

## Alternative Dispute Resolution (ADR) – annual activity report 2019/20

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 2019 – 8 July 2020.

The report covers the requirements listed in schedule five of the regulations. These figures don't include complaints brought by businesses<sup>1</sup> 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	225,316
Number of complaints received from consumers living outside the UK	2,177

Number of complaints received about businesses trading within the UK	223,795
Number of complaints received about businesses trading outside the UK	3,698

Total number of complaints	227,493
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The totals above include those cases which were dismissed or discontinued (see tables e) and f) below).

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<sup>1</sup>The ombudsman service is able to consider complaints from microenterprises and SMEs as well as from consumers. Although we have sought to exclude complaints data about micro-enterprises in this report, in line with the regulations, it is possible that some complaints, particularly from sole traders, have been included.

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

<b>Types of complaints</b>	<b>Number of complaints from within the UK</b>	<b>Number of complaints from outside the UK</b>	<b>Total number of complaints</b>
Banking*	91,430	1,174	92,604
Insurance	30,195	180	30,375
Investments	5,098	168	5,266
Pensions	4,098	98	4,196
PPI	93,229	541	93,770
Claims Management	1,266	16	1,282

\* Banking complaint numbers include complaints about packaged bank accounts (PBA) and short-term lending (STL)

**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 data](#), [our published case studies](#) and in our [insight reports](#) – all available on our website. We also share information and insight with the Financial Conduct Authority (FCA) to help with its operational objective 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.

**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 data](#), [our published case studies](#) and in [insight reports](#) – all available on our website. We also share information and insight with the FCA as part of our obligation under Part XVI of the Financial Services and Markets Act (FSMA) to provide information that would or might be of assistance to the FCA in the advancement of its operational objectives. The FCA's 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**

The total number of cases dismissed – and the proportion they represent of all our cases.

Type of complaint	Number of dismissals
Non PPI	3,014
PPI	9,793
All	12,807

The percentages in the table below are based on the total number of cases dismissed.<sup>2</sup>

Reason the case was dismissed	Non PPI		PPI		All	
	Number	Percentage	Number	Percentage	Number	Percentage
The complaint is frivolous and vexatious	180	6.0%	8,195	83.7%	8,375	65.4%
The subject matter of the complaint has been dealt with, or is being dealt with, by a comparable ADR entity	51	1.7%	4	0.04%	55	0.4%
The subject matter of the complaint has been subject to court proceedings where there has been a decision on the merits	12	0.4%	0	0.0%	12	0.1%
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	7	0.2%	0	0.0%	7	0.0%
Dealing with such a type of complaint would seriously impair the effective operation of the Financial Ombudsman Service *	2,689	89.2%	1,576	16.1%	4,265	33.3%
<i>* of which this many relate high-cost lenders going into administration</i>	2,354	78.1%	0	0.0%	0	0.0%
Other	75	2.5%	18	0.2%	93	0.8%
<b>All dismissal reasons</b>	<b>3,014</b>		<b>9,793</b>		<b>12,807</b>	

<sup>2</sup> Percentages may not add up to 100% due to rounding.

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

A consumer may choose to withdraw their complaint for one of the following reasons

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

Of 227,493 cases, 2.7% were discontinued.

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

For ADR reporting purposes, we measure the period from the day we receive all of the information needed to start investigating the complaint until the day we issue our first opinion.

This is different from the way we report about timeliness in our annual report and accounts – 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.

The average time it takes to resolve a complaint is likely to change over time due to various factors.

Type of complaint	Average time
Non PPI	46 days
PPI	40 days
All	43 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 routinely 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 out-of-court schemes like ours to share good practice and innovation – including how to refer customers to each other efficiently.