



Financial
Ombudsman
Service

suitability – an ombudsman's view

Caroline Mitchell – lead ombudsman

- **suitability – what is it?**
- **the consumer’s needs and circumstances**
- **the product features**
- **where there are disputes**
- **getting it right - and getting it wrong**

suitability – what is it?

- **the heart of many complaints – investment, pensions, mortgage endowments, PPI**
- **ombudsman service deals with individual complaints – do not risk-rate products**
- **often ‘performance’ complaints reveal misselling**
- **objective view**
- **does the product match the person**

the consumer's needs and circumstances



- **relevant issues at time of recommendation:**
 - **age**
 - **occupation**
 - **personal circumstances**
 - **financial circumstances**
 - **requirements**
 - **attitude to risk**

the product features

- **relevance to consumer of:**
 - **terms and conditions**
 - **flexibility**
 - **inherent risk**
 - **return**
 - **term (duration)**
 - **charges**

where there are disputes

- **ombudsman's decision based on evidence**
 - **contemporaneous evidence stronger**
 - **fact find**
 - **suitability report**
- **decide on a balance of probability**
- **we do not give advice ourselves**

getting it right – and getting it wrong

the operation was a success...

...but the patient died

compliance isn't everything!

to sum up...

Is that particular product suitable for that particular consumer in those particular circumstances at that particular time?