

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

write to **Financial Ombudsman Service**
Exchange Tower
London
E14 9SR

phone 020 7964 1000

By email

31 July 2023

Dear professional representative

Having listened to feedback, I am writing to you and other professional representatives to share an update on the changes we are making to improve our service. This is so we can help more customers, to 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 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](#).

Complaints from professional representatives

We've resolved a significant number of professionally represented complaints and, in our experience, how firms like yours engage on complaints has a significant impact on their efficient and timely resolution.

Professional representatives regulated by the Financial Conduct Authority or the Solicitors Regulation Authority are required to abide by their rules, and these rules apply whilst complaints are with us too. Where we think you are repeatedly not meeting the expectations we're setting out in this letter, the rules that govern your conduct, or the way you represent complaints affects our ability to deliver what we are here for, we'll let your regulator know.

It's therefore critical that you're aware of [how we resolve complaints](#) and what we expect – as well as the standards required by your regulatory rules, codes of conduct and good practice*. By doing this you'll help to us to resolve complaints more quickly and efficiently, to the benefit of all our customers.

* Please also refer to the [FCA's Dear CEO letter to CMCs](#) Jan 2023 which addresses Consumer Duty requirements

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 these principles apply to financial businesses too – so we're also writing to them to give them the same message.

Before a complaint is referred to us

Customers can bring complaints directly, or through a professional representative, and if they choose to be professionally represented, we expect you to carry out effective due diligence before you refer complaints. It's important for all those we help that we progress complaints quickly and efficiently.

Our jurisdiction

You must take into consideration the relevant [time limit rules](#) before referring a complaint. If a complaint appears from the outset to have fallen outside of these time limits and there were exceptional circumstances why it wasn't referred in time, we expect you to tell us this from the start. Not providing this information will cause an unnecessary delay. If there aren't any exceptional circumstances, we don't expect the complaint to be referred. Further information about complaints we can't help with can be [found here](#).

Our approach to handling complaints and guidance

Sending us complaints that we already have a well-established approach for, and that are clearly unlikely to succeed, is not in the interest of your clients and is not in keeping with the regulatory standards you must meet. Answering numerous complaints with similar themes which are consistently not upheld takes time, and delays other complaints being resolved too.

Before sending us complaints, you must carefully consider similar complaints we have already dealt with, using our [published decisions and guidance](#). You must have proper regard to this, and only pursue complaints you consider have a good arguable basis.

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 complaints are continually pursued by you where there is no good arguable basis, we'll advise your regulator.

The business' response

Complaints are often referred to us where an answer has been issued by the business, but the representative says it wasn't aware. This creates avoidable work for all involved and can unnecessarily contribute to waiting times, when we want to ensure we can help people more quickly.

If you haven't received an answer from the business, you should contact them for an update, or allow them longer to respond. We have seen good examples where businesses and professional representatives have worked together pragmatically to avoid unnecessary referrals.

We also have a dedicated team – the [Business Support Hub](#), that can help you to resolve disputes on individual complaints before they are referred to us. Please [contact us](#) if you would like our guidance on a complaint you are dealing with.

We expect you to work together with financial businesses to resolve complaints directly, providing them with the necessary information to investigate the complaint first. This will avoid complaints being referred to us that should have been resolved earlier. Where we have

concerns about this we may let your regulator know. We'll also refer the business to their regulator where they do not engage positively in the complaints resolution process.

Referring high volumes of complaints

During our annual plan and budget consultation, we ask representatives how many complaints we'll receive from them in the following year. We're resourced according to the demand on our service. Unexpected referrals in large volumes significantly impact us, and create delays not only for your clients' cases, but also for numerous other customers too.

If you haven't told us you'll be referring complaints in high volumes during our annual consultation, please [tell us](#) as soon as possible. Especially if it's your first time referring complaints to us, or if you are referring complaints about a product or issue for the first time.

Content of initial referral

It is essential you provide a fully completed [complaint form](#) signed by your client. We cannot currently accept complaints referred by professional representatives via our online complaint form, so you shouldn't use this to refer complaints to us.

Too often, we still see complaints from representatives where the points made are generic and not sufficiently clear about individual clients and the circumstances of their individual complaint. So that we can get to the heart of the complaint and move the investigation along, you must make sure this [complaint form](#) is included at the outset and clearly written about the individual client, with an appropriate level of detail about the complaint itself.

You should think carefully about important new regulations, ensuring that you are adhering to the FCA's Consumer Duty (if FCA authorised) - tailoring any relevant points to the individual complaint. If we need to request this basic but key information after the complaint is received, it'll slow down the complaint's progression and mean we can't help people quickly.

What we expect when we are investigating your client's complaint

Investigating the complaint

Once we've received a complaint, we'll contact the business to ask for its side of events. We'll contact you to update on progress made in an individual client's complaint. You and your clients can also find out about product specific timescales on our [website](#). As we develop our digital services, it'll get easier for you and your clients to track complaints with us.

When requested, [you must](#) provide us with information within the timescales we ask. Just as with the respondent business, 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, or in the absence of a response we treat the complaint as withdrawn and close the case.

Our investigators will consider the complaint and provide their view of what a fair and reasonable outcome should be. In most cases, consumers are happy to accept our initial view of their complaint. Your clients have the right to refer the case to an Ombudsman if they don't agree with this assessment.

If the complaint is to continue, you're expected to clearly set out why you disagree having particular regard to our published decisions and guidance which provide an opportunity to learn from our approach to similar complaints.

Our decisions

[You must](#) respond to provisional and final decisions from our Ombudsmen promptly. Early responses may allow us to progress complaints more efficiently and help customers more quickly.

Redress

If a business is paying redress, you should raise any questions about payment of redress with them first. For most complaints, we won't have the relevant payment details and so requests are best directed there.

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 may 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