

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

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

Kate Pender  
CEO  
Fair4All Finance

**By email**

15 July 2025

Dear Kate

Thank you for inviting the Financial Ombudsman Service to be part of the Access to Credit Sub-Committee. My colleagues and I were delighted to contribute and found those sessions interesting and insightful. Whilst HM Treasury prepare their financial inclusion strategy based on our Sub-Committee findings, I wanted to update you on our plans to proceed with agreed proposals, which will ultimately support greater access to affordable credit.

We have worked with HM Treasury and the Financial Conduct Authority to scope these proposals. Suggestions have been referenced in today's joint consultation paper, [Modernising the Redress Framework](#). To note, this joint paper is supplemented by HM Treasury's [own legislative consultation](#), marking the conclusion of the Economic Secretary's review of the Financial Ombudsman. The joint consultation will remain open for responses until 8 October 2025, and I would be happy to meet with you and discuss these consultations.

**Decision frameworks**

As Chapter 4 of the joint FCA-Financial Ombudsman consultation outlines, we will begin to roll out decision frameworks to our relevant investigations teams in the coming months. These interactive decision tools will improve consistency and transparency in our complaint-handling process by guiding caseworkers through a structured series of questions and considerations when assessing complaints. The consultation refers to a framework built around complaints linked to Section 75 of the Consumer Credit Act, and this will be accompanied by an additional framework focusing on unaffordable lending complaints. We would welcome your input on these frameworks.

This initiative aims to give surety around our approach - ensuring that similar cases are approached in a consistent manner, while still allowing flexibility to account for individual circumstances. Importantly, they also provide a greater level of certainty for firms in how

the Financial Ombudsman approaches similar cases, with the aim of encouraging industry to either prevent or mitigate consumer detriment at an earlier stage.

### **Differential case fees**

Chapter 5 of the consultation also makes reference to our plans to develop the capacity to charge different levels of case fees to financial services firms depending on the circumstances of a complaint. A separate consultation on this topic will launch later this month. While differential case fees are mentioned in the context of a proposed registration stage – to ensure complaints contain sufficient information before progressing further in our case process – we will also be able to consider a differential model for complaints relating to specific product types, in line with our commitment to a fair and efficient case handling approach. This will include consideration of a distinct charging approach for small sum loans, in line with the Access to Credit Sub-Committee's ambitions to widen access to small sum lending.

These are just two of several initiatives mooted in the consultation, which ultimately aims to enhance the FCA and Financial Ombudsman's ability to serve consumers, whilst also giving firms greater certainty to invest and innovate. Other proposals speak to the Sub-Committee's own, innovative ambitions to increase access to affordable credit provisions via pilot schemes. This includes our Lead Complaints Process (Chapter 5), comprising a new structured 'sandbox', which aims to promote a quicker and more efficient customer journey, with firms resolving disputes directly with their customers rather than referring complaints to the Financial Ombudsman. It will also promote greater understanding and consistency in interpretation of regulatory requirements. Where providers do have potential concerns about how we might approach specific issues, we will be better equipped to give an early steer as to what our approach will be.

I hope that this information is helpful, and look forward to discussing these proposals further. These proposals form part of a consultation so we welcome your thoughts and feedback. For full transparency, we also plan to publish a copy of this letter on our website later today.



Yours sincerely

**James Dipple-Johnstone**  
**Interim Chief Ombudsman**

Cc: Sarah Pritchard, Deputy Chief Executive, FCA