

how we handle disputes between businesses and consumers

This quick guide is for businesses that provide financial services and don't usually have much direct contact with the Financial Ombudsman Service. It briefly outlines how we handle disputes and it explains how you can get more information about us.

does the ombudsman service get involved in every complaint?

Only around one in six of all the initial complaints we receive at our customer front-line go on to become cases we take on and investigate.

The ombudsman service won't consider a complaint until the business complained about has had the opportunity to deal with it first. So if a consumer comes to us *before* complaining direct to the business concerned, we'll refer the complaint back to the business for it to resolve. Some of the other complaints we receive are ones we can sort out very early on, without the need for any detailed investigation.

so when can you step in?

If a complaint needs further work by the ombudsman service, it is referred on by our customer front-line – to be looked at by one of our adjudicators. At this stage, the complaint becomes a “chargeable” case. However, all businesses are entitled to a number of “free” cases. Currently your business will pay a case fee only for the fourth (and any subsequent) case. There is no fee for the first three complaints. Case fee arrangements are reviewed each year and may be subject to change.

How we allocate and prioritise cases depends on the number and type of complaints that consumers refer to us. We are seeing a continued high level of complaints in many areas, but we aim to settle most disputes within six to nine months.

what happens when an adjudicator starts work on a case?

Our approach depends on the facts of each individual case. But generally, we will first try to settle the dispute informally through mediation or conciliation. This can be quicker and more efficient than a formal investigation. Often, just by taking a fresh look at the facts – and identifying and agreeing the key issues as we see them – our adjudicators can come up with a solution that satisfies both sides.

An informal approach to settling a dispute at this stage might involve our contacting you and/or the consumer by phone, to suggest a way forward or to clarify the facts and issues involved. If we are unable to resolve the matter over the phone – or if the nature of the case makes a written explanation more appropriate – we will confirm our position in writing, giving the adjudicator's view of the case and setting out how, in the adjudicator's opinion, the case should be resolved.

what approach do you take in settling disputes?

We generally settle complaints on the basis of the paperwork that you and the consumer send us – rather than having face-to-face meetings. So it is important that, when we ask for it, you send us all the relevant information promptly. We'll ask you to set out clearly your view of the complaint and why you do not think it should be upheld. If you would like to discuss the details of the complaint, you can contact the adjudicator by email, phone or letter.

Our decisions are based on what we believe is fair and reasonable in the circumstances of each particular case. This includes taking into account the law, codes of practice, and regulatory rules and guidance that applied at the time.

Where the two sides of the story seem to be at odds, or the evidence is contradictory, we make decisions on the basis of what we believe is more likely to have happened, on the balance of probability – just as a civil court would do.

what if we don't agree with the adjudicator's view?

In most cases, both sides accept the adjudicator's findings and the complaint is then settled. If you don't understand any part of the procedure, or you disagree with a view we have put forward, you should discuss matters in the first instance with the adjudicator working on your case.

Don't hold back your facts and argument for later. Your adjudicator will have seen many very similar cases before – and will have a very good idea of how the ombudsman would be likely to view your case.

In around one in ten cases, either the business or the consumer asks for a review and final decision by an ombudsman. This is also the stage where any request for a hearing would be considered.

when does an ombudsman get involved in a case?

If an ombudsman becomes directly involved in a case, he or she will carry out an independent review of the complaint before issuing a final decision. If the consumer accepts an ombudsman's decision within the time limit specified by the ombudsman, both you and the consumer are bound by the decision. Otherwise, the business is not bound – but the consumer remains free to take court proceedings against you, if they wish to do so.

A final decision by an ombudsman is the end of our complaints-handling process. Neither the business nor the consumer can appeal against an ombudsman's decision by going to another ombudsman. So don't wait for an ombudsman's decision and *only then* send us your arguments. You need to have raised all your points before this stage, and we will give you – and the consumer – plenty of opportunity to do this.

how can I get more information about the ombudsman?

There is useful information on our website – including news and updates, a series of *quick guide* factsheets (like this one), and an online information resource specially for smaller businesses (www.financial-ombudsman.org.uk/faq/smaller_businesses.html).

Our guides for businesses give a more detailed description of our complaints-handling process. All our publications for businesses can be downloaded from our website (or phone our publications helpline on 020 7964 0092).

We also publish a regular newsletter – *ombudsman news*. This includes case studies and feedback based on recent complaints, as well as articles and background briefings on a range of topics. If you're trying to track down how we may have handled a similar type of case in the past, the "search" facility on our website will help you to look through previous issues. If you would prefer to receive the printed version of *ombudsman news*, just call our publications helpline on 020 7964 0092 and we'll add you to the mailing list – free of charge.

is there someone I can talk to about the general approach that the ombudsman takes?

Our **technical advice desk** is a free dedicated service for businesses, providing information on complaints-handling matters and on how the ombudsman service might view specific issues. Drawing on our many years of experience settling financial disputes, we can help businesses resolve complaints more effectively themselves at an early stage – often avoiding the need for complaints to be referred formally to the ombudsman service. We also organise and speak at a wide range of seminars, conferences and workshops. You can call our technical advice desk on **020 7964 1400** (or email technical.advice@financial-ombudsman.org.uk).

This quick guide gives general information only and is correct at the time it was published. It is not a definitive statement of the law, our approach or our procedure.

© Financial Ombudsman Service Ltd, February 2010
(ref: QG7 / E233f)