The Financial Ombudsman Service response to the Ministry of Housing, Communities & Local Government and Ministry of Justice call for evidence on housing disrepair claims

February 2026

About us

The Financial Ombudsman Service (Financial Ombudsman) was set up by Parliament under the Financial Services and Markets Act 2000 to resolve individual complaints between financial businesses and their customers fairly and reasonably, quickly, and with minimal formality.

The Claims Management Ombudsman is part of the Financial Ombudsman but looks at complaints about claims management companies (CMCs) regulated by the Financial Conduct Authority (FCA).

We regularly share the insight we gain from resolving thousands of disputes a year to improve outcomes for all customers of financial services products. This includes the insight we gain from our work dealing with complaints brought by professional representatives but also from the complaints about FCA-regulated CMCs which fall within our remit.

Introduction

The Financial Ombudsman welcomes the opportunity to respond to the Ministry of Housing, Communities & Local Government and the Ministry of Justice call for evidence on housing disrepair claims.

Our response focuses on insights from complaints brought to the Claims Management Ombudsman about the service provided by CMCs operating in this area. We welcome the opportunity to engage further as we continue to monitor and analyse the complaints we receive.

Our response

What we have seen

The Claims Management Ombudsman has received very few complaints about the service provided by CMCs handling housing disrepair complaints, with only nine complaints being referred to our service about this issue since we began dealing with complaints about CMCs in 2019. The most recent complaint in this area was referred to us in March 2025.

Of the nine complaints, two have been investigated, with one being upheld in favour of the consumer. In this case we found that the CMC had acted unreasonably when managing the payments of the claim. The other seven complaints were either outside of our jurisdiction or withdrawn by the consumer.

The Claims Management Ombudsman receives significantly fewer complaint than the Financial Ombudsman. Our recently published Q3 data for the Claims Management Ombudsman shows that we received 60 new complaints against CMCs across October to December 2025, and the uphold rate was less than 30%.

Engaging on regulation of the claims management market

The Financial Ombudsman regularly shares intelligence with the Solicitors Regulation

Authority (SRA) and FCA on regulatory issues relating to legal firms and CMCs respectively. This includes instances of poor conduct by regulated firms, and evidence of non-compliance with respective rules. We will continue this engagement, including with regard to housing disrepair claims. We also welcome the opportunity to continue our engagement and insight sharing with the Ministry of Housing, Communities & Local Government and Ministry of Justice on areas of mutual interest.

The Financial Ombudsman is also currently taking steps to deliver wider improvement for consumers in financial services. In April 2025, the Financial Ombudsman introduced charging for professional representatives to bring cases to our service. The aim of this measure was to deliver a fairer funding model and encourage professional representatives to submit better-evaluated and better-evidenced complaints to us. Prior to this, we saw professional representatives withdraw or abandon a large number of cases, and for some case types we saw low uphold rates. Our recently published Q3 data shows that we have seen professional representatives bring fewer complaints in the last two quarters, following the introduction of the new charging model. Professional representatives are now also bringing better evidenced complaints and the Financial Ombudsman is seeing fewer withdrawn and abandoned cases. For the 2024/25 financial year, more than a third (35%) of complaints from professional representatives were withdrawn and/or abandoned and in the first three quarters of this financial year (April 2025 to December 2025), this figure stands at 19%.

The change to our charging model is part of a series of wider improvements we are delivering on, including our work with the FCA and HM Treasury to modernise the financial redress system and ensure it is fit for the future.

Conclusion

We will continue to monitor complaints we receive in this area to ensure any insights we obtain are shared appropriately with the relevant regulators and government departments. We would welcome the opportunity to discuss further the issues raised in the call for evidence and our response.