



Financial Ombudsman Service

Statement of difference – [fees \(tariff data for insurers in 2017/18\) instrument 2016](#)

The board of the Financial Ombudsman Service makes voluntary jurisdiction rules – subject to the approval of the Financial Conduct Authority. We’re required by the Financial Services and Markets Act 2000 to publish a draft of the proposed rules and consider any comments on the proposed rules before making the final rules. We’re also required to publish a statement on any differences – which we consider significant – between the proposed rules and the final rules made.

The [fees \(tariff data for insurers in 2017/18\) instrument 2016](#) includes changes to the voluntary jurisdiction rules. We published a draft of the proposed voluntary jurisdiction rule changes in a consultation paper ([CP16/23](#)). This consultation paper explained that the Financial Ombudsman Service proposed “*to mirror the FCA’s proposed changes to the Compulsory Jurisdiction (CJ) tariff blocks for its Voluntary Jurisdiction*” so that “*annual levies for both 2016/17 and 2017/18 fee-years will be based on tariff data for the firm’s financial year ending 2015*”. The proposed voluntary jurisdiction rules were amended to make it clearer that this was the effect of the new rules.

The key differences between the proposed rules and the made rules are set out below (underlining indicates new text and striking through indicates deleted text):

TP 13 Transitional provisions relating to the calculation of tariff bases for insurers

13.1 Application

- 13.1.1 R (1) *FEES* TP 13 applies to ~~a firm in~~:
- (a) a firm in activity groups A.3 and/or A.4 in *FEES* 4 Annex 1AR (FCA ~~A~~activity groups, tariff bases and valuation dates); or
 - (b) a firm in industry blocks 2 and 4 in *FEES* 5 Annex 1R (Annual General Levy Payable in Relation to the Compulsory Jurisdiction); or
 - (c) a VJ participant in industry blocks 2V and/or 3V in *FEES* 5 Annex 2R (Annual Levy Payable in Relation to the Voluntary Jurisdiction ~~for 2016/17~~).

...

13.2 Calculation of tariff bases for fee year 2017/18

- 13.2.1 R Subject to *FEES* TP 13.2.2R the following will apply to the calculation of tariff bases for firms under and VJ participants caught by FEES TP 13.1.1R(2) will depend on the following for the fee year 2017/18:
- (1) Subject to FEES TP 13.2.1R(2) and/or FEES TP 13.2.1R(3), periodic fees (including the general levy and the levy for the Voluntary Jurisdiction specified in FEES 5 Annex 2R) will be calculated using the tariff base data (as prescribed in FEES 4 Annex 1AR) reported by firms for the financial year ended in the calendar year ending 2015;
 - (2) If a firm or VJ participant has acquired or disposed of insurance business by way of an insurance business transfer scheme under Part VII of the Act or Part VIII of the Friendly Societies Act 1992, during the period specified in FEES TP 13.2.3R, it must on or before 28 February 2017:
 - (a) notify the FCA (or the Financial Ombudsman Service in the case of a VJ participant) that such a transfer has taken place; and
 - (b) provide such information as the FCA (or the Financial Ombudsman Service in the case of a VJ participant) may require to establish the extent to which the tariff base data, referred to in FEES TP 13.2.1R(1), has increased or decreased as a result of the transfer and the amended data provided will form the basis of the periodic fees calculation (including the general levy and the levy for the Voluntary Jurisdiction specified in FEES 5 Annex 2R) for the fee year commencing on 1 April 2017.
 - (3) A firm in run-off (or a VJ participant in equivalent circumstances) which commenced during the period specified in FEES TP 13.2.3R may on or before 28 February 2017 resubmit adjusted 2015 tariff base data.

[**Note:** Under *FEES* TP 13.2.1R(2) and (3) *firms* within activity groups A.3 and/or A.4 make resubmissions to the *FCA* in its capacity as collection agent for the *PRA*]

- 13.2.2 R This rule deals with the use of projected valuations in the calculation of periodic fees for firms who fall within subject to *FEES* TP 13 where *FEES* 4.2.7R, *FEES* 4.2.7BR, *FEES* 5.8.1R, *FEES* 5.8.2R and/or *FEES* 5.8.3G apply in the fee-year 2017/18.
- (1) TheFor periodic fees calculation based on calculations under *FEES* 4.2.7R or *FEES* 4.2.7BR, projected valuations for a firm's first year, as provided in the course of the firm's application will be applied to all firms whether in their first fee year, second fee year or a

subsequent *fee year*.

- (2) The *general levy* calculation based on projected valuations for a firm's first year of business will be applied to all firms whether it is in ~~their~~ first or second *financial year*.
- (3) The levy calculation for the *Voluntary Jurisdiction* specified in *FEES 5 Annex 2R* based on projected valuations for a *VJ participant's first year of business* will be applied whether it is in its first or second *financial year*.