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15 April 2020

Dear Caroline

As you will be aware, many consumers are facing significant financial difficulties in the exceptional circumstances arising from the coronavirus pandemic.

In response, the FCA has announced – and will continue to announce – a range of targeted temporary measures aimed at helping consumers through this extremely challenging period. These measures span the financial services industry: from guidance to lenders on mortgage payment holidays and pausing repossessions; to messages firms can give customers about investments and life assurance without straying into regulated advice; to the guidance we have published to help unsecured credit customers, including temporary interest-free overdrafts, and payment freezes for credit cards and personal loans.

However, our temporary measures have one thing in common: they are designed to ensure firms can work at pace, and under difficult conditions to support their customers. In places, this has meant changing our normal expectations of what firms need to do, so that they can best serve their customers' interests during this time. For example, in our mortgages guidance, we have told lenders they do not need to investigate the circumstances surrounding a request for a payment holiday, if this request is a result of circumstances related to the pandemic.

In response to our measures, some firms have raised concerns about how the Financial Ombudsman Service will consider complaints arising from their acts or omissions during the pandemic period. In particular, some firms have expressed a concern that the ombudsman service will judge complaints with the benefit of hindsight, rather than on the basis of what was actually happening at the time. We know that the ombudsman service considers complaints based on the circumstances at the time and we want to provide as much reassurance as possible on this point, to ensure that firms respond positively to our measures, and consumers get the help they need.

As such, I would be grateful if you could confirm that, in determining what is fair and reasonable in all the circumstances of the individual case, the ombudsman will take account of the operational challenges faced by firms during this period, and the FCA's revised expectations of what constitutes compliance with our rules, guidance and standards, as well as what counted as good industry practice at the time. In particular, where we have issued guidance that gives firms additional flexibility to help them deal with difficult conditions, I would be grateful if you could confirm that the ombudsman service will take this guidance into account.

Finally, I would like to thank you and your staff for your ongoing constructive and collaborative engagement with the FCA at a time when it is more important than ever that the regulatory family delivers effectively on its shared mission to protect consumers.

Yours sincerely,

A handwritten signature in black ink that reads "Sheldon Mills". The script is fluid and cursive, with the first letters of "Sheldon" and "Mills" being capitalized and prominent.

**Sheldon Mills**  
**Interim Executive Director of Strategy & Competition**