26
Midlands	20	21
North West	12	12
North East	10	10
Scotland	9	9
South West	9	9
East Anglia	5	6
Wales	5	5
Northern Ireland	2	2

32. the gender of people who complained to us		
gender	% 2015/2016	% 2016/2017
female	39	40
male	61	60

33. the ethnic backgrounds of people who complained to us		
background	% 2015/2016	% 2016/2017
white	91	89
mixed	1	1
asian or asian british	3	4
black or black british	4	5
other ethnic background, including Chinese	1	1

34. the ages of people who complained to us		
age	% 2015/2016	% 2016/2017
under 25	1	1
25 to 34	10	9
35 to 44	23	24
45 to 54	28	30
55 to 65	20	21.5
over 65	18	14.5

about the people who used our service *continued*

35. what people of different ages complained about			
age	most complained- about product %	2nd most complained- about product %	3rd most complained- about product %
under 25	bank accounts 33	consumer credit 26	car/ motorbike insurance 20
25 to 34	PPI 37	bank account 27	packaged bank account 16
35 to 44	PPI 68	bank account 14	packaged bank account 10
45 to 54	PPI 72	bank account 11	packaged bank account 8
55 to 64	PPI 71	bank account 12	packaged bank account 8
over 65	PPI 63	bank account 13	house mortgage 5

36. the socio-economic background of people who complained to us this year			
	% AB professional and managerial	% C1/C2 skilled and semi- skilled	% DE unskilled
2016/2017	38	52	10
2015/2016	31	56	13
2014/2015	33	58	9
2013/2014	30	59	11
2012/2013	38	55	7
2011/2012	35	57	8

about the people who used our service *continued*

37. what people from different socio-economic backgrounds complained about			
product	% AB professional and managerial	% C1/C2 skilled and semi- skilled	% DE unskilled
PPI	48	52	64
bank accounts	20	22	18
loans	9	8	4
investments and pensions	9	6	5
motor and household insurance	6	6	5
other	8	6	4

38. the occupational status of people who complained to us			
status		% 2015/2016	% 2016/2017
employed		49	47
retired		34	34
self-employed/running own business		13	14
other (including studying and unemployed)		4	5

39. the occupational background of people who complained to us			
		% 2015/2016	% 2016/2017
managers and officials		17	25
skilled trades (for example, electricians, plumbers, mechanics)		22	22
administrative and secretarial		15	17
professionals		11	13
process and plant work (for example, machinery operatives, assembly-line workers)		9	9
personal services (for example, care assistants, dental nurses)		10	8
sales and customer service		10	5
elementary occupations (for example, hotel and bar staff, farm workers, postal workers)		6	1

about the people who used our service *continued***40. awareness of the ombudsman service**

level of awareness	% 2015/2016	% 2016/2017
people who could name us without any prompting	19	21
people who said they definitely knew of us when they were told our name	51	50
people who said they may have heard of us when they were told our name	19	18
people who didn't recognise our name or know who we were	11	11

41. proportion of people who had some awareness of the ombudsman service

group	% 2015/2016	% 2016/2017
men	91	92
women	87	87
18 to 24 year olds	65	66
45 to 64 year olds	94	95
asian consumers	76	79
black/black british consumers	73	84
white consumers	90	90
professional and managerial (AB) consumers	91	92
skilled and semi-skilled (C1/C2) consumers	89	90
unskilled (DE) consumers	86	86
people in Wales	91	94
people in Northern Ireland	93	96
people in Scotland	89	91
people in England	88	89

All data relates to Financial Ombudsman Service management information for the year ended 31 March 2017 – except:

25	consumer online survey
26, 27	business survey
30	enquiry stage survey
32–39	consumer postal survey
40, 41	public awareness survey



Financial
**Ombudsman
Service**

phone us

0800 023 4 567

write to us

Financial Ombudsman Service
Exchange Tower
London E14 9SR

email us

complaint.info@financial-ombudsman.org.uk

follow us



[@financialombuds](https://twitter.com/financialombuds)



financial-ombudsman.org.uk

just let us know if you need information in a different
language or format (eg Braille or large print)