

Alternative Dispute Resolution (ADR) – annual activity report 2018/2019

In this report we focus on data we are required to publish under The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. This is our annual activity report and all figures relate to the period 9 July 2018 – 8 July 2019.

The report covers the requirements listed in Schedule 5 of the Regulations. The figures don't include complaints brought by businesses¹ but may include complaints brought by charities and trusts due to the way we record complaints.

a) the number of domestic disputes and cross-border disputes the ADR entity has received

number of complaints received from consumers living within the UK	341,479
number of complaints received from consumers living outside the UK	3,644

number of complaints received about businesses trading within the UK	341,595
number of complaints received about businesses trading outside the UK	3,528

total number of complaints	345,123
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This includes cases which were dismissed or discontinued (see tables e) and f) below).

¹ We can also consider complaints which are brought by micro-enterprises defined as one which:

1. (a) employs fewer than 10 *persons*; and
2. (b) has a turnover or annual balance sheet that does not exceed €2 million.

In this definition, "enterprise" means any *person* engaged in an economic activity, irrespective of legal form and includes, in particular, self-employed *persons* and family businesses engaged in craft or other activities, and *partnerships* or associations regularly engaged in an economic activity.

From 1 April 2019 we have also been able to consider complaints from businesses which have an annual turnover below £6.5m and have either fewer than 50 employees and/or an annual balance sheet below £5m.

b) the types of complaints to which the domestic disputes and cross-border disputes relate

the types of complaints	number of complaints from within the UK	number of complaints from outside the UK	total number of complaints
banking	84,874	1,624	86,498
insurance	38,985	416	39,401
investments	7,098	335	7,433
pensions	7,078	187	7,265
PPI	154,504	914	155,418
Packaged Bank Accounts (PBA)	9,387	53	9,440
Short Term Lending (STL)	39,109	113	39,222
Other	445	1	446

Please note that this is the first time that we have included separate figures for PBA and STL, both of which were previously included in the figure for banking. STL comprises complaints about payday and instalment loans.

c) a description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity

We share information about the complaints we see and our approach to resolving them in our [annual review](#), [ombudsman news](#) and in [insight reports](#) – all available on our website. We also share information and insight with the Financial Conduct Authority (FCA) to help advance its

operational objectives. We additionally share our insights with trade bodies and businesses to help them improve industry standards and complaints handling.

- d) any recommendations the ADR entity may have as to how the problems referred to in paragraph (c) could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices**

As above, we share information about the complaints we see and our approach to resolving them in our [annual review](#), [ombudsman news](#) and in [insight reports](#) – all available on our website. We also share information and insight with the FCA to help further its objectives to protect consumers and ensure markets work well. We also share our insights with trade bodies and businesses to help them improve industry standards and complaints handling. DISP rules also require that financial businesses learn from our decisions.

- e) the number of disputes which the ADR entity has refused to deal with, and the percentage share of the grounds set out in paragraph 13 of Schedule 3 on which the ADR entity has declined to consider such disputes**

type of complaint	number of dismissals
All	14,250
Excluding PPI and STL	798
STL	3,614
PPI	9,838

reason the case was dismissed	all		excluding PPI and STL		STL		PPI	
the complaint is frivolous and vexatious	7,324	51.4%	148	18.5%	29	0.8%	7,147	72.6%
the subject matter of the complaint has been dealt with, or is being dealt with, by a comparable ADR entity	135	0.9%	125	15.7%	0	0.0%	10	0.1%
the subject matter of the complaint has been subject to court proceedings where there has been a decision on the merits	57	0.4%	56	7.0%	0	0.0%	1	0.0%
the subject matter of the complaint is the subject of current court proceeding unless proceeding are stayed or sisted (by agreement of all parties, or order of the court) so that the matter may be considered by the Financial Ombudsman Service	31	0.2%	30	3.8%	0	0.0%	1	0.0%
dealing with such a type of complaint would seriously impair the effective operation of the Financial Ombudsman Service *	6,678	46.9%	424	53.1%	3,582	99.1%	2,672	27.2%
<i>* of which relate to payday lenders in administration</i>	0	0.0%	0	0.0%	3,452	95.5%	0	0.0%
other	25	0.2%	15	1.9%	3	0.1%	7	0.1%
total for all dismissal reasons	14,250		798		3,614		9,838	

f) the percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation

A complaint may be discontinued for several reasons, including that:

- the consumer decided to withdraw from our process;
- the consumer agreed to be referred to another ADR entity; or
- the consumer didn't supply the requested information or failed to provide it in time

Of 345,079 cases, 2.2% were discontinued.

This may include complaints brought by businesses due to the way we record these complaints.

g) the average time taken to resolve domestic disputes and cross-border disputes

The average time it takes to resolve a complaint is sensitive to various factors including the volume of complaints received. For ADR reporting purposes, we measure the period from the day we receive all the information needed to start investigating the complaint, until the day we issue our opinion.

This is different from the way we report timeliness in the annual review – when we measure the period from when we accept the complaint until the date we close the complaint, either because both parties have accepted our opinion or because we have issued an ombudsman's final decision.

type of complaint	average time
all	36 days
excluding PPI and STL	43 days
STL	116 days
PPI	24 days

***h)* the rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures**

Businesses are required to comply with our decisions if they are accepted by the customer. We don't record this information for all cases.

***i)* the cooperation, if any, of the ADR entity within any network of the ADR entities which facilitated the resolution of cross-border disputes**

We continue to engage with other ADR schemes through our membership of the Financial Dispute Resolution Network (FIN-NET), International Network of Financial Ombudsman Schemes (INFO) and the Ombudsman Association. These international networks help schemes like ours to share good practice and innovation – including how to refer customers to each other efficiently.