

from **James Dipple-Johnstone**
Deputy Chief Ombudsman

write to **Financial Ombudsman Service**
Exchange Tower
London
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phone 020 7964 1000

By email

31 July 2023

Dear business

Having listened to feedback, I am writing to you and other firms to share an update on the changes we are making to improve our service so we can help more customers, set out our high-level priorities for the year ahead, and to explain how your behaviours can impact us and the service we are able to provide to all our customers. In doing so I want to share some detail about the part you play in helping us to deliver what we're here for and explain how you can better help us to resolve disputes for your customers. We feel it's important you have a clear understanding of our expectations going forward as we increase the pace of what we do while maintaining our quality.

The Financial Ombudsman Service is here to give fair, reasonable and impartial answers on complaints, quickly and with minimum formality.

We're proud of the quality and fairness of our decisions – but we know we need to give our customers answers more quickly. We've already made good progress, but there's more for us to do to build a service that our customers need and expect. To achieve our ambition, we must build an organisation with the capacity and flexibility to deal with future demand and the capabilities to adapt to a changing world. The improvements we're making as a service will ensure we're efficient and financially sustainable by 2024/2025. Read more about this in our [plan and budget](#) for this year and our [strategic priorities](#).

In the last 10 years we've received over 3.4 million complaints about financial businesses; how you engage on complaints whilst they are with us makes a significant impact on how quickly we can help people and the efficiency of the service we provide to all customers. It is critical that respondent businesses are aware of what we expect and how you can best work with us – as well as the standards required by the [Financial Conduct Authority's rules](#), and good practice.

To make things as clear as possible, the standards expected are in sections which reflect the typical lifecycle of a complaint.

Of course, many of our expectations also apply to professional representatives – so we're also writing to them to give them the same message.

Before a complaint has been referred to us

Early insight into unforeseen increases in customer demand

During our annual plan and budget consultation, we ask how many complaints you think we'll receive in the following year. We're resourced according to the demand on our service.

Unexpected referrals in large volumes significantly impacts us, and create delays - not only for your customers, but for other customers with complaints too.

If you begin to receive complaints about a new issue, or in numbers higher than you told us, please [contact us](#). In addition to allowing us time to prepare for cases we may receive, engaging with us sooner means that we can share our expertise and insight with you, and reduce unnecessary complaints to us. To help us plan for the demand on our service it's important that businesses flag these issues to us at the earliest opportunity.

We will also provide early insights regarding the themes of complaints we are upholding on a regular basis and highlight complaints which may fall under the [Wider Implications Framework](#).

Complaints still with you to resolve

Your customers may refer complaints to our service once a final response has been issued, or the relevant time limit for answering a complaint has passed – eight weeks, or 15 business days for a payment service delay complaint. When a business is regularly failing to answer complaints within the relevant time limits, it often leads to a subsequent increase in the referrals of complaints to our service.

If you are regularly failing to answer complaints in time, you should keep us informed so we're able to plan accordingly.

We regularly receive complaints about businesses that could've been resolved sooner, by the business. We have a dedicated team – the [Business Support Hub](#), that can help you to resolve disputes on individual complaints before they are referred to us. Last year, the Business Support Hub received 10,000 queries from over 1,400 businesses.

Working with professional representatives

Customers can bring complaints directly free of charge or choose to be professionally represented. We sometimes find that complaints are referred to us when further engagement between the business and the professional representative could've resolved the complaint.

We strongly encourage you to be open to engagement with professional representatives so that complaints are not referred to us unnecessarily. We see good outcomes from pragmatic engagement between businesses and representatives. This helps with the efficient running of our service and means complaints can be resolved more quickly.

On occasion, there may be cases which cannot be resolved between a business and a professional representative. If the circumstances could lead to an increase in referrals, we ask that you to [tell us](#) about this so that we can intervene to resolve these as quickly and as efficiently as possible.

If we are concerned that the impact of the engagement between you and professional representatives is affecting our ability to deliver what we're here for, we will contact you to discuss this, and where there is no improvement, we'll let your regulator and their regulator know.

What we expect when we are investigating complaints

After we receive the complaint

Once a complaint has been referred to us, respondent businesses have an opportunity to tell us their side of events.

We provide useful information on our website about [how we handle complaints](#) and [what we consider by product area](#), including the type of information we'll need in your [business file](#).

You should refer to this and ensure you're providing the relevant information when we request your file - or to let us know if any information is not available and why. If you're not taking this into account and providing us with what we need, it means we'll need to request further information. This delays us being able to investigate complaints and can slow down their resolution, meaning we can't help people as quickly. Where this happens on multiple complaints about your business, we'll get in touch with you.

You are [required](#) to provide us with information within the timescale given. Just as with consumers, and those professionally represented, if we don't hear from you by the expected date, we may move a case on to the next stage of our process. This could mean, for example, that we issue our view or decision based on the information available and close the case.

In limited, exceptional circumstances, extensions on individual cases can be requested. If you're unable to meet our deadlines on a regular basis, we'd expect you to contact us.

Delays in providing information can hinder us from being able to resolve cases and help consumers at pace, and so if this doesn't improve, we may share this with your regulator.

Our approach to resolving complaints

Cases brought to the Financial Ombudsman Service are assessed on their own individual merits based on the evidence available. When we contact you for your side of events, you must carefully consider similar complaints we have already dealt with, using our [published decisions and guidance](#).

Not resolving complaints that we already have a well-established approach for - and in circumstances that are clearly unlikely to succeed, is not in the interests of your customers and the efficient running of our organisation.

[Proactively settled complaints](#) are not recorded in our half-yearly data. So, you should consider making an offer within 14 days of us telling you we've moved a complaint to investigation, or notify us that you will make an offer within 21 days.

We may also ask you to review cases already referred, and to consider resolving them too if it is likely we'll uphold them. Taking this approach aids the operational efficiency of the service and contributes to quicker resolutions for all.

You should also think carefully about important new regulations and how these may apply to complaints with us, ensuring that you are adhering to the FCA's Consumer Duty [redress provisions](#).

So, if we find you're not learning from our decisions, we'll get in touch to point you to our approach and relevant guidance. If despite this, complaints are continually referred or pursued by you where there is no good arguable base, we'll share information with your regulator.

Our decisions

We expect you to respond to provisional and final decisions from our Ombudsmen within the timescales specified. Early responses may allow us to progress complaints more efficiently and help consumers more quickly.

Redress

If a business is paying redress, you should contact your customer to arrange payment in a reasonable period of time, and to ensure this is calculated in line with [our guidance](#).

Our expectations when working with us

We feed back to you from time to time on how you are meeting these expectations. In some cases, we consider it appropriate to share information about your conduct with your regulator.

You can contact us on 020 7964 1400 or [email us](#) should you have any questions about what we expect.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'J Dipple-Johnstone'.

James Dipple-Johnstone
Deputy Chief Ombudsman