

ombudsman news

essential reading for people interested in financial complaints – and how to prevent or settle them

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Financial
**Ombudsman
Service**

the best laid plans

At the beginning of the year, it's hard to avoid articles and adverts suggesting tips and products to help you make a new start. And I think, for some people at least, a fresh year can give the impetus needed to give up unhelpful habits and make positive plans.

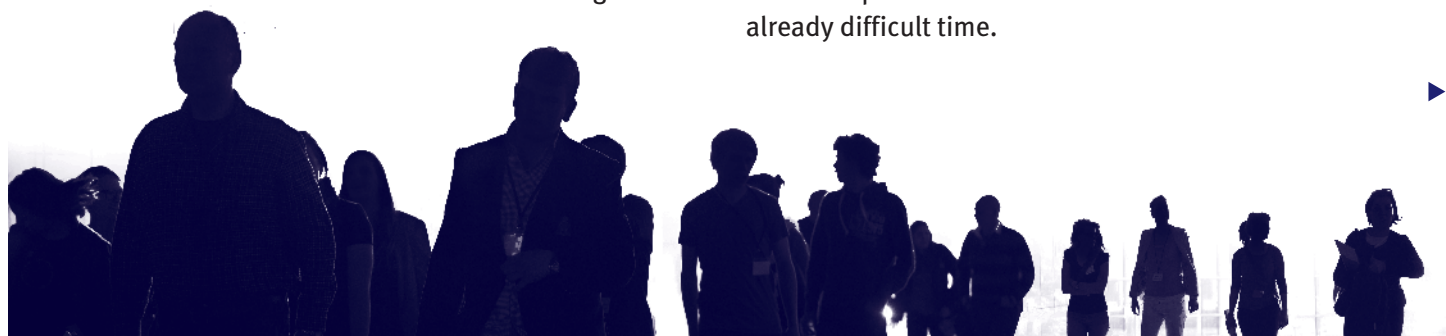
But realistically, a change in number can't magic troubles away. And for some people, existing worries may be carried forward into the new year – together with a good deal of uncertainty about what's ahead. Money-wise, anticipating and planning for the future can be helpful – for example, taking out insurance or saving for

unexpected expenses. But while these plans may make upsetting events easier to manage, they don't actually stop them from happening.

In fact, some well-intended plans can give rise to problems of their own. Many people in relationships have some kind of shared finances – whether it's a mortgage, a pension or an insurance policy. When everything's going well, these arrangements can be very convenient. But if the relationship breaks down – as we've highlighted in this issue – a combination of administrative troubles and personal feelings can cause extra complication at an already difficult time.


When someone's dealing with personal upset – whether it's a break-up, bereavement or worries about the future – it may be too upsetting to talk about it at all. Or it may be difficult for someone to articulate the specific money-related problem they're experiencing – or the impact it's having.

So it may not be easy for a business – or the ombudsman – to establish exactly what's happened, let alone how the customer's feeling.



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meet us

in February we're in:

- ◆ Swindon
- ◆ Exeter
- ◆ Taunton
- ◆ Stratford

for more events see page 23



scan for
previous issues



Caroline Wayman

But from the complaints we see, it's clear that simple common sense and empathy can go a long way. Not judging or assuming, but perhaps just reflecting on what could be behind the closure of a joint account or a name on an insurance policy. And whether or not someone's ready to talk about what they're going through – talking to them as a human, rather than a name and number on a screen.

The ups, downs and uncertainties of everyday life mean uncertainty for businesses and the ombudsman too – as we all look to make sure we're ready to sort out the problems that inevitably arise.

As well as taking stock and making our own forecasts, we rely on the people who use and fund us to share what they're anticipating for the new year. There's still time to give your views on our plans for 2016/17 – which we're consulting on until 2 February.

However well-informed people's plans, the future can never be certain. But there's a lot that we and businesses can do to make sure problems are put right as quickly as possible. As Garry Wilkinson explains in ombudsman focus, that's something we'll be focusing on as the new year continues.

Caroline

... there's a lot that we and businesses can do to make sure problems are put right as quickly as possible

Financial Ombudsman Service

Exchange Tower
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consumer helpline

Monday to Friday 8am to 8pm *and*
Saturday 9am to 1pm

0800 023 4 567

technical advice desk

020 7964 1400

Monday to Friday 8am to 6pm

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ombudsman news is not a definitive statement of the law, our approach or our procedure. It gives general information on the position at the date of publication. The illustrative case studies are based broadly on real life cases, but are not precedents. We decide individual cases on their own facts.

complaints involving pets and animals

Pets and animals have illnesses and accidents just as their owners do. And with research suggesting that nearly half of all UK households have a pet, it's perhaps not surprising that we see thousands of complaints each year involving animals.

The complaints we see aren't limited to insurance disputes over vets' bills. In fact, we hear about a wide range of animal-related problems – involving not only pet insurance, but livestock, home and travel insurance, animal charity bank accounts and unsatisfactory pet-related gifts.

Given people's attachments to their pets and animals – which may be part of their family or their livelihood – it's understandable that it can be very upsetting when something goes wrong. Whatever the product or service involved, we'll check the business has recognised this in how they've dealt with a complaint – as well as addressing the financial issue.

case study 131/1

consumer complains that credit card provider won't give refund for pet portrait under section 75

In the run-up to Mrs O's birthday, her husband Mr O commissioned a portrait of her cats. Mrs O's father, Mr N, paid for the painting on his credit card.

Mr O presented the painting to Mrs O at the artist's studio. But once she'd taken it home, Mrs O said she was disappointed with it. The artist agreed to take back the painting and do more work on it. Mrs O remained unhappy – and told the artist she wanted a refund.

When the artist refused, Mr N, her father – who'd paid for the painting on his credit card – contacted the credit card company – saying he thought the purchase should be covered by section 75 of the Consumer Credit Act 1974. The credit card company took several months to look into Mr N's claim. When they finally replied, they said that since Mr O had ordered the painting, there was no “debtor-creditor-supplier” chain involving Mr N. And this meant section 75 didn't apply.

Unhappy with this answer, Mr N asked for our help.

... We appreciated that section 75 can be complicated – and Mr N didn't know all the ins and outs before making his claim

complaint resolved

We looked through the paperwork that Mr N had sent us relating to the painting. We could see that it was Mr O who'd first got in touch with the artist, and had provided the photos of his wife's cats. He'd also been in regular contact before the painting was completed. When Mrs O had emailed the artist to say she was unhappy, she'd clearly referred to the fact that it was Mr O who had "commissioned" and "purchased" the painting.

It was clear that her father's only involvement had been to use his credit card to pay for the painting on the day. Mr O had since paid his father-in-law back.

We explained that, for a section 75 claim to be valid, a so-called "debtor-creditor-supplier" chain has to exist. Since Mr N, her father, paid for the painting, he was the "debtor".

But from what we'd seen, it was Mr O who'd had the contract with the "supplier" – the artist. This meant the chain didn't exist – and the purchase of the painting wasn't protected.

We appreciated that section 75 can be complicated – and Mr N didn't know all the ins and outs before making his claim. We also considered what would have happened if the "debtor-creditor-supplier" chain had existed. In this case, we would've needed to look into whether the painting was of satisfactory quality.

However, having looked at the photos of the painting – and the emails Mrs O had sent the artist – it seemed to us that it was more a question of her simply not liking it. So Mr N's claim wouldn't have been valid anyway.

Given everything we'd seen, we didn't think the credit card company had acted unfairly in turning down Mr N's claim.

But we didn't think it should have taken them months to give him their answer.

When we pointed this out, the credit card company offered Mr N £200 to make up for the delays and the inconvenience they'd caused him – and he accepted their offer.

case study 131/2

consumer complains after insurer won't pay vet's bills – on grounds that dog's condition was pre-existing

Mrs G came home from work one day to find her dog having a seizure. She rushed him to the vet's for emergency treatment – and a few days later, contacted her pet insurance provider to claim for the vet's bill.

But when the insurer looked into the claim, they said they weren't going to pay – because the dog had a history of seizures. Mrs G complained about this decision. She explained that her dog was a rescue dog – and while he'd had some small fits in the past, he'd never had anything as severe as the last one.

Mrs G said her dog had never been treated for the fits – and when she'd mentioned them to her vet, she'd just been told to keep an eye on him.

When the insurer wouldn't change their position, Mrs G contacted us.

complaint not upheld

We asked the insurer for any records they had from when Mrs G had first taken out the policy – to see what had been said about the dog's fits.

The insurer sent us a recording of the phone call Mrs G had made to buy her insurance. In the call, the adviser had asked Mrs G if her dog had any pre-existing conditions or illnesses. Mrs G had replied that he didn't.

The adviser had then explained that the insurer wouldn't cover “any illness or condition that was already present” – and Mrs G confirmed she understood.

We also looked at the terms and conditions of Mrs G's policy – which she'd been sent after the phone call.

These clearly said that the insurer wouldn't cover “any condition, symptom or sign of a condition” that her dog had “at any time” before the cover started.

We appreciated that Mrs G's dog hadn't had specific treatment for his fits in the past. But from the vet's records that the insurer had asked for, we could see that she'd discussed the fits on at least five occasions.

Based on what we'd seen, we decided Mrs G had been aware that her dog had health problems before she took out her pet insurance. The insurer had asked a clear question about pre-existing conditions – and by not mentioning the fits, she hadn't answered the question accurately.

We asked the insurer whether, if they'd known about the dog's fits, they would have still offered to cover the dog – but perhaps for a higher premium. They told us that they wouldn't have offered cover at all – and sent us their underwriting guidelines, to confirm this.

We were sorry to hear about Mrs G's dog's health problems. But we explained that, in the circumstances, we thought the insurer's decision was fair.

... the terms and conditions clearly said that the insurer wouldn't cover “any condition, symptom or sign of a condition” that her dog had “at any time” before the cover started

... since the operation, she'd had to give her dog medication every day to prevent a fatal seizure

case study 131/3

consumer complains that insurer turned down claim on her travel insurance after her dog fell ill and she had to cancel her holiday

Mrs A had booked a holiday. But she cancelled her plans after her dog became seriously ill and needed an emergency operation.

When Mrs A claimed on her travel insurance for the cost of the holiday, her insurer refused to pay out. They said that they covered cancellations caused by pets needing “emergency life-saving treatment” within a week of the holiday. But Mrs A’s dog’s operation had happened more than a month before she’d been due to travel.

Mrs A complained about this decision. She said that, since the operation, she’d had to give her dog medication every day to prevent a fatal seizure. She felt the situation was still a medical emergency.

But the insurer wouldn’t change their decision – and Mrs A contacted us.

complaint upheld

Mrs A sent us a statement from the vet saying that the dog’s medication was “necessary for life”. The vet had also said that, given the dog’s condition, it wouldn’t be appropriate to put him into kennels.

When we spoke to the insurer, they agreed that Mrs A’s dog was receiving “life-saving” treatment. But they argued that, since the dog had been receiving the same medication for over a month, it wasn’t now “emergency” treatment.

We thought most people would understand an emergency as a one-off, unexpected event. And we agreed with the insurer that the dog’s ongoing medication wasn’t “emergency” treatment.

But we could also see that, in this particular case, Mrs A had been put in an unfair position. If she continued to provide her dog’s life-saving medication, she wouldn’t be covered by the insurance because she was preventing an emergency from happening. On the other hand, if she stopped giving her dog the medication, he would have a serious seizure – creating an emergency which would then have been covered by her insurance.

In these circumstances, we told the insurer to pay Mrs A’s claim – adding 8% interest.

... he told us that, since his policy covered “unlimited claims”, he thought he would claim once a year

case study 131/4

consumer complains that insurer rejected claim for cat scratches on sofa

Mr D made a claim on the furniture warranty he'd bought with his three-piece suite, saying that his cat had scratched it all over. The technician the insurer sent to examine the sofa reported that there were several deep scratches.

But the insurer said that “*extensive scratching*” was excluded under Mr D's policy – and refused to pay out. They also said that Mr D had failed to report the damage as soon as he'd found it – as the policy required him to.

Frustrated with the insurer's decision, Mr D contacted us.

complaint not upheld

Mr D said it was unrealistic to expect him to claim on his insurance every time his cat scratched his sofa – as this would mean making a claim every couple of weeks.

He told us that, since his policy covered “*unlimited claims*”, he thought he would claim once a year. He didn't think it made a difference to the insurer, as they'd have to pay out either way.

Mr D also felt his insurance policy wasn't clear enough, as it didn't say at what point scratching would become “*extensive*”.

We looked at the terms and conditions of Mr D's policy. These said that the insurer wouldn't cover “*domestic pet damage caused by extensive scratching*”. They defined “*extensive scratching*” as:

“incidents of multiple scratching or any scratching which has occurred over a period of time and/or not reported at the time of occurrence.”

We agreed that this didn't really give a clear picture about when scratching would become “*extensive*”. And in some cases, this lack of clarity might have had an unfair outcome – because it would mean someone who reported damage immediately might still not be covered, if the insurer chose to define it as “*extensive*”.

But we thought that Mr D's case was different. He'd known that his cat had been scratching the sofa for some time – but had decided not to report it as soon as he could, even though he'd had the chance and the policy document clearly said to do so.

Mr D's policy provided “*unlimited cover*”, but this was only for accidental damage – defined as any “*unexpected sudden and unforeseen damage*”. While cat scratches might be described as “*unforeseen or unexpected*”, we didn't think they could be after they'd already happened once or twice.

In the circumstances, we didn't think it was unfair for the insurer to apply the exclusion – and we didn't tell them to pay the claim.

... there was no specific requirement for people to keep their dog on a lead

case study 131/5

consumer complains that insurer has unfairly turned down claim for vet's bills after dog is hit by car

Mr F was walking his dog one day when the dog ran off the path and onto a main road. The dog was hit by a car and seriously injured – and needed several operations and follow-up treatments.

When Mr F claimed on his pet insurance, the insurer rejected the claim. They said Mr F hadn't "taken reasonable steps to make sure the dog was safe" – pointing out that he'd been walking it without a lead near a main road.

Mr F complained. He said he – and other dog owners – always walked their dog in that area without a lead. He told the insurer that his dog had got certificates for obedience – and had only run off because she had been frightened by a larger dog.

When the insurer wouldn't change their mind, Mr F contacted us.

complaint upheld

We studied photos Mr F had taken of the area he'd been walking his dog – as well as some aerial photos and maps. In the photos, there were other people clearly walking dogs without leads. The area was some way below and away from the main road where the accident had happened – and there was no obvious path up to the main road.

Mr F told us he'd been walking his dog along the same route for years. On that particular day, his dog had been scared by a bigger dog. His dog had run off before Mr F had the chance to put the lead on – and he hadn't been able to catch her before she reached the road.

We asked the insurer for a copy of the terms and conditions of their policy. But there was no specific requirement for people to keep their dog on a lead.

Given everything we'd seen, we didn't think Mr F had been unreasonable in walking his dog without a lead in that area – and couldn't have expected or prevented the accident. So we told the insurer to pay his claim for the vet's bills, adding interest.

... Mr P had attended classes before taking the dog home and hadn't reported any problems then

case study 131/6

consumer complains that section 75 claim has been turned down – saying that assistance dog training was unsuccessful

Mr P, who had severe post-traumatic stress disorder, adopted a specially-trained “assistance dog” to help with everyday tasks.

A week later, Mr P contacted the company who'd provided the dog, saying she was uncontrollable. The company said Mr P could return the dog if he wasn't happy – but refused to give a refund, arguing that the dog was well-trained.

Mr P returned the dog – and as he'd paid for her on his credit card, he contacted his card provider to make a claim under section 75. But the credit card company also refused to refund him, saying there was no evidence that the company that provided the assistance dog had done anything wrong.

Unhappy with this answer – Mr P complained to us.

complaint not upheld

Mr P told us that the assistance dog provider had assured him that the dog would be properly trained, and accredited by a specialist training provider. But he said she simply refused to follow commands – and sent us videos of himself trying unsuccessfully to control her.

When we contacted the company who'd provided Mr P with the dog, they sent us details of the training regime. They said that Mr P had attended classes before taking the dog home and hadn't reported any problems then. They suggested there could be any number of reasons for the dog's behaviour, including Mr P's instructions.

It was clear from the videos that – for whatever reason – Mr P had had trouble controlling the dog. But as Mr P had returned her, we couldn't get an independent assessment to find out if the problems were down to poor training or something else.

In light of what we'd seen, we didn't think there was any evidence that the dog had never been fit for her role. Given the detailed information we'd received about the training – and the fact that supplying assistance dogs was the company's specialist line of work – we thought that it was unlikely that the dog hadn't been properly trained.

We also considered whether the dog's level of training had been misrepresented to Mr P in particular, whether he'd been told the training was accredited. None of the assistance dog company's documents referred to accreditation – and the company was clear when they spoke to us that the training wasn't accredited.

We noticed that Mr P hadn't suggested he'd been misled about accreditation when he first complained to the assistance dog company or the credit card provider. In our view, if the specialist accreditation had had a bearing on his decision to buy the dog, and he'd found out this wasn't true, he would have mentioned it sooner.

Without any evidence about what Mr P had been told – and given that a potential customer could have checked an accreditation fairly easily – we thought it unlikely that the company would have misled Mr P in this way.

Based on everything we'd seen, we didn't tell the credit card provider to refund Mr P. But we highlighted the fact that he was now without the support he wanted and needed. And following our involvement, the assistance dog company offered to find Mr P another dog.

ombudsman focus: third quarter statistics

a snapshot of our complaint figures for the third quarter of the 2015/2016 financial year

Every quarter, we publish updates in ombudsman news about the financial products and services people have contacted us about.

The data features the number of enquiries we receive, the number of complaints passed to an ombudsman for a final decision and what proportion we resolved in favour of consumers.

In this issue we focus on data from the third quarter of the financial year 2015/2016 – showing the new complaints we

received during October, November and December of last year.

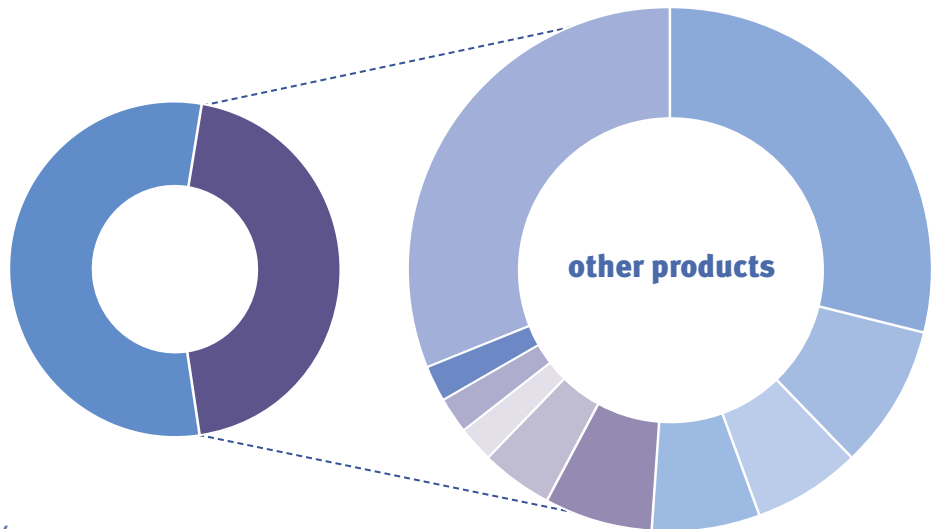
During those three months:

- ◆ We handled 127,965 enquiries from consumers, taking on 79,338 new cases – with 12,774 complaints passed to an ombudsman as the final stage of our complaints handling process.
- ◆ PPI remained the most complained about financial product, with 43,982 new cases in the third quarter. Packaged bank accounts were the
- second most complained about product, with 10,450 new cases – slightly up from the last quarter.
- ◆ The proportion of complaints we upheld in favour of consumers was 54% - ranging from 18% (for complaints about packaged bank account) to 67% (for complaints about PPI).

	so far this year April – December 2015			
	enquiries received	new cases	ombudsman	% of cases upheld
payment protection insurance	178,715	141,366	11,317	70%
packaged bank accounts	43,175	32,720	2,164	13%
current accounts	20,979	10,111	1,797	32%
car and motorcycle insurance	20,195	6,187	1,136	33%
house mortgages	12,211	8,599	1,970	35%
credit card accounts	10,531	5,851	1,253	30%
overdrafts and loans	7,623	4,626	1,182	32%
buildings insurance	5,504	3,037	823	38%
hire purchase	5,002	2,147	462	40%
payday loans	4,090	1,669	388	66%
personal pensions	3,196	1,148	239	28%
mortgage endowments	2,920	1,502	303	21%

the financial products that consumers complained about most to the ombudsman service in October, November and December 2015

- payment protection insurance (PPI) 55%
 - complaints about other products 45%
-
- packaged bank accounts 13%
 - current accounts 4%
 - house mortgages 3%
 - credit card accounts 3%
 - car and motorcycle insurance 3%
 - overdrafts and loans 2%
 - buildings insurance 1%
 - hire purchase 1%
 - payday loans 1%
 - complaints about other products 14%



enquiries: these are problems where consumers have asked us for help, reassurance and explanations.

cases: these are complaints that need more detailed further work by our adjudicators.

ombudsman: these are cases where either the business or consumer has appealed to the ombudsman for a final decision.

in the third quarter October – December 2015				in the whole of 2014/15 April 2014 – March 2015			
enquiries received	new cases	ombudsman	% of cases upheld	enquiries received	new cases	ombudsman	% of cases upheld
53,389	43,982	5,728	67%	274,517	204,943	23,771	62%
13,881	10,450	731	18%	32,018	21,348	562	33%
6,548	3,221	581	27%	31,483	13,455	1,780	37%
6,394	2,116	469	33%	25,140	7,361	1,512	35%
3,640	2,639	630	43%	19,970	12,286	3,012	33%
3,241	1,877	409	27%	15,770	8,115	1,342	33%
2,187	1,363	396	28%	11,971	6,255	1,346	38%
1,704	900	295	40%	9,087	4,510	925	37%
1,702	799	165	40%	4,949	1,784	377	40%
1,499	755	124	60%	5,111	1,157	222	64%
869	405	90	33%	3,067	1,161	334	27%
759	421	92	22%	5,353	2,573	438	24%

	so far this year April – December 2015			
	enquiries received	new cases	ombudsman	% of cases upheld
credit broking	2,053	485	196	62%
travel insurance	3,203	1,676	517	49%
“point of sale” loans	2,857	1,528	337	43%
debt collecting	2,088	565	101	38%
inter-bank transfers	2,599	1,391	219	33%
deposit and savings accounts	2,291	1,385	348	35%
term assurance	2,335	1,702	397	26%
home emergency cover	1,983	1,265	294	47%
contents insurance	1,833	1,057	246	33%
derivatives	824	223	114	34%
whole-of-life policies	1,796	1,128	302	20%
warranties	1,769	686	117	34%
electronic money	1,791	495	76	31%
catalogue shopping	1,585	646	104	49%
debit and cash cards	1,408	708	145	37%
pet and livestock insurance	1,426	778	192	23%
secured loans	1,323	841	160	30%
investment ISAs	1,227	1,004	211	37%
portfolio management	1,197	893	498	47%
cash ISA - Individual Savings Account	966	615	127	41%
self-invested personal pensions (SIPPs)	1,288	817	377	52%
commercial vehicle insurance	1,238	459	97	35%
share dealings	1,038	590	158	37%
mobile phone insurance	1,108	425	52	47%
card protection insurance	1,148	504	34	42%
income protection	1,036	738	217	30%
roadside assistance	1,074	603	87	42%
private medical and dental insurance	899	626	183	35%
critical illness insurance	809	559	159	20%
specialist insurance	820	364	45	60%
annuities	756	635	150	20%
legal expenses insurance	787	518	228	30%
credit reference agency	742	229	49	35%

in the third quarter October – December 2015				in the whole of 2014/15 April 2014 – March 2015			
enquiries received	new cases	ombudsman	% of cases upheld	enquiries received	new cases	ombudsman	% of cases upheld
408	86	36	47%	19,266	1,213	326	64%
964	511	116	48%	4,371	2,307	426	46%
901	475	108	42%	3,841	1,582	345	39%
640	176	34	37%	3,434	843	100	33%
742	424	79	29%	2,844	1,323	179	45%
650	390	113	35%	3,582	1,971	400	39%
647	536	99	23%	3,592	2,644	483	21%
679	395	92	48%	2,397	1,298	218	43%
552	307	82	33%	3,134	1,436	273	34%
82	43	56	38%	361	197	60	31%
566	357	87	19%	2,674	1,587	331	23%
591	207	45	43%	2,341	777	89	39%
608	177	24	36%	2,173	491	61	42%
524	194	31	45%	2,314	882	107	55%
391	200	42	36%	2,432	1,043	160	43%
424	241	66	27%	1,645	790	153	28%
414	226	54	33%	1,931	1,070	222	36%
356	285	76	40%	1,619	1,006	216	42%
362	267	220	49%	1,763	1,236	494	51%
210	147	51	41%	1,290	746	88	45%
364	264	169	56%	1,467	951	497	60%
364	138	39	38%	1,653	514	122	36%
273	185	52	34%	1,366	689	172	36%
359	158	20	45%	1,575	536	45	51%
349	146	11	26%	2,886	1,401	33	85%
304	228	85	30%	1,676	1,146	239	35%
373	208	35	41%	1,389	733	107	37%
277	192	70	34%	1,194	786	201	36%
252	174	44	21%	1,268	791	169	24%
234	82	15	51%	1,009	350	51	53%
166	179	40	22%	1,149	776	148	20%
243	171	83	35%	1,131	672	354	34%
215	71	23	25%	792	189	38	36%

	so far this year April – December 2015			
	enquiries received	new cases	ombudsman	% of cases upheld
debt adjusting	694	369	132	54%
merchant acquiring	696	312	62	31%
direct debits and standing orders	741	387	72	33%
cheques and drafts	657	371	79	43%
commercial property insurance	641	477	146	37%
store cards	626	336	66	44%
guaranteed bonds	405	379	119	23%
personal accident insurance	668	488	79	31%
unit-linked investment bonds	477	428	179	40%
occupational pension transfers and opt-outs	506	355	121	34%
hiring / leasing / renting	752	344	76	41%
state earnings-related pension (SERPs)	244	188	15	4%
business protection insurance	366	209	54	32%
“with-profits” bonds	268	161	44	22%
endowment savings plans	403	309	84	25%
interest rate hedge	369	319	103	46%
guaranteed asset protection (“gap” insurance)	302	154	16	22%
building warranties	287	229	154	28%
debt counselling	294	180	35	28%
conditional sale	374	369	138	44%
home credit	237	149	42	41%
income drawdowns	184	120	65	39%
(non-regulated) guaranteed bonds	109	48	16	35%
caravan insurance	178	79	30	34%
Children's Savings Plans	50	40	8	24%
film partnerships	119	87	158	10%
foreign currency	163	75	15	29%
FSAVC – free standing additional voluntary contributions	190	121	48	58%
Investment Trusts	98	49	9	26%
money remittance	191	48	7	30%
OEICs (open-ended investment companies)	163	149	27	38%
pensions mortgages	-	-	-	-
PEP - Personal Equity Plans	69	58	8	41%

in the third quarter October – December 2015				in the whole of 2014/15 April 2014 – March 2015			
enquiries received	new cases	ombudsman	% of cases upheld	enquiries received	new cases	ombudsman	% of cases upheld
208	105	36	44%	1,441	508	112	62%
246	89	15	35%	908	367	84	23%
224	121	34	32%	1,210	541	86	41%
197	109	24	40%	1,055	563	100	51%
166	117	49	37%	1,079	645	181	38%
176	81	21	36%	1,140	450	63	37%
89	81	18	29%	870	555	55	13%
245	178	30	31%	681	422	96	31%
128	110	63	43%	739	560	261	47%
145	123	42	39%	661	457	186	49%
237	110	22	45%	921	333	72	35%
-	-	-	-	525	436	17	2%
103	57	17	40%	540	253	59	35%
74	53	11	28%	454	260	54	32%
113	105	30	23%	707	509	119	19%
114	85	55	43%	498	287	100	65%
87	47	4	28%	423	206	35	26%
99	85	59	29%	422	299	130	58%
97	55	11	18%	621	140	27	46%
67	107	49	46%	385	290	90	41%
68	41	12	39%	287	136	35	36%
56	41	30	40%	184	180	92	42%
-	-	-	-	272	149	28	33%
-	-	-	-	280	98	26	39%
-	-	-	-	72	50	3	34%
-	-	-	-	216	174	195	6%
-	-	-	-	166	74	14	30%
44	45	20	69%	191	142	59	48%
-	-	-	-	154	71	22	30%
-	-	-	-	262	109	9	52%
40	50	11	30%	154	118	83	48%
-	-	-	-	125	94	35	46%
-	-	-	-	96	63	14	22%

	so far this year April – December 2015			
	enquiries received	new cases	ombudsman	% of cases upheld
premium bonds	139	58	6	39%
safe custody	77	58	15	53%
Savings Certificates/Bonds	101	65	13	33%
SCARPs - Structured Capital at Risk Products	-	-	-	-
spread betting	297	139	50	19%
unit trusts	140	94	28	38%
instalment loans	144	83	16	50%
guarantor loans	79	37	4	27%
sub total	375,936	253,022	31,910	52%
other products and services	34,486	500	166	35%
total	410,422	253,522	32,076	52%

This table shows all financial products and services where we received (and settled) at least 30 cases. This is consistent with the approach we take on publishing complaints data relating to named individual businesses. Where financial products are shown with a (-), we received fewer than 30 cases during the relevant period.

in the third quarter October – December 2015				in the whole of 2014/15 April 2014 – March 2015			
enquiries received	new cases	ombudsman	% of cases upheld	enquiries received	new cases	ombudsman	% of cases upheld
-	-	-	-	187	72	15	29%
-	-	-	-	119	81	28	48%
-	-	-	-	157	51	11	33%
-	-	-	-	59	37	31	33%
82	41	37	38%	196	98	45	19%
-	-	-	-	174	93	30	49%
78	63	13	47%				
113,480	78,867	12,620	54%	542,626	328,895	45,230	55%
14,485	471	154	32%	60,769	614	151	38%
127,965	79,338	12,774	54%	603,395	329,509	45,381	55%

ombudsman focus: keeping things moving – an update

In June last year, Garry Wilkinson, principal ombudsman and director of new services, explained how the ombudsman and businesses are working together to improve the service we all offer. In this ombudsman focus, Garry's back with a reminder about what's happening – and an update on how we're resolving problems at an early stage.

first of all Garry, can you give a recap of what's been happening?

Last year, I explained the changes that have happened in the 15 years since we were set up – and what they've meant for the ombudsman and for resolving complaints. In particular, I talked about new technology – and how it's totally changed people's expectations of the businesses and services they use.



“I talked about new technology – and how it's totally changed people's expectations of the businesses and services they use”

For example, it's incredible to think that only fifteen years ago, many people didn't even have a personal email address. Although not everyone's online – our own research shows that, among people who use our service, one in seven don't have internet access – it's pretty much the norm now. And people are even starting to see email as a bit old school these days, with mobiles and social media becoming the preferred way to keep in touch.

At the ombudsman, we have to keep pace with these changes. It's part of our responsibility to be an accessible service – which means being relevant and easy to use for everyone in the UK, businesses and consumers alike.

So over the years, we've already been developing our services to meet people's changing lifestyles and preferences. We've extended our hours, recognising that people need us outside 9-5. People can contact us simply online and by mobile, whenever and wherever they choose. Our case files are now completely electronic – and last year, we resolved one in five payday loan problems over webchat.

sounds like progress ...

Yes, it is. And it's clear that successful businesses also understand that this stuff matters. I've done my banking online for years, and apps are facts of life, not gimmicks. Like us, financial businesses use social media to quickly resolve customer concerns – informally, and sometimes even with a sense of humour.

On the other hand, I think it's fair to say that if a problem escalates, this type of progress isn't so apparent. Timeframes of weeks or even months to get a response – which may not even be a resolution – have always caused frustration. These days, they're just unacceptable.

so what's being done to change things?

We've always worked pragmatically with businesses to resolve problems as quickly and informally as possible. In ombudsman news last year (June 2015), I gave the example of a major banking glitch – after which large numbers of people got in touch with us to report missed and missing payments.

In some cases, people couldn't cover essential expenses. It's just common sense that, in this situation, funneling everyone into a long and formal complaints procedure would have been totally inappropriate. So we and the bank worked together at an early stage, mainly over the phone, to put things right for their customers within days and even hours.

More recently, we've been talking to businesses about timeframes for giving us information about complaints that have been escalated to us. Rather than thinking about rigid “deadlines”, we've been encouraging more flexibility.

For example, it's likely that a large bank could give us certain information on the same day we ask for it. On the other hand, a consumer – or a much smaller business, such as an independent financial adviser – may well need longer to find what we've asked for. It's all about what's reasonable in the individual circumstances.



“we’ve seen a real improvement in how quickly we can give our answer”

and is this approach working?

Where we’ve been working differently, we’ve seen a real improvement in how quickly we can give our answer. In some cases, all it takes is one phone call – and on average, it’s now taking three weeks. And four in five people – whether or not we’ve technically “upheld” their complaint – are telling us they’re satisfied with their experience of using our service.

It’s not surprising that speed makes a difference – given the worry, lost time and practical trouble caused by money-related problems. Of course, this all reflects well on businesses too – and business complaints-handlers have been telling us about the positive feedback they’ve been getting from their customers.

For people who are motivated by giving great customer service – at the ombudsman and at businesses – it’s been refreshing to challenge inflexible procedures and bureaucracy. The business case, which is of course essential, is that applying innovation and pragmatism on the front line means fewer costly, resource-heavy disputes in the long run.

The FCA has also been reviewing how businesses are handling complaints. And after consulting, they’re now putting in place changes aimed at improving customers’ experience of making a complaint – as well as helping businesses to resolve and prevent them more effectively.

So all the improvements we and businesses have made over the years – enabling us to resolve problems sooner rather than later – are reflected in the wider changes that are going on across financial services at the moment.

so how are these changes reflected in the rules about complaints?

The FCA has made a number of changes to the complaints-handling rules. They've applied since 9 July 2015, at the same time the EU directive on alternative dispute resolution (ADR) came into UK law.

If someone contacts us before they've raised their problem with a business, we generally direct them back to the business in question – and in some cases, help to get things moving. It's something we've always done – to give the business a chance to put things right, which might not take the eight weeks they technically have under the rules.

Since July 2015, the rules include the option for us to actually look into a complaint during those eight weeks. The business has to give their consent for us to do this, whatever their customer wants to happen. And the business still has to look into the complaint themselves.

have businesses and consumers found it helpful?

Well, it was actually happening even before the new rule came in. There have always been situations where businesses are willing to, or suggest, working with us outside official timeframes.

Generally, it happens when we agree and the business agree that an independent view is needed as soon as possible. For example, a business's relationship with their customer might have completely broken down. Or someone's vulnerability might mean it's essential to resolve things in hours, not weeks.

But the rule is new and slightly different – so we've been trying it out with some businesses over the past few months, working through any challenges together. It's been great to hear that businesses have been really pleased with the results. So much so that some have given us their consent across the board to get involved early on, rather than having to make that decision for each individual complaint.

So if you do hear from us before you've given a customer your final response, it's really nothing to worry about. The businesses we've worked with so far have been reassured it's a good option in some circumstances. But it's completely your choice.



“some have given us their consent across the board to get involved early on”

would it count as a “complaint” to the ombudsman?

Yes – complaints we investigate during the eight-week period still count as “chargeable” complaints. For the time being, we’re including the numbers, but not the outcomes, in our regular published data – and we’re keeping this under review.

In our consultation on our plans and budget for 2016/2017, we’ve explained that we’re not planning to change how we charge businesses for resolving complaints this year. But in light of the different ways we’re now resolving the problems people bring to us, over the next few months we’ll be gathering views on keeping our fee arrangements fair into the future.

haven’t the timeframes for complaining changed?

The timeframes haven’t changed, but the rules around them have. Again, the change happened on 9 July 2015.

As you’ll know, we’re sometimes able to look into a complaint if it’s referred to us too late. That means more than six months after receiving the business’s final response – or more than six years after what they’re complaining about happened (and possibly later, but only in certain circumstances).

Since 9 July 2015 – apart from in exceptional circumstances – businesses have to give their specific consent for us to look into these complaints. Before then, we could look into them unless the businesses actually objected.

and there are more changes to come, aren’t there?

From 30 June 2016, a change to the FCA’s rules will mean businesses have longer – three working days – to give a “summary resolution” to a complaint. At that point, they’ll have to let their customer know that they can refer the complaint to us.

We don’t know the impact that will have on numbers of complaints being referred to us. But we’ll keep an eye on the situation. And in the meantime, we’ve asked businesses to tell us what they think the impact may be – when they respond to our consultation on our plans and budget for next year.

There are also some changes to how businesses need to record complaints – so it’s worth checking the FCA’s website to see what you’ll need to do differently.

so what's next?

As we continue to develop and establish these more flexible ways of working, they're quickly just becoming "business as usual". Given the ongoing changes in technology, lifestyles and expectations – not to mention the potential for business efficiencies and significantly happier customers – I think the sooner this happens, the better. And from the feedback we've had so far, businesses and consumers seem to agree.

As usual, we'll be regularly keeping in touch with businesses and other stakeholders – so we can discuss how things are going and what could improve even further. If you have any questions – or other practical issues – you can phone our technical advice desk on 020 7964 1400. Or our adjudicators will be able to talk through what these changes mean for particular complaints.

upcoming events ...

smaller business:		
<i>meet the ombudsman roadshow</i>	Cardiff	10 February
	Exeter	23 February
	Plymouth	24 February
	Peterborough	3 March
consumer adviser:		
<i>working together with the ombudsman</i>	Cardiff	2 February
	Swindon	3 February
	Exeter	8 March
	Taunton	9 March
	London	22 March

For more information – and to book – go to *news and outreach* on our website.

complaints involving relationship breakdowns

Each year we hear from people whose relationship troubles have led to problems with their finances – whether they've got divorced, had a break-up or fallen out with family members.

As our case studies highlight, many of the complaints we see centre on previously joint finances – and the new arrangements that have been set up.

Any difficulties will be coming at an already stressful time – and the people involved may well be upset with each other, as well as with the financial business. Our role is to decide whether a business has treated their customer fairly, which may only be part of the wider issues their customer needs to sort out.

On the other hand – while a business is unlikely to have directly caused the relationship breakdown – their actions may have caused their customer further upset. So if something's gone wrong, we'll always consider whether the business has recognised the emotional and practical impact of their mistake.

There's more information about our approach to compensation for trouble, upset and other non-financial loss on our website.

... the insurer hadn't spoken to Mr L at all, even though he'd been a joint policyholder at the time

case study 131/7

consumer complains insurer has unfairly relied on exclusion to turn down claim for wedding ring

Mr and Mrs L were in the process of getting divorced, but were still living together. When Mrs L's wedding ring went missing, she blamed Mr L and reported him to the police. Two weeks later, she made a claim for her ring on her contents insurance.

After investigating the claim, the insurer told Mrs L that they wouldn't pay out as her policy didn't cover "loss or damage caused by any of your family".

Mrs L then told the insurer she wasn't sure Mr L had taken the ring after all – and asked them to reconsider her claim. But the insurer wouldn't change their position, so Mrs L asked us to help.

complaint upheld

We asked the insurer for more information about how they'd investigated the claim. They said Mrs L had initially told them she'd last seen the ring in a room where Mr L was sleeping – which was why she thought he must have taken it.

Mrs L had also told the insurer that she'd reported the lost ring to the police. It seemed the insurer had decided that the ring had been stolen by Mr L – and that the claim shouldn't be paid – based only on her initial report to the police. We noticed that the insurer hadn't spoken to Mr L at all, even though he'd been a joint policyholder at the time.

We listened to all the phone calls between Mrs L and the insurer. In one conversation we noticed that she mentioned the possibility that she might have accidentally donated the ring to a charity shop with some clothes. There was no evidence that the insurer had considered this in making their decision about rejecting the claim.

Given Mrs L's doubts as to whether the ring had been taken by Mr L – and the fact that the insurer hadn't investigated any other possible reasons for the loss – we decided it wasn't fair for them to rely on the exclusion for theft or loss by family members.

Mr L had since given up all rights to the couple's joint accounts, including insurance policies. We told the insurer to deal with Mrs L's claim as if she'd lost it herself – in line with the remaining terms and conditions of the policy.

... feeling this wasn't enough, Mrs Y contacted us.

▶
case study
131/8

consumer complains about administrative errors and data breach in removing ex-partner from joint breakdown cover

Mr and Mrs Y were in the process of getting divorced. As part of sorting out their joint accounts, Mrs Y asked their car breakdown provider to remove Mr Y from their joint cover. Mr Y set up his own cover with the same provider.

A few months later, Mrs Y received a letter from her breakdown provider referring to a breakdown she hadn't been involved in. When Mrs Y called the breakdown provider, she was told that the breakdown related to Mr Y. When she pointed out that Mr Y was no longer on the policy, the insurer realised that there had been an administrative error that had led to the previously joint policy being put into Mr Y's sole name.

Mrs Y was told the policy details would be corrected and that she'd receive written confirmation.

When she hadn't heard anything after a few weeks, she called the breakdown provider again – and found the cover was still in Mr Y's name.

Mrs Y spent several months trying to update her details. During that time, letters about her policy were mistakenly sent to Mr Y – some of which gave Mrs Y's new partner's name.

Eventually, Mrs Y cancelled her cover completely and made a complaint. The breakdown provider apologised. But feeling this wasn't enough, Mrs Y contacted us.

complaint resolved

Mrs Y told us she felt her breakdown provider had broken the law by sending her letters to the wrong address. We explained that it isn't our role to fine businesses for data protection breaches – and that the Information Commissioner's Office would be better placed to look into whether the breakdown provider had broken the law.

But we told Mrs Y that we could look into how the breakdown provider had dealt with her concerns.

Mrs Y accepted that, at first, she'd just been frustrated that letters continued to be sent to Mr Y. But after she'd called to add her new partner's name to the policy, two letters had been sent to Mr Y giving her partner's name.

Mrs Y told us that this had been particularly upsetting, as Mr Y hadn't known her new partner's name before then. She told us that her separation and divorce had caused her a lot of stress over the past few years – and the breakdown provider's mistakes had made things even worse.

From what we'd seen, it was clear the breakdown provider had made a number of mistakes over nearly a year. Mrs Y hadn't lost out financially. But she'd gone through the inconvenience of repeatedly trying to sort the problem out – as well as the upset of her ex-husband finding out her partner's name.

When we pointed this out to the breakdown provider, they offered Mrs Y £175 in recognition of the trouble they'd caused her. We thought this was fair in the circumstances – and Mrs Y accepted the offer.

case study 131/9

consumer complains that insurer nearly refunded premiums to ex-partner

When Ms B split up with her boyfriend, she called her insurer to remove his car from her “multi-car” insurance policy. But the insurer said her ex-boyfriend had already phoned to remove his car from the policy – and to ask for a refund of the relevant premiums.

Ms B told the insurer that it was her policy – so any refund should go to her. The insurer told her that the refund would have gone to Ms B’s ex-boyfriend as the “named driver” of the car in question. But since he’d only called the day before, nothing had been paid out yet. The insurer said they’d make sure it was Ms B who got the refund.

After receiving the refund, Ms B made a complaint. She felt the only reason the insurer hadn’t refunded her ex-boyfriend was because she’d happened to call shortly afterwards. She wanted the incident reported as fraud.

The insurer apologised for their original mistake. They told Ms B that they couldn’t see that she’d lost out – but offered her £50 for the upset they’d caused her.

Unhappy with this answer, Ms B complained to us.

complaint not upheld

The insurer told us that the money would never have gone to Ms B’s ex-boyfriend – because it would have been refunded to Ms B’s debit card instead. They said their system was designed to stop problems like this from happening.

Of course, Ms B hadn’t known she would always have received the money anyway. And listening to the phone call between the insurer and Ms B, it was clear the insurer’s call handler had made a mistake in what they’d told her. This had led Ms B to believe she’d lost money at an already very stressful time.

On the other hand, it seemed that the insurer had dealt with Ms B’s concerns quickly – apologising and making sure she had her refund. We could see they’d also recognised the worry they’d caused and offered Ms B compensation.

We appreciated that Ms B was frustrated. But we explained that, based on everything we’d seen, we thought the insurer’s offer was fair.

... it seemed that the insurer had dealt with Ms B’s concerns quickly

... We had no reason to doubt the vet's opinion that the two problems weren't linked

case study 131/10

consumer complains that insurer unfairly rejected claim for vet's bills – on grounds that dog's condition was pre-existing

When Miss V split up with her boyfriend, the couple's dog stayed with Miss V. Shortly after Miss V's ex-boyfriend moved out, she found out he'd cancelled their pet insurance policy, which had been in his name.

Miss V called the insurer and asked if her boyfriend's policy could be put into her name. When the insurer told Miss V that this wasn't possible, she set up a new policy in her own name.

A few weeks later, Miss V's dog had trouble with the elbows of his front legs and needed treatment at the vet's. But when Miss V claimed on her insurance policy, the insurer rejected the claim.

The insurer said they had evidence that the dog had seen a vet about lameness the previous year – and they believed this had been caused by the elbow condition. They told Miss V that her new policy didn't count as a continuation of the one in her ex-boyfriend's name, so the elbow condition was "pre-existing".

Miss V complained. She pointed out that the vet had said the dog's elbow condition was nothing to do with the previous lameness. She also argued – even if the conditions had been linked – that it was unfair to treat her policy as a new one, just because the insurer's computer system hadn't allowed her to switch the policy to her name.

But the insurer wouldn't reconsider their decision – and Miss V complained to us.

complaint upheld

We asked the vet to send us the notes that he had made about her dog's health. These were very detailed – and clearly said that the elbow condition was a new problem, which wasn't linked to the lameness the dog had experienced the previous year.

The insurer confirmed that they couldn't change a policy from one name into another. But they told us that Miss V had taken nearly a month to let them know she needed a new policy after the original one was cancelled.

When we asked Miss V about this, she told us that she'd contacted the insurer as soon as she realised that the policy had been cancelled. We thought it was reasonable that – going through the upset of a difficult break-up – Miss V might not have known straight away.

In any case, the dog's health problems that Miss V was claiming for hadn't arisen during the gap in the cover – but after she took out the new policy. We had no reason to doubt the vet's opinion that the two problems weren't linked. So we didn't agree that the condition Miss V was claiming for pre-dated the new policy.

In the circumstances, we told the insurer to pay Miss V's claim.

... before the furniture could be exchanged, he and Miss R split up

case study 131/11

consumer complains that loan provider won't refund money for faulty furniture left in ex-girlfriend's flat

After Mr C moved in with his girlfriend, Miss R, the couple ordered some new furniture for her flat. But when it arrived, the tables were faulty and the sofa was the wrong colour.

Mr C had bought the furniture with a loan he'd taken out in the shop. When he spoke to the shop and explained the problem, they sent out replacements. But they repeatedly tried to exchange the furniture at a house a few streets away.

Mr C contacted the furniture company to sort out the problem with the address. But before the furniture could be exchanged, he and Miss R split up. The couple weren't on talking terms – and Miss R wouldn't let Mr C access the flat or the furniture.

Mr C then explained the situation to the loan provider. They agreed to suspend repayments for a while – and said they'd refund everything he'd paid on the condition he returned the furniture.

Because he still hadn't returned the furniture after some time, the loan provider began to try to collect payments from Mr C. When he refused to pay, his details were eventually passed to a debt-collection company.

Mr C made a complaint. He said it wasn't his fault he couldn't get the furniture back – and wanted the loan provider to take Miss R to court.

He also said he'd been told the agreement was “buy now, pay later”. So he was unhappy about being asked to repay the loan anyway – especially by debt collectors.

But the loan provider maintained that Mr C needed to find a way to return the furniture if he wanted his money back. Frustrated, he contacted us.

complaint not upheld

Mr C told us that the trouble he'd had with the furniture had caused arguments between him and Miss R. He felt this had been one of the reasons they'd broken up.

Mr C said that, seeing as he wasn't using the furniture himself, he didn't think it was fair that he had to pay for it. He also insisted he'd

signed up to “buy now, pay later” – and was unhappy that the loan provider had already passed his details to debt collectors.

We checked the paperwork Mr C had received about the loan. In our view, the agreement was clearly set out – and there was no evidence that Mr C had been told it was “buy now, pay later”.

We also noticed that the loan provider had agreed to suspend repayments. But from the records we saw, they'd explained that this was only while he sorted out replacement furniture with the furniture shop. And the terms and conditions of Mr C's loan said clearly that his debt would be passed to debt collectors if he didn't pay.

We were sorry to hear about the trouble Mr C was having. But given everything we'd seen, we didn't think the loan provider had acted unfairly. It wasn't their responsibility to negotiate with Miss R – and we couldn't make them take her to court.

... the adviser had then asked her if she'd "overestimated" any of her outgoings

case study 131/12

consumer complains that she shouldn't have been accepted as guarantor for her son's loan

Mrs T agreed to act as guarantor for a loan for her son. He wanted to invest in equipment to start a pet grooming business, but had a poor credit history and had struggled to get a loan himself.

A few months later, Mrs T and her son had a falling out and he left home. Soon after, the loan company asked Mrs T to go to a pay point in a local shop to make a loan repayment – as her son had missed several instalments.

Mrs T told the loan company she couldn't get out, because she was recovering from a major operation and couldn't leave her house. She argued that she couldn't afford the repayments anyway – and that the loan company shouldn't have accepted her as a guarantor in the first place.

But the loan company maintained that Mrs T was responsible for the loan. Unhappy, she contacted us.

complaint upheld

Mrs T told us the loan company had pressured her into agreeing to be a guarantor. She said that when she and her son were applying for the loan, the adviser had encouraged her to reduce her stated outgoings.

When we asked the loan company about this, they insisted that they hadn't told Mrs T to change any specific figures. So, to check what had happened, we asked the loan company for recordings of their phone calls with Mrs T.

It seemed that Mrs T hadn't initially qualified to be a guarantor. The adviser had then asked her if she'd "overestimated" any of her outgoings. He'd then gone through every one of Mrs T's expenses and asked her whether it was too high. He specifically asked about her credit card repayments, which – after hesitating – Mrs T agreed to reduce by half.

During the call, Mrs T had also offered to send in payslips to prove her income. But the adviser had told her this wouldn't be necessary.

From the phone calls we listened to, it wasn't the case that Mrs T had been desperate to qualify and willing to change any figures necessary to do so. In fact, she'd clearly said at the beginning of the call that if the loan was unaffordable, then she wouldn't go ahead.

Given everything we'd seen, we decided the loan company hadn't properly assessed whether the loan was affordable. And we decided they'd pressured Mrs T into changing her outgoings to qualify as a guarantor.

We were particularly concerned that the loan company had suggested Mrs T reduce her credit card repayments – meaning she was now making minimum repayments while up to the spending limit.

And there was no evidence that they'd responded sympathetically – or discussed other options – when she'd explained she couldn't get out to make the payment because she was currently housebound.

We told the loan company to remove Mrs T as the guarantor for her son's loan and to pay £250 compensation for the upset they'd caused her. We also told them to make sure that no adverse information was recorded on her credit file as a result of their actions.

... it wasn't fair to ask the pension provider to repay the money he'd already spent

case study 131/13

consumer complains pension provider's mistake left him out of pocket

When Mr U and his wife divorced, they split their pensions equally. Because Mr U had a larger pension pot, he transferred some of his pension policies to his ex-wife.

A few months later, Mr U got a letter from his pension provider saying they'd made an error in valuing his pension policies, meaning he'd been underpaid. They sent him a cheque for £300 to correct the mistake.

Mr U asked the pension provider to pay the money directly into his bank account instead. The pension provider agreed – but before they'd paid Mr U, they told him the money actually related to the pension policies transferred to his wife. They said they'd be paying the money to her instead.

Mr U complained. He said he'd already spent the money, so he'd lost out because of the mistake. The pension provider apologised for the error. But they pointed out that the money hadn't been his to spend in the first place.

Mr U felt he'd been treated unfairly, so he brought his complaint to us.

complaint upheld

We asked the pension provider to explain how the problem had arisen. They told us they'd incorrectly calculated the value of some of the units in Mr U's pension. They said all of these units had been transferred to his ex-wife in their divorce settlement – meaning she was the one who was now owed the difference.

Mr U sent us paperwork from his divorce, showing how his pension had been divided. This confirmed he'd transferred all the units that had been priced incorrectly to his ex-wife.

But as part of the settlement, Mr U had had to pay his ex-wife a specified extra cash amount to "equalise the pension

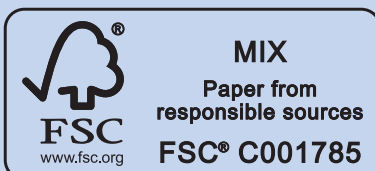
provision". This amount was based on the total value of his pensions.

So it was true that the mistake related to parts of Mr U's pensions that had been transferred to his ex-wife – to the value of £300. But the total value of Mr U's pension had been split with his ex-wife – meaning the cash he paid her should have been half the £300 in question. So he'd lost out by £150.

We explained to Mr U that it wasn't fair to ask the pension provider to repay the money he'd already spent – since he'd used and enjoyed the things he'd bought.

But we did think it was fair that he was put in the position he would have been in if the policy units had been priced correctly in the first place. So we told the pension provider to pay Mr U £150.

We also told them to pay him £100 to recognise the upset and inconvenience their mistake had caused.



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My client's complaint doesn't involve much money. But I think it's more about the principle. What do you suggest?

If we feel that something's gone wrong, our starting point is to look at what would otherwise have happened. And this may not even involve financial compensation. In fact, around one fifth of all the

problems we hear about are put right without money – for example, by getting someone's credit file corrected, or simply by helping someone understand a complex technical issue.

Recognising the wider impact of when something's gone wrong makes the difference between tick-box compliance and really good customer service.

I work in a community advice centre and one of my clients is having problems with bailiffs. Is this something the ombudsman can help with?

There can be confusion about the difference between bailiffs and debt collectors. When someone hears from a bailiff, it's generally because they owe things like council tax, energy bills or rent. These aren't related to financial services – so we're not the right people to help.

On the other hand, if your client's debt relates to financial services – for example, if they've taken out a loan, bought furniture on finance or a car on hire-purchase – it may be a debt collector they've heard from. If it is, we should be able to look into the problem.

Otherwise, your client needs to complain to the organisation they owe money to – such as their local council. If this doesn't resolve the problem, a different ombudsman may be able to help – for example, the local government ombudsman.

You've recently been in touch asking if I'll consent to your looking into a complaint against my business. We rarely have complaints referred to you – and I'm sure that didn't happen last time. Is this new?

You'll already know there's a six-month time limit for your customers to bring their complaints to us once you've given your final response.

This limit hasn't changed. But some of the rules around it altered from 9 July 2015, when an EU directive on complaint handling came into force. Before that date, we'd look into a complaint brought to us by your customer after six months unless you objected.

But now, you'll need to give your consent in these cases.

The "DISP" rules – in the FCA's handbook – give some model wording that businesses have been using in their final responses since 9 July 2015. Of course, some final responses we're still receiving will have been dated before then – and we'll need to go back to the business to check in these cases.

Many businesses are happy for us to look into complaints even when they're technically too late. By showing that you want to listen to your customer and help them with their concerns – we believe you can stop a relationship breaking down.

And we can look into a complaint that's been referred to us after six months if there have been exceptional reasons – like serious illness – for why someone hasn't been able to get in touch over that period.

