

Our plans for the year ahead 2007/2008

27 April 2007

We published our budget for the financial year 2007/08 on 12 January 2007, and invited comments and feedback by 16 February. The budget document included:

- an update on the forecasts for the financial year 2006/07 that we had made in the previous year's budget;
- an overview of complaint trends and a forward look at estimated workload figures for 2007/08;
- our proposed financial budget for 2007/08 – for public consultation.

The feedback we received – including comments from trade bodies, consumer groups and the industry funding group specifically set up to scrutinise our budget – was broadly supportive. There was general agreement with the financial aspects of our proposed budget and funding. Those responding to our budget proposals accepted our plan to raise the standard case fee – for the first time in five years – from £360 to £400, and to reduce the special case fee from £475 to £400. This means that the proportion of our total income in 2007/08 raised by case fees – rather than by annual levy – will remain similar to previous years. And it allows us to continue to make no charge for the first two disputes we settle during the year in relation to each business we cover.

Following earlier approval by our own board, the board of the FSA formally approved our budget - including the level of case fees applicable to cases closed from April 2007 - on 22 March 2007.

The [FSA's own consultation on regulatory fees and levies for 2007/08](#) – which included consultation on the levy rates that apply in relation to the financial ombudsman service - closed on 29 March 2007. The FSA expects to publish its [statement on fee-raising arrangements](#) – including levies for the financial ombudsman service – in May 2007.

Financial ombudsman service 2007/08 budget (approved by FSA)	
Income	
Annual levy	£19.4m
Case fees	£37.9m
Other income	£0.4m
Provision for bad and doubtful debts	(£0.4m)
Total income	£57.3m
Expenditure	

Staff and staff-related costs	£43.6m
Professional fees	£0.8m
It costs	£2.3m
Premises and facilities	£6.4m
Other costs	£0.7m
Depreciation	£3.2m
Operating costs	£57.0m
Financing costs	£0.3m
Total costs	£57.3m
Surplus/(deficit)	£0.0m
Cases resolved	106,500
Unit cost	£535