

# Annual Review

of consumer complaints about

insurance ■ credit ■ banking ■ savings ■ investments



Financial  
**Ombudsman**  
Service

■ financial year 2010 | 2011 ■

## key facts about the Financial Ombudsman Service

- We were set up under the *Financial Services and Markets Act 2000* to resolve individual disputes between consumers and financial businesses – fairly, reasonably, quickly and informally.
- We can handle complaints about a wide range of financial and money matters – from insurance and mortgages to investments and credit.
- If a business doesn't resolve a consumer's complaint, we can step in to settle the dispute. But the business must have the chance to sort things out itself first.
- We are independent and impartial. When we decide a complaint, we look carefully at both sides of the story and weigh up all the facts.
- If we decide a business has treated a consumer fairly, we explain why. But if we decide the business has acted wrongly, we can order matters to be put right.
- Our service is free to consumers.
- Consumers do not have to accept any decision we make. They are free to go to court instead. But if they accept an ombudsman's decision, it is binding on both them and the business.
- We do not write the rules for businesses providing financial services – or fine them if rules are broken. That is the job of the regulator.
- Best practice in complaints handling includes learning lessons when disputes have arisen. So we also have a crucial role in sharing insights from the complaints we see. This gives consumers greater confidence in financial services – and helps businesses prevent future problems by learning from situations where things have gone wrong.

# key figures about the Financial Ombudsman Service

- We handled 1,012,371** initial enquiries and complaints from consumers – around 4,000 each working day.
- Around **1 in 5** of the initial consumer enquiries we received turned into a formal dispute requiring the involvement of our adjudicators and ombudsmen – a record **206,121** new cases, up **26%** on the previous year.
- 51%** of new cases were about the sale of payment protection insurance (PPI), with the number more than doubling to **104,597** – the highest number ever received in a year about a single financial product.
- The number of investment-related complaints dropped by **30%** and banking complaints fell by **9%**.
- 51%** of the total number of cases we dealt with related to **4** financial services groups – while **3,592** businesses accounted for just **5%** of our caseload.
- We resolved **164,899** cases – fewer than planned, because of the legal action taken against us on PPI complaints (see page 40).
- Our involvement resulted in compensation for consumers in **51%** of complaints.
- We resolved almost half of all disputes (apart from PPI) within three months and three quarters within six months.
- We operated on a cost-base of **£106 million** with an average staff of **1,300**.
- We provided information and handled enquiries in **49** different languages and formats – from British Sign Language to Sinhala, mpeg to Braille.
- We took part in over **200** seminars, roadshows, exhibitions and events.
- We handled **675** parliamentary enquiries and **16,706** calls to our technical advice desk.
- We featured in **5,500** articles in the media – and **78%** of adults in the UK said they were aware of the Financial Ombudsman Service.

All figures relate to the financial year 2010/2011.

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# an overview of how we handle cases

**1,012,371 initial enquiries  
and complaints**

handled by our  
customer-contact division

*(see page 18 for more details)*

**206,121**

**new cases**

referred to our adjudicators  
and ombudsmen for further  
dispute-resolution work

*(see page 25 for more details)*

**147,434 cases resolved  
by our adjudicators**

through mediation, recommended  
settlements and adjudications

*(see page 62 for more details)*

**17,465 cases resolved  
by our ombudsmen**

making formal decisions at  
the final “appeal” stage of our  
dispute-resolution process

*(see page 63 for more details)*

All figures relate to the year ended 31 March 2011.

by the end of the financial year  
we had received **a record**  
**206,121** new cases –  
**8.5%** higher than expected  
and **26%** more than  
in the previous year

Sir Christopher Kelly KCB

# chairman's foreword



**This is my last *annual review*.** I will be stepping down from the board in January 2012, when my term of office comes to an end. It has been a privilege to serve as chairman of the Financial Ombudsman Service, especially during such a period of change and challenge in financial services.

As I look back over my recent chairman's forewords, a common feature is that I have had to comment on a marked discrepancy between what was expected at the outset of the period under review and what actually happened as that year progressed. This is evidently the case again this year.

So many different external factors can affect the volume and nature of the complaints referred to us that predicting our workload with any degree of certainty is near to impossible. The ombudsman service – like any demand-led organisation – has to make some assumptions in order to plan. But we also need to build in a degree of flexibility in order to deal with unforeseen events.

Consultation with our external stakeholders at the start of 2010 indicated a broad consensus that we were likely to see an overall rise of between 15% and 20% in the number of new cases coming to us in the financial year 2010/2011. There was, however, a great deal of uncertainty about how many complaints we would receive about payment protection insurance (PPI). Based on this consensus, at the start of 2010/2011 we were geared up to receive around 190,000 new cases overall, significantly more than the record number of 163,000 we had received the previous year.

As predicted, we did indeed see an increase in the number of cases we received. With a record total of 206,121 new cases (26% more than last year), this increase was 8.5% higher than had been expected.

However, what no one had foreseen was that, by the end of the year, new PPI cases would account for 51% of the overall total. There had been a hope at the start



## chairman's foreword

of the year that PPI cases would level-off, following regulatory guidance on how businesses should handle these cases. In fact, PPI numbers more than doubled. This inevitably had a significant impact on our operations during the year, as we detail later in this *annual review*.

Overall during the year we settled and closed 164,899 cases – a very similar number to the previous year, but fewer than we had planned. This is attributable in large part to the situation with PPI complaints. In October 2010, at a time when we were already receiving record numbers of these complaints (40% more than forecast), the British Bankers' Association (BBA) launched a legal challenge on behalf of a number of high-street banks. This challenge, in the form of a judicial review, related to guidance published by the Financial Services Authority (FSA) on handling PPI complaints and to information on our own website about our approach to PPI cases.

Judgment was handed down by the High Court at the end of April 2011 – endorsing our approach, and that of the FSA, to handling PPI complaints. Just as this *annual review* was going to print, the BBA announced that it did *not* intend to appeal this judgment.

As we describe elsewhere in this *annual review*, this legal action against us has led not only to exceptionally high volumes of PPI complaints, but also to growing numbers of cases where the banks behind the challenge have decided not to co-operate fully with us. This has made it impossible for us to progress these complaints as quickly as we would like. It has therefore led to a regrettable reduction in our service levels in these PPI cases, as well as to additional costs.

In other areas of our casework, life has continued as normal. It has been a key part of our strategy to ensure that the situation with PPI cases does not adversely affect other aspects of our operations. The success of this strategy is seen most clearly in the figures showing a marked improvement in the timeliness of our complaints handling for cases *other than* PPI.

## chairman's foreword

I stressed in last year's *annual review* that we were committed to reducing the length of time that consumers and businesses have to wait in order to get their complaints resolved. Much hard work has gone into improving this key area of our customer service over the past twelve months and we are now resolving almost half of cases (other than those about PPI) within three months. There is, of course, still a long way to go before we reach the position we would like to be in. We are determined to improve our timeliness still further in the coming year.

In last year's *annual review* we noted the trend we were beginning to see, across all areas of our casework, for cases to be harder-fought and less capable of being resolved at an early stage. We thought this was likely to continue this year. We also expected an increase in the number of more complex cases. We were not, however, expecting so significant an overall change in the proportion of cases that can be resolved informally, compared to those that can only be resolved with an ombudsman's final decision.

What has happened is that the proportion of cases that involved an ombudsman's final decision has risen from 8% in 2008/2009 to 11% in 2010/2011 – with the actual number of ombudsman decisions increasing by 63% in the last year. There has been a significant shift towards cases that are more complex, as well as a marked acceleration in the tendency for both parties in a dispute to resist attempts at conciliation and to pursue matters through to the very end of our process.

This trend – together with the additional costs of dealing with exceptional volumes of PPI cases and the operational challenges and uncertainties arising out of the BBA's judicial review – has resulted in our facing increased case-handling costs. The unit cost for the year rose by 15% to £639. We have taken action to increase our efficiency, absorb inflationary pressures and cut our operating costs – and our budget unit-cost next year is below £600.

## chairman's foreword

A consequence of these pressures has been that despite the cost-cutting measures we took, we were unable to break even during the year – and our financial reserves fell by £7 million. Because of the continued operational uncertainties on PPI-related matters, my board agreed in March 2011, following public consultation, that it was prudent to increase our reserves for 2011/2012 by £25 million – as a contingency against the costs involved in managing the growing volatility and unpredictability we face. This was subsequently approved by the FSA. There is more information about our budget and reserves in the feedback statement we published on our website in March 2011.

We noted in our last *annual review* that we cannot assume the “operating model” that served us so well in our first decade will be best suited to our users’ needs in the years ahead. Our experience during 2010/2011, as indeed throughout our first decade, indicates very clearly that, for the ombudsman service, uncertainty and volatility is the norm – not the exception. So this past year has been a very important one in the continuing process to ensure our structure is fit for the future, to enable us to handle whatever may be in store for us.

Natalie Ceeney, our chief executive and chief ombudsman, had only very recently been appointed at the time of last year’s *annual review*. Since then she has made very considerable headway in reviewing how we operate. This has included implementing a number of important initiatives and, as she outlines in her report on page 12, examining how we will need to adapt and develop to keep pace with our users’ needs.

The regulatory structure around the Financial Ombudsman Service has also been subject to review during the year, with the government making reform of financial regulation one of its priorities. I am pleased that as part of that regulatory review, the government has confirmed its intention that the ombudsman service should remain independent, with a role clearly distinct from the regulator.

We will, of course, continue to work closely with HM Treasury, the FSA and – in due course – the new regulators, on issues that might affect our work.

Towards the end of the year we made a number of changes to our non-executive board of directors. I am pleased to welcome Dame Janet Gaymer, Alan Jenkins and Pat Stafford. All three were appointed to the board with effect from February 2011. I am grateful to John Howard, who stood down from the board, for his contribution during his period of office.

The ombudsman service has always placed considerable importance on providing information, in a variety of different ways, about the complaints we see and the work we do. The past year has seen a greater increase than in any year so far in the amount of data we have made available.

We have, for example, doubled the information on our website about our general approach to resolving complaints. During the year we started publishing quarterly snapshots of our latest complaints data, in addition to the six-monthly complaints data about named financial businesses that we have been publishing since 2009. Our directors' report, which will be published in the summer along with our audited financial statements, will also contain increased management and financial information.

The feedback we have received is encouraging and suggests that, far from overwhelming our stakeholders with information, we have created an appetite for more. So I am confident that this *annual review* contains much to interest our stakeholders. It offers more information about our work and its impact than in any previous year. It also records a year of exceptional challenge and important achievement.



**Sir Christopher Kelly KCB**

May 2011

# chief ombudsman's report



## chief ombudsman's report

**I wrote my chief ombudsman's report** last year after being in post for less than two months. I have now completed my first year, and I can report on a very busy – but successful – twelve months for the Financial Ombudsman Service.

The year marked our first decade of operations as the single ombudsman scheme, covering consumer complaints about virtually all aspects of personal finance. The world has changed a great deal over these last ten years. And not surprisingly, so have we.

What is very clear is the extent to which consumers and businesses alike now expect to be able to engage with institutions – and those in authority – in a personalised and easily-accessible way. We all expect issues to be resolved quickly, with a high level of professionalism and customer service. These expectations apply as much to the ombudsman service as they do to any other organisation or institution.

One of my priorities over the last year, as the new chief ombudsman, has been to re-examine our “operating model” – the way in which we plan for and resource the work we are required to carry out. The existing model has worked successfully for us over the last decade – but we need to adjust it to meet the scale of our current operation and the challenges now facing us.

A major issue has been to make sure that our organisational infrastructure is appropriately designed and resourced. As a demand-led service, we need to be ready to respond to whatever complaints come our way – with significant variation in the numbers and types of disputes we are called on to resolve. This can require variable numbers of staff – with different sets of professional skills and knowledge.

Unfortunately, we have not had the luxury of a “normal” year in which to plan ahead and re-design the service for the future. In fact, the year has been the busiest in our ten-year history. We have received more calls to our front-line consumer helpline than ever before. And even though we have been able to resolve four out of five problems and enquiries at this early stage – by giving general advice and guidance to over

## chief ombudsman's report

800,000 people on what to do next – we have still had more consumers come to us with formal unresolved disputes than in any previous year. The details are on page 25.

As we describe elsewhere in this *annual review*, our workload this year has been dominated by one type of case – complaints about the sale and suitability of payment protection insurance (PPI). This issue has now been with us for a number of years. We recorded the first substantial increase in the number of PPI cases in our *annual review* for 2007/2008 – at which point the volume of cases had increased six-fold. We subsequently told the Financial Services Authority (FSA) formally about our concerns over how financial businesses were handling PPI complaints.

We have not been the only body concerned with this issue over the last few years. Commentators and consumer groups have also raised concerns over how PPI has been sold. And regulators have taken action, so that PPI cannot now be sold in the way it was in the past. The ombudsman is not a regulator. Our role is to resolve individual disputes between consumers and financial businesses. And the challenge for us has been to deal with the 57-fold increase in volumes of complaints about PPI over the last four years.

The ombudsman service has considerable experience of dealing with substantial volumes of complaints. And we started the financial year 2010/2011 prepared to scale up our operation – ready to deal with an increase in the number of PPI cases, if they were referred to us. But our flexible “operating model” fundamentally relies on our being able to resolve disputes between two parties (the business and the consumer) who both want to *co-operate* in resolving their dispute.

In the autumn of 2010, the British Bankers Association (BBA) launched a judicial review – on behalf of a number of high-street banks – against the FSA and the Financial Ombudsman Service. While awaiting the outcome of this legal challenge, some businesses said they would continue to handle PPI complaints as usual. But other businesses have effectively stopped handling PPI complaints in the normal way.

## chief ombudsman's report

As the chairman has pointed out in his foreword, this has resulted in progress on most PPI cases slowing significantly – as well as to additional costs. As major businesses reduce the effort they put into resolving their customers' PPI complaints, it has also led to further record volumes of unresolved PPI cases being referred to us.

Just over half of our workload this year has involved the single product, PPI. But we have also continued to see – and resolve – as wide a range of complaints as ever, involving issues from debt and financial hardship to pension draw-down and asset allocation. On later pages of this *annual review* we focus in more detail on some of the trends we have seen over the year across all areas of our insurance, banking and investment casework.

An inevitable feature of life at the ombudsman service is that we see where things have gone *wrong* – but not usually where things have gone *right*. So it might be worth highlighting, for example, just *how few* complaints we received this year about travel insurers, after the Icelandic volcanic ash-cloud disrupted travel and holidays in April and May 2010.

The widespread expectation had been that we would need to gear up to deal with thousands of ash-related travel-insurance disputes. But fortunately, these disputes never happened on that scale. Instead, the majority of travel insurers extended cover to their customers where travel policies may have been ambiguous – and sorted out problems quickly with their customers where they arose.

The level of complaints about financial businesses has been widely commented on during the year. Complaints are, of course, a good indication of how well or badly businesses are treating their customers more generally. We started publishing six-monthly complaints data relating to individual businesses in 2009. We also publish complaints data relating to financial products each quarter – showing the number of complaints we receive, and the number we uphold, for around 60 different financial products.



## chief ombudsman's report

Making this information publicly available is having a positive impact. It raises awareness of how different businesses handle complaints. And it encourages senior managers to take complaints handling more seriously.

Aside from PPI, we have seen some encouraging signs of improvement during the year in the way some businesses are handling complaints. Complaints about a number of products *other than* PPI have now started to fall. This is especially encouraging, given the tough economic climate and the financial difficulties experienced by increasing numbers of consumers. I am sure it is proof of a real commitment to better complaints handling and improved customer service at some financial businesses.

From my own discussions over the year with the heads of major banks and insurers, I know that many businesses are now putting high-calibre senior managers in charge of their complaints teams – and that they are aiming to reduce both the number of front-line complaints they receive and the proportion of unresolved disputes that are then escalated to the ombudsman service. This is very welcome news – and something we actively support through the work we do to help businesses improve their complaints handling. There is more information about this on page 122.

Our role is to ensure that the complaints we receive are resolved fairly and impartially and as quickly as we are able. Over the last year we have made significant improvements to the way we work, so that we can offer the service that customers now expect, on the scale at which we now operate.

One of our priorities has been to resolve complaints more quickly. As the chairman notes in his foreword, there has been a marked improvement over the year in the timeliness of our complaints handling. This means that we resolved almost half of cases (other than those about PPI) within three months. We have also recruited additional ombudsmen, to help with the significant increase in the number of cases requiring an ombudsman to make a final decision as the last “appeal” stage of our process.

## chief ombudsman's report

Another priority has been to look at how we can operate more efficiently – even more pressing in today's austere economic climate. By streamlining our operational processes, re-examining how we use contractors, and reviewing all of our suppliers, we are already well on the way to cutting our cost base by 10%. We are using these savings in two ways – first, to keep our costs down, and secondly, to invest in our people and service.

As well as new investment in technology, we want to invest in the professional development of our staff. This is why we have ear-marked the cost savings we have already made, to fund enhanced training and development for our staff. We believe that by helping people develop their careers at the ombudsman service, we will be able to retain staff longer, strengthen their levels of expertise, and increase our reputation for excellence and professionalism.

At its heart, professionalism is about commitment to constant development and improvement. The priorities we have set ourselves for the coming year – described in *our plans for a changing world* which we published in March 2011 – reflect our ambitions to make sure we can offer an excellent service to *all* our customers, businesses and consumers alike.

As well as working to improve our own service, we will continue to engage with stakeholders – including financial businesses, claims-management companies and consumer groups – to help them resolve issues themselves where possible. This is because what we are here for – and what I hope will be evident from this *annual review* – is *both* to settle disputes *and* to share what we see from those disputes, to help prevent future problems.



**Natalie Ceeney CBE**

May 2011

# the complaints we received



## the complaints we received

### our consumer helpline

Our customer-contact division runs our consumer helpline – for enquiries by phone, letter and email. In the financial year 2010/2011 the number of people contacting us – with questions, concerns and complaints about the way they had been treated by financial businesses – continued at record levels.

We handled a record **1,012,371** initial enquiries and complaints during the year – a 9% rise on the previous year and a 61% increase on the number we dealt with four years ago.

This means that each working day during the year our customer-contact division dealt with a record 4,000 phone calls and items of new mail from consumers.

The consumer helpline is the first port of call for everyone who phones the ombudsman service on one of our two easily-memorable “non-geographic” numbers – 0300 123 9 123 and 0800 023 4567. Consumers can choose which number they prefer – depending on which is more convenient for them personally and which is cheaper (or in many cases free – subject to their own phone tariff).

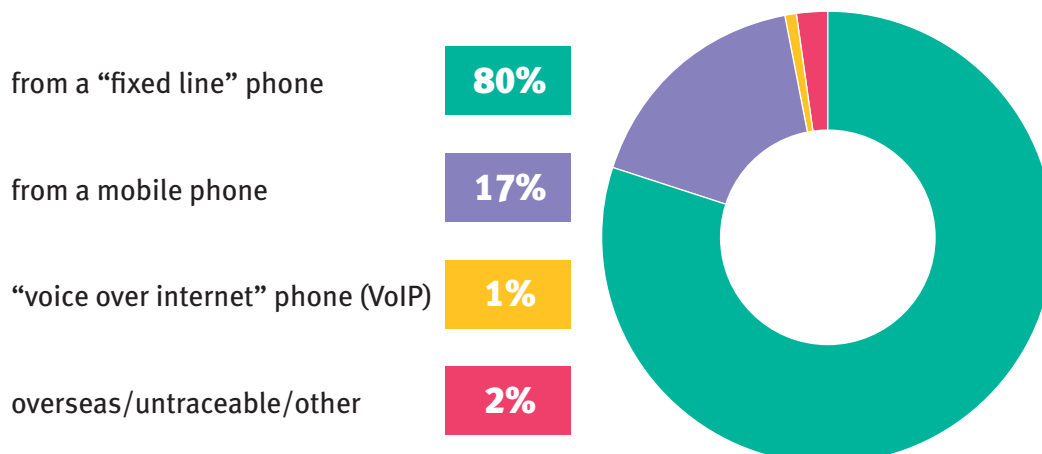
In our customer research carried out over the year, 96% of people said that they had no problem finding our contact details.

### how do people phone the ombudsman service?

During the year we saw a 13% increase in calls to our consumer helpline from mobile phones. 1,014 people phoned us from payphones (0.2% of all phone calls). We continue to remind these callers that we are happy to phone them back, if they are worried about the cost of calling us.

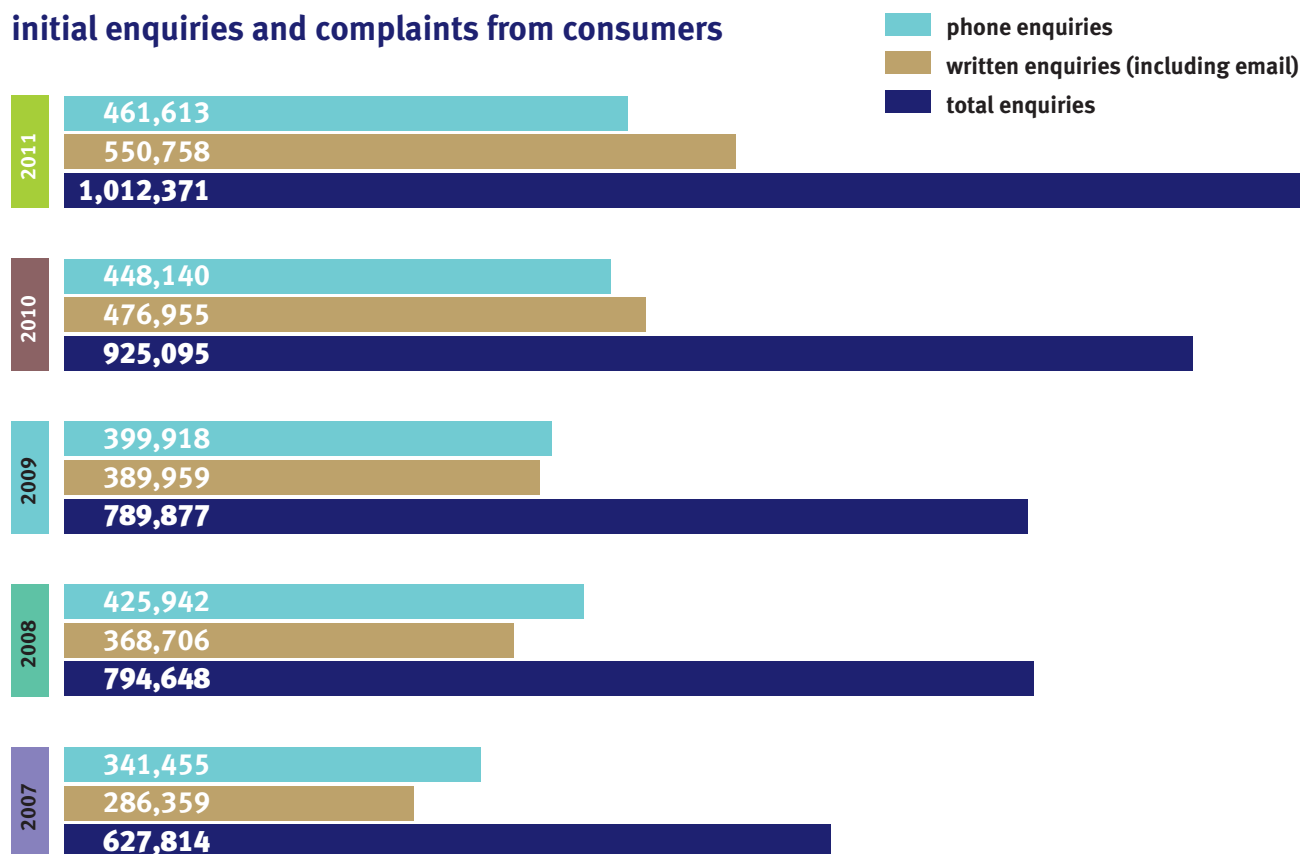
One of our service standards is to answer 80% of phone calls to our consumer helpline within 20 seconds. This is a widely-accepted standard for organisations dealing with the volume of phone calls that we handle. During the year we answered 77% of calls within 20 seconds – meaning we just missed our target. This was largely as a result of dealing with the 9% increase in phone calls and new mail. However, 97% of consumers surveyed during the year said their calls to us were answered promptly.

Peak times for phone calls are generally on Mondays between 10am and noon. We use call-centre software and planning tools to help manage surges of calls throughout the day. This means that the moment the volume of incoming calls increases – often in response to coverage on broadcast media – those of our helpline advisers who are dealing with written rather than phone enquiries are alerted to log-on to the phone system and start taking calls.



# the complaints we received

## initial enquiries and complaints from consumers



year ended 31 March

### online contact

While many prefer to phone us and talk through their enquiry personally, growing numbers of consumers access the information they need straight from our website.

Our website – [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) – recorded a monthly average of 225,000 visits (210,000 in the previous year). The busiest time on our website is late morning on weekdays. However, people use our website round the clock, 365 days a year, to send us emails and register complaints online.

537,774 complaint forms were downloaded from our website during the year – a 23% increase on the previous year. This increase largely resulted from the rise in complaints about payment protection insurance (PPI) (see page 40) – with 214,140 PPI consumer questionnaires

downloaded from our website since April 2010, when we launched this form to help streamline the handling of this type of complaint.

The other most-visited pages on our website were:

- Our various online videos – watched by 55,756 people.
- Our news page (with 143 news updates added during the year).
- Case studies from the online version of our newsletter, *ombudsman news*.

Over 500 organisations now link from their websites to ours – ranging from the BBC to the Cornish Community Banking credit union, and from Cancer Research UK to the Silver-Surfers Guide. There is more information about the people who visit our website on page 110 of this *annual review*.

“...55,756 people watched our various online videos”

## the complaints we received

### how we handle initial enquiries and complaints

The front-line advisers on our consumer helpline deal with all initial enquiries and complaints – giving general advice and guidance on what to do if consumers have a complaint about a financial product or service.

Our advisers are trained to make their own decisions about how to handle each individual call – tailoring their response accordingly in each case. Their aim is to sort out as many enquiries, problems and concerns as possible at an early stage – without needing the more formal involvement of an adjudicator or ombudsman.

The work of our consumer helpline includes:

- explaining the official complaints procedure, set out by the Financial Services Authority (FSA), which financial businesses have to follow;
- confirming the details of the person consumers should complain to at a business, if they haven't already done this;
- forwarding complaints direct to the relevant businesses – for them to deal with in the first instance, under the FSA's complaints-handling rules;
- directing consumers to other appropriate complaints bodies, helplines and websites;
- providing the facts and information that empower people to resolve problems *themselves*;
- offering practical suggestions on sorting things out informally – without needing to escalate the matter as an official complaint; *and*
- giving an early steer on the likely outcome of a complaint, from our informed independent viewpoint.

If we do not think it would be helpful or productive for a consumer to pursue a grievance further, we explain why we believe this. We also provide impartial guidance on any redress already on offer. But equally, if we think there is a genuine case to pursue, we will reassure anyone who seems intimidated by the process of complaining.

### making it easy to contact us

Our research throughout the year suggests that there are certain groups of consumers who are more likely to find formal complaint procedures off-putting. The range of people who contact our consumer helpline broadly reflects the diversity of the population at large. It is clear, however, that some consumers are more likely than others to pursue complaints to the next stage (either against a financial business or as a dispute referred to the ombudsman service).

Younger consumers and people from lower socio-economic groups are generally less likely to pursue a formal complaint following initial contact with us. This may relate to the type of financial products involved in these cases – as well as to a range of socio-economic and behavioural factors. We have carried out research in this area – and highlight some key findings on pages 76 to 113.

We are committed to identifying and, wherever possible, removing barriers that may unfairly prevent particular consumers from using our service. As part of this commitment, we have put in place a team of specially-trained front-line advisers to work with more vulnerable consumers who might otherwise struggle with forms and procedure.

## the complaints we received

During the year this team worked on cases involving:

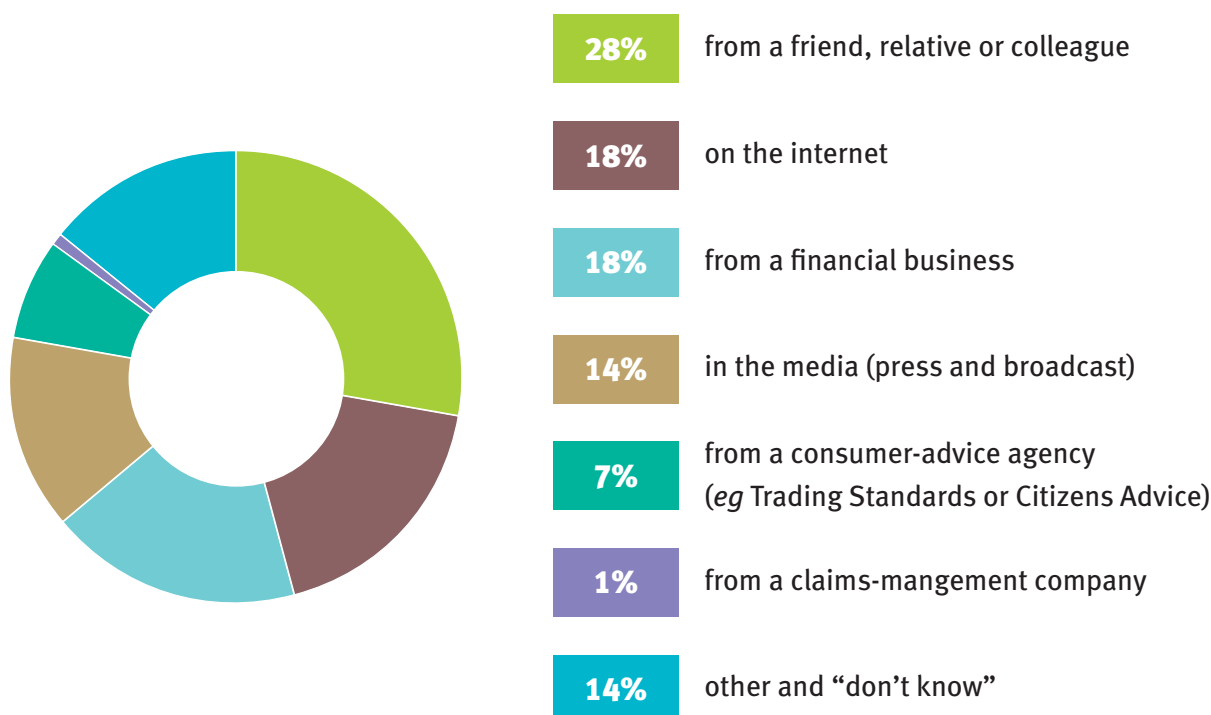
- *A widow in her nineties who was hard-of-hearing and lived alone.*  
English was her second language and she was struggling to make sense of the forms and paperwork as part of her complaint. She was nervous of strangers and cautious about answering the phone, if she did not know who was calling. We arranged for the same casework adviser to phone her at the same time every two weeks – to give her a regular update on what was happening on her case. The consumer felt secure, knowing that she would be speaking to the same person – who understood her difficulties and could explain things for her, slowly, clearly and step by step.
- *A consumer with cognitive impairment as a result of a severe head injury sustained while on active service overseas.*  
We arranged for him to receive letters in the format he requested – large print on specially tinted paper.

There is more information about our accessibility and diversity work on page 89 of this *annual review*.

Our aim is to make our process as easy and straightforward as possible – and more accessible and user-friendly than the courts. But making it easier for people to tell us their side of the story – without feeling confused or intimidated – does not make us a consumer champion. We are just as concerned to reduce hurdles for smaller businesses – who also tell us that they want as little red tape and bureaucracy as possible.

This means a key challenge for us is to work proactively to ensure no one is disadvantaged in bringing a complaint to us – while at the same time emphasising our impartiality. “Impartial” means we do not “side” with anyone.

### how did consumers who contacted our helpline first hear about the ombudsman?



## the complaints we received

The concept of “impartiality” can be difficult for some of our customers to accept. But it is an important part of our work to manage expectations realistically – and to set out clearly what we *can* and *cannot* do. This includes explaining time limits and restrictions that may apply. We are also very clear that we are *not* the regulator – and that our work does not involve punishing or fining businesses.

Consumers who contact our helpline at this stage to ask for initial guidance – rather than to refer an actual complaint – are 43% more likely to have first heard about us through word of mouth than consumers who pursue a formal complaint with us. However, the chart on page 82 shows that consumers who refer complaints to us formally are more than twice as likely to know about us through the media.

### the value of our early involvement

Feedback from our customer research shows that our approach to initial enquiries and complaints is clearly valued by the consumers who contact our consumer helpline. During the year:

- 95% of people who contacted our helpline said they were given a clear explanation of what would happen next with their complaint; *and*
- 91% felt that the consumer adviser they spoke to knew enough to answer their questions.

As a result of our focus on resolving as many enquiries as possible at this early stage, only around one in five potential complaints raised with our consumer helpline during the year went on to become a case needing the more formal involvement of an adjudicator or ombudsman.

Each year we commission independent research to find out more about what happened next to the four out of five consumers who contacted us initially on our helpline – but then never returned with a formal complaint.

The latest survey shows that of these consumers, 45% were subsequently able to resolve their problem themselves, without needing further help from the ombudsman service (44% in the previous year).

- 92% of these consumers felt it was our early involvement that had helped them to sort things out satisfactorily at this early stage (85% in the previous year).

Of the 55% of consumers who were *not* immediately able to resolve their problem themselves, after contacting our helpline for initial help and guidance:

- 73 % said they had continued to try to sort out the problem directly with the financial business involved (and might ask the ombudsman for further help later on); *and*
- 27% said they had let the matter drop.

There was a 20% increase in the proportion of people who said they would *continue* to pursue complaints that they had not initially been able to resolve directly with the financial business involved. There is more information on page 103 about people’s attitudes to pursuing complaints – and some reasons why people say they do not do so.

“... 95% of people who contacted our helpline said they were given a clear explanation”



## the complaints we received

### meeting different needs

Our service is for everyone. We aim to be accessible and to adapt the way we communicate with our customers, to meet any particular needs people may have. This includes providing:

- An instant over-the-phone interpreting service to handle calls in languages other than English.
- Information on our website in 25 languages.
- Online video and audio content for people who prefer these formats rather than text.
- Sign language and Text Relay services (formerly known as “TypeTalk”).
- Information in alternative formats such as large print, CD/DVD and “accessible text” (sometimes called “EasyRead”).

There is more information about our accessibility and diversity work on page 89.

### other languages

During the year 1,722 consumers from 100 countries outside the UK brought complaints to the ombudsman service about UK financial services and products.

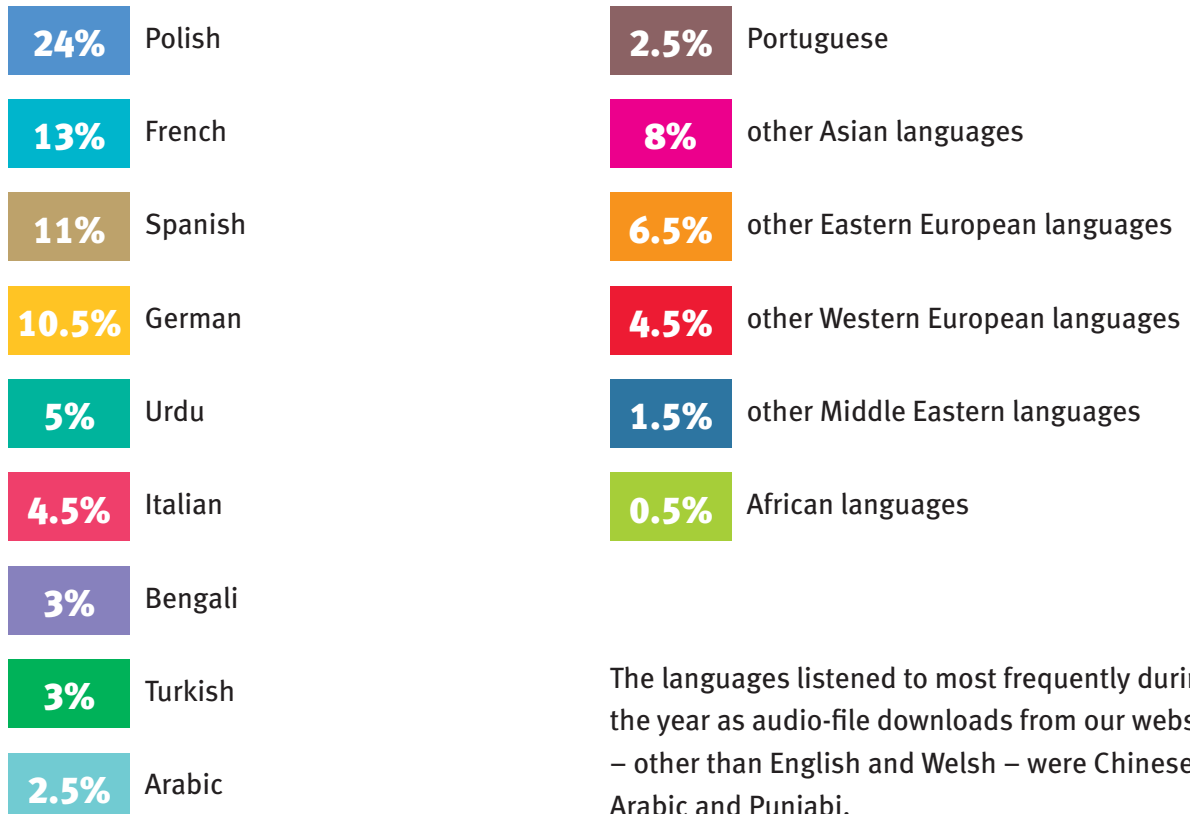
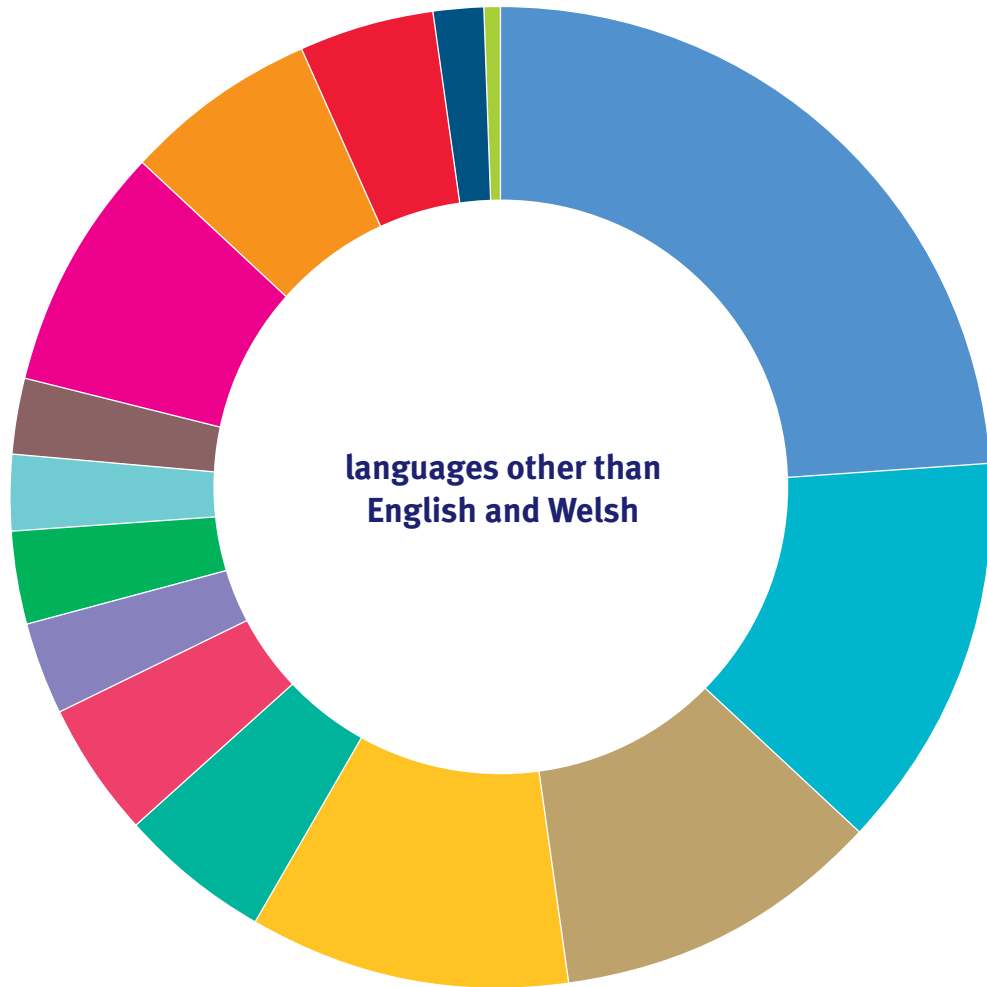
This is reflected in the demand for our interpreting and translation services, which has risen by 16% compared with the previous year – as the financial companies we cover increasingly carry out more international business with customers round the world.

1,251 cases during the year (0.75% of our overall workload) involved working in a language other than English or Welsh. In total this meant working in 49 languages. Of these cases:

- 45% involved Western European languages – from Maltese to Swedish.
- 31% involved Eastern European languages – from Lithuanian to Romanian.
- 16.5% involved Asian languages – from Sinhala to Nepalese.
- 7% involved Middle Eastern languages – from Kurdish to Hebrew.
- 0.5% involved African languages – from Swahili to Somali.

“... there was a 20% increase in the people who said they would continue to pursue complaints”

Financial Ombudsman Service  
the complaints we received



## the complaints we received

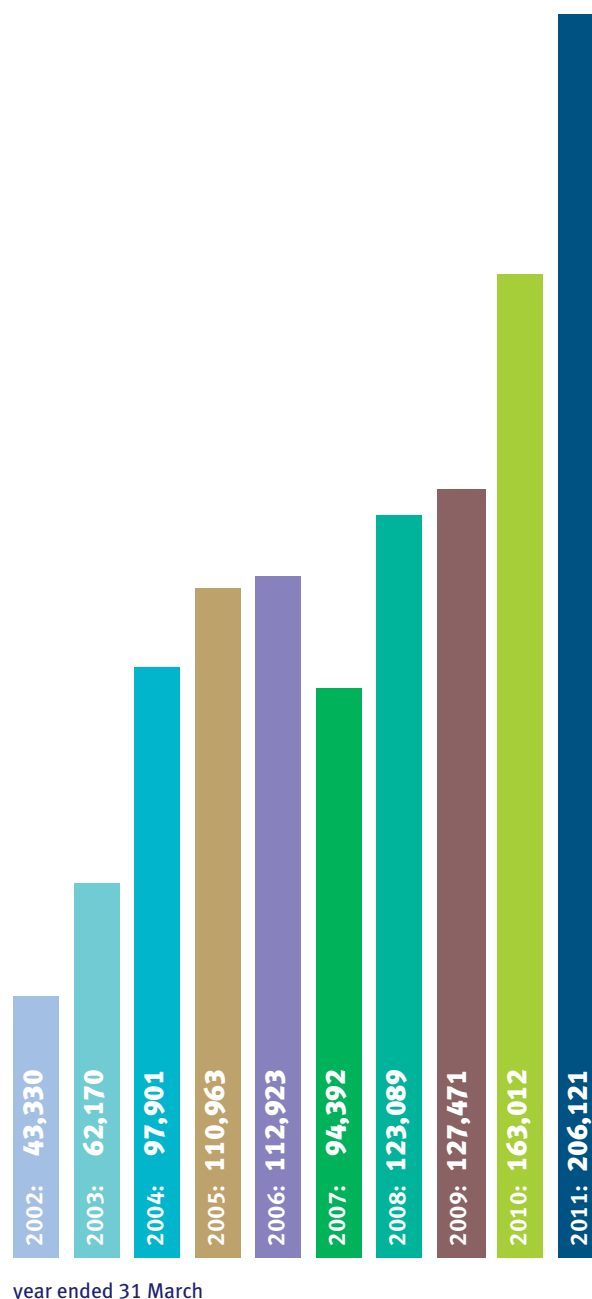
### new cases referred to our adjudicators

Where a consumer has already complained to the business they are unhappy with – and contacts us to say they are dissatisfied with the business’s final response – we ask them to complete and sign our complaint form. This gives us the basic information about their complaint – and their permission for us to look into it.

If consumers ring us up, we can guide them through the form over the phone – and then send it to them to check and sign. This is generally more efficient, because it means we can encourage people to stick to the key facts.

When we receive a completed complaint form, our customer-contact division sorts out all the paperwork and checks the details. If the complaint is one we can deal with, we accept it formally as a new case – and pass it to one of our teams of adjudicators to deal with.

Under the complaints-handling rules set by the Financial Services Authority (FSA), businesses are required to send a final response to a consumer’s complaint within eight weeks of receiving it. However, in 40% of the complaints we took on formally as new cases during the year, the businesses involved had *not* issued a final response – even though their customers had already been waiting longer than eight weeks.



“... in 40% of cases the business had not issued a final response to the consumer after eight weeks”

## the complaints we received

This figure was higher than the previous year (31% in 2009/2010). It was also significantly higher for complaints involving payment protection insurance (PPI) where – in 51% of the cases we dealt with – businesses had failed to send consumers a final response within the required timescale.

In our discussions with financial businesses, we stress how important it is for a business to respond fully to a customer’s complaint within this eight-week period set by the FSA. We would like to see as many complaints as possible resolved directly by businesses themselves at this stage.

The complaints-handling rules also require businesses’ final responses to include information about the consumer’s right to refer an unresolved complaint to the ombudsman service. During the year around one in five consumers said they heard about us from the business they complained to.

In the financial year 2010/2011, our customer-contact division referred a record **206,121** new cases to our adjudicators – out of a total 1,012,371 enquiries and complaints raised initially with our consumer helpline.

This is a **26% increase** on the 163,012 new cases recorded in last year’s *annual review* – and is the highest number of cases we have received in any year since the ombudsman service was set up in the year 2000.

The record level of new cases in the financial year 2010/2011 resulted from a 113% increase in complaints about the sale of payment protection insurance (PPI) – following a 58% increase in the previous year. There is more information about these complaints on page 40.

However, other trends during the year included the number of complaints about:

- motor insurance, consumer credit and travel insurance *increasing* by 6%, 15% and 27% respectively; *and*
- health and medical insurance, current accounts and mortgage endowments *falling* by 13%, 21% and 44% respectively.

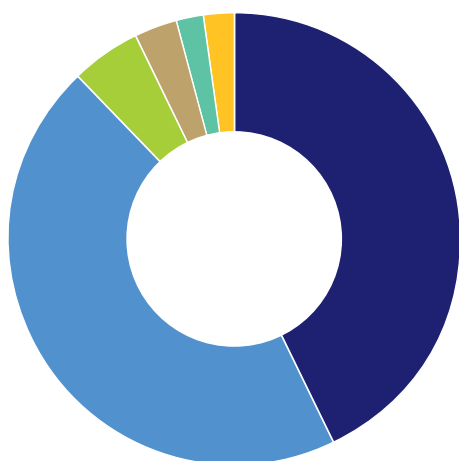
This means that since the ombudsman service was set up in 2000, we have received a total of **1,172,719** cases, of which:

- 26% have involved the sale of mortgage endowments;
- 17% have involved the sale of PPI; *and*
- 4% have involved unauthorised-overdraft charges.

“... over the last ten years the ombudsman service has received a total of 1,172,719 cases”

## the complaints we received

### who these new cases were from during 2010/2011



**43%** complaints made by consumers themselves

**45%** complaints made on behalf of consumers by commercial claims-management companies

**5%** complaints made on behalf of consumers by professionals (eg lawyers and accountants)

**3%** complaints made on behalf of consumers by friends and family

**2%** complaints made on behalf of consumers by free consumer-advice agencies (eg Trading Standards and Citizens Advice)

**2%** complaints made by smaller businesses

43% of people who used the ombudsman service during the year did so in a personal capacity as individual consumers. But people wanting to bring a complaint can appoint someone else to do this for them. During the year 5% of cases involved someone acting for free on behalf of the person with the complaint.

Over half of these cases involved people referring complaints on behalf of friends and family. A smaller number involved a wide range of professional consumer representatives and advocates, acting for free on behalf of clients. These included Trading Standards and Citizens Advice, debt counsellors and money advisers, employers and union representatives, members of parliament and councillors, and community and charity workers.

In 50% of cases referred to the ombudsman service during the year, consumers paid for the services of someone to represent them. These included professionals such as accountants and solicitors. But most of these “represented” cases involved commercial claims-management companies.

The proportion of cases we dealt with where the consumer was represented by a claims-management company increased from 28% to 45% during the year – directly as a result of the 113% increase in PPI complaints, where claims-management companies are most active. There is more information about claims-management companies on page 29.

## the complaints we received

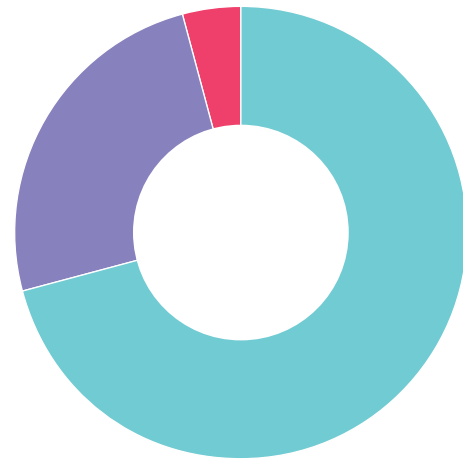
### complaints from smaller businesses

We also look at complaints brought by “micro-enterprises” – an EU term covering smaller businesses. To be able to bring a complaint to us, a smaller business must have an annual turnover of up to two million euros *and* fewer than ten employees.

The number of complaints referred to us by smaller businesses decreased by 35% during the year – from 4,758 cases to 3,093. This was exactly the size of the *increase* in the number of complaints from smaller businesses in the previous year.

The decrease in the number of complaints referred to us by smaller businesses largely reflects the fall in complaints about business banking – and in particular, about business bank-charges, which fell from 2,265 cases in 2009/2010 to 1,359 cases in 2010/2011.

The 25% of complaints brought by smaller businesses about insurance issues included cases involving commercial vehicles and property, and business protection insurance.



71%

banking

25%

insurance

4%

investment

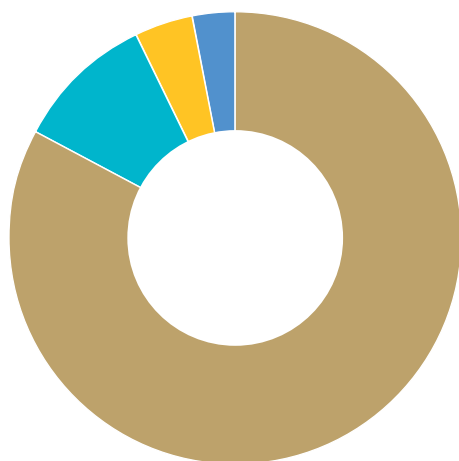
“... 15% of people who used  
the ombudsman were self-employed  
or running their own business”

## the complaints we received

However, sole traders and people running small businesses do not always register their complaint specifically as a *business* dispute, as they often see the issues as essentially personal rather than commercial. For example, 15% of people who completed our customer surveys during the year described themselves as self-employed or running their own business – far higher than the number who *formally* registered their case with us as a *business* dispute (and a 15% rise on this figure in the previous year).

During the year we continued our outreach activities with smaller businesses – including working with smaller-business trade associations and networks (including our own smaller-businesses forum), taking part in business start-up shows and similar events, and arranging targeted coverage in specialist business-to-business publications.

### cases referred by claims-management companies



**83%** payment protection insurance (PPI) complaints

**10%** credit card complaints

**4%** current account complaints

**3%** other types of complaint (including pensions, mortgages and mortgage endowments)

The proportion of complaints referred to the ombudsman service by claims-management companies on behalf of consumers rose steeply during the year – from 28% to 45% of all cases.

This follows steady year-on-year increases in previous years – and is broadly in line with the growing volumes of complaints relating to payment protection insurance (PPI), where claims-management companies are most active. 76% of the 104,597 new PPI cases during the year were brought by claims-management companies.

Seven claims-management companies accounted for 53% of all the cases we handled during the year where consumers were represented by this type of company. The other 47% of cases involved over 200 other claims-management companies.

We work closely with the claims-management regulator (a part of the Ministry of Justice), to inform it about the conduct of the companies it regulates and to tackle abuses. But we cannot handle complaints about claims-management companies ourselves.

“... we prefer to hear from consumers in their own words”

## the complaints we received

We continue to tell consumers that we do not think they need the help of a commercial third-party – such as a claims-management company or solicitor – to bring a complaint to us. We are a *free service* for consumers, but commercial companies charge consumers to bring a complaint on their behalf.

We decide cases by looking at the facts – not at how well the arguments are presented. We prefer to hear from consumers in their own words. And the outcome of cases shows there is no difference – whether consumers bring them to us themselves direct, or pay a claims-management company to complain on their behalf.

Our research shows that those who are more likely to use a claims-management company to refer a complaint to us include consumers:

- between the ages of 25 and 54 (35% of people in this age bracket are represented by claims-management companies); *and*
- from the unskilled (DE) socio-economic group (almost twice as likely to use a claims-management company as they are to bring a complaint to us directly).

On the other hand, consumers who are more likely to complain to us direct – *without* using a claims-management company – include people:

- aged under 25;
- aged over 65 (85% of whom bring complaints to us direct, rather than through a claims-management company);
- from the skilled and semi-skilled (C1/C2) socio-economic group;
- from non-white ethnic backgrounds.

The kinds of consumer who are more likely to use a claims-management company are clearly those specifically targeted by the extensive marketing and advertising campaigns run by those companies.

The kinds of consumer who show a clear preference for complaining to us directly, without using a claims-management company, are broadly the groups on which we have focused our own outreach and awareness-raising initiatives over the last few years.

There is more information about the demographics of our customers on page 76 – and about our outreach work on page 128.



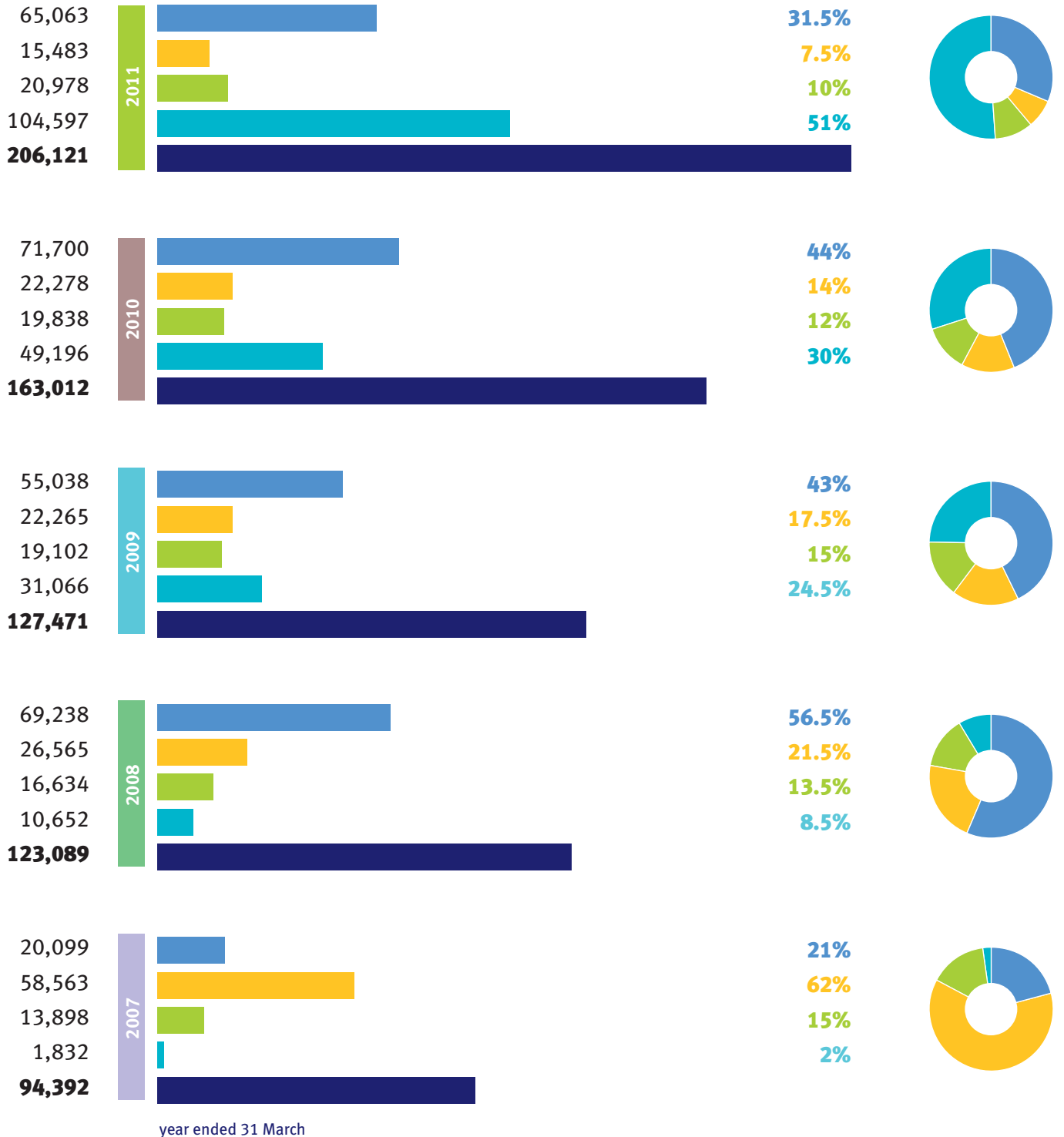
# what the complaints were about



# what the complaints were about

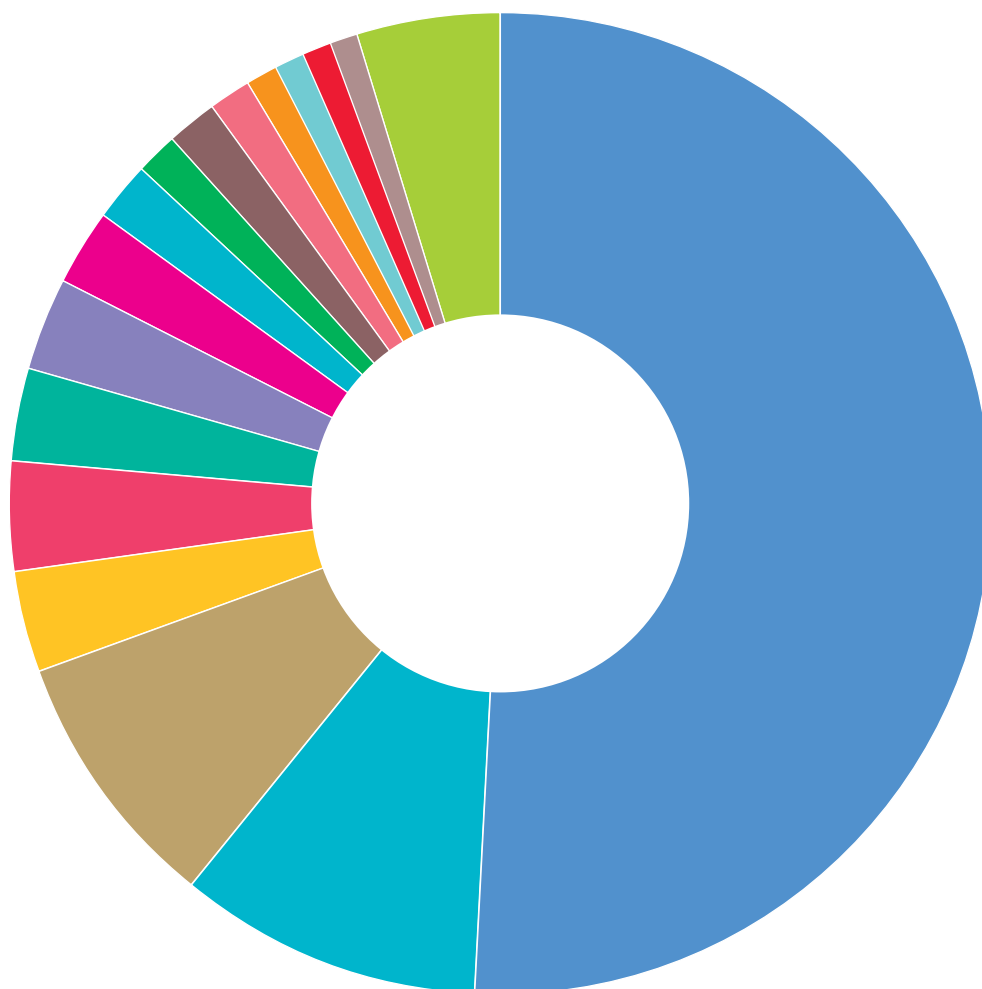
## number of new cases

- banking and credit
- investments and pensions
- insurance (excluding PPI)
- payment protection insurance (PPI)
- new cases in total



# what the complaints were about

## what financial products the new cases involved

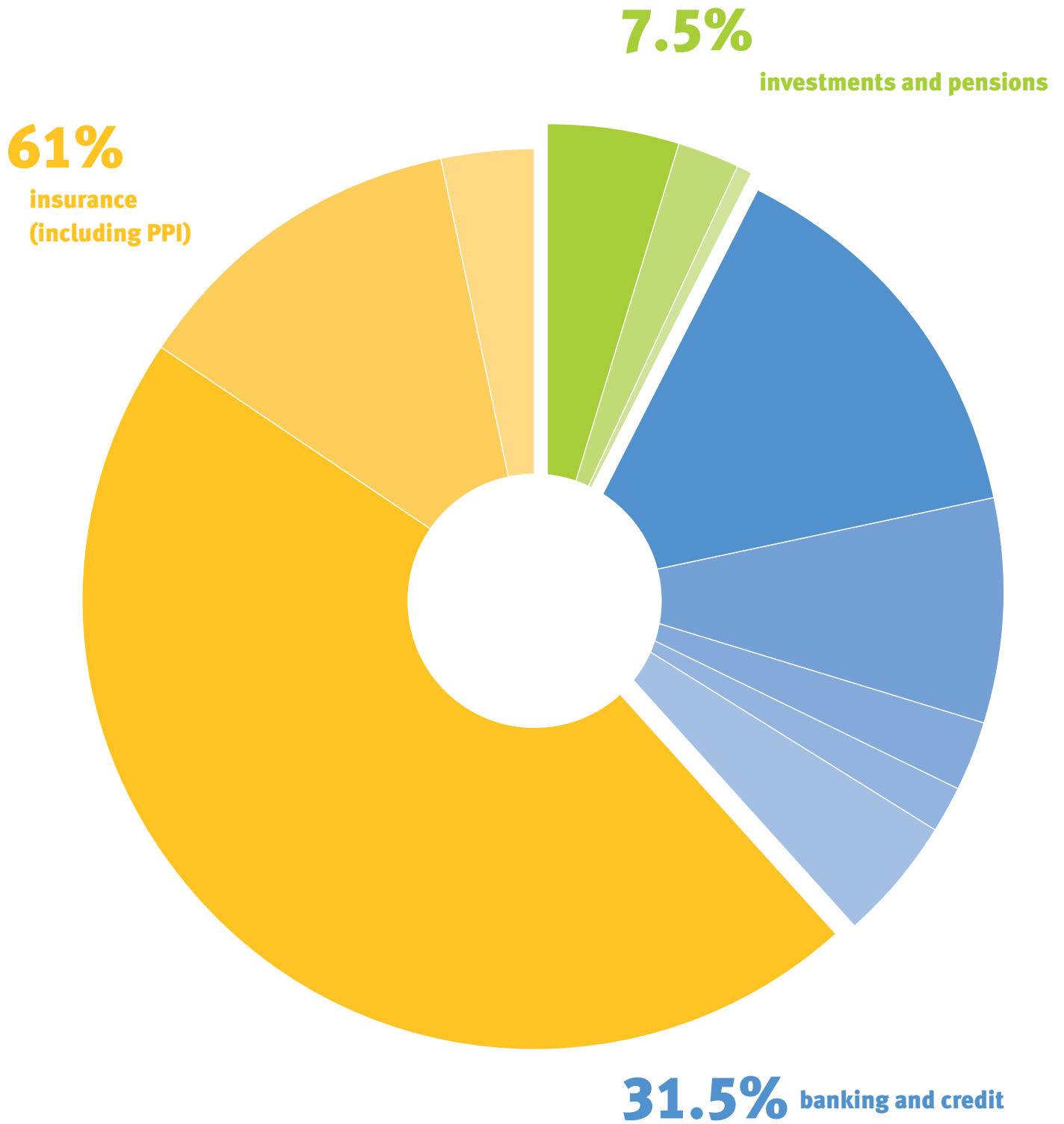


<b>51%</b> payment protection insurance (PPI)	<b>3%</b> motor insurance	<b>1%</b> "with-profits" and unit-linked bonds
<b>10%</b> current accounts	<b>2.5%</b> savings accounts	<b>1%</b> stockbroking and portfolio management
<b>8.5%</b> credit cards	<b>2%</b> buildings insurance	<b>1%</b> travel insurance
<b>3.5%</b> mortgages	<b>1.5%</b> mortgage endowments	<b>1%</b> contents insurance
<b>3.5%</b> consumer-credit products and services*	<b>1.5%</b> whole-of-life policies and savings endowments	<b>4.5%</b> other products
<b>3%</b> unsecured loans	<b>1.5%</b> pensions	

\*eg hire purchase, debt collecting and catalogue shopping

## what the complaints were about

what issues the cases involved



## what the complaints were about

### 7.5% investments and pensions

---

<i>of which</i>	<b>63%</b>	complaints about sales and advice
	<b>30%</b>	complaints about administration
	<b>7%</b>	other complaints

### 31.5% banking and credit

---

<i>of which</i>	<b>45%</b>	complaints about charges
	<b>28%</b>	complaints about administration
	<b>8%</b>	complaints about sales and advice
	<b>5%</b>	complaints about transactions
	<b>14%</b>	other complaints

### 61% insurance (including PPI)

---

<i>of which</i>	<b>75%</b>	complaints about sales and advice
	<b>20%</b>	complaints about claims
	<b>5%</b>	complaints about administration

## what the complaints were about

<b>new cases by financial product or service</b>	<b>year ended 31 March 2011</b>	<b>year ended 31 March 2010</b>
<b>payment protection insurance (PPI)</b>	<b>104,597</b>	49,196
<b>current accounts</b>	<b>19,944</b>	25,252
<i>including complaints about</i>		
● financial hardship	9,713	13,213
● business bank-charges	1,359	2,265
● direct debits <i>and</i> standing orders	571	737
<b>credit cards</b>	<b>17,466</b>	18,396
<b>consumer-credit products and services</b>	<b>7,250</b>	6,329
<i>in relation to activities covered by our consumer credit jurisdiction – including complaints about</i>		
● point-of-sale loans	2,765	1,735
● hire purchase	1,395	1,430
● credit broking	697	341
● catalogue shopping	582	755
● debt collecting	512	697
● store cards	480	574
● debt adjusting	302	231
● hiring, leasing and renting	221	283
● debt counselling	155	163
● credit reference agency	40	40
● home credit	34	41
<b>mortgages</b>	<b>7,067</b>	7,469
<b>unsecured loans</b>	<b>5,820</b>	6,285
<b>motor insurance</b>	<b>5,784</b>	5,451
<b>savings accounts</b>	<b>4,783</b>	5,033
<b>other types of general insurance</b>	<b>3,904</b>	3,275
<i>including complaints about</i>		
● commercial vehicles and property	746	777
● pet insurance	438	462
● roadside assistance	300	226
● business protection insurance	204	222
● guaranteed asset protection (“gap”) insurance	182	224
● caravan insurance	63	82

## what the complaints were about

<b>new cases by financial product or service</b> <i>(continued)</i>	<b>year ended 31 March 2011</b>	<b>year ended 31 March 2010</b>
<b>investment-linked products</b>	<b>3,784</b>	6,329
<i>including complaints about</i>		
● unit-linked bonds	849	2,453
● investment ISAs	824	1,301
● “with-profits” bonds	683	1,056
● “structured” products	550	273
● guaranteed-income bonds	408	595
● unit trusts	125	192
● PEPs	45	93
<b>buildings insurance</b>	<b>3,469</b>	3,437
<b>whole-of-life policies and savings endowments</b>	<b>3,328</b>	4,199
<b>mortgage endowments</b>	<b>3,048</b>	5,400
<b>other banking services</b>	<b>2,733</b>	2,987
<i>including complaints about</i>		
● cash machines	878	964
● cheque clearing	691	773
● money transfer	529	606
● electronic payment	369	453
● safe custody	63	74
● foreign currency	55	43
<b>pensions</b>	<b>2,706</b>	3,594
<i>including complaints about</i>		
● personal pension plans	1,407	1,727
● small self-administered schemes (SSASs) and self-invested personal pensions (SIPPs)	472	475
● annuities	423	501
● SERPs	196	560
● income draw-down	66	158
● free-standing additional voluntary contribution (FSAVC) schemes	65	99

*continued overleaf*

## what the complaints were about

<b>new cases by financial product or service</b> <i>(continued)</i>	<b>year ended 31 March 2011</b>	<b>year ended 31 March 2010</b>
<b>travel insurance</b>	<b>2,536</b>	2,003
<b>contents insurance</b>	<b>1,697</b>	1,863
<b>portfolio management</b>	<b>1,148</b>	1,040
<b>stockbroking</b>	<b>1,119</b>	1,434
<b>extended warranty insurance</b>	<b>895</b>	863
<b>income protection</b>	<b>720</b>	776
<b>legal expenses insurance</b>	<b>635</b>	644
<b>critical illness insurance</b>	<b>528</b>	598
<b>private medical insurance</b>	<b>506</b>	652
<b>derivatives</b>	<b>350</b>	233
<i>including complaints about</i>		
● <b>spread-betting</b>	<b>219</b>	191
<b>personal accident insurance</b>	<b>304</b>	274
<b>total number of new cases</b>	<b>206,121</b>	163,012



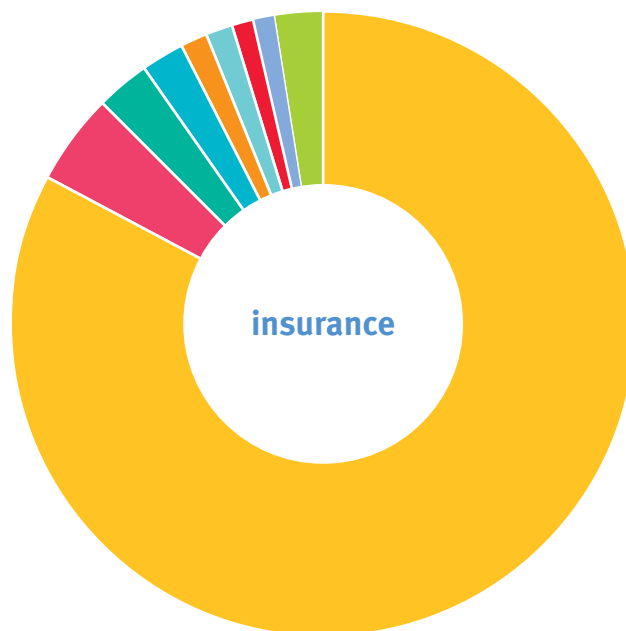
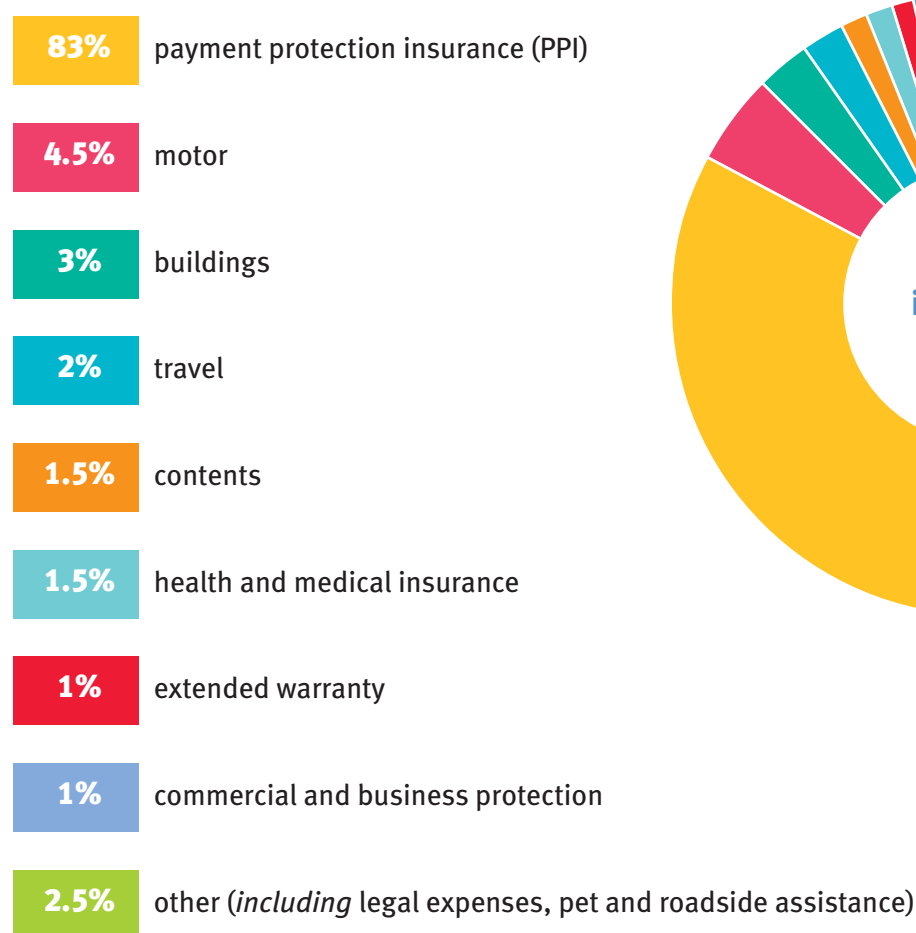
## what the complaints were about: insurance

Complaints about insurance made up 61% of the total number of new cases we received during the year (42% in the previous year). The number of new cases relating to insurance increased by 82% – from 69,034 in 2009/2010 to 125,575 in 2010/2011.

This increase largely resulted from the further 113% rise in the number of complaints about payment protection insurance (PPI) – from 49,196 in 2009/2010 to 104,597 in 2010/2011 – following a 58% rise in the previous year. This is the largest number of complaints we have ever received in a year about a single financial product.







We also saw a 27% increase in complaints relating to travel insurance and a 6% increase in complaints about motor policies. However, the number of complaints we received during the year about health and medical insurance fell by 13% and complaints about contents insurance dropped by 9%.

The chart below shows how these insurance complaints were spread across different products and services.



## what the complaints were about: insurance

### payment protection insurance (PPI)

2011	104,597	
2010	49,196	
2009	31,066	
2008	10,652	
2007	1,832	
2006	1,315	

year ended 31 March

annual trend:  
**+113%**

In last year's *annual review* we reported a 58% increase in the volume of complaints referred to us about payment protection insurance (PPI). We also said we hoped that the regulator's proposals in relation to the handling of PPI complaints would be finalised as soon as possible – and that the improved complaints-handling processes subsequently put in place by businesses would result in a significant reduction in the volume of PPI complaints referred to the ombudsman service over the following year.

Unfortunately, the year did not turn out that way. In August 2010 the Financial Services Authority (FSA) introduced new complaints-handling guidance (its *policy statement 10/12*) about the assessment and redress of PPI complaints. Some businesses started to implement this guidance but a number of high-street banks decided to challenge it.

This meant that these banks started to issue standard letters to customers from autumn 2010, saying they were unable to decide PPI complaints while legal action was ongoing. This legal action took the form of a judicial review brought by the British Bankers Association (BBA) – on behalf of a number of high-street banks – against the FSA and the ombudsman service.

The judicial review took place in the High Court at the end of January 2011. It involved a challenge to the introduction of the FSA's guidance and to parts of the online technical resource on our website. Judgment was handed down by the High Court at the end of April 2011 – endorsing our approach, and that of the FSA, to handling PPI complaints. Just as this *annual review* was going to print, the BBA announced that it did *not* intend to appeal this judgment.

While awaiting the outcome, the banks that were challenging us stopped responding substantively to many thousands of complaints. Regrettably this led to delays and uncertainties for the consumers in these cases. In most PPI disputes, there is not just one single question that determines the outcome of the complaint. There are often many issues involved. The way the policy was sold – and whether it was appropriate for the consumer – will be a matter of judgement in the individual circumstances of the case.

While the legal challenge against us has been ongoing, the volume of PPI complaints has soared – with up to 5,000 new cases being referred to us *each week* by March 2011. This meant that in the financial year 2010/2011 we received a record 104,597 PPI cases – a 113% year-on-year increase. This is the largest number of complaints we have ever received in a year about a single financial product.

## what the complaints were about: insurance

The FSA wrote to trade associations in January 2011 to remind them of the regulatory obligations on businesses in handling consumers' complaints, while awaiting the outcome of the legal challenge. We hope that this will result in improvements in the way businesses ensure they are complying with the relevant complaints-handling rules.

At the end of March 2010 we introduced new standard documentation for PPI disputes, to encourage more efficient, co-ordinated and consistent complaints-handling processes across the financial services industry and by claims-management companies. We have received positive feedback about these new complaint forms and how they can help the complaints-handling process.

However, during the year some claims-management companies began to take a disappointingly lax approach to completing the questionnaire on behalf of consumers. Where a form is completed inaccurately, or not at all, we may not be able to progress the complaint. We have made our position on this very clear to the claims-management companies in question.

The quality of the information provided by claims-management companies to support their clients' cases varies enormously. Some provide clear and cogent arguments on behalf of the consumer. Others simply make general allegations, some of which have no relevance to the individual dispute.

These same points can sometimes also be made about the information provided by financial businesses in the PPI complaints we see. Too often, the true facts of a case are adequately addressed only when the dispute is referred to the ombudsman service.

This can be frustrating and time-consuming. It does not help the parties in resolving the dispute fairly and as quickly as possible – which must be in everyone's interests.

During the year we also saw a small but growing number of cases where, after investigation, it emerged that no PPI policy had ever been in place. It is essential that businesses and claims-management companies make every effort to check this, before the matter is referred to the ombudsman service.

Where there is a dispute as to whether or not a PPI policy actually existed, it will help us resolve matters more quickly if the business or the consumer can provide strong supporting evidence – for example, by providing a copy of the relevant loan agreement or credit card statements. If either the business or the claims-management company appears to be acting unreasonably, we will refer these matters to the relevant regulator.

## what the complaints were about: insurance

### motor insurance complaints

2011	5,784	
2010	5,451	
2009	6,267	
2008	6,009	
2007	4,230	
2006	3,372	

year ended 31 March

annual trend:  
**+6%**

After a substantial decline in the number of cases involving motor insurance in the previous year, complaints in the financial year 2010/2011 rose slightly – by 6%.

However, we were pleased to see fewer disputes about the approach insurers adopt to valuing vehicles that had been written-off – and to investigating complaints about the quality or timeliness of repairs to vehicles. We believe this reduction reflects the constructive discussions we have had over the year with individual motor insurers and the Association of British Insurers (ABI), so that they better understand our long-standing general approach in these areas.

But some cases we see still show disappointing practice. Despite the publication in 2009 of our *online technical note* on vehicle valuation, we continue to see some insurers making offers to their customers that they should know are lower than they ought to be.

We also continue to uphold consumers' complaints about the thoroughness of insurers' investigations in relation to claims for stolen vehicles. In complaints we see, motor insurers often decline theft claims that they view as suspicious, without carrying out a proper investigation – for example, not pursuing obvious lines of enquiry about missing keys *etc.* We often see insurers failing to give clear reasons for rejecting this type of claim – and not appearing to consider other possibilities for the theft.

If the insurer has carried out a thorough investigation, which indicates that the theft was unlikely to have occurred as the consumer claimed, we may support the insurer – or decide that the matter is better dealt with in court, where evidence can be given under oath and witnesses cross-examined.

However, the insurer cannot expect us to agree with them if they are relying simply on suspicion rather than on actual evidence. In these cases, we are likely to consider it reasonable to expect the consumer to have been interviewed, the vehicle to have been inspected and a report to have been obtained from security experts, where appropriate.

## what the complaints were about: insurance

### complaints about buildings and contents insurance

	buildings insurance	contents insurance
2011	3,469	1,697
2010	3,437	1,863
2009	3,447	1,671
2008	2,669	1,363
2007	1,951	1,238
2006	1,951	1,224

year ended 31 March

annual trend:  
**+1%**

annual trend:  
**-9%**

During the year the overall number of complaints referred to the ombudsman service about household insurance (covering buildings and contents) fell by 2.5%.

The disputes we saw continued to cover a full range of issues, including claims relating to subsidence, floods, storm and fire damage, as well as theft and accidental damage. The most common cause of disputes continued to be the refusal of insurers to pay a claim.

However, complaints about the quality and timeliness of repairs also remained a significant part of our work in this area. Where insurers have chosen to repair damage under the terms of a policy, they should bear in mind that they will be responsible if those repairs are not of adequate quality. In cases we have seen, this has sometimes been unclear – and we have been left to interpret the position and work out who exactly is responsible for the repair.

We have also seen cases where there has been inconsistency around this issue – for example, where the consumer appointed the builder but the insurer then instructed the builder what to do.

We can see in some cases that the insurer was simply trying to be helpful – but this can occasionally backfire on them.

It is sometimes said that the number of fraudulent insurance claims – relating both to household and motor policies – increases in recessionary times when money is tight. We have seen no direct evidence of this in the cases we have dealt with during the year. In our experience, disputes are less likely to arise where insurers investigate claims thoroughly and give consumers a proper opportunity to explain any apparent inconsistencies.

During the year we have seen an increase in the number of cases where entrenched attitudes on both sides – and a refusal by either party to conciliate or compromise – has led to a significant rise in the number of cases being referred to an ombudsman for a final decision. This may reflect the tougher economic times – and the amount of money at stake for the consumer.

However, we are disappointed to see some insurers challenging our views and requesting formal ombudsman decisions in areas where

## what the complaints were about: insurance

our approach is long-established – for instance, where household insurance disputes involve flood damage, unoccupied buildings, and matching sets of furniture or fittings. In cases where this happens, we invite the insurer to make

representations in the particular case. But where the ombudsman’s overall approach has been the same for more than twenty years, the insurer’s arguments need to be very persuasive in the particular circumstances.

### travel insurance complaints

2011	2,536	
2010	2,003	
2009	1,973	
2008	1,628	
2007	1,670	
2006	1,787	

annual trend:  
**+27%**

year ended 31 March

The number of travel insurance complaints referred to the ombudsman service during the year increased significantly – rising by 27%. The cases we received included complaints arising from delays and disruption caused by ash from a volcanic eruption in Iceland.

Given the scale of the problems this caused – with flights grounded across Europe for several weeks in some cases – the number of complaints we saw (around 700 cases) was significantly lower than some had expected. However, these cases raised important issues for the travel insurance sector.

As we have commented in previous *annual reviews*, travel policies probably remain the least well-explained and understood of the types of insurance that consumers are most likely to buy. The insurance is often bought at the same time as a holiday. Attention is usually more focused on holiday arrangements than on what would happen if the consumer needed to claim for medical cover, delay or cancellation. In the cases we see, few consumers took time to read the policy to ensure it really met their needs. So there can be some unpleasant surprises if claims are made.

Almost all the cases we see relating to travel insurance involve disputes over the *payment of claims*. The extension of our remit in January 2009, to enable us to look at complaints about the *sale* of travel insurance sold alongside a holiday or other travel, has resulted in only a small – though increasing – number of complaints.

Complaints about being *mis-sold* a travel policy often arise in the context of the “non-disclosure” of consumers’ pre-existing medical conditions. Requiring consumers to speak to a medical helpline when buying insurance has led to welcome improvements in this area. But it has not solved all potential problems.

From the recordings of conversations that we listen to between consumers and insurance helplines – as part of our work resolving travel insurance disputes – it is clear that consumers can be greatly helped on issues involving pre-existing conditions, where there are adequate numbers of suitably qualified staff on the helpline.

## what the complaints were about: insurance

However, we also listen to recordings of phone conversations where helpline staff have clearly not followed the script. In other cases, helpline staff have focused solely on the lead traveller, without asking questions about other fellow travellers whose health might also affect the insurance cover. And we continue to see cases where the dispute turns on the “non-disclosure” of health issues relating to family members who were *not* travelling themselves – but whose ill health or death subsequently affected the plans of those who were travelling.

In the cases we see, we frequently come across travel policies where the information provided to the consumer is poor, compared with the standards of information in other types of policy. These may be relatively low-premium policies – but the consequences for a consumer of a travel claim being rejected can be catastrophic in some cases.

### health and medical insurance complaints



year ended 31 March

annual trend:  
**-13%**

The number of complaints we received about income protection, critical illness and private medical insurance all fell during the year – by 7%, 12% and 22% respectively.

We are pleased that some health and protection insurers continue to learn from complaints – and are committed to resolving complaints at the earliest stages, so that they do not have to be referred to us. We welcome dialogue with insurers to explain our approach and prevent the escalation of complaints generally.

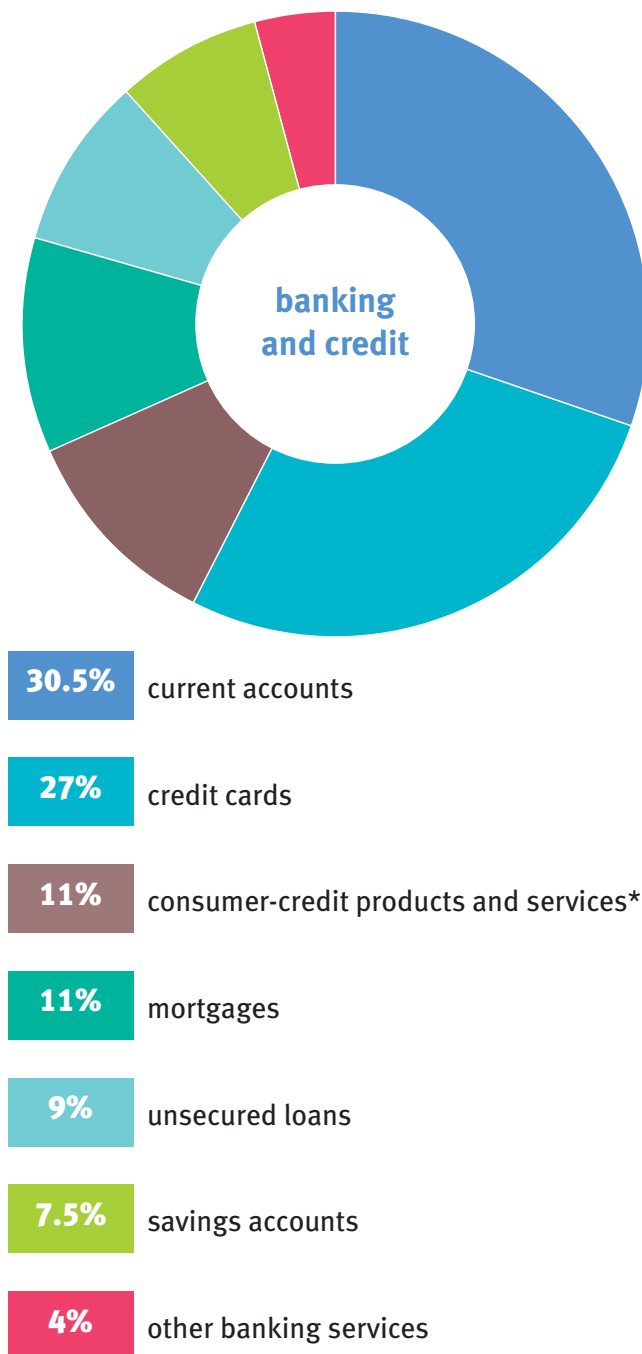
Complaint numbers in this area may not be as high as they are in relation to some other insurance products. However, they are likely to involve consumers who are ill, bereaved or in other distressing circumstances. This is why we have a specialist team working on these cases, who are trained to handle these sensitive situations.

Specifically, we continue to see difficult cases involving people claiming insurance benefits when they are unable to work, either temporarily or permanently. These cases raise complex issues, particularly when the disability stems from problems in the workplace. Invariably these cases involve financial hardship.

## what the complaints were about: banking and credit

Complaints about banking and credit made up 31.5% of the total number of new cases we received during the year (44% in the previous year). The number of new cases relating to banking and credit decreased by 9% – from 71,700 cases in the financial year 2009/2010 to 65,063 in the financial year 2010/2011.

This chart shows how these banking and credit complaints were spread across different products and services.



\* (eg hire purchase, credit broking and catalogue shopping)

### current account complaints

In last year's *annual review* we commented on the number of complaints from consumers who told us that their current-account problems related to financial hardship they were experiencing. During the year we continued to receive steady numbers of complaints involving hardship – 9,713 in total. These cases often involved consumers saying that charges applied to their current accounts had added to the problem.

Current-account providers must deal fairly with consumers in financial difficulty – though what is fair will depend on the individual circumstances of the case. In the complaints we see, reaching agreement on what type of help is appropriate in cases of financial difficulties is often made more challenging by the high expectations on both sides.

In many cases, the consumer (or their representative) will see a refund of charges and/or writing-off a debt as a basic requirement for a fair outcome. The current-account provider, on the other hand, may see the first step towards resolving the problem fairly as the consumer offering to make a substantial repayment of their debt.





Our approach to achieving a fair outcome in cases like this will normally involve one or more of a range of practical measures, reflecting the consumer's circumstances and means. These measures might include, for example, re-arranging long-term overdraft debt to more manageable terms, and reviewing the timings and amounts of direct debits, to break the cycle of unauthorised overdraft borrowing.

During the year our work in many cases has been hindered by the superficial approach to complaints handling taken by some current-account providers – who have often applied inflexible internal processes and rigid measures, regardless of the individual circumstances of each case.



## what the complaints were about: banking and credit

### current account complaints *(continued)*

2011	19,944	
2010	25,252	
2009	13,682	
2008	39,263	
2007	8,061	
2006	3,543	

year ended 31 March

annual trend:  
**-21%**

Our work resolving disputes has also been made harder by the reluctance of some claims-management companies – acting on behalf of consumers – to provide us with the level of information we needed (or with any proper information at all, in some cases). There is more information about claims-management companies on page 29.

Consumers (and their representatives) can help by telling us what has triggered the problem and what they have already told their current-account provider about their circumstances. Current-account providers can help by telling us what help they have already offered the consumer, and why they believe that is enough in the circumstances.

Complaints about disputed plastic-card transactions relating to current accounts continued to form a significant part of our workload this year. These disputes involved transactions at cash machines and at point-of-sale machines at retail outlets, clubs and bars. The outcomes of complaints like this continue (as mentioned on page 48 in relation to disputed credit card transactions) to turn mainly on practical issues relating to the particular facts of the case, rather than on specialist technical issues.

In some of the cases we have seen, the current-account provider has failed properly to take into account the rules relating to disputed withdrawals made from overdraft facilities – which the law treats differently from disputed withdrawals made from money in a current account.

Given the varying quality and accuracy of information on this topic, it is not surprising that some consumers find it difficult to understand what the rules about disputed transactions require both from financial businesses and consumers.







We have also seen a number of complaints this year about powers of attorney given by older consumers to others to act on their behalf. Many of these complaints suggest that some bank-branch employees struggle to understand the process and significance of different types of powers of attorney.

In particular, these employees may inappropriately ask for proof of the customer's mental capacity – or insist that the consumer completes or signs detailed paperwork, even though they have already given and registered a lasting power of attorney, allowing someone to deal with their finances for them. In extreme cases, the account may have been wrongly “frozen” because of lack of understanding about the effect of the particular type of power of attorney produced.

Similarly, we have seen some complaints about problems encountered by people who are legally entitled to act for consumers with learning difficulties – and have found that their bank is reluctant to provide certain services on the account, such as online or phone access. From the complaints we have seen, these problems appear to stem from inflexible procedures at branch level, rather than from “head office” policy.

## what the complaints were about: banking and credit

### credit card complaints

2011	17,466	
2010	18,396	
2009	18,590	
2008	14,123	
2007	2,731	
2006	2,124	

year ended 31 March

annual trend:  
**-5%**

The number of complaints we received during the year about credit cards reduced slightly – but still remained at a high level.

A substantial number of these cases continued to involve disputes relating to section 75 of the *Consumer Credit Act 1974* – under which the credit-card provider can be jointly liable with the supplier of the goods or services, if a consumer has a valid claim for misrepresentation or breach of contract.

Cases involving claims under section 75 included a wide range of transactions for the purchase of goods and services as diverse as home extensions, small business franchises, jewellery and motor vehicles.

We continued to see complaints from consumers who had used their credit cards to buy membership of “holiday clubs” – where they considered that the benefits of membership had proved to be less valuable than they had expected.

As we reported last year, in many of these cases we found that the business said by the consumer to have breached the contract – or made the misrepresentation – did not have the necessary legal connection to the business that actually received the credit-card payment. This means that section 75 cannot apply – so there could never be a successful complaint against the lender.

We also saw a number of complaints about special credit-card “deals” – relating, for example, to interest-free or low-interest periods – that came to an end because the consumer missed, or was late with, a monthly repayment. We have often been able to arrive at informal settlements in these types of complaints – usually where the consumer is experiencing financial difficulty – with the lender agreeing a compromise solution, even though the contractual position was clear.

As in previous years, we saw a significant number of complaints involving so-called “default charges” on credit cards – which consumers have to pay if they miss a payment, make a late payment, or exceed their credit limit.

Complaints about disputed credit-card transactions continue to form part of our work, although the number of these cases has remained stable. These cases turn on practical issues relating to the individual facts and circumstances involved – and sometimes to the relevant law – rather than to any sophisticated technical issues.





We have seen fewer complaints this year about interest-rate changes on credit-card accounts – where the card issuer said the increase was “risk-based”, to reflect market conditions. In the cases we see, consumers do not readily understand – given the historically-low Bank of England base rate – why the interest rate they are paying needs to increase. Card issuers have not always explained this issue well – or at all – in cases we have dealt with.

## what the complaints were about: banking and credit

The “opt-out” that credit-card issuers offer to consumers who do not wish to continue with a higher rate of interest was widened during the year – to cover *all* interest rate increases (and not just those that relate to “risk-based” re-pricing).

This should mean that the number of complaints we see about this issue will continue to reduce – particularly if card issuers give clear explanations for their reasons for increasing interest rates.

### complaints about consumer credit

2011	7,250	
2010	6,329	
2009	3,014	
2008	849	

year ended 31 March

annual trend:  
**+15%**

The number of complaints we received about consumer-credit products and activities increased significantly again during the year.

This means that our caseload in this area has grown almost nine-fold since the financial year 2007/2008. That was when the range of credit-related complaints we cover was extended by law beyond loans and credit cards provided just by banks and building societies – which have been under our remit since we were first set up. Since 2007/2008 our jurisdiction has covered a wide range of other businesses involved in consumer credit, including loan firms, hire-purchase operators, debt collectors and catalogue-shopping companies.

During the year we continued to receive complaints about fee-charging “debt-management” businesses. These businesses undertake to liaise with the creditors of consumers who have problem debt, agreeing repayment arrangements and administering the monthly payments on the consumer’s behalf.

In the cases we saw, consumers complained about poor explanations and lack of clarity as to what they were signing up for – leading to unexpected charges and disappointment when the debt-management plan did not achieve what the consumer had expected.

We also saw complaints about delays and poor administration by debt-management businesses when passing on payments to creditors – sometimes resulting in a significant worsening of the consumer’s financial position, including court judgments obtained by creditors who had not received their payments.

We also started to see complaints about debt-management businesses offering to act on the consumer’s behalf in making a claim against their creditors that their credit agreements were “unenforceable at law”. Again, consumers complained to us that these businesses had not been clear about what they were promising to do and what it would cost.

In last year’s *annual review* we wrote about complaints relating to credit broking – usually involving the credit-broking business taking an up-front fee for arranging consumer credit that it said was already sourced or agreed at a particular rate, but was never actually provided.

## what the complaints were about: banking and credit

We have continued to see complaints about this during the year – resulting in complaints about credit broking more than doubling in number to 697 cases. In some of these cases, the credit-broking businesses complained about had already gone out of business – which meant that consumers had no way of getting their money back, even if we upheld their complaint.

We also saw a significant increase during the year – of 59% – in the number of complaints about point-of-sale loans that consumers had taken out to pay for goods or service – particularly training courses and holiday-club memberships. These are loans arranged through the provider of the goods or services – and can be used only to finance a specific purchase.

The money borrowed on the loan is paid out by the lender direct to the provider of the goods or services. Because of the underlying arrangements between the lender and the provider of the goods or services, the consumer may potentially have a claim against the lender under section 75 of the *Consumer Credit Act 1974*, if there is a problem with the purchase.

In cases we saw during the year involving point-of-sale loans, consumers often complained about training courses that they believed had not been provided in accordance with what they were entitled to under the contract. In some of these cases, the original trainer had gone out of business and the consumer had been offered a substitute.

Similarly, consumers also complained about holiday-club memberships that had not lived up to what they said they had been told, before they signed up, by the person selling them.

We upheld many – though not all – of the complaints we received about training courses. We were more likely to do so where a substitute course lacked a feature that was of importance to the consumer – or where we were satisfied that the provision of training at a specific time had been essential for the consumer.

The outcomes of complaints about holiday-club memberships were more varied. This was because in many cases we discovered that the business said by the consumer to have misled them did not have the necessary legal connection to the business that actually received the funds from the loan. This means that section 75 cannot apply – so there could never be a successful complaint against the lender.

We also received complaints during the year about the quality of motor vehicles – both new and used – bought using point-of-sale loans or hire purchase agreements. When we consider these types of complaints, we take account of evidence provided by the consumer and the business – to help us reach a view on whether the vehicle was of a reasonable standard. We do this in much the same way as a court would do.

In cases like this during the year, we often found that the lender or hire purchase business had simply relied on assurances from the dealer about the condition of the vehicle – rather than taking any real steps to satisfy itself as to whether the consumer had a valid complaint.

## what the complaints were about: banking and credit

### complaints about mortgages

2011	7,067	
2010	7,469	
2009	7,602	
2008	6,824	
2007	4,366	
2006	3,942	

year ended 31 March

annual trend:  
**-5.5%**

The number of mortgage-related complaints we received fell slightly during the year – continuing the downward trend started in the previous year. The cases continued to involve the same types of issues – and broadly reflect the economy and the state of the mortgage market as a whole. Administrative errors remained the largest area of complaint.

We also saw an increase in the number of complaints from consumers whose applications to “port” their residential mortgage (in other words – transfer it to a new property) had been declined. In the cases we see, this often happens where – because of the tougher mortgage market in recent years – the lender has tightened their lending criteria, resulting in the consumer no longer meeting the required criteria.

It is unusual to see mortgage contracts that allow the consumer unconditionally to “port” their mortgage as a contractual right. Lenders vary in the flexibility they offer to consumers wanting to move and we do not set the lending criteria applied by mortgage lenders. But we can look at whether the lender has treated its customer fairly.

In our experience, it is helpful if a decision on lending is clearly communicated and explained – so that the consumer can understand why they do not qualify to “port” their loan.

In some cases, where the individual circumstances warrant it, we may decide that a fair outcome is for the lender to waive an early repayment charge – rather than allowing the loan to be “ported”.

We have also seen complaints during the year where the dispute involves the decision by a lender to significantly reduce the upper age-limit applying to the term of a mortgage – or to require the consumer to provide proof of retirement income.

Complaints about mortgage interest rates were less of an issue during the year. This probably reflected the low Bank of England base rate and the fact that, as fixed-rate mortgage products come to an end, some consumers were benefiting from historically-low variable rates.

The number of complaints about the handling of arrears remained at a similar level to the previous year. However, we continued to see a significant number of complaints about arrears charges applied by some lenders – and about lenders being inflexible, particularly when the consumer’s circumstances or proposals did not fall into any of the standard categories forming part of their lender’s normal approach.







Cases involving repossession remained a small part of our work. However, they continued to raise difficult and sensitive issues. A common theme was the lack of effective communication from the lender, once the property had been taken into possession.

## what the complaints were about: banking and credit

The cases we dealt with involving repossession also frequently included complaints about delays – including delay in passing on surplus funds to other lenders who had legal charges over the property, and delay in providing the consumer with a final statement detailing the costs and

expenses the lender had applied to the debt. We also saw complaints about delays by the lender in confirming whether they intended to ask the consumer to pay any debt relating to shortfalls on the mortgage.

### complaints about unsecured loans

2011	5,820	
2010	6,285	
2009	4,242	
2008	2,940	
2007	1,755	
2006	1,507	

year ended 31 March

annual trend:  
**-7.5%**

Following substantial year-on-year increases in the number of complaints referred to us about unsecured loans, this year we saw a dip in these cases for the first time.

As in previous years, many of the complaints were from consumers who were experiencing financial difficulty and did not feel their lenders had treated them fairly. In these cases, some lenders still relied on inflexible standard approaches when responding to cases of financial difficulty. This contrasted with our usual approach – which involves taking into account the consumer’s individual circumstances, when assessing what would be fair treatment for them.







We continued to see some cases where consumers argued that their loan agreement was “unenforceable at law” – often based on wrong or misleading information on the internet and from other sources.

As the ombudsman service is not a court of law, we have no power to declare a loan agreement “unenforceable”. And the remedy that many of these consumers sought – that we should direct the lender to write off the debt – would not, in any case, generally be available to them under the law.

We also received complaints about the rates of interest that lenders were applying to variable-rate loans – which consumers found confusingly high when compared with the historically-low Bank of England base rate. In many of these complaints, the consumers felt that their lender had seemed unable (or unwilling) to explain the high interest rate in a way that made sense to them – and that also persuaded them that the lender had taken proper account of the loan’s terms and conditions.

## what the complaints were about: banking and credit

### complaints about savings accounts

2011	4,783	
2010	5,033	
2009	5,183	
2008	2,675	
2007	1,438	
2006	1,233	

year ended 31 March

annual trend:  
**-5%**

The number of complaints about savings accounts fell slightly again in the financial year 2010/2011 – continuing the downward trend of the previous year.

Most consumers who complained to us were concerned about problems with poor administration by some savings-account providers – in particular, delays in opening accounts and in transferring balances between providers.

From 2011 there is a new maximum time limit of 15 working days for transfers of individual savings accounts (ISAs). This may reduce problems in this area – although not all the complaints we received about delay involved ISAs.

Consumers also complained to us in cases where they felt savings-account providers had not given them clear enough information on the “cut-off” date for opening fixed-rate products – and on how long they had after that date to put the maximum amount of money allowed into their account. As consumers are only allowed to open one ISA account in each tax year, clarity about this is particularly important.

We received a number of complaints from consumers who had not realised how much the interest rate on their savings accounts had gone down – until they received their annual interest payment and compared it with previous years’ payments. Because of the timing and amount of the reductions over a period of time, these consumers had not been entitled to receive personal notification of the interest-rate changes in question – so had not fully appreciated what had happened.

## what the complaints were about: banking and credit

### complaints about other banking services



annual trend:  
**-8.5%**

year ended 31 March

In last year's *annual review* we mentioned the *faster payments service* for payments over the internet and by phone. Introduced in the banking sector in 2008, this new faster process continues to reduce the number of complaints we see about delays in payments getting through the system.

However, we have started to see more complaints about payments that have been “misapplied” because of a mistake by the person sending the money (for example, entering the wrong account number on a transfer form or in an online transaction).

Where a consumer makes an error in the account number of the intended recipient, the bank receiving the payment will use that incorrect number – and not the recipient's name – to allocate the payment.

In some cases, usually where the payment has been made using internet banking, we have decided that the bank could have given a clearer and more prominent warning that it would rely on the account number and *not* the name.

We continued to receive a steady stream of complaints involving international money transfers. As in previous years, the complaints we saw related to costs, delays and currency problems. In particular, consumers were frequently uncertain about how the costs of the transfer would be apportioned.

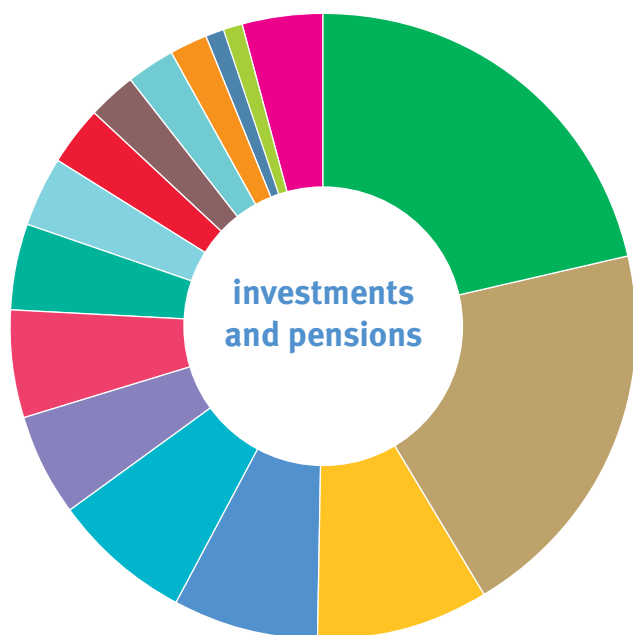
In last year's *annual review* we mentioned complaints where consumers – often students – had been duped into drawing money from their accounts in return for a cheque that turned out to be fraudulent.

This year we saw a variant on this – with the consumer receiving money into their account through online banking and transferring it straight away to the fraudster. This money later turns out to have been paid from the account of an earlier victim of the fraudster. When the fraud is discovered and the money is clawed back by the initial victim, the second victim is left out of pocket.

From the complaints we have seen like this, many consumers do not fully realise that it is just as important to be certain about the origin of money paid into their account *electronically* as it is to be vigilant about *cheques* that they are given.



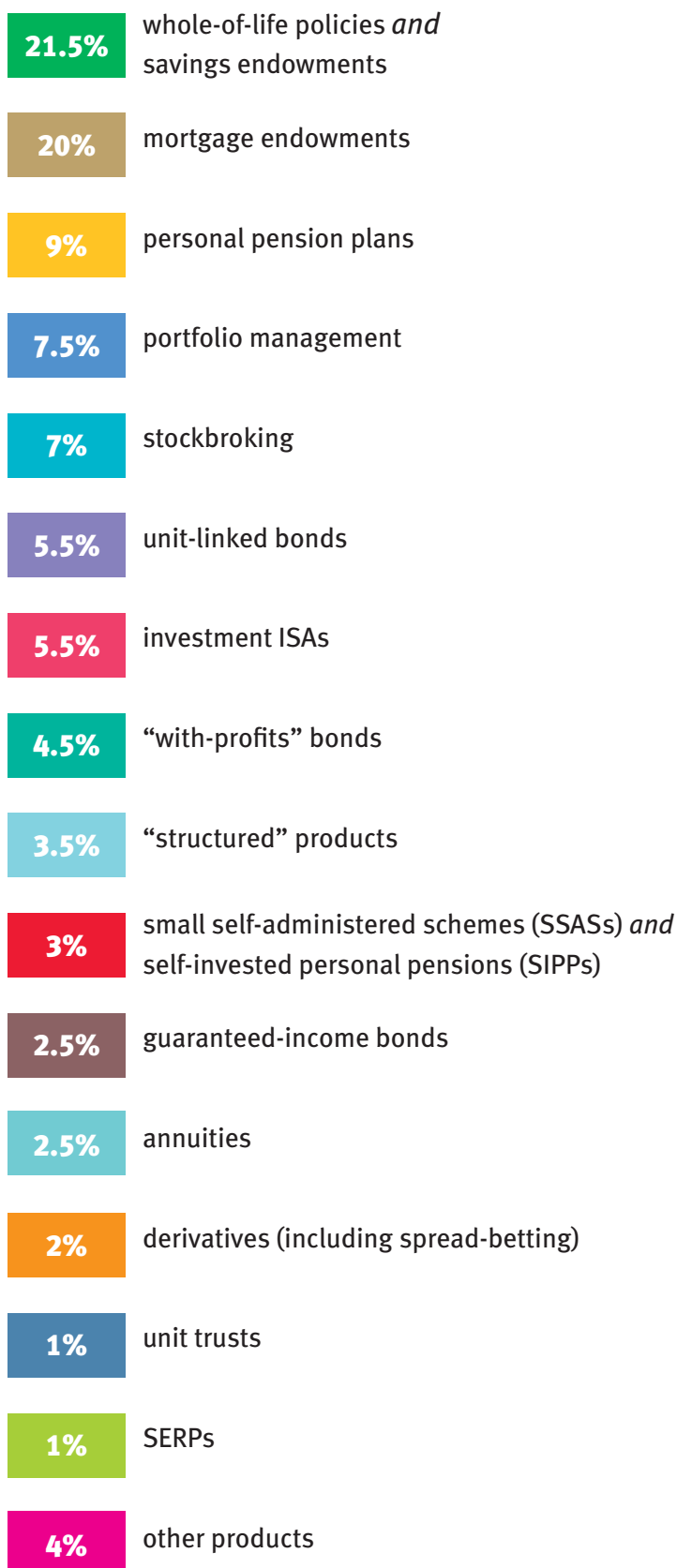
## what the complaints were about: investments and pensions



Complaints about investments and pensions made up 7.5% of the total number of new cases we received during the year (14% in the previous year). We received 15,483 investment and pension-related cases – 30% fewer than in the previous year.

We saw a fall in the number of investment-related complaints across almost all product areas. The largest drop was in the number of mortgage endowment complaints – which fell by a further 44%.

For the first year since we were set up, mortgage endowments are no longer the most complained-about investment product. From a peak of 69,737 cases in 2004/2005 – accounting for 63% of all cases we received that year – we received just 3,048 mortgage endowment complaints in 2010/2011 (representing only 1.5% of our workload).



# what the complaints were about: investments and pensions

## complaints about investment-linked products



year ended 31 March

annual trend:  
-40%

As we have commented in previous *annual reviews*, periods of market volatility tend to result in increased numbers of complaints referred to us about the mis-sale of investments, where the product concerned may be too risky for the consumer.

We do not usually, of course, deal with complaints that are just about the *performance* of any investment.

So the fact that the number of new complaints about investment-linked products fell significantly during the year doubtless reflected the generally improved performance of the financial markets.

Instead, our investment workload this year has been marked by long-running disputes stemming from the poor market conditions in earlier years. These cases frequently involved major financial institutions – and the disputes have been fiercely contested.

For example, we dealt with several hundred complaints against a major high-street business – which involved medium- and high-risk products being mis-described and inappropriately sold to consumers. Despite receiving final decisions on the key issues, the business resisted settling individual cases without the direct intervention of an ombudsman. Although the business did, eventually, agree to deal with the remaining cases on the same basis that the ombudsman had directed, it was disappointing that consumers were both delayed and inconvenienced.

Other disputes we have seen this year have also been characterised by the businesses involved taking entrenched positions – and showing reluctance to accept what appeared to us to be clear evidence of mis-selling. This is reflected in the increased proportion of complaints involving investment bonds which we upheld in favour of the consumer. This figure rose to 60% during the year (see page 67).

Another high-street financial services business sold large numbers of a complex investment product to investors in its local branches. We found it unlikely that many of these consumers would have made these investments, if they had understood the nature of the product – which was later described by the regulator as unsuitable for retail investors.

The business produced “expert evidence” that the risk was mitigated by certain factors. We considered this evidence carefully but were not persuaded to change our initial view. Consumers whose financial experience had previously extended only to deposits and savings did not seem to us to be likely customers for esoteric investment products.

The evidence here of businesses taking a more legalistic approach to consumer complaints is disappointing. We refer to this elsewhere in this *annual review* (see page 63). The ombudsman provides an *alternative* to the courts in dealing with consumer complaints.

## what the complaints were about: investments and pensions

We want to resolve disputes *without* matters becoming deeply adversarial and entrenched.

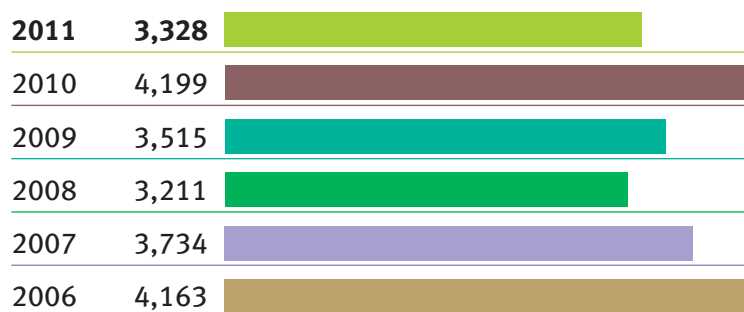
Other financial businesses have taken a more pragmatic view and have worked with us constructively at the earlier stages of our complaints process, to resolve complaints without requiring their customers to await a final decision from an ombudsman.

During the year we continued to receive complaints about the make-up and description of investment funds. Consumers continued to complain to us that the description of some funds as “cautious” failed to reflect the real risks

involved. In particular, consumers complained about the use of the word “cash” as a description of a fund, since they felt this implied a safe deposit, with no appreciable risk to capital.

Risk is at the heart of most investment complaints we see. So we are pleased that this issue is now being considered more widely by the regulator and trade associations. Recognising that consumers may put a literal interpretation on a word like “cautious” is a useful – and perhaps overdue – step towards applying terminology that cannot be misunderstood.

### complaints about whole-of-life policies and savings endowments



year ended 31 March

annual trend:  
**-21%**

Cases referred to the ombudsman service during the year about whole-of-life policies continued to include complaints about reviews of “reviewable” whole-of-life policies – where the original assumptions (particularly in relation to investment returns) had not been met, resulting in either a reduction in the consumer’s life cover or an increase in their premiums.

As with all investment products, we frequently see complaints about the level of risk in relation to the funds chosen to support the life cover – as well as complaints that the policy was not suitable for the consumer in their particular circumstances. We also continue to see complaints about businesses failing to carry out reviews at the correct time.

In these cases a key consideration is the prominence of information given to consumers at the outset – warning that this type of policy would be subject to review and explaining what this could mean for the consumer.

Where we uphold complaints in relation to whole-of-life policies, the redress can range from our directing the business involved to refund premiums paid by the consumer (with or without a deduction for life cover) to telling the business to provide guaranteed cover (or cover on another basis).

## what the complaints were about: investments and pensions

During the year we continued to receive a steady stream of complaints from consumers who were disappointed with the returns on their savings endowment plans – and who told us they had expected a better return from these products than they would have received from a deposit account.

As we have commented in previous *annual reviews*, savings endowment plans can be inflexible products that may need to be held for many years before they produce a worthwhile return. So in looking at complaints about these plans, we do not usually consider them suitable for people such as those approaching retirement, who have a limited “time horizon” for investing.

### complaints about mortgage endowments

2011	3,048	
2010	5,400	
2009	5,798	
2008	13,778	
2007	46,134	
2006	69,149	

year ended 31 March

annual trend:  
-44%

In last year’s *annual review* we reported that the number of mortgage endowment complaints had continued to fall, albeit at a much gentler pace than in previous years.

During the financial year 2010/2011 we saw a further fall, with new cases slowing down to a rate of fewer than 60 each week. At the peak of complaints about mortgage endowments, in 2005, we were receiving up to 1,500 cases a week. So the current volumes are very low by comparison and now represent just 1.5% of our overall workload – from a peak of 63% of our workload in 2005.

However, mortgage endowments still remain one of the most complained-about investment products. And for many people referring complaints to us, the real difficulties caused by mortgage “shortfalls” are now starting to bite – as endowment policies they took out in the mid- to late 1980s, to repay their mortgage, are now maturing.

The majority of complaints about mortgage endowments where the time limits for complaining have *not* yet expired – and which we are therefore able to assess – continue to centre around the risks of the policy. This involves our deciding – in each individual case – whether the financial business did enough to help the consumer understand the risk that the policy might not perform well enough to pay off the mortgage.

Very large numbers of consumers have taken action over the last decade to deal with any potential shortfall when their endowment policy matures. This has included making complaints – and being paid compensation where appropriate. But we still continue to see complaints from consumers who are confused and disappointed when their endowment policy matures with a shortfall.

## what the complaints were about: investments and pensions

In last year's *annual review* we highlighted complaints about the information that businesses give consumers when their policy is close to maturity. During the year we continued to see complaints where consumers say they were confused by this information.

### complaints about pensions



year ended 31 March

annual trend:  
**-25%**

The number of complaints we received about pensions during the year continued the recent downward trend – and fell by a further 25%.

However, these cases often involve a number of complex issues with potentially large amounts at stake. The consumers involved tend to be more sophisticated and the businesses more specialist – with both sides usually putting forward highly technical arguments.

Where we uphold a pension-related complaint, putting matters right is generally not easy – with tax implications and restrictions on paying money into pensions to be taken into consideration. All this means that these complaints can be among the most difficult and time-consuming disputes we deal with.







Cases involving pensions also frequently have more than £100,000 at stake – the maximum amount of compensation we can tell a business to pay. Businesses may agree to settle any recommendation we may make above this level – but the *recommendation* itself is not legally binding on them.

A High Court case decided during the year has clarified that once an ombudsman's decision has been accepted, the case cannot then be taken to court in relation to any amount above £100,000. Separately during the year, the FSA consulted on raising from £100,000 to £150,000 the maximum amount of compensation we can tell a business to pay.

The range of pension-related complaints we dealt with during the year was very wide, involving many different issues. During the year we continued to see complaints about advice on selecting investments within a pension fund; delays in setting up annuities; taking pension benefits using income draw-down (sometimes known as unsecured pension or pension fund withdrawal); and “switching” (transferring pension funds from one policy to another), particularly into self-invested personal pensions (SIPPs).

## what the complaints were about: investments and pensions

### complaints about stockbroking and portfolio management

2011	2,267	
2010	2,474	
2009	2,078	
2008	1,209	
2007	1,052	
2006	975	

annual trend:  
-8%

year ended 31 March

In last year's *annual review* we reported a significant number of complaints about high-pressure selling by a number of stockbroking firms – one of which had been responsible for 10% of complaints to us in this area. When this firm, and several others like it, subsequently went out of business, we referred complaints that consumers had brought to us to the Financial Services Compensation Scheme (FSCS), as the fund of last resort.

These particular complaints – together with the volatility of the markets over that period – resulted in the volume of complaints to us in this area rising sharply between 2008 and 2010. As we had anticipated, the number of new cases has now eased, largely reflecting the relative recovery of the markets in recent times.

However, during the year we continued to receive complaints from consumers who were unhappy with the way in which their brokers and portfolio managers had responded to changing market conditions.

We also received a number of complaints from investors who lost money in funds which were financially backed by the failed investment bank, Lehman Brothers – or which were affected by the investment fraud carried out by the convicted US financier, Bernard Madoff.

We were careful to decide these cases on the basis of our usual approach where negligence is claimed – looking at the individual circumstances at the time of the sale or advice, without using any hindsight.

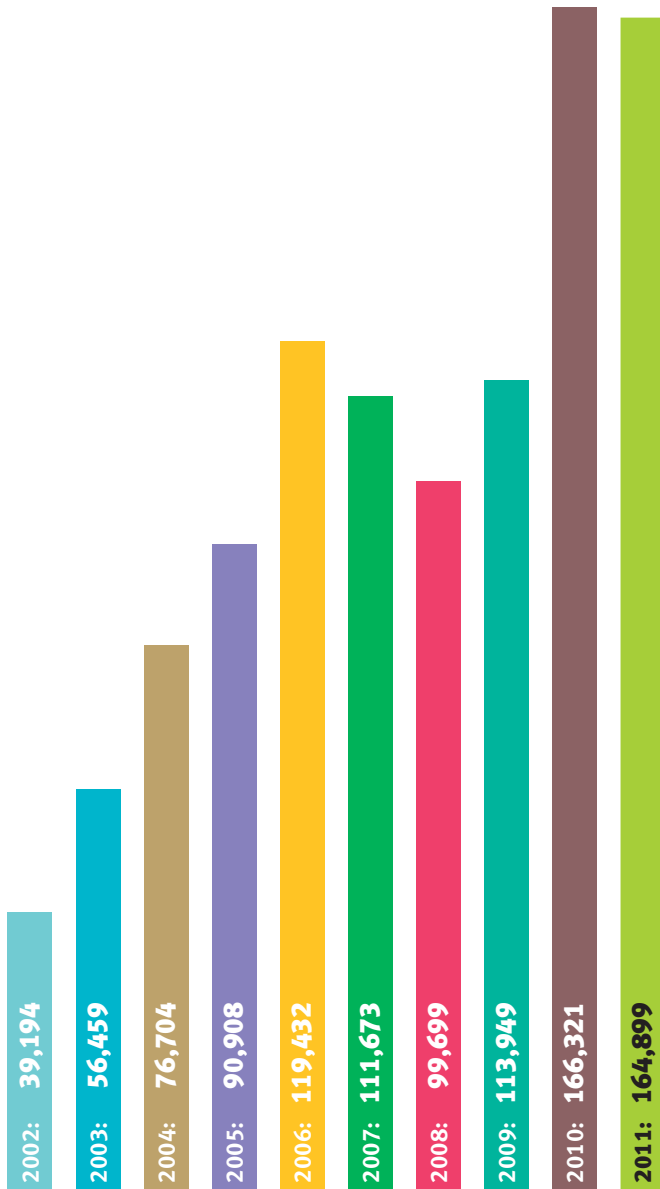
# how we dealt with the complaints



## how we dealt with the complaints

### number of cases we resolved

We continued to settle cases at record levels – resolving a total of **164,899** cases in the financial year 2010/2011. This is 0.85% fewer than the 166,321 cases we resolved in the previous year – and is the second highest number in any year since the ombudsman service was set up in the year 2000.



year ended 31 March

However, the number of cases we were able to settle during the year was lower than we had initially anticipated. This was because of slower progress on large numbers of payment protection insurance (PPI) complaints – which were hampered by delays, uncertainty and less co-operation from some financial businesses, as a result of the legal challenge on PPI-related matters brought during the year by the British Bankers Association (BBA) on behalf of a number of high-street banks (see page 40).

### how we resolved the cases

The approach we take to resolving disputes is largely determined by the individual facts of each case – and by the level of formality required to settle matters appropriately.

Our preference is to resolve complaints informally – getting both sides to agree at an early stage to the views or informal settlements that our adjudicators may suggest.

But more complex or sensitive disputes may require detailed investigations and lengthy reviews, including an appeal to one of our panel of 71 ombudsmen (see page 147) for a final decision.



## how we dealt with the complaints

### cases requiring an ombudsman's final decision

During the year, the number of cases requiring the direct involvement of an ombudsman – and a formal ombudsman decision – increased significantly. 10,730 cases had a final decision by an ombudsman in the financial year 2009/2010 – rising 63% to 17,465 cases in 2010/2011 (following a 24% rise in the previous year).

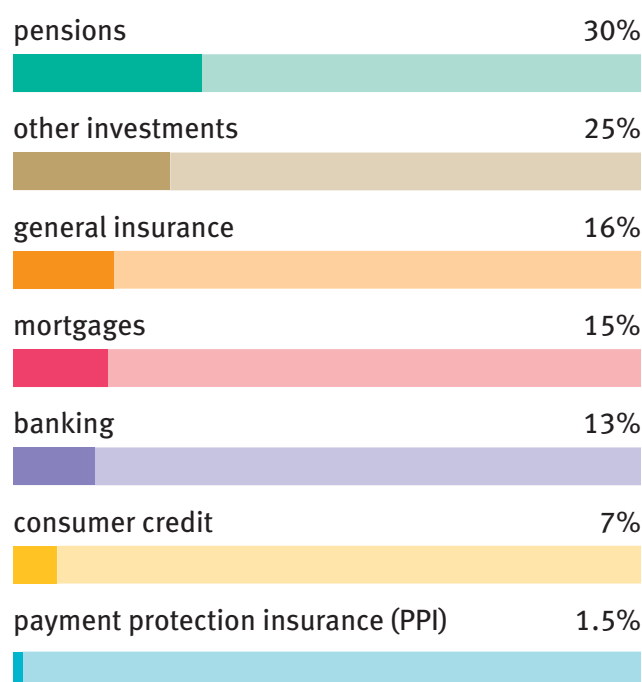
This means that 11% of cases we settled during the year required an ombudsman to make a final decision – as the last stage of our process – compared with a figure of around 8% in earlier years.

This increase in the number of cases where a complaint is pursued to an ombudsman decision appears to continue a trend highlighted in last year's *annual review*. This is the shift towards more entrenched disputes – with businesses increasingly taking a harder-fought and legalistic approach, and consumers becoming more demanding and less willing to concede.

Of the final decisions made by ombudsmen during the year, 38% of requests were made by financial businesses and 62% by consumers. In over eight out of ten final decisions, ombudsmen reached the same basic conclusions as the adjudicators who handled the cases in the earlier stages. Where they did not do so, there was usually a finely-balanced judgement call or, more often, new facts came to light only at that very late stage.

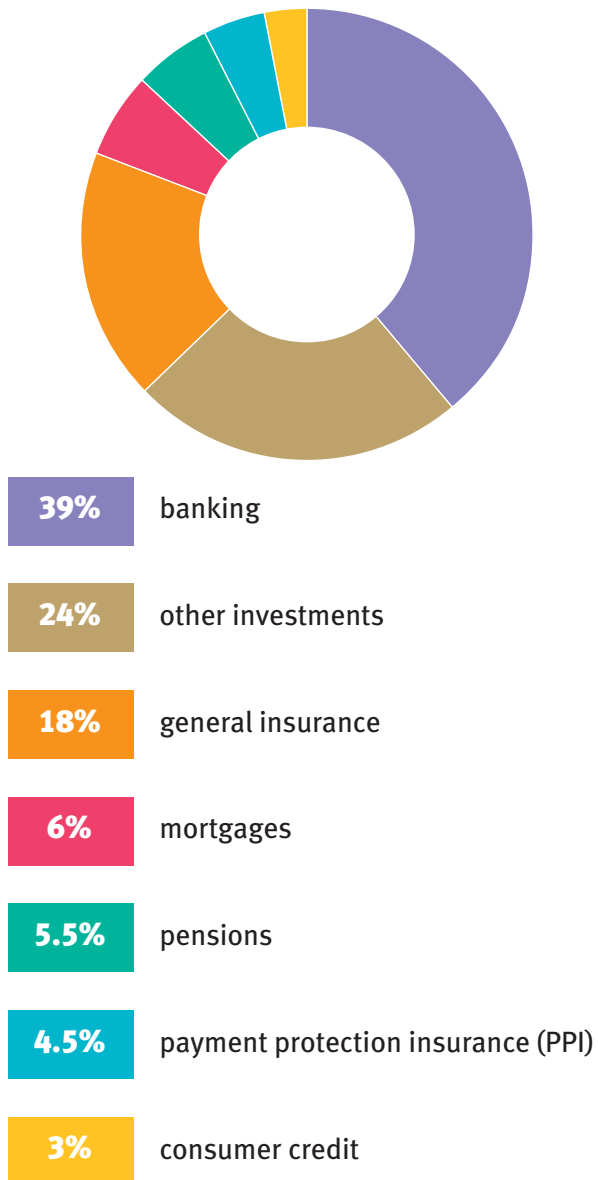
Proportionately more cases were referred to an ombudsman for a final decision where the dispute related to pensions and investments – generally reflecting the complexity of these disputes, the larger amount of money often at stake, and the socio-demographic background of many of the consumers involved.

### which type of complaints required ombudsman decisions?



## how we dealt with the complaints

### ombudsman decisions – by product



Younger people are statistically less likely to request a formal ombudsman’s decision than consumers of other ages. In fact, the proportion of cases requiring an ombudsman’s final decision increases by age group. However, this largely reflects the types of financial products involved – with older people more likely to have more complex products such as pensions and investments. There is more information about this on page 78.

However, the proportion of men and women who requested a final decision by an ombudsman was broadly similar – as was the proportion of requests made by consumers from different faith and ethnic groups. There is more information about the diversity of our customers – and their experience of our service – on pages 76 to 113.

“... younger people are less likely to request an ombudsman’s decision than consumers of other ages”

## how we dealt with the complaints

### hearings

As part of our work resolving complaints, our rules allow us to hold hearings – face-to-face meetings – either in public or private. We can also hold hearings over the phone, where this is more convenient for everyone involved. Hearings are generally as informal as possible.

During the year we again held fewer than 20 hearings in cases where the ombudsman considered that it would help them get to the bottom of a case. We hold hearings only where the ombudsman believes a case cannot be fairly decided on the basis of the documentary evidence and the material that the two sides have already provided.

If we are asked for a hearing by either a consumer or a business, we consider carefully what value it will add. We do not believe that hearings should be held just to allow either side to confront the other in person – and neither side is given a private meeting with the ombudsman deciding the case.

### how we record the outcome of cases we resolve

We record the outcome of a consumer's complaint as "changed" – meaning *we upheld the complaint* – in cases where:

- The financial business told the consumer in its final response that it had done nothing wrong – but after the complaint was referred to us, we decided (or the business belatedly accepted) that it *had* done something wrong after all.

or

- The financial business's final response offered the consumer inadequate compensation – but after the complaint was referred to us, we required the business (or it belatedly agreed) to increase its offer to an appropriate level.

We record the outcome of a complaint as "not changed" – meaning *we did not uphold the consumer's complaint* – in cases where:

- The financial business had done nothing wrong.

or

- The financial business *had* done something wrong, but had already offered the consumer appropriate redress (before the complaint was referred to us).

## how we dealt with the complaints

### % of complaints where the outcome changed as a result of our involvement (“we upheld the complaint”)

In total we upheld **51%** of the complaints we settled in the financial year 2010/2011 – compared with 50% of cases in the previous year.

#### complaints data about named businesses

Since September 2009 we have published complaints data on our website every six months about *named* individual businesses. The data shows the number of new complaints – and the proportion of complaints we upheld in favour of consumers – for businesses that have 30 or more new cases (and 30 or more resolved cases) in each six-month period. The complaints data shows that:

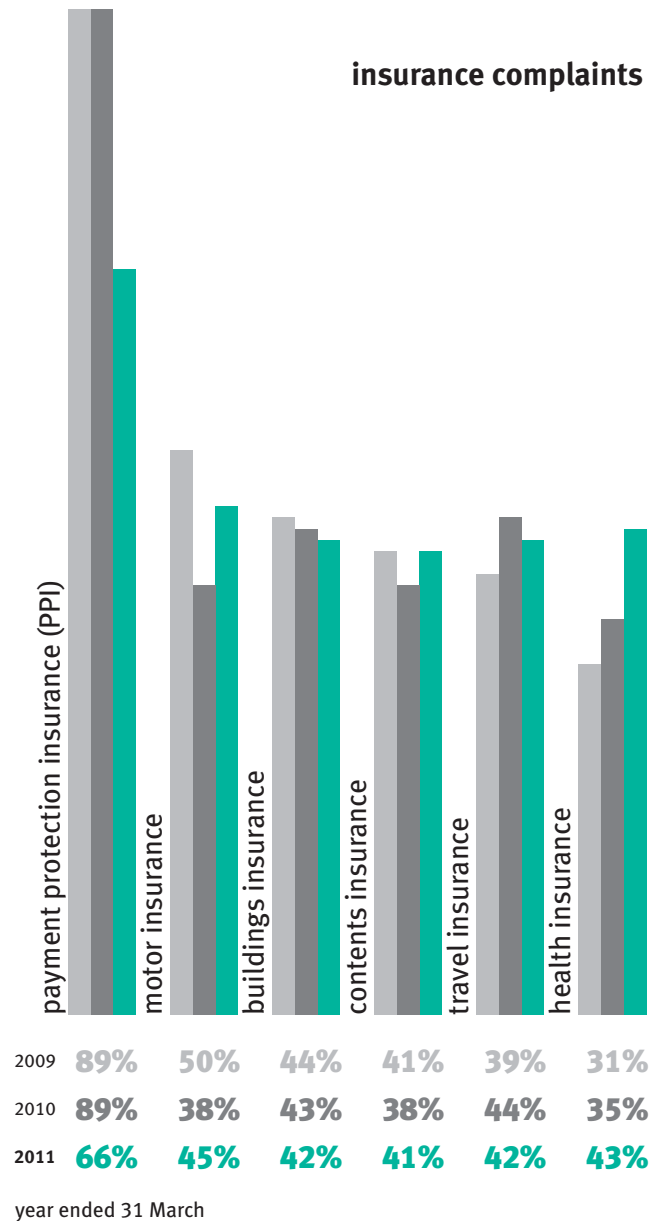
- 150 or so businesses (out of more than 100,000 covered by the ombudsman service) together generate around 90% of our complaints workload.
- The number of complaints relating to each individual business included in the six-monthly data has ranged from 30 to 12,750.
- The proportion of cases we uphold in favour of the consumer varies substantially from business to business – between 10% and 100%.

#### putting things right

Where we *uphold* a complaint in favour of a consumer, there are a number of ways in which we can put matters right – depending on the individual circumstances of the case. These include:

- Telling the business to pay redress – to put the consumer in the position they would now be in, if the business hadn’t got it wrong in the first place.
- Telling the business to compensate the consumer for distress and inconvenience.

#### insurance complaints



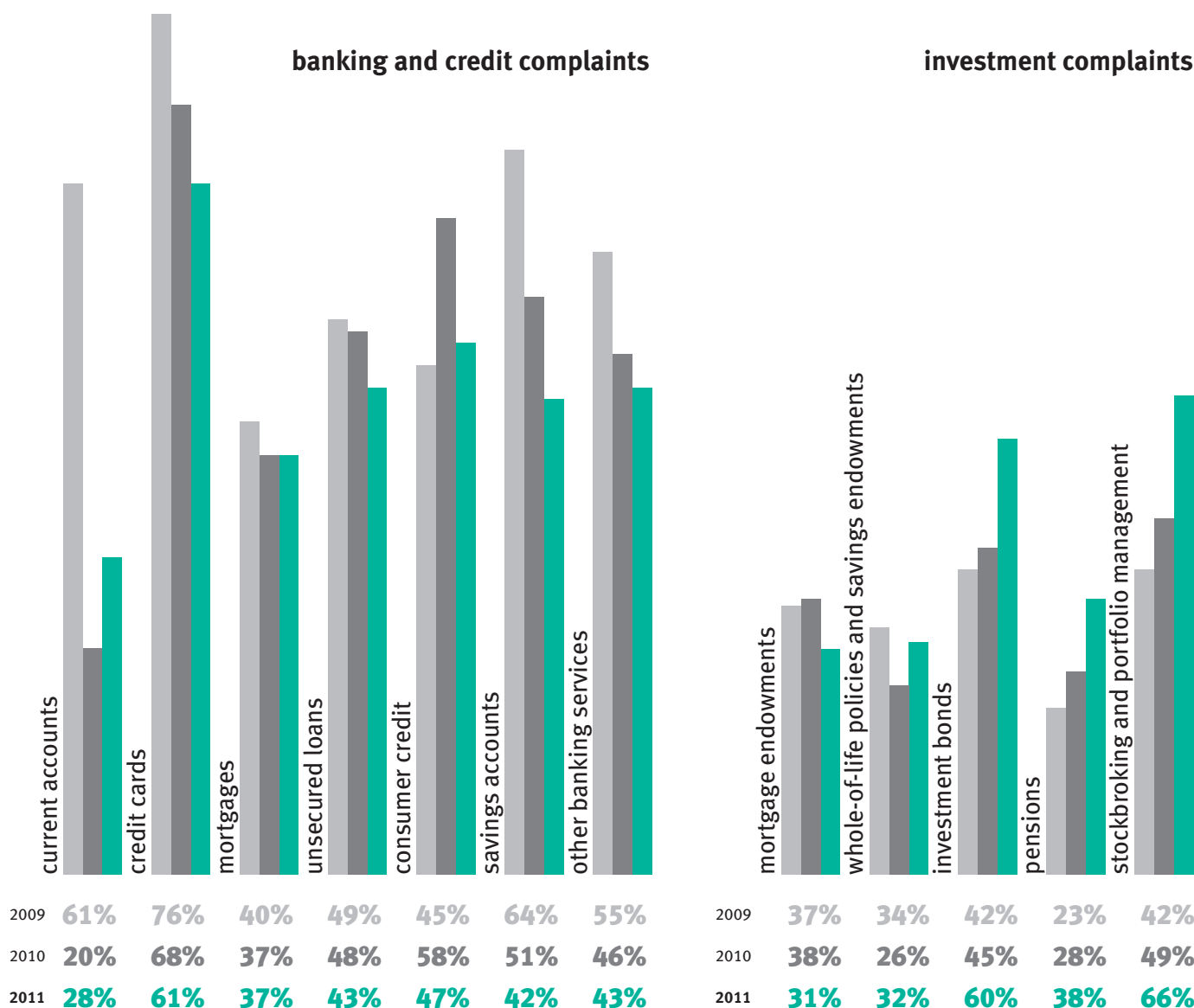
We did this in 20,019 cases during the year – 28% of the cases we upheld (24% in the previous year) – generally awarding between £150 and £500.

- Directing the business to do something (or *not* do something), to put right what’s gone wrong. This can range from correcting credit references to paying a previously-rejected insurance claim.
- Telling the business to apologise.

# how we dealt with the complaints

## banking and credit complaints

## investment complaints



Where we do *not* uphold a complaint in favour of a consumer, our aim is to give a clear explanation – from an entirely impartial standpoint – as to why we believe the financial business has done nothing wrong (or has already offered appropriate redress).

In many cases it is poor communication between a financial business and its customer that leads to a simple misunderstanding escalating to the stage where the ombudsman service has to get involved.

Consumers can sometimes pursue complaints in an unfocused way that may make them appear unreasonable to the business they complain to. On the other hand, businesses sometimes respond to customer concerns unhelpfully and defensively – aggravating problems that a clear, helpful and sympathetic explanation might have resolved.

A consumer’s failure to present a reasoned argument does not automatically mean that a case has no merit – or that the complaint should be categorised as “frivolous and vexatious”.

## how we dealt with the complaints

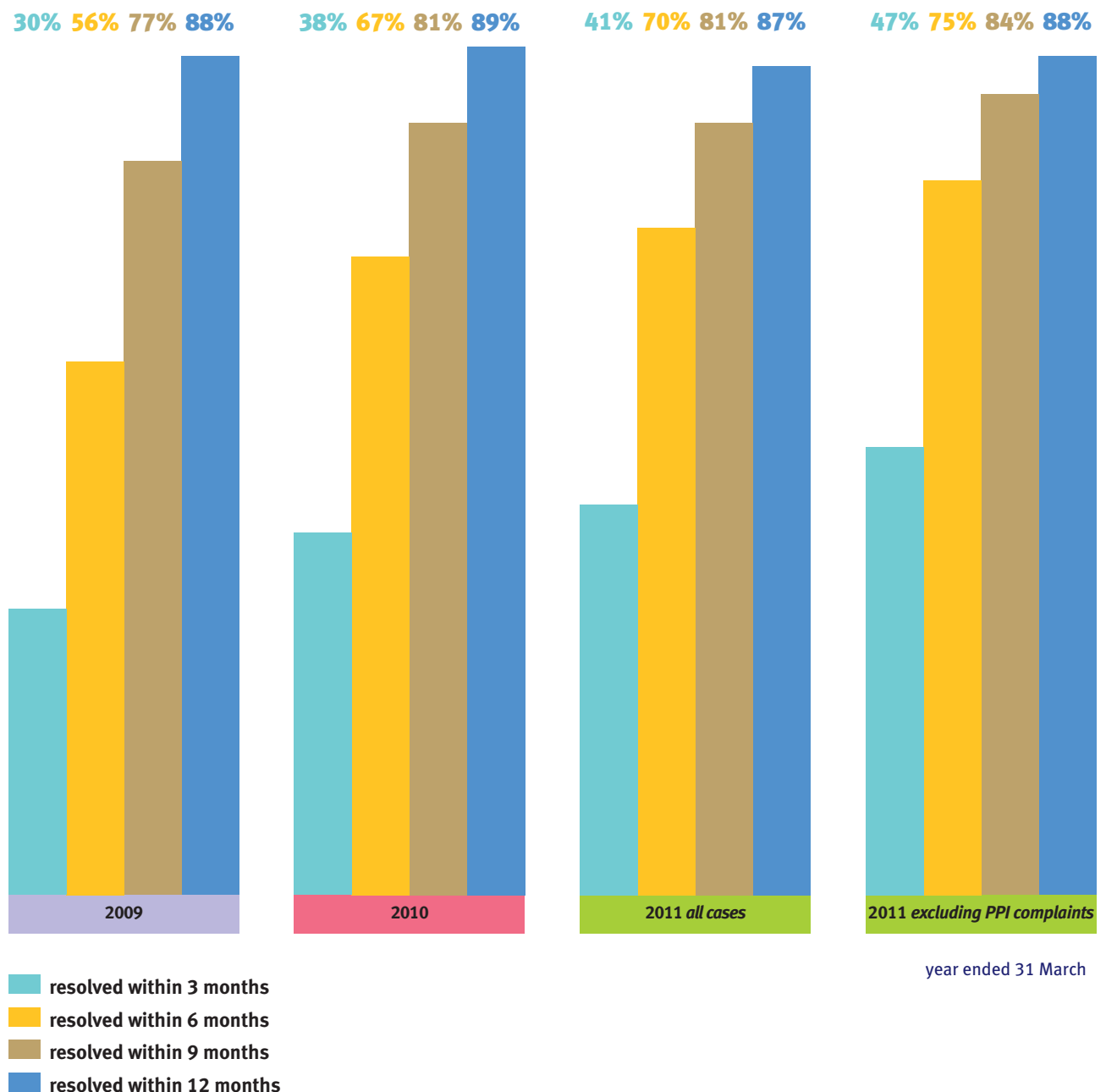
Of the 164,899 complaints we settled during the financial year 2010/2011, we concluded that 1,447 cases (0.9% of the total) could be categorised in this way (0.4% in the previous year). We do not charge a case fee to the business complained about where we decide that a complaint is “frivolous and vexatious”.

### timeliness

The chart below shows the time it takes to settle complaints that are referred to the ombudsman service.

We resolved 41% of all complaints within three months and 70% within six months – both improvements on the previous year. However, reducing the time it takes us to settle cases remains a key priority for us in terms of improving our customer service – and we aim to further improve timeliness next year.

### time taken to resolve cases



## how we dealt with the complaints

We are disappointed that our work to reduce the time it takes us to resolve complaints has been less successful in relation to cases involving payment protection insurance (PPI). Progress has been much slower than we would have liked on most PPI cases for two reasons:

- The number of PPI cases we received during the year exceeded by 127% the number we had geared up to deal with, following public consultation at the start of the year. We had expected to receive 46,000 PPI cases – not the record 104,597 cases we actually received.
- In addition to significant further volumes of new cases following publicity about the British Bankers Association’s judicial review of PPI-related matters (see page 40), this legal challenge resulted in some businesses deciding not to respond substantively to many PPI complaints.

The large volumes of PPI complaints – together with delayed and uncertain progress on many of these cases, as businesses become less co-operative in handling them – means that the average time to resolve PPI complaints is now significantly longer than for complaints about other products.

As the table on page 68 shows, the timeliness figures for 2010/2011 improve significantly if we *exclude* PPI cases – with 47% of all cases *other than* PPI resolved within three months and 75% of cases resolved with six months.

However, it is not only in PPI cases where we have seen more businesses taking a legalistic approach to dispute resolution – often resulting in delayed progress and slower case handling. In most areas of our work, we are now seeing disputes involving hard-fought arguments and entrenched attitudes – on *both* sides – as businesses become less willing to concede and consumers become more demanding.

This resulted in a 63% increase during the year in the number of cases where an ombudsman issued a final decision as the last stage of our process (see page 63).

We continue to prioritise cases where consumers might be disadvantaged by having to wait longer – for example, through financial hardship or for medical reasons. During the year we identified and prioritised 12,226 cases where financial hardship was a significant issue. Eight out of ten hardship cases involved complaints relating to current accounts, and the other cases mostly related to credit cards, overdrafts and loans.

Of course, prioritising cases such as these inevitably means that other complaints cannot be progressed as quickly as we would otherwise like.

### quality

Delivering a high-quality service is of fundamental importance to us. It is what matters most to all our customers and stakeholders. “Quality” for us means that in every case we should be able to show that we have:

- Made the decision in the right way – getting to the heart of the issue and consistent with other decisions in similar cases.
- Treated the customer well – the consumer and the business in each case – so that they are satisfied with our level of service.
- Got the basics right – for example, responding appropriately to different communication needs.

## how we dealt with the complaints

Further steps we have taken during the year, to ensure that quality is at the heart of what we do, include:

- Designing an enhanced career model that encourages and enables the professional development of our case-handling staff.
- Further developing the role of our ombudsmen as mentors and coaches.
- Extending our approach to knowledge management, to ensure that all our staff have the information they need.
- Promoting a practical understanding of why and how our customers may have different needs – and being able to respond appropriately.
- Motivating managers in all areas across the organisation to champion the key importance of quality as a core value within their own teams.
- Making sure that all our staff understand why quality matters – in everything they do.

During the year members of our executive team, as well as members of our board, again reviewed a cross-section of randomly-selected closed cases, to see how the quality of case-handling makes a difference in individual complaints.

### learning and developing

The skills and knowledge of our staff are key to ensuring high quality and consistency in our work. We dedicate significant resource to training and continuing professional development at all levels.

During the year our staff spent a total of 30,087 hours in training activities (30,546 in the previous year) – an average of 3.7 days of training for each employee. This included:

- Briefings, updates and technical refresher-training for adjudicators.
- A wide range of workshops and training for our managers.
- Casework “clinics” led by ombudsmen and technical experts.

We also trialled an “academy style” approach to training newly-recruited adjudicators. This involves an intensive classroom induction for their first 12 weeks, before placing each new adjudicator in a team of experienced adjudicators for structured on-the-job training and mentoring.

During the year we continued to provide our staff with the skills to deal confidently and sensitively with an increasingly diverse range of customers, including those with different needs. This included:

- Our latest disability-awareness and customer-service programme – launched by wheelchair basketball player, Ade Adepitan, a gold-medallist at the 2005 Paralympic World Cup – and run in partnership with eight disability, mental health and wellbeing charities, including the Samaritans, British Dyslexia Association and Alzheimer’s Society.

“... we ran our customer-service programme in partnership with eight disability, mental health and wellbeing charities”



## how we dealt with the complaints

- Our “customer experience” workshops – aimed at helping us better understand what it might feel like to interact with our service from the perspective of a range of people from diverse backgrounds. We initially ran these workshops for our board and executive team – and have now extended the programme to include our managers, ombudsmen and new adjudicators joining us.

### knowledge and information

One of our key priorities is to put knowledge and expertise at the heart of everything we do. We rely on the skills, expertise and professionalism of our staff to resolve the complaints referred to us – and arrive at the right outcome in each case.

We share up-to-date casework news and information across the organisation, using our knowledge-management “toolkit” on our staff intranet. This helps us ensure the quality and consistency of our approach to individual cases.

This approach is supplemented with regular in-house clinics, mentoring sessions, briefings and seminars – which help us share knowledge, learn and improve. During the year we also launched an online forum and *wiki* on our intranet – for staff to share comments, questions and views about casework issues.

We are also committed to sharing our knowledge with the outside world. Making information increasingly available about our approach to particular types of cases should make it easier for consumers and financial businesses to resolve more complaints themselves – without referring them to the ombudsman service.

During the year we added or updated 2,073 pages of our website and 13,124 pages of our staff intranet. This included doubling the content of the *online technical resource* on our website and revising and updating the widely-used frequently-asked questions (FAQ) section.

### stakeholder research

We carry out a programme of stakeholder and customer research – to help give us a closer understanding of what our customers want, how they rate the service we provide, and where we could do things better. This programme includes:

- Carrying out customer research on an ongoing basis, to record and measure how consumers whose complaints we have handled rate various aspects of the service we provided.
- Running surveys to monitor the views of the businesses we cover.
- Monitoring general consumer-awareness of the ombudsman service, on a quarterly basis, to help with our work on accessibility – ensuring that everyone who needs to contact us knows how to find us and how to access our service.
- Running an online survey on our website, giving customers the opportunity to give us feedback on the service they have received on their own case.

During the year we also carried out a customer “segmentation” project (see page 103) – involving research and focus groups with businesses and consumers. This project gave us a significant insight into the needs and behaviours of our customers – in terms of their attitudes to complaints generally, as well as to using the ombudsman service specifically.

“... knowledge and expertise  
are at the heart of everything we do”

## how we dealt with the complaints

We are now using the insights we gained from this work to help us, as we develop and improve our processes and technology to better reflect the needs of our customers. We have also used these insights to develop the “customer experience” workshops described on page 71 – as part of our commitment to developing individual responsibility for providing tailored service that better meets individual needs.

Results and feedback from these stakeholder-research activities are shown in more detail in the chapters *who complained to us* and *who the complaints were about*.

### handling complaints about us

Recognising where we have made mistakes – and learning from any shortcomings – is a vital part of our commitment to providing a service for our customers that we can be proud of. This is why – just like the businesses whose complaints we handle – we have our own formal complaints procedure for people who are unhappy with the level of service we have provided.

We can usually sort out many problems straight away – as soon as someone tells us that they are unhappy with the standard of service they have received. Prompt intervention by the relevant manager – and an immediate phone call to apologise or explain – means we can resolve many issues at this level without the problems escalating into formal complaints.

But if we are not able to sort out matters at this stage to the satisfaction of the customer, one of our senior managers will look into the problem. This applies to complaints both from consumers and businesses. The process is entirely separate from the usual process that applies if a consumer or business disagrees with our views on the merits of their case – and wants us to re-consider facts and arguments.

In the financial year 2010/2011, we handled 2,489 complaints about our service – including complaints subsequently referred to the independent assessor (see below). These related to 1.2% of our total caseload. 5% of these complaints were made by businesses and the others were all from consumers or their representatives.

We upheld 33% of these complaints. This involved paying compensation in 271 cases, in recognition of the inconvenience caused by delays or administrative errors on our part. The average payment – including compensation recommended by the independent assessor – was £258.

Where we are unable to resolve a complaint about our service, it can be referred to the independent assessor – for a formal independent review of the level of service we have provided. Each year the independent assessor produces an annual report for our board, setting out findings and recommendations made over the year. We publish the independent assessor’s report in full on our website.

## how we dealt with the complaints

### our budget and funding

We are funded by an annual levy paid by the businesses we cover – and by case fees that we charge businesses for settling disputes referred to us about them.

In the financial year 2010/2011 we did not charge businesses case fees for the *first three* disputes involving them. Businesses were charged case fees only for the *fourth* (and any subsequent) dispute during the year. There is more information on page 120 about how many businesses paid case fees.

Our budget is calculated on the basis of workload forecasts that we consult on publicly each year in January and February – before the start of the new financial year.

Following public consultation in January and February 2010, the boards of the FSA and the Financial Ombudsman Service approved a budget for the ombudsman service – for the financial year 2010/2011 – that assumed income

of £113.7 million, expenditure of £115.7 million, and a unit cost of £550. The actual final figures for the year showed total income of £98.3 million, expenditure of £105.9 million, and a unit cost of £639.

The unit cost was higher than budgeted – reflecting the rising number of disputes involving hard-fought arguments and entrenched attitudes. We suggested in last year's *annual review* that this could turn out to be the case – when we warned that the increased complexity of the disputes we were starting to see, and the marked increase in cases requiring a final ombudsman's decision, might reduce the impact of a range of operational efficiencies we were introducing.

The unit cost – and our ability to settle cases promptly and efficiently – has also been significantly affected by a wide range of operational challenges arising out of the British Bankers Association's judicial review of PPI related matters (see page 40).

### our unit cost



Our unit cost is calculated by dividing our total costs (before financing charges and any bad debt charge) by the number of cases we complete.

year ended 31 March

## how we dealt with the complaints

### our income and expenditure (summary)

	<i>actual</i> year ended 31 March 2011 £ million	<i>budget</i> year ended 31 March 2011 £ million	<i>actual</i> year ended 31 March 2010 £ million	<i>actual</i> year ended 31 March 2009 £ million
<b>income</b>				
annual levy	20.9	19.5	20.6	19.3
case fees	77.1	94	77.6	46.1
other income	0.3	0.2	0.2	0.4
<b>total income</b>	<b>98.3</b>	<b>113.7</b>	<b>98.4</b>	<b>65.8</b>
<b>expenditure</b>				
staff-related costs	88.8	99.7	78.3	47.8
other costs	15.0	13.9	12.3	8.7
financing charges	0.0	0.2	0.0	0.1
depreciation	2.1	1.9	1.8	1.4
<b>total expenditure</b>	<b>105.9</b>	<b>115.7</b>	<b>92.4</b>	<b>58.0</b>
surplus/(deficit)	(7.6)	(2.0)	6.0	7.8

These figures are drawn from our unaudited management accounts. The directors' reports and audited financial statements are available separately on our website and as hard-copy.

# who complained to us



## who complained to us

### what kind of consumer uses the ombudsman service?

It is essential that we know what kinds of consumers bring complaints to the ombudsman service – so that we can provide a service that meets their needs and expectations.

Understanding who our customers are also helps us identify specific areas and groups in the community where our service is less well known and used.

We carry out a wide range of research to find out more about our customers, as part of our work to:

- Identify and respond to what people who use our service – and our stakeholders more generally – want and expect from us.
- Update and improve our case-handling procedures to make our service easier to use and more tailored to individual needs.
- Adjust how we work in individual cases to address particular accessibility issues.
- Meet our commitment to equality and diversity.
- Target specific outreach and awareness-raising activities.

### what age are consumers who complain to the ombudsman?

The number of consumers bringing complaints to the Financial Ombudsman Service over the last three years has increased substantially – but the overall proportion of people in each age group has remained broadly similar over this period.

Two thirds of consumers who use our service are between the ages of 35 and 65. This reflects the fact that they are more likely to own a wider range of financial products. Our research also shows that people in these age groups are generally also more likely to know about their consumer rights, including their right to complain to the ombudsman.

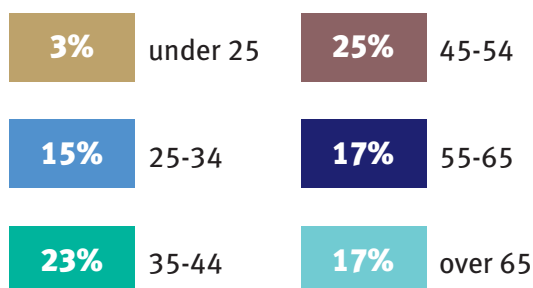
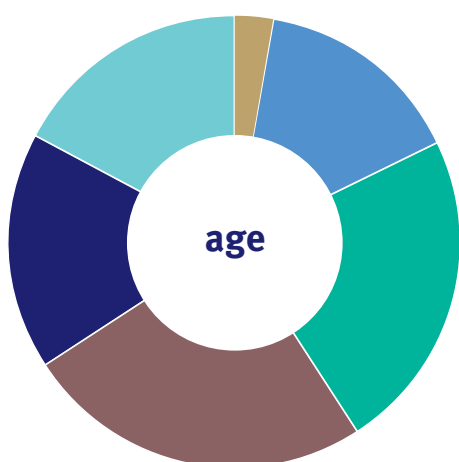
However, during the year the proportion of complaints we received from consumers over 65 increased by a record 42%. This reflects the significantly larger number of older people who have referred complaints to us about payment protection insurance (PPI). It may also reflect our outreach work with older and retired people over the last few years (see page 98) – with more consumers in the older age groups now showing increased confidence in complaining.

## who complained to us

We monitor closely the types of people who initially contact our consumer helpline – and compare these with the types of consumer who subsequently pursue a case with us formally. This enables us to see if there are any differences in the kinds of people who use our service at the various different stages of our process. Our research shows that people in all age groups are equally likely to pursue a complaint formally, once they have made informal contact with us initially – with the exception of consumers aged under 25 (see page 96).

Consumers under 25 and over 65 are slightly less likely to have their complaints upheld than people in other age groups – but this reflects the products they complain about. Younger consumers, in particular, are relatively less likely to complain about payment protection insurance (PPI) – where we uphold a proportionately high number of cases in the consumer’s favour (see page 66).

Younger consumers are also statistically more likely than those in other age groups to agree at an earlier stage with an adjudicator’s view or informal settlement – and less likely to request a formal ombudsman’s decision.



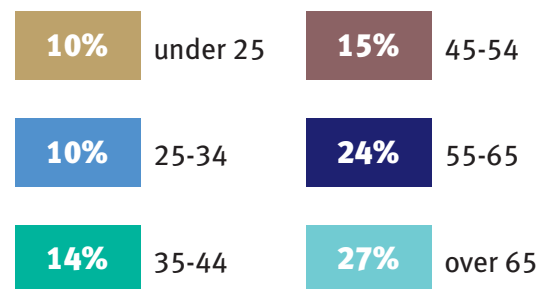
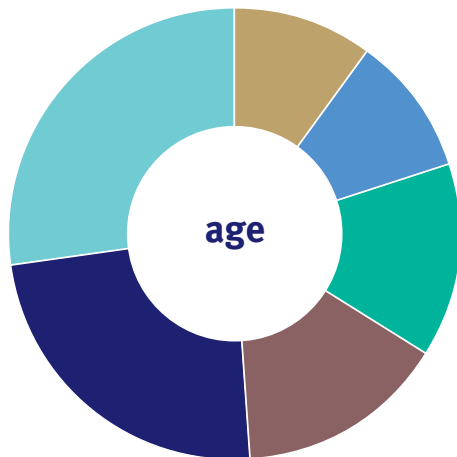
“... the proportion of complaints we received from consumers over 65 increased by a record 42%”

### what age are consumers who pursue complaints to the final stage – for an ombudsman’s decision?

The proportion of cases requiring an ombudsman’s final decision increases by age group. This largely reflects the types of financial products involved. As people get older, they generally have more complex products such as pensions and investments – areas where ombudsmen are proportionately more involved in making decisions, given the larger amounts of money often at stake.

For example, a quarter of complaints brought by consumers aged 55 to 64 related to pensions and investments (see page 98) – but these products featured in only 2% of the cases brought by people aged between 25 and 34. On the other hand, younger people are – proportionately – significantly more likely to refer complaints to the ombudsman service about current accounts.

There is more information about our work with younger people – to help raise their awareness of the ombudsman service, and their confidence and ability to get problems sorted themselves – on page 96.



“... there is no significant difference  
in the outcome of cases based on gender”



## who complained to us

### what gender are consumers who complain to the ombudsman?

Men continue to complain more to the ombudsman service than women. These figures have remained unchanged for several years. However, many complaints relate to accounts and policies that are held jointly, where conventionally the first-named account-holder (the name our system records) is generally a male partner.

More women contact us initially on our consumer helpline than subsequently pursue complaints with us formally. This is something we have been monitoring closely.

Our research suggests that women are more likely to be satisfied than men with the way a financial business handles their complaint. This may explain why fewer women return to us with a formal complaint, after our helpline has explained the complaints procedure and the importance of complaining first to the business they are unhappy with.

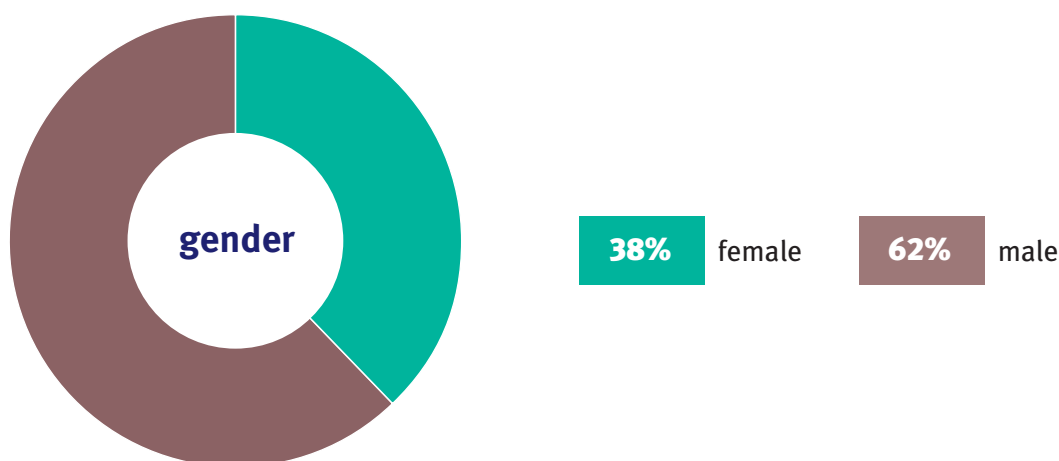
On the other hand, our research also shows that women are less likely than men to take further action, if they remain unhappy with how the business handles their complaint at the first stage of the complaints procedure. We will continue to keep this under review, as part of our work to ensure our service is accessible to everyone (see page 89).

The three products that women and men complain about the most are:

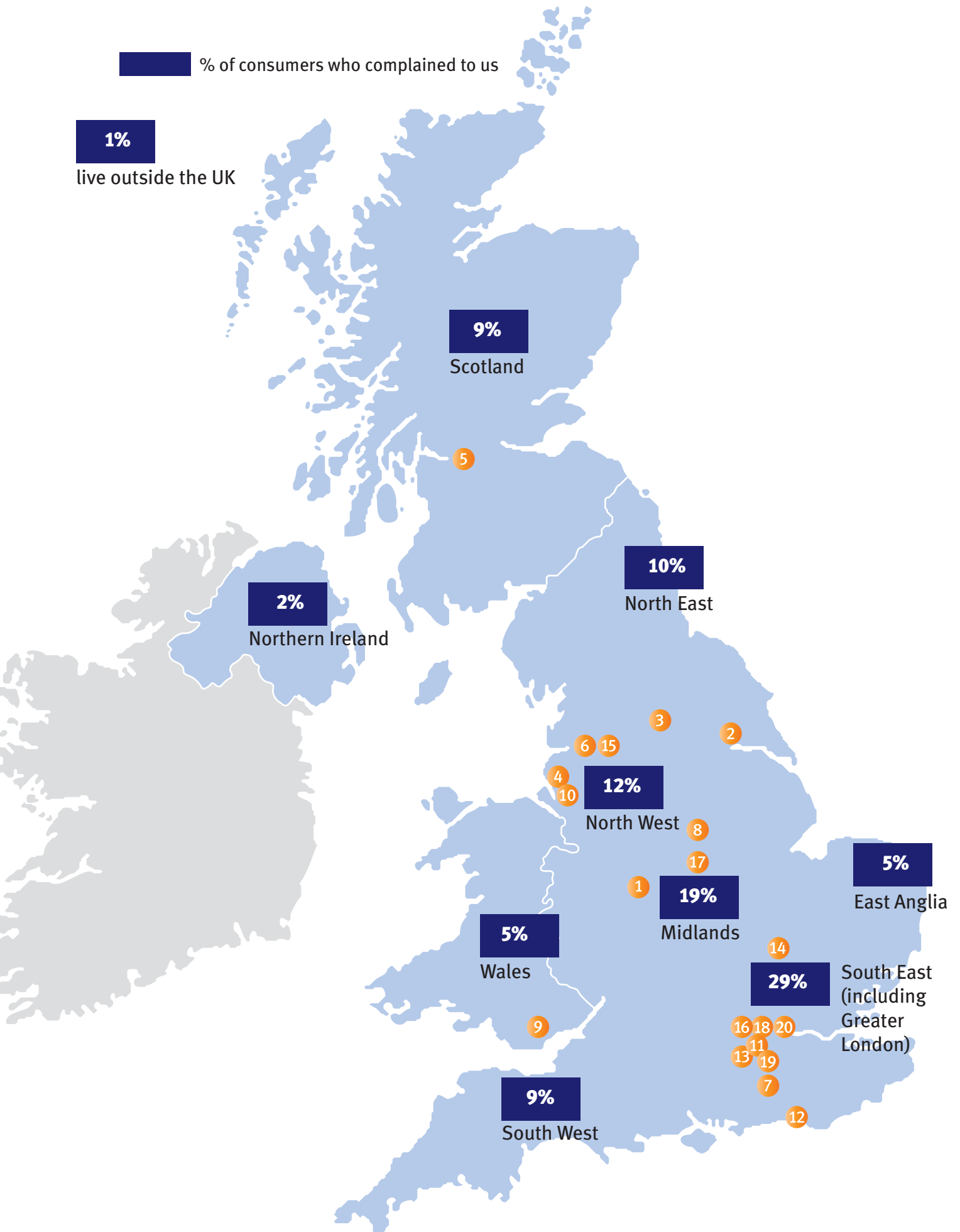
- payment protection insurance (24% of both men's and women's complaints);
- current accounts (19% of women's complaints and 16% of men's); *and*
- credit cards (13% of women's complaints and 11% of men's).

Taking into account the fact that the proportion of complaints we uphold varies according to the financial product involved (see page 66) – and the proportion of products complained about by women and men varies slightly – there is no significant difference in the outcome of cases based on gender.

There is also no significant difference between men and women in the proportion of cases requiring an ombudsman's decision to settle a case finally.



Financial Ombudsman Service  
who complained to us



## who complained to us

### where do consumers live who complain to us?

This map shows where consumers live who brought complaints to the ombudsman service during the year. The spread of our customers across the UK remained similar to the previous year – although the number of people from the South East fell slightly and the proportion of consumers from Scotland and the North East of England rose by 12%.

Comparing these figures with regional population data helps us monitor awareness and use of our service across the regions and nations. The location of people using the ombudsman service continues broadly to reflect the spread of the population across the UK as a whole.

Generally speaking, we saw a similar pattern of complaints about most financial products across all areas of the UK. However, a higher proportion of complaints from the North related to payment protection insurance (PPI) than in the South. For example, 56% of complaints from the North East of England involved PPI in comparison with 40% in the South East.

### the “top 20” places where people phoned us from the most

- 1 Ladywood, Birmingham
- 2 Cottingham, Hull
- 3 Woodhouse, Leeds
- 4 West Derby, Liverpool
- 5 Bridgeton, Glasgow
- 6 Moston, Manchester
- 7 Croydon
- 8 Mapperley, Nottingham
- 9 Canton, Cardiff
- 10 Great Sankey, Warrington
- 11 Fulham, London
- 12 Hove, East Sussex
- 13 Norbiton, London
- 14 Farley, Luton
- 15 Blackfriars, Salford
- 16 Kingsbury, London
- 17 Narborough, Leicester
- 18 Wembley, London
- 19 Streatham, London
- 20 Winchmore Hill, London

We are able to build up a picture of where people phone us from the most, by seeing which phone exchange their calls come through on.

The places where people called us from the most were generally densely-populated and diverse urban and suburban areas across the UK. Unsurprisingly, we received fewest calls from remote areas of Wales and the Scottish Highlands.

## who complained to us

### how did consumers who referred complaints to us know about the ombudsman?

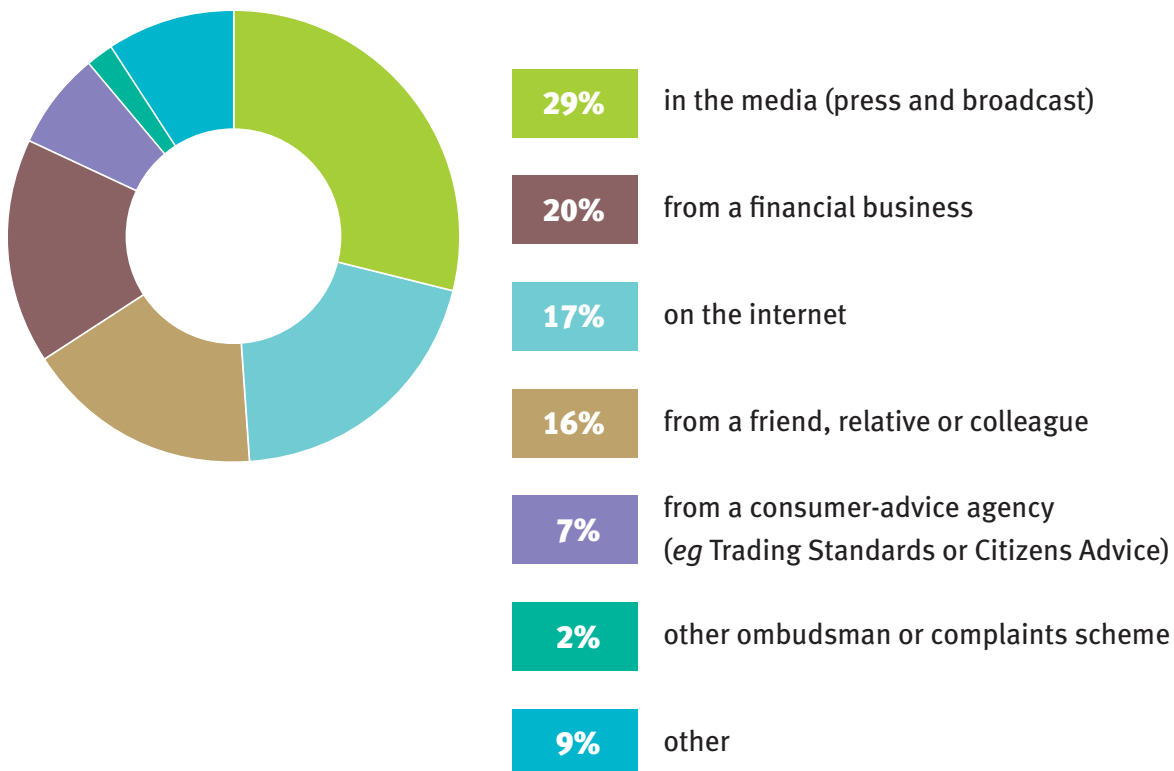
The main way that most consumers who refer complaints to us hear about the ombudsman continues to be through the media (although this figure fell by 9% year-on-year).

This is different from what those consumers who initially contact our consumer helpline tell us, when we ask them how *they* first heard about us (see page 21). These consumers – getting in touch with us for initial help and guidance, rather than to refer a complaint to us formally – are more likely to know about us through word of mouth than through the press.

The importance of the traditional media, as the primary way of finding out about us, is also clearly linked directly to age. Our research shows that younger people rely significantly less on newspapers to find out about us – and much more on what friends, colleagues and family tell them.

Women are also 50% more likely than men to have heard about us through word of mouth – from friends, colleagues and family. Similarly, more women than men found out about us on the internet – reflecting the 13% increase during the year in people who knew about us this way. The internet is how a significant proportion of Asian consumers also first heard about us (see page 94).

Interestingly, people under the age of 25 were *not* the age group that relied the heaviest on the internet for information about us. This is consistent with other feedback from students and younger people on what they use the internet for. In particular, younger people have been clear that we should develop only a *low-key* social-media presence, to communicate with them. There is more information about our outreach work with younger people on page 96.



## who complained to us

While 38% of people from professional and managerial (AB) backgrounds told us they heard about us through the media, this figure fell to less than a quarter of people from the unskilled (DE) social-economic group – who relied for information about us significantly more on friends, colleagues and family and on front-line consumer-advice agencies.

Under the complaints-handling rules, businesses covered by the ombudsman service are required to mention the ombudsman when they deal with a customer for the first time. Businesses also have to give details about us, if a complaint arises which the business cannot resolve to the customer's satisfaction.

So we would expect a significant proportion of consumers who bring complaints to us to say they were told about the ombudsman by the business they complained to. The proportion of consumers who say that this is how they first heard about us increased by 11% during the year. We hope this reflects a sharper focus by some businesses on improving their customer service and complaints-handling. Men are a third more likely than women to say they found out about us from the financial business.

There is more information on page 100 about general levels of consumer awareness of the ombudsman service.

“... people under 25 were *not* the age group  
that relied most on the internet for  
information about us”

## who complained to us

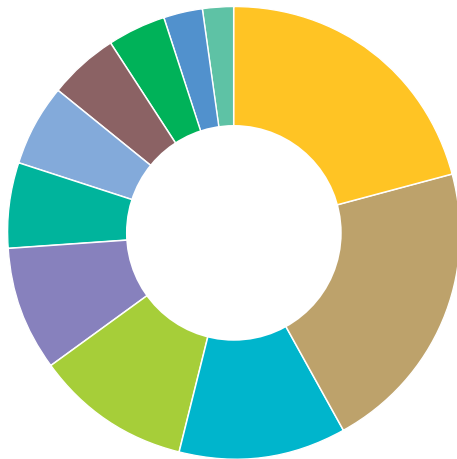
### which newspapers do consumers read who complain to the ombudsman?

Our research with consumers who use our service clearly shows that the extent to which people find out about us by reading newspapers becomes increasingly important the older people are. Younger consumers and those from non-white ethnic backgrounds rely significantly less on national newspapers to find out about the ombudsman service.

Over the last three years we have seen a shift in the newspapers that consumers who use the ombudsman service tell us they read.

The proportion of “broadsheet” readers has declined, with the *Sun*, the *News of the World* and *Metro* gaining ground. This seems to reflect the continuing shift in the socio-economic background of consumers who now use our service (see page 86).

However, the newspapers that people tell us they read do not match exactly with the media that cover the ombudsman service most frequently.



21%

regional and free papers  
(including Metro)

21%

Daily Mail/Mail on Sunday

12%

The Times/Sunday Times

11%

The Sun/News of the World

9%

The Telegraph/Sunday Telegraph

6%

The Mirror

6%

The Guardian/Observer

5%

The Express

4%

Financial Times

3%

The Independent/  
Independent on Sunday

2%

The Star

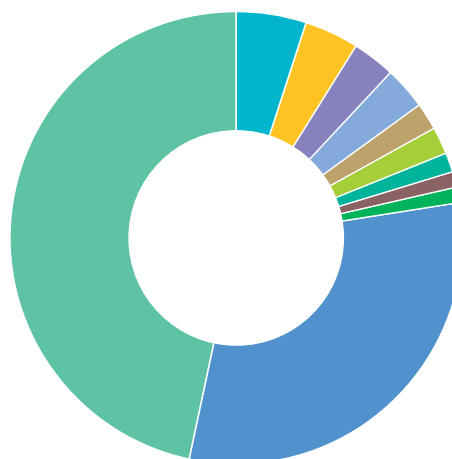
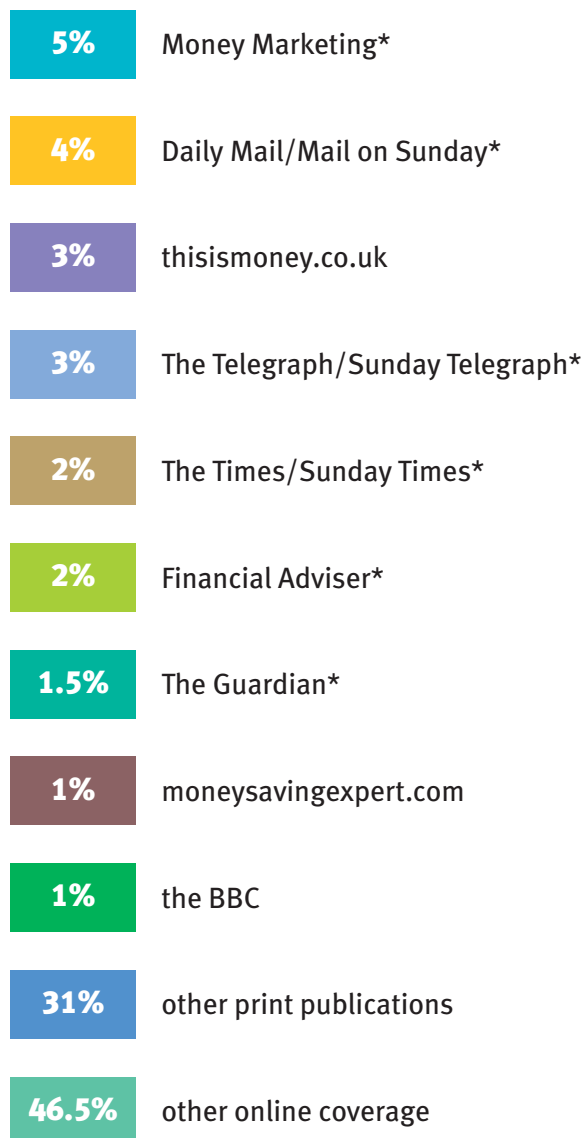
## who complained to us

### which media cover the ombudsman most frequently?

Over the year more than half of all media coverage of the ombudsman service was online, rather than in traditional print format.

Online coverage of the ombudsman service appeared on a very wide range of websites – run by voluntary and community groups, businesses and business networks, and government and public sector bodies – as well as the online versions of “traditional” newspapers and magazines. In addition, over 500 organisations now link directly from their websites to ours (see page 19)

The media that covered the ombudsman service most frequently during the year included national newspapers, specialist business-to-business publications and consumer websites. There is more information about our work engaging with stakeholders such as the media on page 128 of this *annual review*.

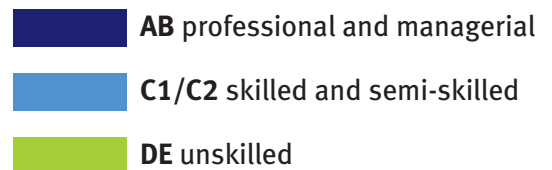


\* print *and* online versions

### what's the socio-economic background of consumers who complain to the ombudsman?



year ended 31 March



Our analysis of the occupations of people who refer complaints to the ombudsman shows a steady socio-economic shift among the consumers who use our service. In recent years, the proportion of complaints to the ombudsman from skilled, semi-skilled and unskilled workers has risen by 60%, while complaints from people from professional and managerial backgrounds have fallen proportionately by over 40%.

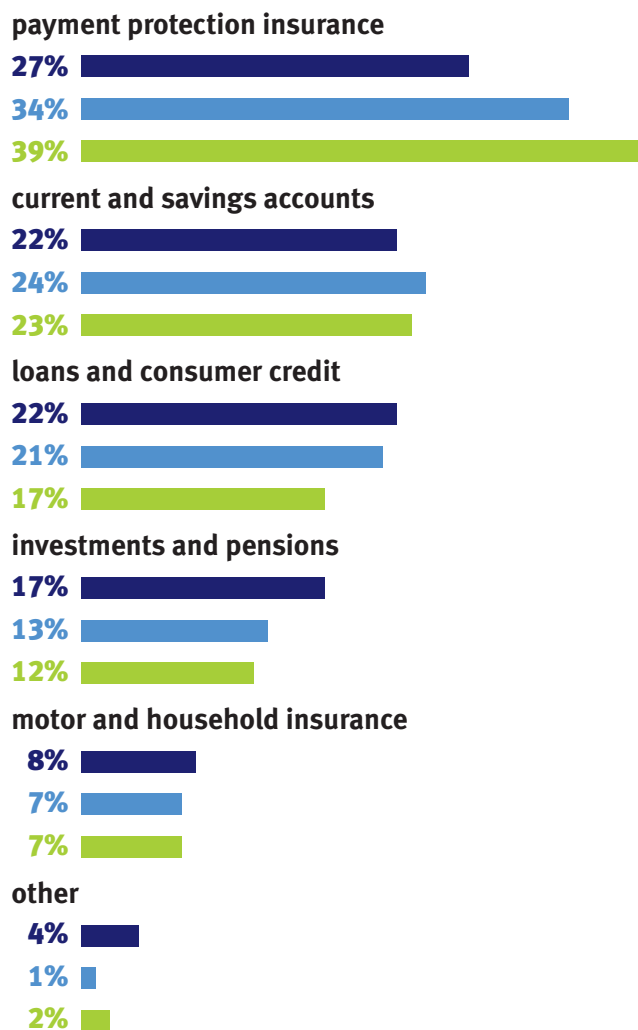
This shift may reflect the type of complaints that consumers refer to the ombudsman service – and the financial products and services involved. Between 2004 to 2007, up to two thirds of the complaints we handled related to mortgage endowments and were brought by mainly middle-aged homeowners.

But since 2007 we have seen significant increases in complaints involving current accounts, overdrafts, credit and payment protection insurance (PPI) – products which are held extensively by a broader socio-economic range of consumers.



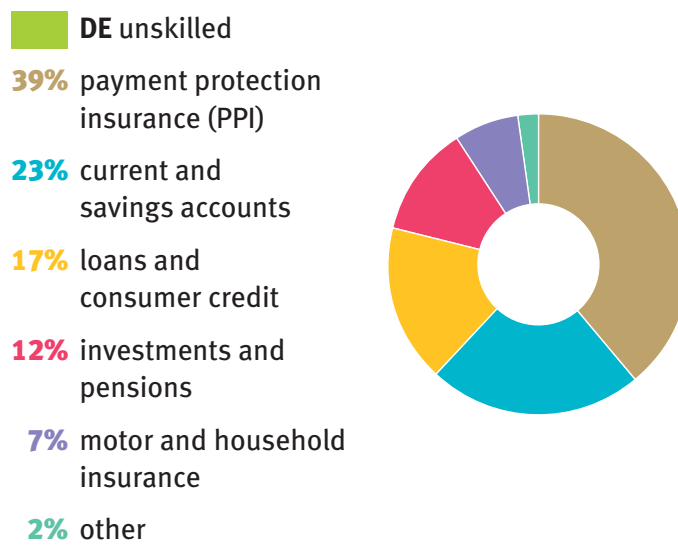
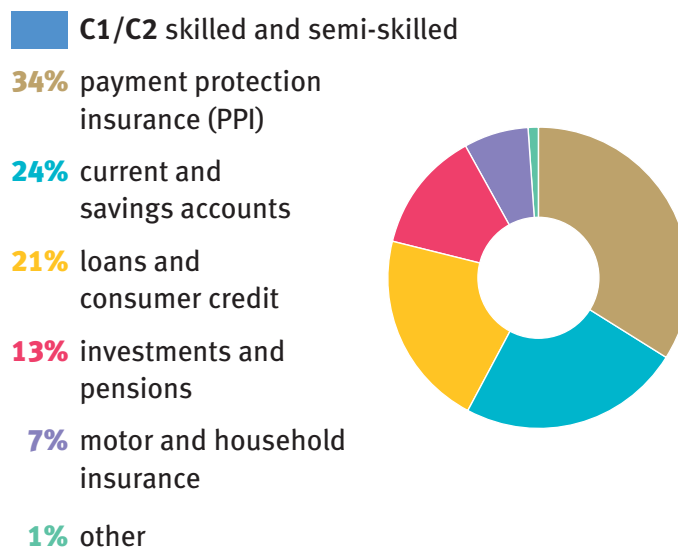
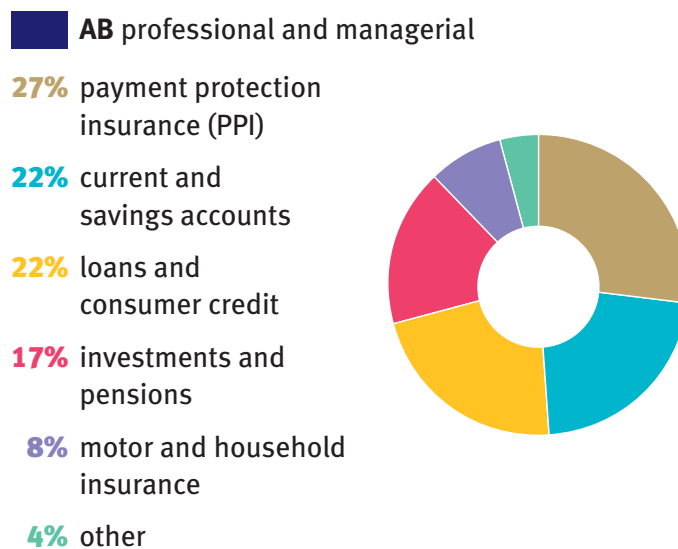
# who complained to us

## what do consumers from different socio-economic backgrounds complain about to the ombudsman?

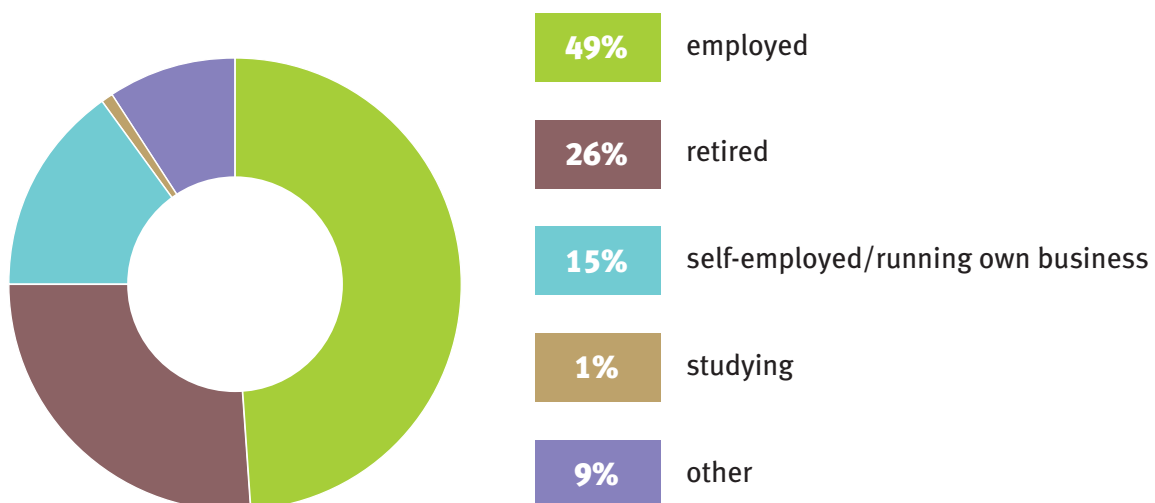
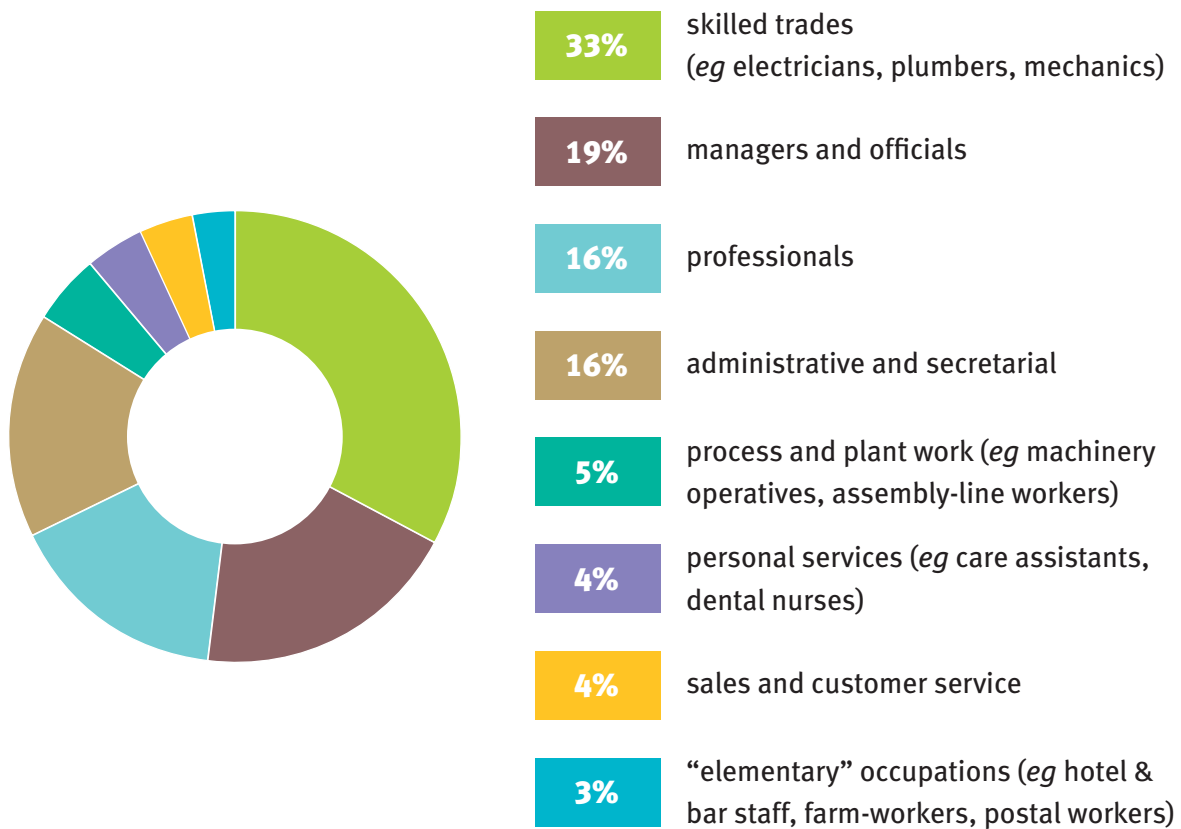


The order of financial products most complained about is identical across the different socio-economic groups of consumers. However, the relative proportion of complaints about these different products varies significantly.

For example, the proportion of complaints about current and savings accounts – and about motor and household insurance – is broadly similar across the three groups. But the proportion of complaints about payment protection insurance (PPI), and about investments and pensions, differs substantially for consumers from AB and DE backgrounds.



### what's the occupational background of consumers who complain to the ombudsman?



## who complained to us

During the year we saw a small rise in the proportion of consumers referring complaints to us who worked in factories and in sales and customer service.

While the number of people who said they were *employed* fell slightly – by 6% – the proportion of our customers who told us they were *self-employed* increased by 15%. And there was a 29% rise in the number of people referring complaints to us whose lifestyle could not easily be categorised along the traditional lines of “employed”, “self-employed” or “retired”.

The socio-economic shift among the consumers who use our service also reflects the focus of our outreach work with groups whose knowledge and use of us is lower than average. This work aims to help raise awareness of the right to bring financial disputes to the ombudsman service. There are more details later in this section about our awareness-raising and accessibility work.

As part of our commitment to diversity and equality, we closely monitor the outcome of the complaints we resolve at the different stages of our process – to ensure we are treating everyone fairly and equally. The results of this monitoring continue to show that the proportion of cases we uphold in favour of the consumer is broadly consistent across groups of consumers from a wide range of backgrounds.

### accessibility and diversity

Being accessible is something we take very seriously. We see this as part of our commitment to treating everyone we deal with equally. Someone’s background or ability should not act as a barrier to having their complaint considered fairly and impartially.

Similarly, we see diversity as an asset that helps deliver our vision of a service that meets the needs of all our customers and stakeholders.

We work towards an “equality and diversity standard” in the way we provide our service – to help us identify and overcome any barriers that could:

- prevent *potential* customers from accessing our services; *or*
- work to the detriment of those *already* using our service.

Our high-level strategy on diversity and equality – published on our website – is set and monitored by our board and executive team. Operationally, our work in this area is co-ordinated and championed by our *customer service taskforce* which brings together senior staff from all areas of the ombudsman service.

“... background or ability should not be a barrier to having a complaint considered fairly and impartially”

## who complained to us

During the year we continued to work with a range of external partners specialising in the area of diversity and equality. These included:

- a leading “equality consultancy” – providing us with ongoing strategic and practical advice in the role of a “critical friend”; *and*
- eight disability, mental health and wellbeing charities – including the Samaritans, British Dyslexia Association and Alzheimer’s Society – who provide training for our staff on disability issues.

Our in-house *customer service group* – made up predominantly of front-line staff across the ombudsman service – also carries out a range of activities, to help keep us focused on the fact that each customer may have individual needs to be taken into account. One of the key activities organised by the *customer service group* during the year was the launch of our latest disability-awareness and customer-service programme described on page 70.

The *customer service group* has also provided input and guidance on a number of equality impact assessments that we carried out during the year, covering areas such as:

- HR recruitment procedures;
- our physical working environment; *and*
- the impact on more vulnerable consumers of the delays and uncertainties arising out of the British Bankers Association’s judicial review on PPI-related matters.

Over the following pages we highlight key areas where, following research and analysis, we have prioritised specific outreach and awareness-raising activities during the year – or adjusted our case-handling procedures to address particular accessibility issues.

### **disability**

18% of consumers whose disputes we settled during the year told us they had some form of disability – most commonly mobility difficulties. This is broadly in line with the number of disabled people in the UK estimated by the government’s Office for Disability Issues.

“... 1,200 staff took part in our customer-service event, focusing on mental health issues”

## who complained to us

### disabled consumers who complain to the ombudsman



**21%** mobility difficulties

**19%** arthritis and manual dexterity difficulties

**12%** heart and circulatory problems (eg stroke)

**11%** organ and nervous-system disorders & disease (eg diabetes, MS)

**9%** hearing impairment

**8%** respiratory and breathing difficulties (eg asthma)

**5%** mental health issues

**4%** sight impairment

**1%** learning difficulties (eg dyslexia)

**10%** other

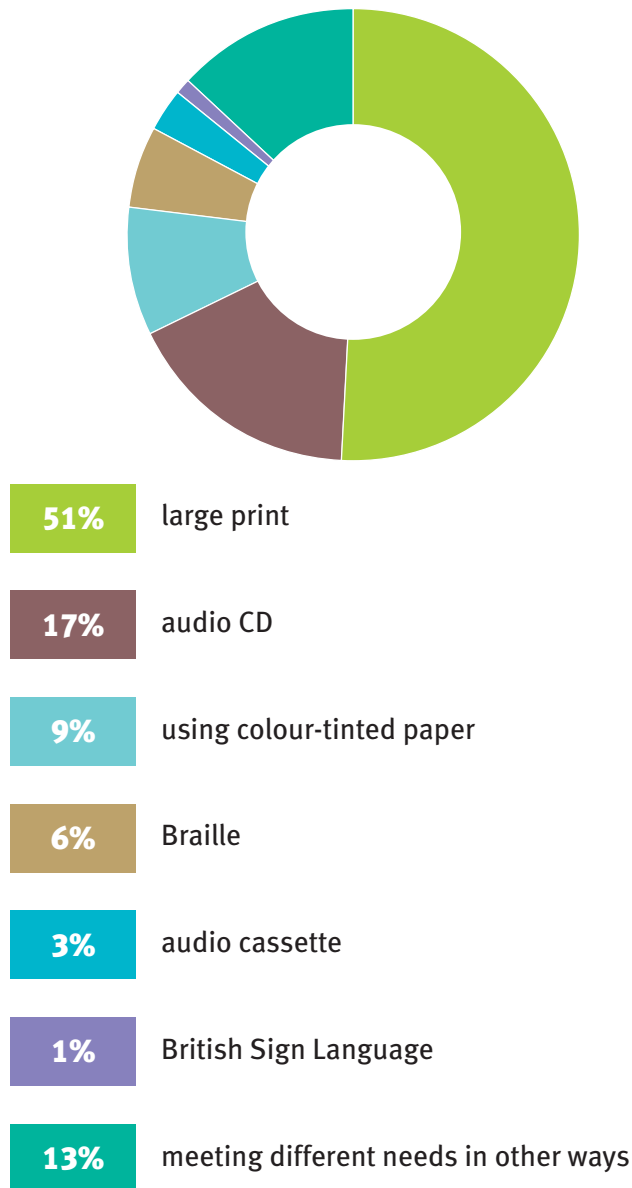
Many of our disabled customers do not ask for – or require – any adjustment in the way we deal with their case. But we ask all consumers when they first contact us whether they would like us to adapt the way we communicate with them, to meet any particular needs they may have.

Our staff all receive training to help promote their confidence in dealing sensitively and practically with customers' different needs. This included 1,200 staff taking part in our “aiming high” customer-service event during the year – with a focus on learning disabilities and mental health issues. This built on the successful different-needs awareness-event we held for all staff in the previous year.

Our work promoting our services for disabled people during the year led to a doubling in the number of cases where we provided information for customers in alternative formats – such as in large print and Braille, and on CD. We also continued to use Text Relay (formerly known as “TypeTalk”) and “accessible text” (sometimes also called “EasyRead”).

## who complained to us

### meeting customers' different communication needs



We aim to take a flexible approach in cases where a particular disability makes it necessary to adapt our more usual means of communicating with customers. There are some examples on page 21 of cases where there was no ready-made solution.

To be able to understand better the issues that disabled people face in dealing with financial services or making a complaint, we continue to take part in a range of disability events. During the year this included *Naidex* (the UK's largest event for homecare, disability and rehabilitation) held both at Birmingham NEC and the Excel Centre in London.

We also continue to work in partnership with *Able* – the disability lifestyle-magazine and website – to help raise the profile of the ombudsman both as an employer and as a dispute-resolution service. And we featured in magazines including *Disability*, *Disability Review Magazine* and *If only I'd known that a year ago*, the guide to living with ill health, injury or disability, published by RADAR, the disability network.

### consumers from black and minority ethnic (BME) backgrounds

Over the last three years we have seen a steady increase in the proportion of consumers using our service who define themselves as belonging to a non-white ethnic group. 12% of people who brought complaints to the ombudsman service said they had a non-white ethnic background (10.5% in the previous year).

## who complained to us

As part of this figure we have seen various trends emerge over the last year:

- The proportion of Black/Black British consumers using our service has increased (from 3% to 4.7%).
- The proportion of Asian/Asian British consumers has remained broadly the same (4.7% compared with 4.3%).
- The proportion of consumers from Chinese and other ethnic backgrounds remains stable (1.7% of consumers referring complaints to us).

The proportion of consumers from non-white ethnic backgrounds who contacted us initially on our consumer helpline – for advice and guidance at an early stage – was broadly the same as the number who subsequently went on to pursue complaints with us formally.

However, consumers from non-white ethnic backgrounds were a third more likely than white consumers to complain directly to the ombudsman service themselves – rather than use a claims-management company to refer a complaint to us on their behalf. White and non-white consumers are equally as likely as to appeal their case to an ombudsman for a final decision (see page 63).

38% of the complaints referred to us by Black/Black British consumers related to payment protection insurance (PPI) – compared to 27% of cases from white consumers and 19% of cases from Asian consumers.

During the year we again marked Black History Month with a feature in the official *Black History Month* magazine. We also placed a series of features and advertising material in influential Black women's magazines, *Black Hair* and *Pride*.

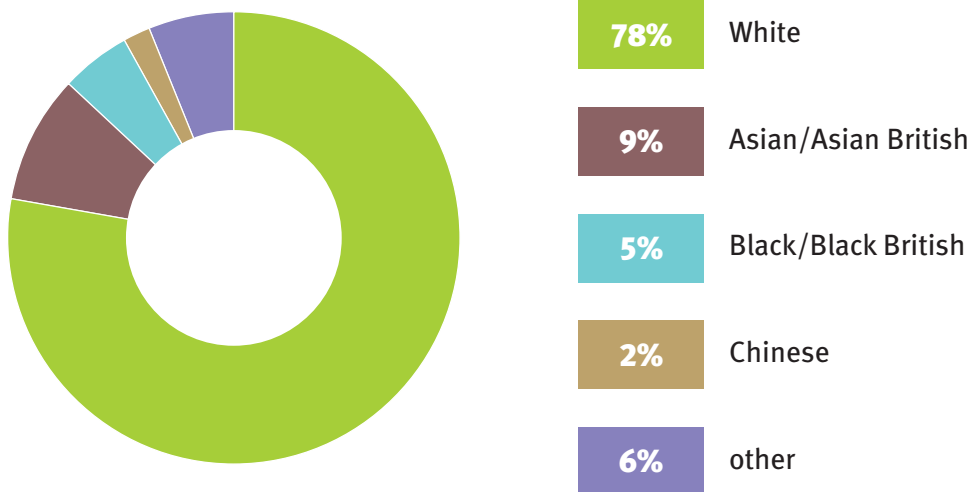
### what ethnic background do consumers come from who complain to the ombudsman?



We continued our long-term partnership with *ZEE* magazine – as well as running advertising in *The Asian Today* (a free, multi-faith paper for people in the Midlands) and across a range of popular UK Asian websites, to maintain levels of awareness of the ombudsman service.

Targeting information about the ombudsman service for the Asian community by using web-based material and online advertising reflects the findings of our annual online survey (see page 110) – which continues to show a higher proportion of Asian consumers using our website than is the case for consumers from other ethnic groups. This is in line with research indicating higher levels of internet use among the Asian community more generally.

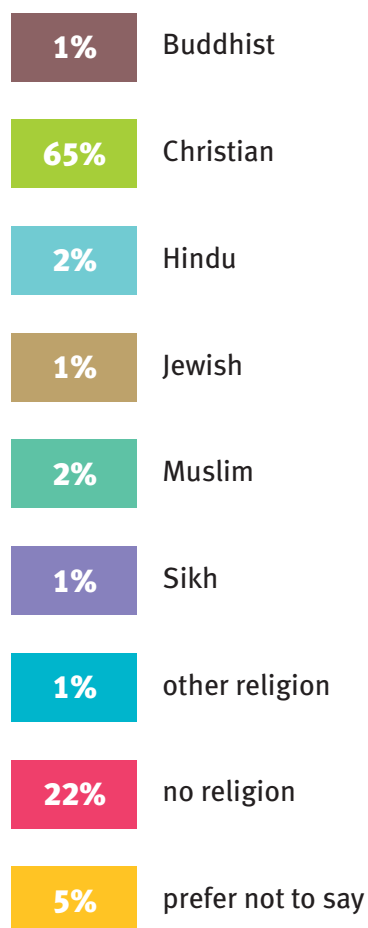
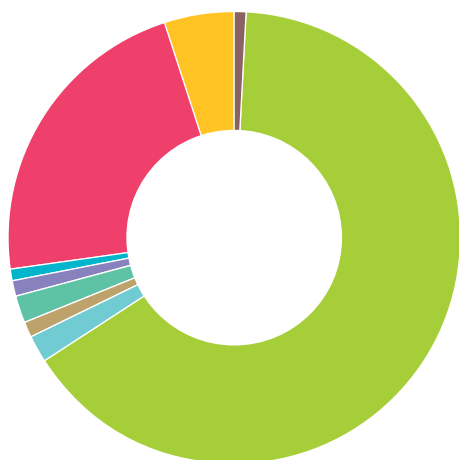
### what ethnic background are our website users?





## who complained to us

### what faith or religion do consumers follow who complain to the ombudsman?



As part of our commitment to equality and diversity, we ask consumers about their religious or faith beliefs – in an optional question in our customer survey. This survey is entirely voluntary – and is completed by consumers anonymously *after* their case has been settled.

This information – like all the other details we collect relating to the diversity of our customers – helps us monitor whether we are handling complaints and making decisions fairly and impartially.

These figures are broadly in line with information about consumers' religious beliefs recorded in the 2001 UK census. However, we received:

- 7% *fewer* complaints from consumers who told us they were Christian; *and*
- 7% *more* complaints from consumers who indicated that they did not follow any religion.

Our monitoring of the outcome of cases over the year shows that the proportion of complaints we have upheld in favour of consumers varies slightly between different religious groups. However, this clearly reflects the different financial products involved – and the different uphold rates for different products.

For example, consumers who tell us they have no religion complained the most about payment protection insurance (PPI) – which has one of the highest uphold rates as a product. This meant that consumers with no religion had a high proportion of their complaints upheld throughout the year.

However, Jewish and Sikh consumers complained the least about PPI (only 9% and 10%, respectively, of their total complaints – compared with 35% of the complaints from consumers with no religion). This was reflected in a relatively lower uphold rate overall for these consumers.

## who complained to us

### younger consumers

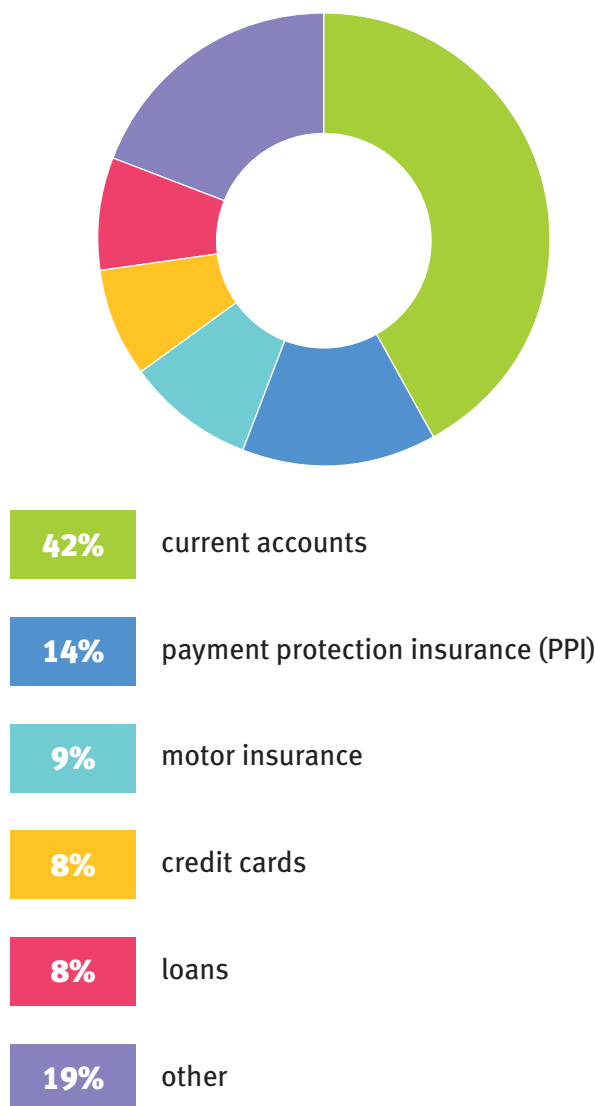
The proportion of consumers aged between 25 and 34 who bring complaints to the ombudsman service is broadly in line with the proportion of the UK adult population as a whole. But the proportion of adults aged under 25 who use our service is only a third of the proportion of that age group across the UK.

This largely reflects the fact that people under 25 generally own fewer financial products than older, more financially-established consumers.

But although younger people are significantly less likely to have investments and pensions, they are likely to have loans, credit cards and bank accounts – and to take out insurance for loans, travel, mobile phones, cars and motor bikes.

This is reflected in the complaints we *do* see from this age group – as shown in the chart below. This is the only age group where the financial product that was most complained about during the year was *not* payment protection insurance (PPI).

### what do consumers under 25 complain to us about?



In our consumer research, 23% of people under 25 said they had “had a problem with a financial product or service” – a higher figure than for most other age groups. But only 8% of these young people – significantly lower than for any other age group – said they had then gone on “to make a formal complaint against a financial company”.

This appears to support the widely-held view that it is the “formality” of making a complaint – and the time involved in following the “official” procedure – that younger consumers find particularly off-putting.

But it may also indicate that problems faced by younger people – who will be new to using many financial products – can be more easily resolved by financial businesses, without escalating into formal complaints.

This may explain why consumers under 25, who initially approach us on our consumer helpline, are statistically less likely than people of other ages to subsequently refer a “formal” complaint to us. Younger consumers are also significantly less likely to pursue a complaint to an ombudsman for a final decision, if they are unhappy with an adjudicator’s view (see page 78).

## who complained to us

However, consumers under 25 are relatively more likely than consumers in most other age groups to complain to us directly – rather than through a claims-management company (see page 30).

As part of our consumer research over the year, almost half of 18 to 24 year olds across the UK said they had not heard of the Financial Ombudsman Service. But awareness of our service among consumers aged between 25 and 34 was significantly higher – with 72% of people in this age group recognising our name.

We are particularly keen to focus on younger consumers – to help raise awareness of their right to complain and the role of the ombudsman. Recognising that younger consumers access information differently from older people, we continue to explore different ways of communicating with this age group – and we work with a range of specialist partners to get our message across. This includes:

- Featuring tailored messages in youth publications such as *The Festival Guide* and *The Gap Year Travel Guide*.
- Developing our internet presence on social-networking sites such as YouTube and Twitter – but keeping our social-media messages simple and low key, in line with advice from the young people we meet and consult with.
- Taking part in events like the *Gadget Show Live* – to encourage young high-spending consumers to confront and deal with financial problems.
- Supporting the UK national finals of the 2010 *Young Consumers of the Year* competition – as well as the finals of the *Young Consumer Challenge* which helps young people with learning difficulties become better-informed and more confident consumers.

“... younger consumers find the “formality”  
of complaining off-putting”

## who complained to us

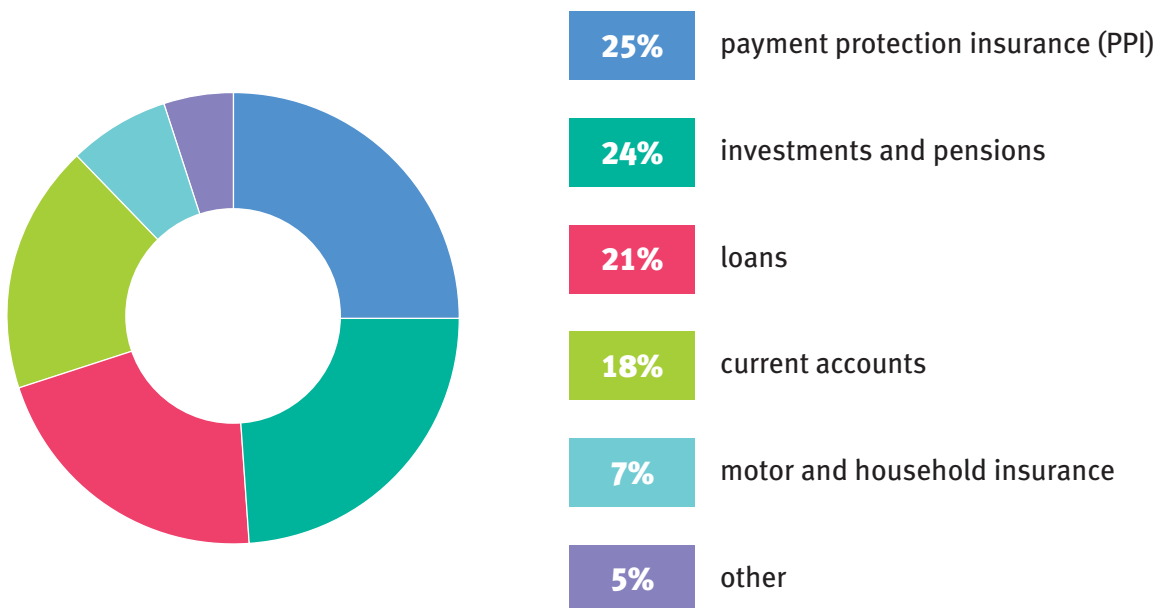
### older consumers

Over a third of all consumers who referred complaints to the ombudsman service during the year were aged 55 or over – and over a quarter were retired. The proportion of people aged 55 to 65 who complained to us fell by 15% – but 42% more people aged over 65 brought complaints to us, with significantly more complaints about payment protection insurance (PPI).

Consumers over 55 are significantly more likely to pursue a complaint to an ombudsman for a final decision, if they are unhappy with an adjudicator's view (see page 78). However, this largely reflects the types of financial products involved – with older people more likely to have more complex products such as pensions and investments, where more money may be at stake.

A major focus of our outreach work is to remind older and retired people about their right as consumers to use the ombudsman service, should they have a dispute with a financial business. This work also helps us better understand the issues faced by older people in their dealings with financial services.

### what do consumers between 55 and 64 complain to us about?



## who complained to us

Our research continues to show a significant divergence within the older age-groups between consumers who are capable users of technology and those who cannot, or do not, use computers and the internet. 32% of consumers aged between 55 and 64 told us that they did not have internet access – rising to 64% of consumers aged 65 or over. On the other hand, just 3% of people aged between 25 and 34 say they do not have internet access.

To reflect this difference in preferred communication methods, our strategy for communicating with older people includes:

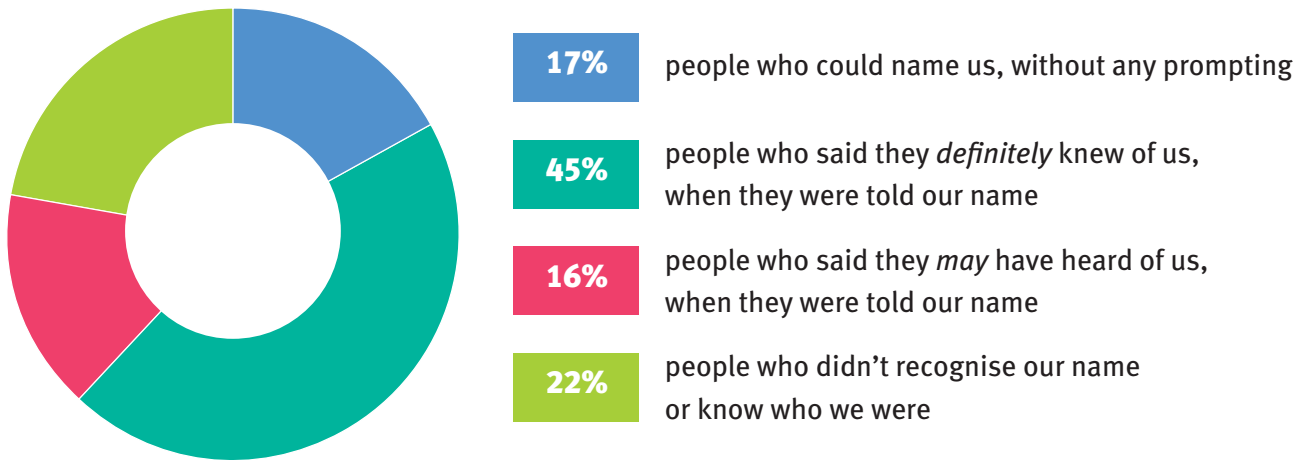
- Taking part in face-to-face events – such as the *Caravan and Motorhome Show* and the *Retirement Show*.
- Featuring on “silver surfer” websites.
- Focusing targeted messages through specialist publications – such as *Retirement Today* and *Choice*, the lifestyle magazine for people over 50.

### **the diversity of our own workforce**

The average age of people working at the ombudsman service during the year was 35 – with employees ranging from 18 to 72 years old. Across our workforce as a whole, 54% are male and 46% female. Women account for 50% of our non-executive board, 50% of our executive team and 46% of our panel of ombudsmen. 17% of our employees are from non-white ethnic minority backgrounds.

“... 64% of consumers aged over 65 told us they didn’t have internet access”

### levels of consumer awareness of the ombudsman service



As well as analysing demographic information about the consumers who bring complaints to the ombudsman service, we continue to research levels of consumer awareness of the ombudsman *more generally* across the adult population.

Tracking differences in levels of awareness of the ombudsman across different groups and communities is very important as part of our commitment to:

- understand why some people do not know about us or use our service; *and*
- identify where there could be barriers – which we could minimise or remove – preventing some people from bringing complaints to the ombudsman service.

Over the last three years, levels of awareness of the ombudsman have increased steadily. 17% of the adult population are now able to actively name us, without any prompting, as the organisation whose job it is to help consumers sort out individual disputes with financial businesses.

## who complained to us

### awareness of the ombudsman service across different groups of consumers

This chart shows varying levels of awareness across different groups of consumers. Broadly speaking, those least likely to recognise our name or know about us are younger people and people from DE socio-economic backgrounds.

There is more information about how consumers hear about the ombudsman on page 21.

During the year we continued to run targeted consumer initiatives to help raise levels of awareness and use of the ombudsman service – where our research identified specific groups of more vulnerable consumers, or those who appeared to be less likely to know about, or to use, our service. There are more details earlier in this chapter about this aspect of our work.

men

80%

women

77%

18 to 24 year olds

44%

55 to 64 year olds

92%

Asian/Asian British consumers

60%

White consumers

81%

professionals and managers (AB consumers)

85%

unskilled (DE) consumers

70%

people in Wales

84%

people in Northern Ireland

64%

people in Scotland

80%

people in England

78%

## who complained to us

### consumers who do *not* use our service

The results of our quarterly phone-based market research consistently show that around 15% of people say they have had a problem with a financial product or service. Around two thirds of these people say they went on to make a formal complaint to the financial business involved.

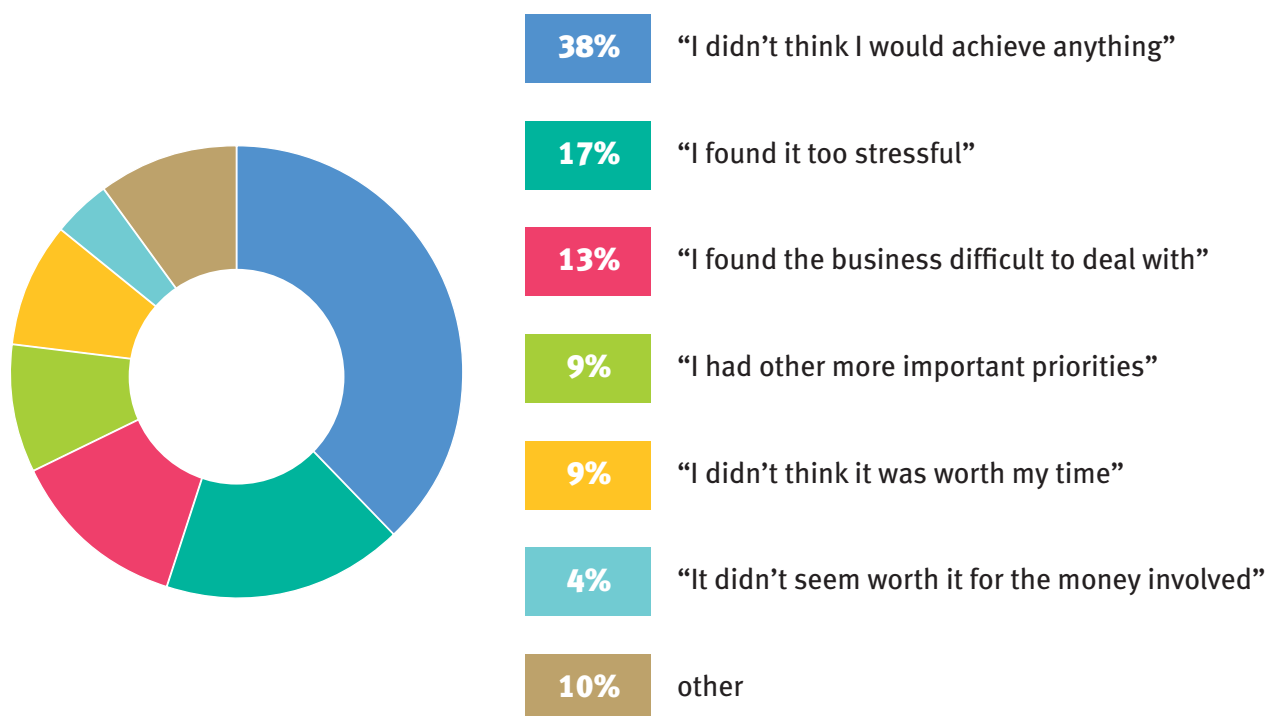
69% of people who told us in this market research that they had made a formal complaint to a financial business said they were satisfied with the business's response. This figure has been steadily declining over the last few years – from 75% in January 2009.

However, the figure is still significantly higher than the proportion of those people who had initially contacted our own consumer helpline for advice on how to complain – and who subsequently told us they remained dissatisfied with the business's response (see page 22).

Of the people who said in our market research that they had remained dissatisfied with the business's response to their complaint, around a half took no further action. This meant they did not refer their complaint at this stage to the ombudsman service.

We are particularly interested in people's reasons for not pursuing complaints further at this stage – including using our service. We want to understand whether barriers – real or perceived – may exist in accessing our service, and where we need to target specific outreach and awareness-raising activities or adjust our casehandling procedures to address particular accessibility issues.

### why consumers say they did not pursue a complaint – even though they were dissatisfied with the business's response





## who complained to us

## “... half of consumers who remained dissatisfied with a business’s response to their complaint took no further action”

Our research shows – unsurprisingly – that consumers who do not refer unresolved complaints to the ombudsman service are also those who are least likely to complain formally to a financial business in the first place. These are generally younger people, women, and consumers from the unskilled (DE) socio-economic group.

The majority of consumers who do not pursue complaints – either to the business in question or to the ombudsman service – say this is because they cannot see the point in complaining, find the experience too stressful, or are put off by the process involved.

We have carried out research during the year to help us better understand people’s approach and attitude to complaining.

### **attitude to complaining**

People’s attitude to complaining – and the way in which they interact with our service – is significantly related to demographic factors, such as their age, gender and socio-economic background.

However, we recognise that there are factors that may affect people’s approach and attitude to complaining – which may not be defined by, or limited to, specific demographic groups. During the year we carried out research to see how different personality types respond to situations involving complaints and complaining.

This research included a series of focus groups round the country, to find out more about how people feel about complaining – and how complaining affects their behaviour. This showed that, broadly speaking, consumers identify themselves as one of three distinct groups (or “segments”) when it comes to complaints (see page 104).

### how consumers feel about complaining

“Complaining is a hassle, so I’d want to work out if it was worth it. If the process was easy, or someone else would take it on, then I’d go for it.”

22%

23%

16%

“I generally don’t like complaining. It can be quite stressful as it’s my word against theirs.”

22%

32%

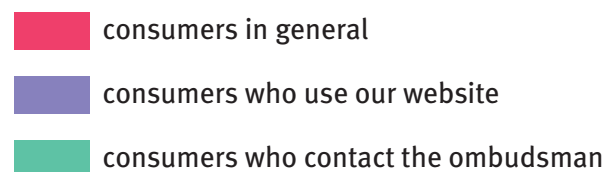
19%

“I’d complain and give them a deadline to sort it out. If it wasn’t sorted out, I’d take it further. I believe you need to go to the top to get a problem solved.”

56%

45%

65%



## who complained to us

These consumer “segments” appear to confirm a widely-held view that consumers who pursue complaints to the ombudsman service are more likely to be self-confident, determined and at ease when asking questions and expressing dissatisfaction.

Having this insight into how consumers feel and behave in relation to complaints is particularly important for us. It helps us make sure that our processes and procedures are easy to use and flexible – built around, and reflecting, our customers’ needs – and that they help increase the confidence of consumers in the first two “segments”.

However, consumers can refer complaints to the ombudsman service only *after* they have already been through the complaints procedure of the business they are unhappy with. This means that attitudes and behaviours – on both sides – may already be entrenched *before* our involvement starts.

### trust and values

Our consumer research monitors the level of trust that people have in the ombudsman service. Across the UK public as a whole, 70% of people say they would trust the ombudsman service.

This compares with 76% of people who say they would trust their local Trading Standards and 81% of people who say they would trust Citizens Advice. On the other hand, levels of consumer trust in financial services trade associations appear significantly lower – between 46% and 54%.

10% of people who had heard about us – but not used our service – said they would trust us *completely* (compared with 27% of people who would trust Citizens Advice completely and 2% of people who would trust a financial services trade association completely).

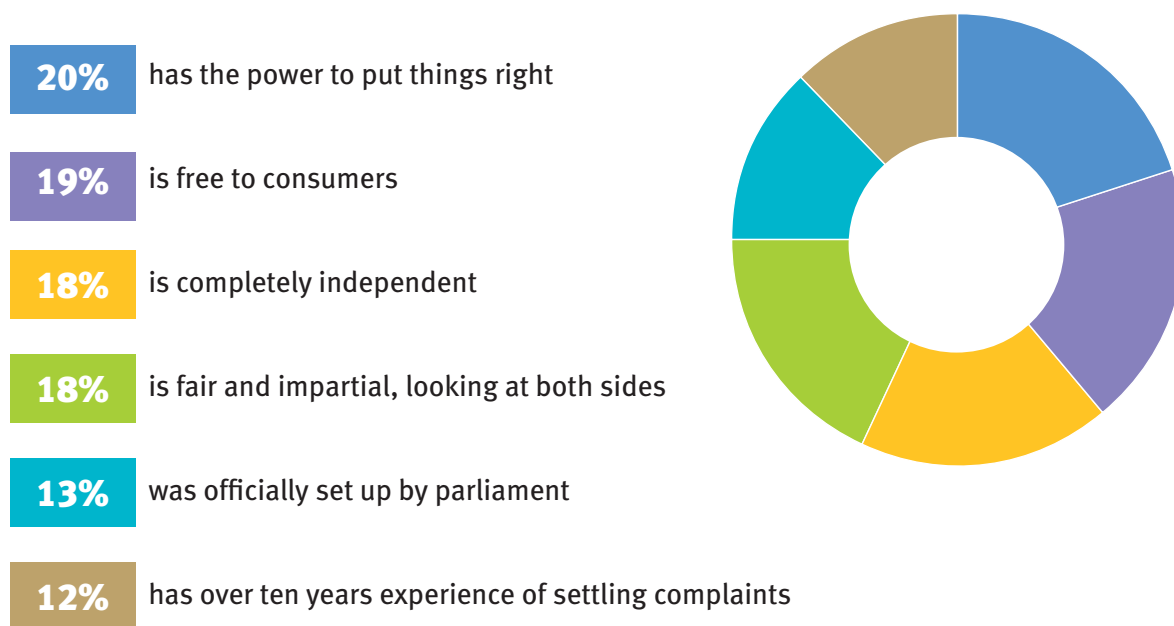
But when people had directly experienced our service, their level of trust in us increased five-fold – with 50% of consumers trusting us *completely* at that stage.

During the year we carried out market research into how consumers understand and respond to our corporate identity, branding and values. This involved face-to-face interviews with a range of consumers on issues such as our name, our logo and the look of our website and publications.

The feedback from consumers was very similar to the results from the same research we had carried out eighteen months earlier. The consumers who were interviewed felt that the most important aspects of the ombudsman service are that we have the power to put things right and are free to consumers. They set less store by the fact that we were set up by parliament and have wide-ranging experience.

“... direct contact with the ombudsman service significantly increased people’s trust in us”

people say it's important to them that the ombudsman ...



“... we reduced the number of words  
in our leaflet by 20%”

## who complained to us

### what do you associate with the word “ombudsman”?

We also asked consumers who took part in our market research for their response to the word “ombudsman”. The following “word cloud” reflects how people replied. The bigger the typeface, the greater the strength of the response.



Following feedback from consumers as part of our market research – together with comments and suggestion from our industry panel (see page 123) – we also reviewed our consumer leaflet, *your complaint and the ombudsman*. The broad consensus – among consumers and businesses – was that people wanted fewer words and less detail, and more graphics and colour to help focus attention.

Taking account of this, we reduced the number of words in the leaflet by 20% so that there are fewer pages. We have also introduced full-colour graphics, to help “signpost” people through the document. We worked with the disability charity, the Shaw Trust, to make sure the leaflet is fully accessible and readable.

### how do consumers who complain to the ombudsman rate the service we provide?

we handle complaints efficiently and professionally



we get to the bottom of complaints and deal with the issues thoroughly



our decisions on cases are fair and unbiased



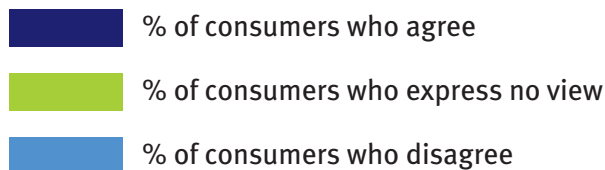
we settle disputes within an acceptable length of time



we provide a good dispute-resolution service for consumers



we provide a service that you would recommend to family and friends



During the year the *overall* levels of positive and negative feedback from consumers – on the service we provide – were broadly similar to those we recorded the previous year.

There were improvements across four aspects of our service – including an increase from 47% to 51% in the proportion of people who agreed that we settle complaints within an acceptable length of time (and a corresponding decrease in negative feedback on our timeliness).

This reflects the improvement in the timeliness of our complaints handling over the year – with the 51% of people who were satisfied with the time it took us to settle their case closely mirroring the proportion of cases that we resolved in less than three months (see page 68).

Making further improvements to timeliness next year remains a key priority for us. However, as we explain on page 69, we expect that overall improvements in the time it takes us to resolve cases will be adversely affected by the delays and uncertain progress on large numbers of payment protection insurance (PPI) cases. This follows the British Bankers Association's judicial review of PPI-related matters (see page 40) and the decision by some businesses not to respond substantively to many PPI complaints.

## who complained to us

The one area of our service where consumers rated us lower than in the previous year was the perceived fairness of our decisions. However, the 25% of consumers who disagreed that our decisions were fair and unbiased accounted for only half the total number of consumers whose complaints we did not uphold.

This suggests that satisfaction with our impartiality and fairness is not entirely determined by the outcome of complaints (see below).

During the year 74% of people whose complaints we handled said they would recommend us to family and friends – the same as in the previous year.

### how does the outcome of a complaint affect how consumers rate the service we provide?

There is a strong link between the outcome of consumers' complaints and their feedback on the level of service we provided.


#### consumers who said they felt they had “won” their complaint




#### consumers who said they felt they had “lost” their complaint



 % who gave us positive feedback on the level of service we provided

 % who gave us negative feedback

 % who expressed no view

Similarly, 91% of consumers who felt they had “won” their complaint said they would recommend our service. 56% of those who felt they had “lost” their case said they would do so.

Unfortunately, we cannot please everyone. But seeking the views of those who have used our service is an essential part of finding out how we can improve.

This shows how people's personal experience of our service is significantly influenced by how they perceive the outcome of their own individual complaint. Even so, many of those who did *not* get the outcome they had hoped for still expressed positive views across a range of aspects of our service.

“ ... 74% of people said they would recommend us”

## who complained to us

### our website users

During the year we recorded a monthly average of 225,000 visits to our website, [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) (210,000 in the previous year). On the busiest day of the year – when we published our last *annual review* – 11,581 people logged on to the website. And 413 people downloaded our complaint form on Christmas Day.

There is more information on page 19 about how our website forms a key part of our front-line service to customers.

To find out more about our website users, we run a web-based user-survey over a three month period each year. Key findings from this year's survey showed that:

- 68% of people were first-time visitors and 32% had been on our website before.
- 59% of users were male and 41% female.

- 71% of users said they would *definitely* visit our website again and 22% said they would *probably* do so.
- 30% of people said they came to our website specifically to find information on how to complain and 27% said they were looking for our contact details.

Knowing what kinds of people *do* and *do not* access our website is very important for us. It helps us make decisions on its design and content. And it helps when assessing the most appropriate channels of communication to get our messages across effectively. It also helps us in considering the advantages and disadvantages of different methods of engaging with customers and delivering our service.

### what age are our website users?





## who complained to us

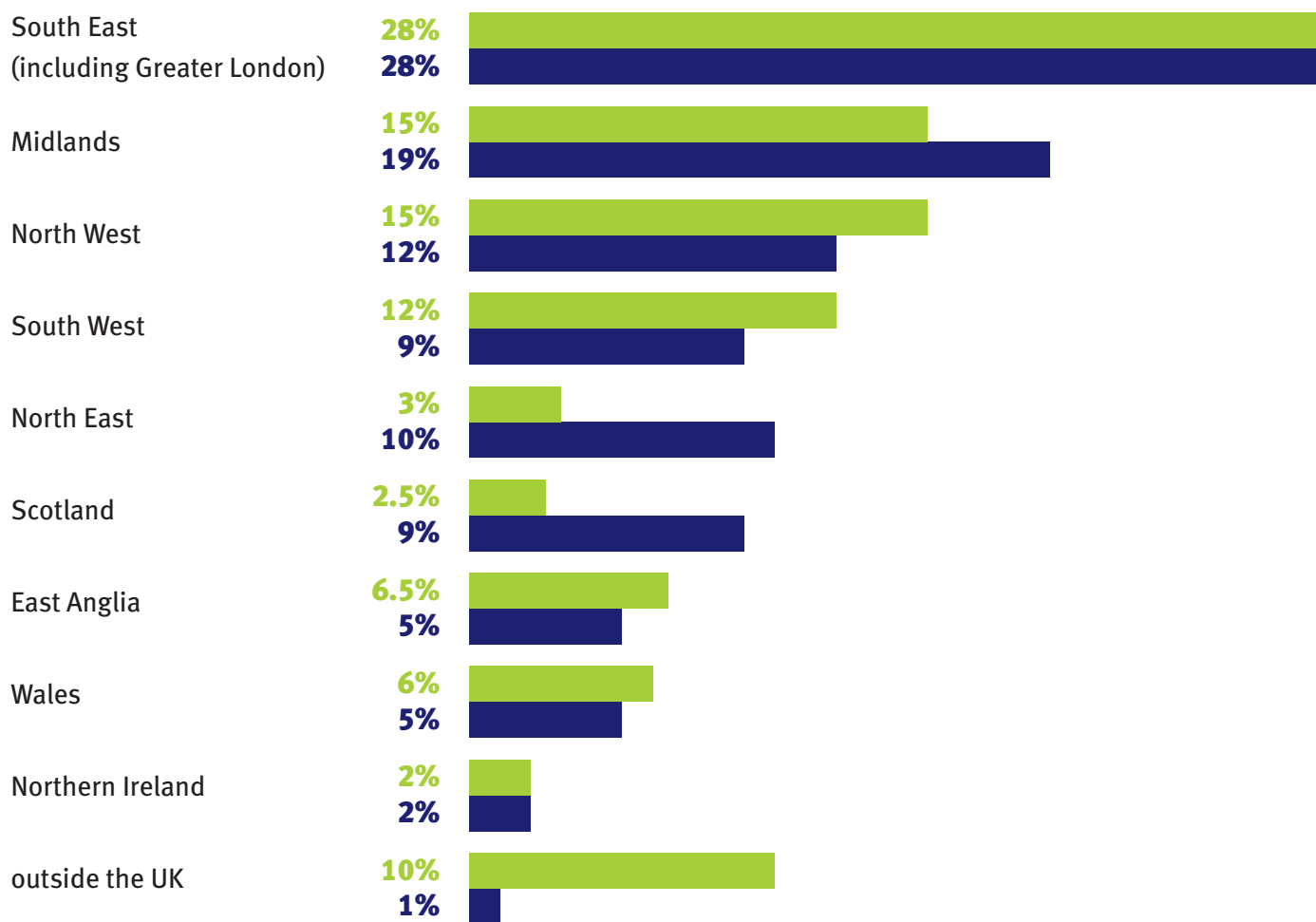
The proportion of people aged 55 and over who use our website rose by 17% during the year – continuing an increase we have seen in the last few years. The proportion of older consumers who went on to refer a complaint to us also increased during the year (see page 76).

However, we know that a significant number of older people still do not or cannot use the internet. The research on page 99 shows that

32% of people between 55 and 64 who use our service do not have internet access – rising to 64% of consumers aged 65 or over. Consumers over 65 are more than twice as likely to refer a complaint to us as they are to look at our website.

On the other hand, just 3% of people between 25 and 34 say they do *not* have internet access. And these consumers are around a third more likely to visit our website than to refer a complaint to us.

### where do our website users live?



■ % who use our website

■ % who complain to the ombudsman

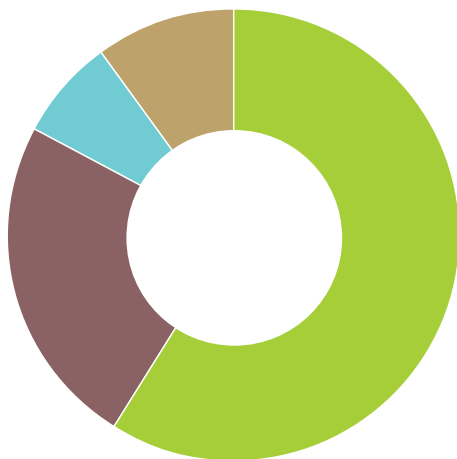
## who complained to us

Information from our online survey suggests that consumers in Scotland and the North East of England are substantially less likely to use our website than they are to refer complaints to us. On the other hand, more people in the North West and the South West use our website than actually complain to us.

These regional differences appear to be only partially explained by wider patterns of internet access (and broadband connections) across the UK. So we will need to monitor these trends and carry out more research to see what they may mean.

Our website also continues to attract a growing number of overseas visitors – including consumers around the world whose feedback shows that they are comparing our approach in the UK to resolving particular financial disputes with what happens about similar issues where they live.

### how did our website users find out about the site?



**59%** through an internet search-engine

**24%** from a financial business

**7%** through a link on another website

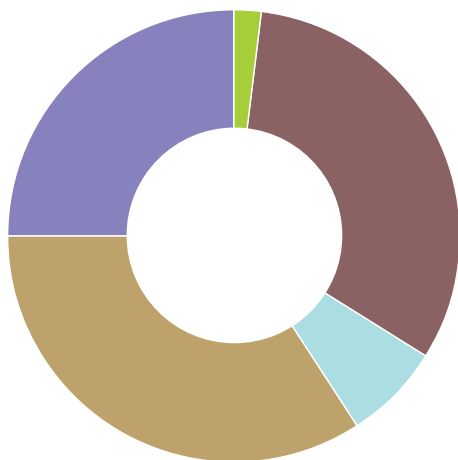
**10%** from a friend or colleague

During the year we saw an increase of a third in the number of people who said they found our website through internet searches – mostly using Google. This continues a steady increase we have seen over the last few years in the number of people using search engines to find our site.

Other websites from which people are most frequently referred to ours include [bbc.co.uk](http://bbc.co.uk), [yahoo](http://yahoo.com) and [moneysavingexpert.co.uk](http://moneysavingexpert.co.uk).

## who complained to us

## what stage are our website users at in pursuing their own complaints?



2%

only browsing at this stage

32%

thinking about making a complaint to a financial business

7%

waiting for a financial business to reach a decision on their complaint

34%

thinking about referring an unresolved dispute to the ombudsman service

25%

waiting for the ombudsman service to make a decision on their complaint

The number of people using our website who said they were *only browsing* fell sharply this year – from 10% of users to just 2%. However, the proportion of people who said they were *thinking* about complaining – either to a financial business or to us – increased from 53% to 66%.

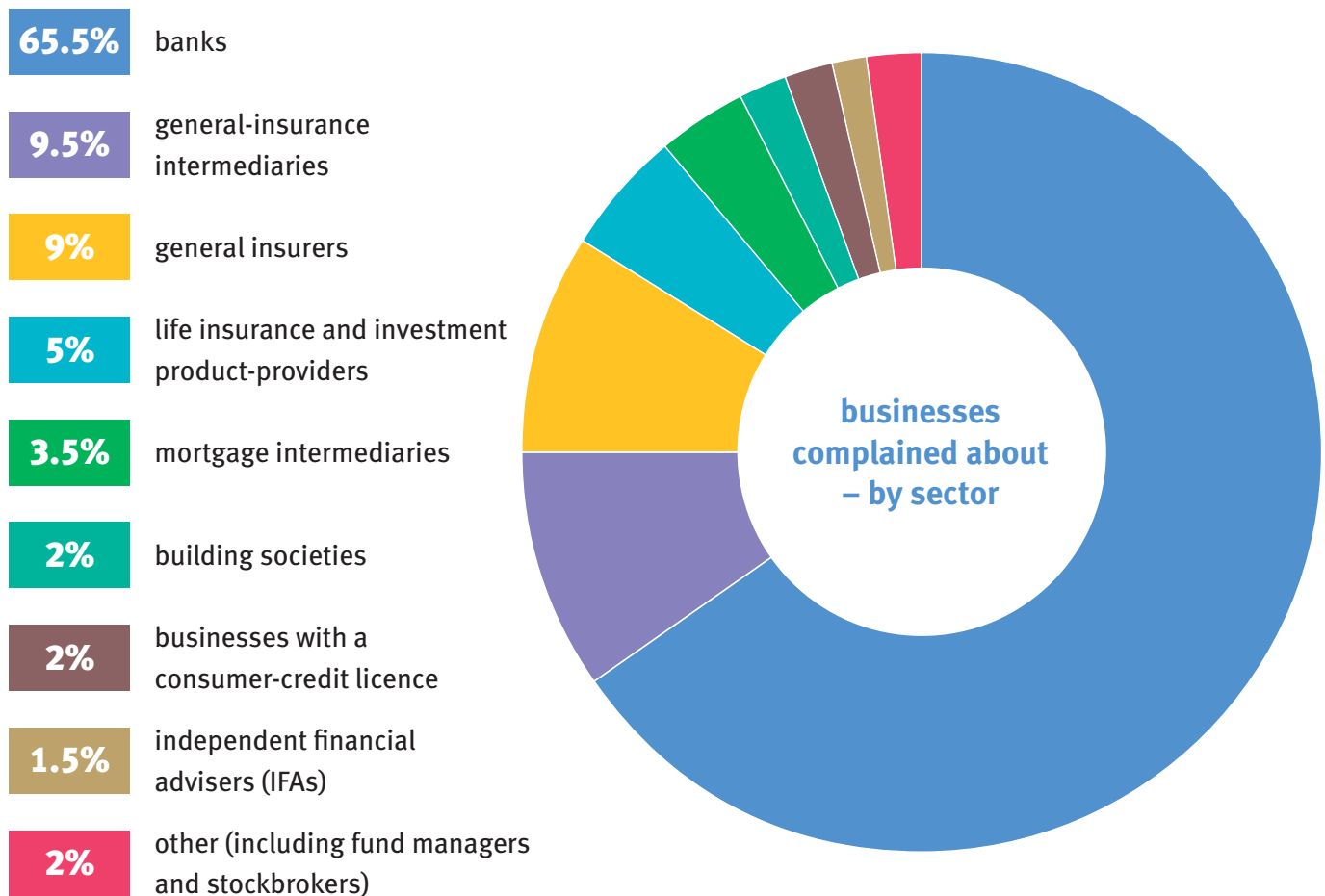
**10** financial services groups  
accounted for **73%** of new cases  
& **2,916** businesses each had fewer than  
**4** complaints and so paid no case fees

# who the complaints were about



## who the complaints were about

### businesses complained about – by sector

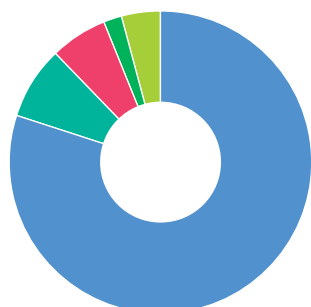


The proportion of cases we dealt with in the financial year 2010/2011 that related to banks rose from 61% to 65.5%. This reflected the 113% increase in the volume of complaints about payment protection insurance (PPI) during the year. The rise in the proportion of cases involving general-insurance intermediaries from 8% to 9.5% also largely related to the increasing PPI caseload.

The proportions of cases involving life insurance and investment product-providers, and independent financial advisers (IFAs), continued to decline – from 8% to 5%, and from 2% to 1.5%, respectively – reflecting the 30% fall in the number of complaints to the ombudsman service about investments and pensions.

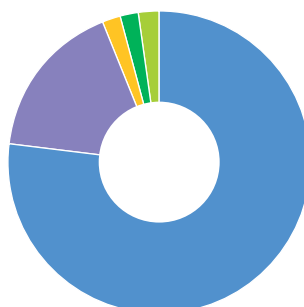
# who the complaints were about

## financial products most frequently complained about – by sector



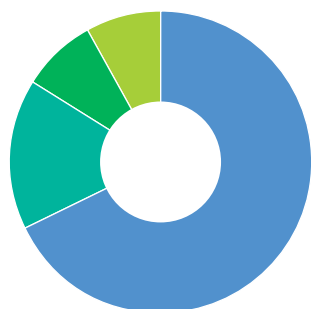
**complaints about banking and credit**

- 80%** banks
- 8%** mortgage intermediaries
- 6%** businesses with a consumer-credit licence
- 2%** building societies
- 4%** other



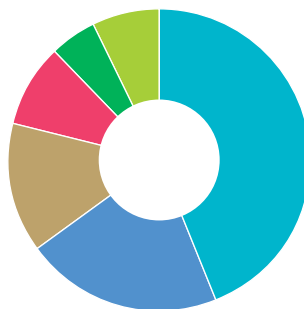
**complaints about payment protection insurance (PPI)**

- 77%** banks
- 17%** insurance intermediaries
- 2%** general insurers
- 2%** building societies
- 2%** other



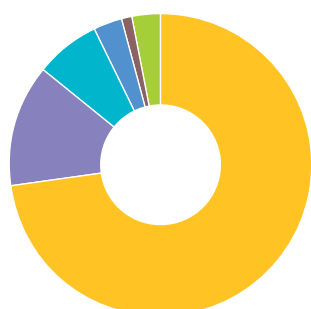
**complaints about mortgages**

- 68%** banks
- 16%** mortgage intermediaries
- 8%** building societies
- 8%** other (including IFAs)



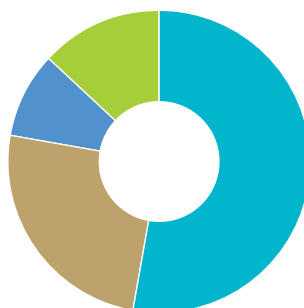
**complaints about investment products**

- 44%** life insurance & investment product-providers
- 21%** banks
- 14%** IFAs
- 9%** stockbrokers and fund managers
- 5%** building societies
- 7%** other (including friendly societies and credit unions)



**complaints about general insurance (excluding PPI)**

- 73%** general insurers
- 13%** insurance intermediaries
- 7%** life insurance & investment product-providers
- 3%** banks
- 1%** Society of Lloyd's
- 3%** other (including cash-plan health insurers)



**complaints about pensions**

- 53%** life insurance & investment product-providers
- 25%** IFAs
- 9%** banks
- 13%** other (including building societies and stockbrokers)

## who the complaints were about

### outcome of cases – by sector

On page 66 of this *annual review*, we show the outcome of complaints in relation to the financial products we receive most complaints about. For these products, the proportion of cases we upheld in favour of consumers ranged from 28% to 66%.

On page 66 we also refer to the six-monthly sets of data published on our website – relating to the 150 or so individual businesses that together generate around 90% of our complaints workload. This data shows the number of new complaints – and the proportion of complaints we upheld in favour of consumers – for each of these businesses.

The chart below shows the outcome of cases in the financial year 2010/2011 – by sector.

### % of complaints where the outcome changed as a result of our involvement (“we upheld the complaint”)

banks

52%

general insurers

46%

life insurance and investment product-providers

33%

intermediaries selling payment protection insurance (PPI)

80%

intermediaries selling general insurance

40%

intermediaries selling banking and/or mortgage products

41%

independent financial advisers (IFAs)

53%

building societies

22%

businesses with a consumer-credit licence

50%



## who the complaints were about

### how often do businesses have complaints about them referred to the ombudsman service?

**2,131 businesses** each had **1 complaint** referred to the ombudsman service during the year

**558 businesses** each had **2 complaints** to the ombudsman

**227 businesses** each had **3 complaints** to the ombudsman

**496 businesses** each had **between 4 and 10 complaints** to the ombudsman

**180 businesses** each had **between 11 and 20 complaints** to the ombudsman

**146 businesses** each had **between 21 and 50 complaints** to the ombudsman

**70 businesses** each had **between 51 and 100 complaints** to the ombudsman

**63 businesses** each had **between 101 and 250 complaints** to the ombudsman

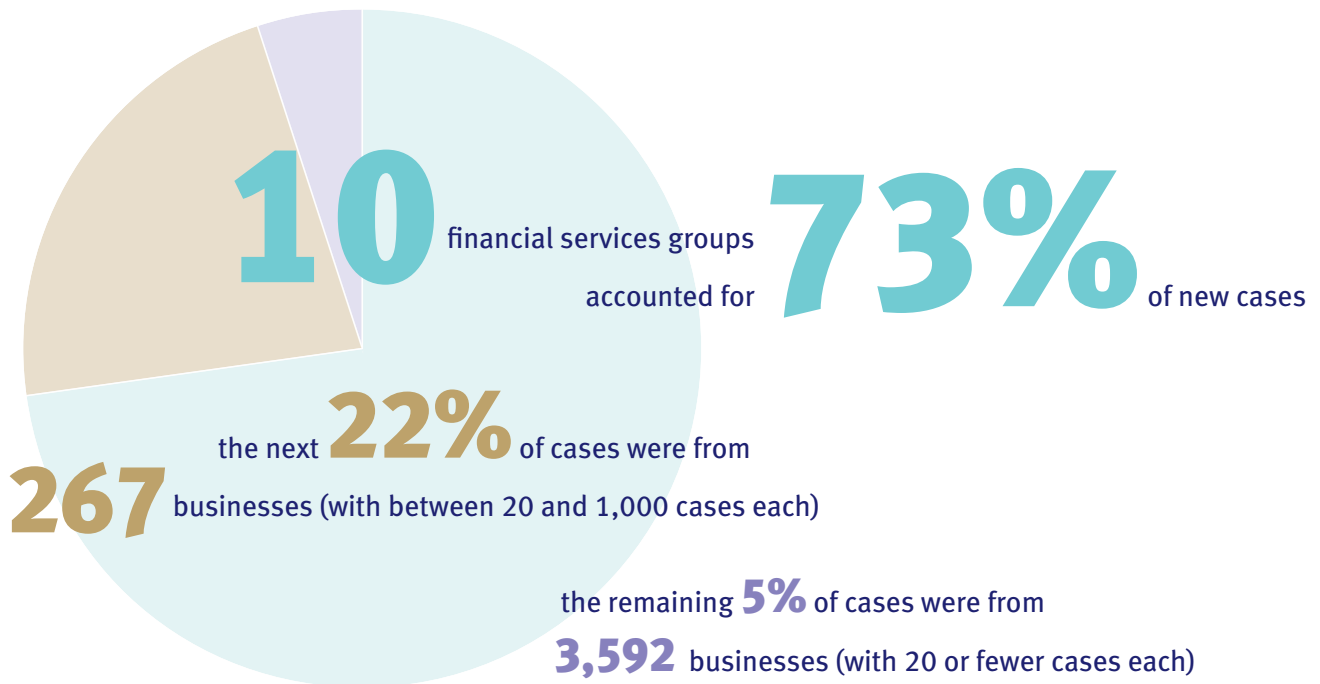
**37 businesses** each had **between 251 and 500 complaints** to the ombudsman

**40 businesses** each had **more than 500 complaints** referred to the ombudsman during the year

Customers of over 100,000 businesses that provide financial services have the statutory protection of the Financial Ombudsman Service, should a dispute arise. This includes 80,000 businesses with a standard consumer-credit licence issued by the Office of Fair Trading (OFT); banking, mortgage, investment and insurance firms regulated by the Financial Services Authority (FSA); and also National Savings & Investments (NSI).

These businesses range in size from global financial services groups to sole traders providing credit as a sideline to their main business. This range in size is reflected in the number of complaints we receive about the different businesses we cover – which followed a very similar pattern during the year to previous years.

## who the complaints were about



In the financial year 2010/2011, fewer than 4% of the total number of businesses covered by the ombudsman service had complaints referred to us. Four of the UK's largest financial services groups accounted for 105,365 cases (51% of all the complaints we received). At the other end of the scale, 124 cases (0.1% of all complaints) related to friendly societies (183 in the previous year) and 30 complaints involved credit unions.

During the year we published complaints data showing the number of new cases, and uphold rates, for each of the 150 or so financial businesses that together generate some 90% of our workload. There is more information about this on page 66.

2,916 businesses – out of the 3,948 in total that had complaints referred to the ombudsman service during the year – had *fewer* than four complaints. This meant that 74% of businesses with complaints referred to the ombudsman service paid *no* case fees – as again we did not charge for the first three complaints during the year.

**“... fewer than 4% of the total number of businesses we cover had complaints referred to us”**

## who the complaints were about

### how do businesses rate the service we provide?

the financial services industry can have confidence in the ombudsman service



our service is good value for businesses who pay the levy/case fees that fund us



our decisions on cases are fair and unbiased



our decisions are consistent



we provide a good dispute-resolution service for businesses



**% who agreed**    **% who expressed no view**    **% who disagreed**

We carry out quarterly surveys on how the businesses we deal with rate the level of service we provide. These surveys cover all sectors of the financial services industry, ranging from sole-proprietor businesses to the largest financial groups.

On average, the proportion of businesses agreeing with the statements above about our service slipped back during the year.

However, around a third of businesses were unable or unwilling to express views on issues widely considered to be of key interest to the financial services industry – namely the consistency of our decisions and our value for money.

And the overall proportion of businesses agreeing that our decisions are fair and unbiased – and that we provide a good dispute-resolution service for businesses – is *higher* than the proportion of cases in total where we did not uphold the case and where we agreed that businesses had done nothing wrong.

This suggests that the way businesses rate these aspects of our service may not be entirely determined by the outcome of complaints.

## who the complaints were about

### liaison with financial businesses and trade associations

On page 128 of this *annual review*, we highlight some of the external-liaison work we have carried out during the year with the financial services industry – including training and guidance on complaints-handling and the work of our technical advice desk in supporting and educating businesses on complaints prevention.

During the year we have recorded feedback from businesses on what they think about the ways in which we share information with them about our work settling disputes – and which one of our external-liaison support services they most value.

### which of our support services do businesses value?



21%

our website (including our *online technical resource*)

21%

our technical advice desk

19%

publications (including our *quick guides* for businesses)

18%

*ombudsman news*

11%

conferences and seminars

10%

visits and training

“... our technical advice desk supports and educates businesses on complaints prevention”

## who the complaints were about

We also run a relationship-management programme involving the 35 financial services groups that together accounted for 85% of complaints referred to the ombudsman service during the year. This includes establishing constructive relationships between ourselves and the businesses concerned, at both operational and strategic level, to ensure that the significant caseloads involved are managed as effectively and efficiently as possible.

For smaller businesses, we have a team of relationship managers with regional responsibilities – who work closely with local branches of trade bodies and provide a named point of contact for businesses in each area. Our relationship managers also run our *introduction to the ombudsman* seminars across the UK, where smaller businesses – who are otherwise less likely to have direct contact with us – can meet us and ask questions face-to-face.

As well as the regular contact we have with businesses and their trade associations at this operational level, we have also always had more formal arrangements in place for strategic dialogue with the financial services industry.

Following consultation with industry stakeholders, we replaced the three sectoral liaison-groups (for banking, insurance and investment) – that had provided a channel for more formal communication between the ombudsman service and the industry since 2000 – with a small cross-sector industry steering group and a wider cross-sector industry panel.

These changes involved our chairman, Sir Christopher Kelly, chairing the high-level steering group which brought together eight chief executives of key financial services institutions. Through this group, and in other high-level industry meetings, we have discussed strategic issues such as major trends in complaints and the mechanisms for handling “mass claims” from consumers.

Membership of the wider cross-sector industry panel includes all the organisations previously represented on the three former industry liaison-groups – with additional members from consumer credit, electronic money and payment services.

The industry panel comprises around 200 financial services practitioners and officials from 30 trade associations. The panel covers issues such as complaints involving a particular product, sector, or type of financial business – or particular complaints-handling process issues.

We keep in regular contact with the industry panel through a fortnightly email newsletter and a series of events, including specialist seminars on complaints-related topics and *meet the ombudsman* Q&A sessions.

“... we have more formal arrangements for strategic dialogue with the financial services industry”

16,706

enquiries to our technical advice desk

675 parliamentary enquiries

and taking part in over 200

seminars and events

700,000 copies of our

consumer leaflet and 2,073 new or  
updated pages on our website

# other work we have done



## other work we have done

To support our work in settling disputes between consumers and businesses providing financial services, we feed back the lessons learned from our work to a wide range of stakeholders and customers.

This section highlights some of these stakeholder-engagement activities. There is more information about this work in our *corporate plan*, published in January each year (and available in the “publications” section of our website).

### working with the FSA and OFT

We have regular contact both with the Financial Services Authority (FSA), as the regulator of financial services, and the Office of Fair Trading (OFT), as the regulator of consumer credit, on matters which are relevant to our role and responsibilities.

In particular, during the year we worked with FSA on the consultation paper, *CP10/21 – consumer complaints (award limit and changes to complaint handling rules)*, which included proposals to raise the maximum amount of compensation that the ombudsman can tell a business to pay from £100,000 to £150,000. The consultation paper also proposed some rule changes – to improve businesses’ complaints-handling processes – and it asked for evidence on whether our eligibility rules for complainants should be extended to cover victims of identity theft.

Following on from feedback to the discussion paper, *DP10/1 – consumer complaints (emerging risks and mass claims)*, which we produced jointly with the FSA and the OFT, we have worked with those two regulators to replace the process for dealing with issues which may have wider implications for consumers or businesses with arrangements which include a joint FSA, OFT and ombudsman co-ordination committee.

### extensions to our remit

We worked closely with HM Treasury and the FSA during the year, to enact the new “rules instrument” required for implementing the second Electronic Money Directive on 30 April 2011.

We will continue to work with HM Treasury, the FSA and the OFT on five further changes or extensions to our remit:

- HM Treasury and the Department for Trade, Enterprise and Investment in Northern Ireland are considering bringing the regulation of credit unions in Northern Ireland under the FSA. This will in turn bring these credit unions within our jurisdiction.
- The European Directive that updates the arrangements for “UCITS” (Undertakings for Collective Investment in Transferable Securities) will, for the first time, create the possibility of a fund authorised in *one* EU member state being managed by a fund manager authorised in *another* member state. The implications of this for the scope of our jurisdiction are currently under review.
- The transfer of the regulation of second-charge mortgages from the OFT to the FSA.
- HM Treasury are looking to extend the FSA’s regulatory powers to cover the exercise of rights in relation to the onward sale of mortgage books – rather than just the administration of them. In turn, this would bring complaints about these wider activities within our jurisdiction.
- HM Treasury are also looking to extend the scope of the FSA’s regulatory powers to a wider range of “sale and rent-back” providers, who would then come under our jurisdiction for the first time.



## other work we have done

### regulatory review

The government made the reform of financial regulation one of its key priorities, and it has set out proposals for a new regulatory framework. Building on its consultation document of July 2010, it published *A new approach to financial regulation: building a stronger system* in February 2011. This confirmed the government's intention that the ombudsman service would remain independent, with a role clearly distinct from the regulator.

We will continue to work closely with HM Treasury and the FSA on issues arising from regulatory reform which might affect our work.

### national and international role

We continue to maintain close relations with a number of government departments that have a particular interest in what we do – including HM Treasury, the Department for Business, Innovation and Skills (BIS) and the Ministry of Justice.

At an international level, we have continued to work with the European Commission on improving the availability of cross-border “alternative dispute resolution” (ADR), primarily through FIN-NET, the network of European financial-dispute resolution services. We have also worked with the Commission as it prepares a proposal for new legislation on “alternative dispute resolution”.

### freedom of information

The Ministry of Justice confirmed in January 2011 that the *Freedom of Information Act* will be extended to cover the ombudsman service with effect from October 2011. While not currently subject to this *Act*, we aim to answer questions about our work as though we were – in addition to publishing extensive information on our website about what we do and how we do it.

In its February 2011 consultation paper on a new approach to financial regulation, the government said it wanted to clarify that the ombudsman service could publish its decisions in a proactive and co-ordinated way. We will be working with our stakeholders to consider how this may be put into practice.

### external review

Three years on from the publication of the report from our last external review – carried out by Lord Hunt of Wirral into the accessibility and transparency of our service – the ombudsman service has asked the National Audit Office (NAO) to look at our efficiency. The first stage of the NAO's work started at the beginning of April 2011. This involved a scoping study, as a result of which the NAO will recommend to our non-executive board the particular areas on which the review should focus.

“... the arrangements include a joint FSA, OFT and ombudsman co-ordination committee”

## other work we have done

### engaging with stakeholders

We carry out a wide range of activities aimed at sharing our experience and knowledge with the outside world. Over the year these external-liaison and outreach activities have included:

- Dealing with 16,706 enquiries to our technical advice desk – our dedicated service for people handling complaints in the financial services sector and the consumer-advice world.
- Handling 675 parliamentary enquiries and 34 ministerial questions, and producing a special mini-guide to our service for elected representatives such as MPs and councillors.
- Organising visits, meetings and training for businesses we cover – including a relationship-management programme involving the 35 financial services groups that together accounted for 85% of complaints referred to the ombudsman service during the year.
- Running our industry steering-group and our industry panel (see page 123); hosting our smaller-businesses forum; and holding workshops and seminars around the UK for financial businesses and claims-management companies on a range of topical complaints-related issues.
- Holding 17 regional training-days for community and advice workers – from Plymouth to Glasgow, Belfast to King’s Lynn – to share our complaints-handling skills with front-line problem-solvers in the community; and hosting our quarterly consumer-liaison forum for representatives from consumer groups.
- Taking our exhibition stand to key consumer events, including the *Caravan and Motorhome Show*, the *Gadget Show Live*, the Balmoral agricultural show in Belfast and the Welsh National *Eisteddfod*.
- Speaking at seminars and conferences hosted by organisations ranging from the Association of Professional Compliance Consultants to the Money Advice Trust.
- Targeting specific audiences – those less likely to use, or be aware of, the ombudsman service – including advertising on underground stations in Glasgow, on buses in Northern Ireland, in the *South Wales Argus* and on the *OneIndia* website.
- Adding or updating 2,073 pages of our website – including 143 news updates, increased video content, and more feedback channels for user ratings and comments.
- Publishing 10 issues of our newsletter, *ombudsman news*; distributing 700,000 copies of our consumer leaflet, *your complaint and the ombudsman*; and handing out 3,000 copies of our mini-guide for community advice workers, 3,000 copies of our guide for smaller businesses and 4,000 EasyRead leaflets.
- Answering media questions and providing information for publications ranging from *Farmers Weekly* to *Structured Products* magazine – and taking part in over 50 broadcasts, from Radio 1 *Newsbeat* to *Sunny Govan* community radio.

“... we advertised on underground stations  
in Glasgow and on buses in Northern Ireland”

# our news updates



## our news updates

**our plans and budget for 2011/2012***30 March 2011*

we publish our finalised budget for the financial year 2011/2012 – including a summary of responses to our consultation paper – together with *our plans for a changing world*

**strengthening co-ordination between the FSA, the OFT and the ombudsman service***28 March 2011*

a new co-ordination committee – involving the FSA, the OFT and the ombudsman service – replaces the “wider implications” process

**car insurance question-time for businesses***24 March 2011*

the ombudsman hosts a seminar and question-time for insurance practitioners – on the ombudsman’s approach to disputes involving repairs and vehicle theft

**“handling complaints” conference in Manchester***22 March 2011*

the ombudsman runs the latest in its series of conferences for financial-services complaints handlers – with an event for over 65 industry practitioners in Manchester – covering topics such as good practice in complaints handling, compensation for being “deprived” of money and for investment loss, and compensation for distress and inconvenience

**meeting smaller businesses in Southampton***18 March 2011*

our lead ombudsman, Caroline Mitchell, explains the role of the ombudsman – and how handling complaints well is part of good customer service – to representatives from 80 smaller businesses in the Southampton area, including motor traders, insurance brokers and financial advisers

**pet insurance complaints***17 March 2011*

dealing with over 400 complaints a year about insurance for pets, the ombudsman service sets out its general approach to pet insurance, as part of its online technical resource

**raising the standard for an inclusive service***15 March 2011*

as part of our commitment to accessibility, the ombudsman service hosts a seminar – on “identifying and responding to consumer vulnerability” – to support the launch of the British Standards Institution’s new standard, BS 18477, on the provision of inclusive services

**complaints about banks in Northern Ireland***15 March 2011*

David Cresswell from the ombudsman service is interviewed by BBC Northern Ireland’s *The Stephen Nolan Show* – about what consumers should do if they are unhappy with their bank and want their complaint taken seriously

**“introducing the ombudsman” to businesses in Belfast***11 March 2011*

our lead ombudsman, Caroline Mitchell, hosts a seminar in Belfast for smaller businesses who are less likely to get complaints or have direct contact with the ombudsman service

**recruiting ombudsmen***10 March 2011*

appropriately qualified and experienced experts are invited to join our ombudsman panel – as demand rises from consumers and businesses for formal ombudsman decisions as the final appeal-stage of our complaints procedure

**“accessibility and transparency” – latest update***10 March 2011*

three years on from Lord Hunt’s review into the accessibility and transparency of the ombudsman service, we publish our latest update on opening up and reaching out to customers

## our news updates

### international women's day

8 March 2011

with International Women's Day championing the rights and empowerment of women, the ombudsman continues to work in partnership with *Savvywoman*, *Black Hair* magazine and other relevant media, to raise awareness of the ombudsman service with women

### "finders keepers"?

4 March 2011

our latest update on our online technical resource sets out our approach to banking disputes where payments have been credited to the wrong account (or released to the wrong person) – and explains why it's unlikely to be a case of "finders keepers"

### ombudsman releases latest complaints data on individual financial businesses

28 February 2011

### "cheque" you know your rights

25 February 2011

the latest ombudsman feature in *Choice* magazine – the lifestyle magazine for people over 50 – focuses on cheques and how to avoid being caught out by fraudsters

### mortgage arrears and hardship

24 February 2011

the latest addition to our growing online technical resource sets out our general approach to the many disputes we see where a consumer has had difficulty paying their residential mortgage – and arrears have built up as a result

### Money Box Live and investments

23 February 2011

David Cresswell from the ombudsman service takes part in a *Money Box Live* phone-in on BBC Radio 4 – on investment-related issues

### marine insurance

17 February 2011

dealing with up to a hundred disputes a year involving insurance for boats, we set out our general approach to complaints about marine insurance as part of our expanding online technical resource

### ombudsman news issue 92

10 February 2011

- a selection of recent insurance disputes over the way claims are settled
- a snapshot of the ombudsman's complaints figures for the third quarter of the financial year
- Natalie Ceeney, chief ombudsman, on the current situation with complaints about payment protection insurance (PPI) – and the impact of this on the ombudsman service

### complaints-handling training for advice workers in County Durham

9 February 2011

the ombudsman service runs the latest in its series of training-days for community advisers – with an event for front-line community workers in County Durham, run in association with East Durham Citizens Advice Bureau

### ombudsman awareness on the up

3 February 2011

the ombudsman is continuing its work with *Black Hair* and *Pride* magazines to ensure that awareness of the ombudsman service among the Black African and Caribbean community continues at its record high

### "judicial review" on payment protection insurance (PPI)

25 January 2011

the legal challenge brought by the British Bankers Association (BBA) – against the FSA and the Financial Ombudsman Service – starts in the High Court today

## our news updates

**board appointments***21 January 2011***The Asian Today***14 January 2011*

the ombudsman features in the latest issue of *The Asian Today* – the free monthly newspaper for consumers in the Midlands – as part of its continued awareness-raising work with Asian consumers

**financial ombudsman consults on its plans and budget for the year ahead***10 January 2011***stockbroking complaints***5 January 2011*

dealing with some 2,500 stockbroking and portfolio-management disputes a year, the ombudsman service publishes its approach to complaints involving stocks and shares, “execution-only” sales and portfolio-management agreements – as part of the ombudsman’s online technical resource

**holidays without the hassle***31 December 2010*

the latest ombudsman column in *Choice* magazine – the lifestyle magazine for people over 50 – focuses on how people taking a winter-break holiday can avoid insurance problems

**student Grit in the Midlands***15 December 2010*

the ombudsman features in the launch issue of *Grit* magazine – the lifestyle magazine providing information for students and younger people in the Midlands – as part of the ombudsman’s ongoing work to raise awareness of how it can help get financial problems sorted

**ombudsman news issue 91***14 December 2010*

- case studies where the consumer is in dispute with a financial business and also with a family member
- commonly-held myths about the ombudsman service
- Natalie Ceeney, chief executive and chief ombudsman, on taking a clear look at what greater transparency really means

**from Conwy to Cardiff***7 December 2010*

following our involvement in this year’s *Eisteddfod* and increased regional media coverage, one in five people in Wales can now actively name the ombudsman service as the organisation that gets financial problems sorted

**online technical resource***2 December 2010*

further information is added to the ombudsman service’s online technical resource – covering the ombudsman’s approach to insurance complaints involving accidental damage and extended warranties

**community advice in Essex***30 November 2010*

the ombudsman service runs the latest in its series of training days for community and advice workers – with an event for consumer and voluntary groups in Essex

**Treasury Select Committee evidence***26 November 2010*

as part of its inquiry into financial regulation, the Commons Treasury Committee publishes further written evidence – including supplementary information from the ombudsman service, following initial written evidence and oral evidence given on 14 October by chief ombudsman, Natalie Ceeney, and principal ombudsman, Tony Boorman

## our news updates

### into 2011 with Zee

26 November 2010

the ombudsman features in the winter issue of *ZEE* magazine – as part of its continued awareness-raising work with Asian consumers

### ombudsman forum for smaller businesses

25 November 2010

the ombudsman service hosts a forum – attended by representatives from 14 smaller-business trade-associations – as part of its work handling complaints both from and about smaller businesses

### “can’t pay, won’t pay – and now no need to pay”?

24 November 2010

Jane Hingston, lead ombudsman, takes part as a panellist in the question-time session at the annual conference of the Money Advice Liaison Group (MALG) – focusing on different types of debt experience, as well as on issues of financial hardship and unaffordable lending

### spread-betting complaints

22 November 2010

with the ombudsman service likely to deal with over 200 spread-betting complaints this financial year, we publish our approach to disputes involving spread-betting and contracts for difference (CFDs) – as part of our expanding online technical resource

### household insurance question-time for businesses

18 November 2010

the ombudsman today hosts a seminar and question-time for insurance practitioners – on the ombudsman’s approach to disputes involving contents insurance and buildings insurance

### complaints-handling training for advice workers in the south east

17 November 2010

the ombudsman service runs the latest in its series of training-days for community advisers – with a training day for front-line community workers in Newbury

### complaints-handling training for advice workers in the North West

10 November 2010

the ombudsman goes to Liverpool to provide complaints-handling training for community and advice workers

### ombudsman news issue 90

9 November 2010

- recent vehicle-related case studies
- banking disputes involving powers of attorney
- a snapshot of our complaint figures for July to September 2010
- Natalie Ceeney, chief executive and chief ombudsman, on why customer complaints can be good news for businesses

### transfers, payments and cheques

5 November 2010

the ombudsman service’s online technical resource is further expanded with information about the ombudsman’s general approach to banking transfers, payments and cheques

### keep on top of credit

4 November 2010

the ombudsman focuses on credit in the latest issue of *Retirement Today* – the lifestyle magazine for people approaching or enjoying retirement – featuring information on the role of the ombudsman

## our news updates

**subsidence***1 November 2010*

the ombudsman service's online technical resource is further expanded with information about the ombudsman's general approach to buildings insurance disputes involving subsidence

**"handling complaints" conference***27 October 2010*

over a hundred financial services practitioners take part in the ombudsman's conference for complaints handlers in London – covering topics such as compensation for distress, inconvenience and other non-financial loss; and good practice in complaints handling

**new publication aimed at councillors and MPs***22 October 2010*

following positive feedback on our mini-guide for advice workers, the ombudsman produces a similar mini-guide for elected representatives – giving a brief introduction to the role of the ombudsman for councillors, MPs etc

**chief ombudsman on learning from complaints***21 October 2010*

chief ombudsman, Natalie Ceeney, speaks to the Insurance Institute of London about learning from complaints

**Ade Adepitan and disability awareness at the ombudsman***20 October 2010*

wheelchair basketball player Ade Adepitan – gold-medallist at the 2005 Paralympic World Cup – visits the ombudsman service to launch the ombudsman's latest disability-awareness and customer-service programme – run in partnership with eight disability, mental health and wellbeing charities, including the Samaritans, British Dyslexia Association and Alzheimer's Society

**financial mutuals, complaints and the ombudsman***19 October 2010*

chief ombudsman, Natalie Ceeney, speaks at Association of Financial Mutuals conference on why effective and well-managed complaints-handling is crucial

**Treasury Select Committee***14 October 2010*

chief ombudsman, Natalie Ceeney, and principal ombudsman, Tony Boorman, go to Parliament – to give evidence to the Treasury Select Committee as part of its inquiry into financial regulation ombudsman

**on the road***12 October 2010*

the ombudsman takes part in the *International Caravan and Motorhome Show* at Birmingham NEC – to raise awareness of the service and help consumers nip problems in the bud relating to caravan insurance and goods bought with credit

**back to college and university***11 October 2010*

the ombudsman features in this year's *What's On* student guide and the latest issues of *Source* and *End of Term* – lifestyle magazines providing information for students on a range of areas, including money matters – as part of the ombudsman's ongoing awareness-raising work with younger people and students

**travel insurance complaints in Northern Ireland***11 October 2010*

the ombudsman service's David Cresswell takes part in BBC Radio Ulster's round-table on travel insurance complaints



## our news updates

**legal action on payment protection insurance (PPI)***8 October 2010*

the ombudsman will continue as normal to handle consumers' complaints about payment protection insurance – despite the legal action (“judicial review”) launched today by the British Bankers Association (BBA) against the FSA and the Financial Ombudsman Service on the approach to PPI complaints handling

**“introducing the ombudsman” to businesses in Manchester***8 October 2010*

the ombudsman is in Manchester hosting another in our series of regional events for smaller businesses – who are less likely to get complaints or to be aware of the role of the ombudsman as part of the complaints procedure

**handling health insurance complaints***7 October 2010*

lead ombudsman, Caroline Mitchell, talks about health insurance complaints – to insurance brokers and IFAs at the *Cover* Protection and Health Insurance Forum

**working with community advisers in Scotland***6 October 2010*

the ombudsman service runs the latest in its series of events for advice workers – with a training-day in Edinburgh for front-line community workers

**ombudsman news issue 89***5 October 2010*

- complaints involving legal expenses insurance
- disputed debit card transactions
- an interview with our new operations director, Simon Rouse
- Natalie Ceeney, chief executive and chief ombudsman, on the next stages in our annual planning cycle

**black history month***4 October 2010*

as part of the ombudsman service's ongoing work to raise awareness of the service with the Black African and Caribbean community, the ombudsman is working in partnership with key lifestyle magazines *Pride* and *Black Hair*

**FSA consults on changes to complaints-handling rules***30 September 2010*

the Financial Services Authority (FSA), the regulator, consults on changes to the complaints-handling rules as part of a package of measures to drive up standards of complaints handling by financial businesses – including proposals to raise the maximum compensation the ombudsman can tell businesses to pay, from £100,000 to £150,000

**regional radio and the ombudsman***30 September 2010*

the ombudsman service's Emma Parker is interviewed by BBC Radio Devon and Radio Plymouth – highlighting the role of the ombudsman service to listeners in south west

**Plymouth training day***30 September 2010*

the ombudsman service runs the latest in its series of training-days for community and advice workers around the UK – with an event for consumer and voluntary groups in the South West

**“ask the expert”***29 September 2010*

the ombudsman service's Peter Cook joins the expert panel of *Savvywoman* – the money matters website for women – providing information to help people nip financial complaints in the bud

**consumer credit conference***28 September 2010*

the ombudsman speaks at LexisNexis' consumer-credit law conference – about complaints involving payment protection insurance

**non-executive directors being recruited***27 September 2010*

applications are invited from appropriately experienced and qualified candidates to join the board of the Financial Ombudsman Service as non-executive directors

**disputed transactions***27 September 2010*

information about the ombudsman's approach to resolving complaints about disputed transactions – involving plastic cards, cheques and internet banking – is added to the online technical resource

**PPI complaints***23 September 2010*

with complaints about payment protection insurance (PPI) continuing to make up a large proportion of the ombudsman's workload, the ombudsman hosts a forum for financial businesses dealing with PPI complaints – to set out the ombudsman's long-published approach to PPI

**working with community advisers in King's Lynn***22 September 2010*

the ombudsman service runs the latest in its series of events for advice workers – with a training day in King's Lynn for front-line community workers across Norfolk

**BBC Radio Newcastle***21 September 2010*

the ombudsman service's Emma Parker is interviewed on BBC Radio Newcastle, providing information on the role of the ombudsman to listeners in the north east

**motor insurance: repairs to vehicles***16 September 2010*

our online technical resource is further expanded – with information about the ombudsman's approach to complaints where consumers are unhappy with how an insurer has handled the repair of their vehicle

**ombudsman releases latest complaints data on individual financial businesses***14 September 2010***ombudsman at Citizens Advice annual conference***14 September 2010*

the ombudsman service takes part in the Citizens Advice annual conference in York – to highlight the ombudsman's role and resources available to front-line advice workers

**“introducing the ombudsman” to businesses in Birmingham***13 September 2010*

the ombudsman is in Birmingham hosting another in our series of regional events for smaller businesses – who are less likely to get complaints or to be aware of the role of the ombudsman as part of the complaints procedure

**back to school***10 September 2010*

the ombudsman features in the latest issue of *Every Child* – the annual guide for parents with children starting school in England and Wales – as part of its outreach work with young families

**complaints-handling training for advice workers in the North East***9 September 2010*

the ombudsman goes to Newcastle to provide complaints-handling training for community and advice workers

**financial hardship and unaffordable lending***9 September 2010*

our online technical resource is further expanded with information about the ombudsman's approach to complaints involving financial hardship and unaffordable lending related to consumer debt (for example, current account overdrafts, credit card debts, loans and hire purchase)

## our news updates

### Citizens Advice Scotland

1 September 2010

the ombudsman takes part in Citizens Advice Scotland's annual conference – as part of its work with front-line community and advice workers

### ombudsman news issue 88

31 August 2010

- disputes over the quality of repairs arranged as part of an insurance claim
- a reminder of our approach to mortgage-underfunding complaints
- complaints data – how, why and what we will be publishing this September
- Natalie Ceeney, chief executive and chief ombudsman, taking stock of recent trends in our workload – and focusing on our strategic plans for the future

### Bradford Community Broadcasting

26 August 2010

the ombudsman service's Emma Parker is interviewed on the drive-time show on Bradford Community Broadcasting Radio – providing information on the role of the ombudsman to listeners in Yorkshire and the Humber

### “subject access requests”

25 August 2010

as part of the section of our website on “freedom of information and data protection”, we explain how people can access personal information about them that we process as part of our work – by making a “subject access request” under the *Data Protection Act*

### don't get caught out at the cashpoint

19 August 2010

the ombudsman features in the latest issue of *Retirement Today* – focusing on cashpoint complaints, including top tips on how to avoid getting caught out when you take cash out

### National Complaints Day

13 August 2010

the ombudsman takes part in this year's National Complaints Day, giving tips on how to nip a financial problem in the bud and get your complaint taken seriously

### warning! fraudulent emails claiming to be from the ombudsman ...

11 August 2010

### training for Glasgow advice workers

11 August 2010

our latest regional-training day for front-line advice and community workers takes place today at Hampden Park, Scotland's national stadium

### FSA and payment protection insurance (PPI)

10 August 2010

the Financial Services Authority (FSA) confirms a package of measures on PPI – including guidance to ensure complaints are handled properly in line with the ombudsman's approach

### In the Money

6 August 2010

the ombudsman features in the first issue of *In the Money* in County Durham – the money advice guide for consumers living in the North-East – as part of our ongoing work to raise awareness of the ombudsman service

### Eisteddfod!

2 August 2010

am y tro cyntaf, bydd gwasanaeth yr ombudsmon yn cymryd rhan yn Eisteddfod Genedlaethol Cymru ym Mlaenau Gwent

for the first time, the Financial Ombudsman Service is taking part in the National *Eisteddfod* of Wales Festival in Blaenau Gwent

## our news updates

**technical information on calculating compensation***2 August 2010*

our online technical resource is further expanded with information about the ombudsman's approach to calculating compensation for being "deprived" of money

**ombudsman news issue 87***29 July 2010*

- insurance case studies involving travel or holidays
- cases where a bank incorrectly credits an account with money meant for someone else
- a snapshot of our complaint figures for the first quarter of this financial year
- Natalie Ceeney, chief executive and chief ombudsman, on the information and insight to be gleaned from customer complaints

**no such thing as free cash***29 July 2010*

David Cresswell from the ombudsman service is interviewed on BBC Radio 2 about cases where money is mistakenly credited to bank accounts

**training for South Wales advice workers***29 July 2010*

the ombudsman service runs the latest in its series of training-days for community and advice workers in Swansea

**Swansea complaints-clinic***28 July 2010*

Emma Parker from the ombudsman service is interviewed by radio stations *Swansea Sound* and *The Wave* about the ombudsman's drop-in complaints-clinic for consumers in Swansea

**BBC's "travel week" and the ombudsman***27 July 2010*

as part of the BBC's "travel week", the ombudsman service's Emma Parker is interviewed by Radio 1 *Newsbeat* and BBC *Working Lunch* – providing information on the role of the ombudsman and how to get a travel-related problem sorted

**Manchester training day***23 July 2010*

the ombudsman service runs the latest in its series of training-days for community and advice workers around the UK – with an event for consumer and voluntary groups in the Manchester area

**Financial Ombudsman Service appoints Simon Rouse as operations director***21 July 2010***payment protection insurance (PPI) case studies***20 July 2010*

we update our online PPI resource with further case studies – showing our approach to complaints about the sale of regular-premium credit card PPI

**travel and credit cards***19 July 2010*

the ombudsman is interviewed by BBC's *The One Show* about holidays taken out on credit cards – and what to do if something goes wrong

**BBC Radio Wales***19 July 2010*

the ombudsman service's Emma Parker is interviewed as part of BBC Radio Wales' focus on banks and customer service – with information on the role of the ombudsman and how consumers can get problems sorted

## our news updates

**in retirement***16 July 2010*

meet the ombudsman at the *Retirement Show* at London Olympia – with Peter Cook from the ombudsman service on the *Your Money Matters* panel chaired by Sarah Pennells of *Savvywoman*

**Money Box, the ombudsman and “continuous payment authorities”***10 July 2010*

the ombudsman service’s David Cresswell is interviewed on BBC Radio 4’s *Money Box* about problems consumers bring to the ombudsman involving automatic payments made by “continuous-payment authorities”

**insurance complaints***8 July 2010*

lead ombudsman, Caroline Mitchell, speaks to representatives from across the insurance industry at the Association of British Insurers’ complaints-management seminar

**technical data on redress for mis-sold pensions***7 July 2010*

technical note updated with new assumptions (as from 1 July 2010) for calculating redress for mis-sold pensions

**handling customer complaints***5 July 2010*

lead ombudsman, Caroline Mitchell, speaks at the *Complaints in Financial Services* event – on handling complaints and the information available to businesses about the ombudsman’s approach

**ombudsman recruitment***4 July 2010*

applications are invited from appropriately qualified and experienced experts to join the statutory ombudsman panel – helping to provide additional flexibility and resource in dealing with the rising demand for ombudsman decisions

**ombudsman events for businesses***1 July 2010*

the ombudsman launches its new series of events for businesses

**student money advice***28 June 2010*

the ombudsman takes part in the national conference of the Association of Student Money Advisers in Brighton – as part of work to help make the ombudsman more relevant to younger consumers who complain less and have least knowledge of their consumer rights

**ombudsman news issue 86***23 June 2010*

- misunderstandings about claims made under section 75 of the *Consumer Credit Act*
- some recent recession-related insurance complaints
- our latest *annual review* in a nutshell – the facts and figures we are most often asked about
- Natalie Ceeney, after three months as chief executive and chief ombudsman, planning for the ombudsman’s next 10 years

**training for South East advice workers***23 June 2010*

in partnership with Ashford Borough Council, our latest regional training-day for front line community and advice workers takes place today

**Money Advice Scotland***22 June 2010*

Natalie Ceeney, chief executive and chief ombudsman, gives a keynote speech to front-line money advisers at Money Advice Scotland’s annual conference in Crieff

## our news updates

**Family Life***18 June 2010*

following on from National Family Week earlier this month, the ombudsman features in the latest issue of *Family Life* – the lifestyle magazine providing tips and information for parents in Scotland

**banking and credit complaints***17 June 2010*

lead ombudsman, Jane Hingston, hosts a seminar for businesses – to discuss complaints involving goods and services paid with credit and consumers who are in financial difficulties

**talking about money problems***15 June 2010*

the ombudsman takes part in the Trading Standards Institute's annual conference in Edinburgh – to talk about the problems consumers in financial difficulties face

**summer with ZEE***11 June 2010*

the ombudsman service features in the summer issue of *ZEE* magazine as part of its continued awareness-raising work with Asian consumers

**PPI case studies***10 June 2010*

we update our online PPI resource with a range of recent case studies – showing our approach to complaints about the sale of payment protection insurance (PPI)

**training for West Midlands advice workers***10 June 2010*

our latest regional-training day for front-line advice and community workers takes place in Wolverhampton

**meeting the ombudsman in Edinburgh***8 June 2010*

lead ombudsman, Caroline Mitchell, talks to smaller financial businesses about handling complaints and the work of the ombudsman – at our introducing the ombudsman seminar in Edinburgh

**working together***4 June 2010*

the ombudsman adds new dates to its series of regional events, aimed at giving advice workers the opportunity to learn more about the ombudsman service and how we work

**Volunteer Week***3 June 2010*

the ombudsman service is proud to support its staff who volunteer for a wide-range of charities and community groups – at both a national and local level – as part of Volunteer Week

**on the front-line in Barrow in Furness***28 May 2010*

the ombudsman's outreach team takes part in a regional training-day run by Consumer Direct for community and advice workers in the Barrow in Furness area

**temporary PPI rule***28 May 2010*

FSA introduces a temporary rule – to give people with recent payment protection insurance (PPI) complaints more time to refer cases to the ombudsman service

**new independent assessor appointed***24 May 2010***we're planning for our next decade ...***21 May 2010*

chief ombudsman, Natalie Ceeney, on video – talking about change, challenge and new recruitment opportunities on the senior team at the ombudsman service

## our news updates

**ombudsman service publishes annual review of personal finance disputes***19 May 2010***PINs in Northern Ireland***15 May 2010*

David Cresswell from the ombudsman service joins Linda McAuley of BBC Northern Ireland's *On Your Behalf* – and consumers visiting the ombudsman's stand at Belfast's Balmoral agricultural show – to talk about problems with PINs and plastic cards

**Belfast Balmoral Show***13 May 2010*

the ombudsman takes part in Northern Ireland's largest agricultural show – as part of our ongoing work to raise consumer awareness of the ombudsman service

**Northern Ireland radio***12 May 2010*

Emma Parker from the ombudsman service is interviewed on BBC Radio Foyle and Radio West Q101.2FM, to help raise awareness of the service and its work in Northern Ireland

**training for advice workers in Northern Ireland***11 May 2010*

our latest regional training-day for front-line advice workers takes place in Belfast – as part of our Northern Ireland focus

**money advisers in Harrogate***10 May 2010*

the ombudsman joins delegates in Harrogate for the annual conference of the Institute of Money Advisers

**Northern Ireland focus 2010***5 May 2010*

working alongside front-line consumer-advice agencies in Omagh and Belfast, the ombudsman service takes part in drop-in clinics – for consumers who have a problem they can't sort out with a financial business

**assessing investment suitability – and “with-profits” bonds***4 May 2010*

our online technical resource is further expanded – with information on our approach to “with-profits” bonds and assessing the suitability of investments

**ombudsman news issue 85***29 April 2010*

- recent banking, insurance and investment complaints from consumers living in rural communities
- an expanded Q & A section covering some recent developments in our casehandling process
- the ombudsman's consumer-outreach work
- chief executive and chief ombudsman, Natalie Ceeney, on her first month at the ombudsman service – and some challenges ahead

**ombudsman's newly-established industry steering-group meets for first time***28 April 2010***Radio 4 Money Box and how to complain***28 April 2010*

David Cresswell from the ombudsman service takes part in a *Money Box Live* discussion on how to complain

**training for advice workers in York***27 April 2010*

our latest regional training-day for front-line advice workers takes place in York – as part of our outreach work with trusted advisers in the community

**You and Yours on mortgage complaints, claims-management companies and the ombudsman***26 April 2010*

David Cresswell from the ombudsman service talks on Radio 4 *You and Yours* about what consumers should do if they think they've been mis-sold a mortgage

## our news updates

**ombudsman and travel insurance intermediaries***21 April 2010*

Tony Boorman, principal ombudsman, speaks at the Association of Travel Insurance Intermediaries' annual conference

**ombudsman at Naidex independent living show***20 April 2010*

the ombudsman takes part in the *Naidex* show at Birmingham NEC – as part of our ongoing work to raise awareness of our service with disabled consumers

**complaints handling and banks***19 April 2010*

Tony Boorman, principal ombudsman, speaks at the British Bankers Association's complaints seminar

**BBC Money Talk with Natalie Ceeney***15 April 2010*

new chief executive of the ombudsman service, Natalie Ceeney, explains to BBC online what consumers can do if things go wrong and they want to complain about financial services

**looking forward***9 April 2010*

the ombudsman features in the latest edition of *Forward* – the Spinal Injury Association's magazine providing advice to people with spinal cord injuries – as part of the ombudsman's ongoing work to raise awareness of the service with disabled consumers

**gadgets and gizmos***7 April 2010*

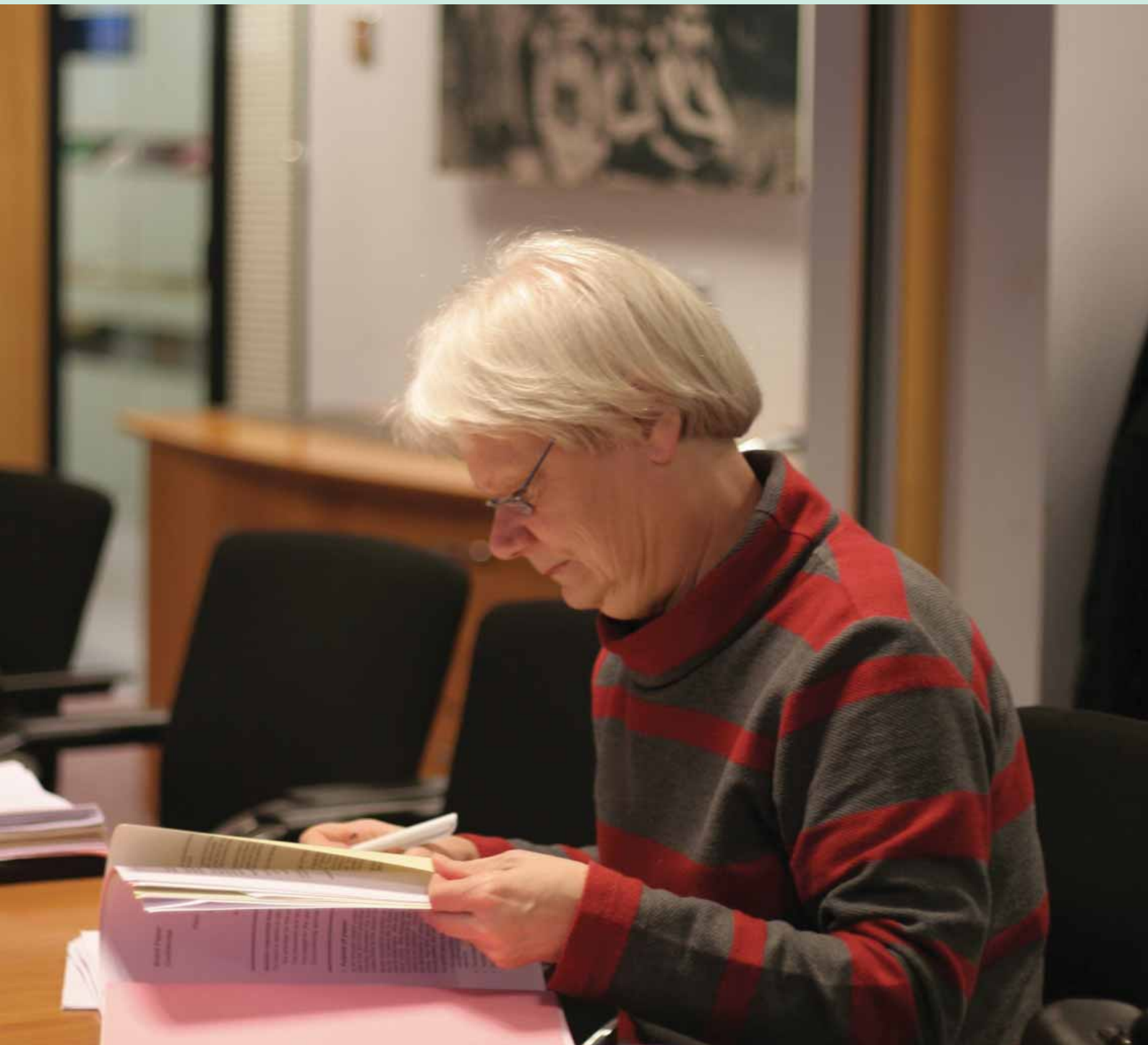
meet the ombudsman at the *Gadget Show Live* at Birmingham NEC – part of the ombudsman's outreach-work with younger people who spend a lot, borrow more on credit, and have the lowest awareness of how to sort out financial problems

**accessibility and transparency – latest update***1 April 2010*

two years after Lord Hunt completed his review into the accessibility and transparency of the ombudsman service, the ombudsman publishes its latest quarterly update on progress made on opening up and reaching out to customers



# our board and senior people



## our board and senior people

### our board

#### Sir Christopher Kelly KCB chairman

- chairman of the King's Fund
- chairman of the Committee on Standards in Public Life

#### *formerly*

- chairman of NSPCC
- permanent secretary at the Department of Health
- head of policy at the Department of Social Security
- director of monetary & fiscal policy *and* director of the budget & public finances at HM Treasury

#### Alan Cook CBE

- a non-executive board member at the Department for Transport
- non-executive chair of the Highways Agency board
- a non-executive director of the board of the Office of Fair Trading (OFT)
- chairman of "Action for ME"

#### *formerly*

- managing director of Post Office Ltd
- chief executive of National Savings and Investments (NS&I)
- chief operating officer at Prudential

#### Dame Janet Gaymer DBE QC (Hon)

- governor of the London School of Economics
- member of the Council of Justice
- member of the board of International Women of Excellence
- life vice-president of the UK Employment Lawyers' Association

#### *formerly*

- Commissioner for Public Appointments in England & Wales
- senior partner at Simmons & Simmons

#### Alan Jenkins

- partner & chairman of global markets at Eversheds LLP
- a non-executive board member of UK Trade & Investment
- chairman of the board of trustees of Mencap Trust Company Limited
- vice chairman of the International Institute for Environment & Development
- chairman of the board of trustees of Lattitude Global Volunteering

#### *formerly*

- chairman of the board of Eversheds LLP
- managing director of Frere Cholmeley Bischoff
- governor of Bishop Gilpin Primary School

#### Professor Elaine Kempson CBE

- emeritus professor at the University of Bristol
- consultant for the World Bank
- a member of the Social Security Advisory Committee

#### *formerly*

- a member of the Financial Inclusion Taskforce
- a member of the DTI taskforce on over-indebtedness
- a member of the DTI foresight sub-panel on personal financial services
- a member of a Treasury policy action team on access to financial services
- adviser to the Thoresen review of generic financial advice
- a non-executive director of the Department for Work and Pensions' Pensions Client Board

as at 31 March 2011

## our board and senior people

### Kate Lampard

- chair of NHS South East Coast
- a trustee of Esmée Fairbairn Foundation

#### *formerly*

- chair of Kent and Medway Strategic Health Authority
- chair of the Independent Housing Ombudsman Limited
- chair of the Invicta Community Care NHS Trust
- an associate of Verita Limited, consultants in incident investigations and inquiries
- a non-executive director of RHS Enterprises Ltd

### Julian Lee

- chair of Brighton & Sussex University Hospitals Trust
- a commissioner at the Legal Services Commission
- a non-executive director of the Maritime and Coastguard Agency Advisory Board
- Justice of the Peace to the North Sussex Bench
- crisis & change management consultant

#### *formerly*

- interim chair of NHS Surrey
- chair of NHS Brighton & Hove
- a non-executive director of the South East Coast Ambulance Trust
- chairman, then chief executive, of the Allied Carpets Group
- joint managing director of British & Commonwealth Holdings plc

### Roger Sanders OBE

- managing director of LighthouseGEB, the employee benefits division of Lighthouse Group plc
- chairman of the financial services committee of the Insurance Institute of London and a council member and vice president of the Institute
- a trustee of the English National Opera benevolent fund

#### *formerly*

- deputy chairman and head of employee benefits, Helm Godfrey Partners Ltd
- joint chairman of the FSA's Smaller Businesses Practitioner Panel
- deputy chairman of the Association of Independent Financial Advisers
- a member of the Financial Services Practitioner Panel
- a director of the Personal Investment Authority (PIA) Ombudsman Bureau
- a PIA board member

### Baroness Maeve Sherlock OBE

- a member of the House of Lords
- currently doing research for a doctorate at Durham University
- chair-designate, Chapel St (charitable social enterprises)

#### *formerly*

- a commissioner at the Equality and Human Rights Commission (EHRC)
- a non-executive director of the Child Maintenance and Enforcement Commission
- chief executive of the Refugee Council
- chief executive of the charity One Parent Families
- a member of the Council of Economic Advisers in the Treasury
- chair of the National Student Forum

### Pat Stafford

- adviser to the Young Enterprise Company Programme
- mentor, New Leaf

#### *formerly*

- a non-executive director of HMRC
- regional board member of the Prince's Trust
- governor of the University of Bedfordshire
- group marketing director at BUPA
- managing director of corporate positioning services and head of brands management for British Airways

## our board and senior people

## our executive team

**Natalie Ceeney CBE**

chief ombudsman  
and chief executive

**Tony Boorman**

principal ombudsman  
and decisions director

**Julia Cavanagh**

director of finance  
and performance

**David Cresswell**

director of communications  
and customer insight

**Simon Rouse**

operations director

**David Thomas**

principal ombudsman  
and corporate director

**Caroline Wayman**

principal ombudsman  
and legal director

**Jacquie Wiggett**

director of human  
resources (HR) and  
organisational development

**Barbara Cheney**

company secretary

## our senior team

**Garry Wilkinson**

head of casework operations

**heads of casework:**

Simon Coe  
Paul Fleming  
Nathan Horner  
Patrick Hurley  
Peter Parry  
Steve Thomas

**Iain Algie**

head of operational design

**Tracy Campbell**

head of operations support

**Mark Gee**

chief technology officer

**Paul Kendall**

head of our customer  
contact division

**Gemma Richardson**

head of customer experience  
and quality

**Graham Stride-Noble**

head of decisions operations

**Emma Parker**

head of media and research

**Caroline Wells**

head of outreach & external liaison

**Sally Young**

head of publishing, online & design

**Helen Booth**

head of procurement

**Mike Harris**

head of planning and analysis

**Chris Smith**

financial controller

**Chris Stanley**

head of management accounts

**Steve Ramsay**

head of HR operations

**Yvette Bannister**

deputy general counsel

**Paul Bentall**

general counsel

**Annette Lovell**

head of policy and public affairs

**Jacqueline Rees**

head of knowledge and  
information management

as at 31 March 2011

## our board and senior people

## our panel of ombudsmen

**Natalie Ceeney CBE**

chief ombudsman  
and chief executive

**Tony Boorman**

principal ombudsman  
and decisions director

**David Thomas**

principal ombudsman  
and corporate director

**Caroline Wayman**

principal ombudsman  
and legal director

**Jane Hingston**

lead ombudsman for  
banking, credit and mortgages

**Caroline Mitchell**

lead ombudsman for  
investment and insurance

**ombudsmen:**

David Ashley

Greg Barham

Audrey Baxter

David Bird

Mike Boyall

June Brown

Juliana Campbell

Valerie Charbit

Melissa Collett

Rebecca Connelley

Stephen Cooper

Paul Daniel

Kim Davenport

Elizabeth Dawes

Reidy Flynn

Geoffrey Futer

Dawn Griffiths

Sean Hamilton

James Harris

Jarrod Hastings

Doug Hill

Adrian Hudson

Michael Ingram

David Lawson

Simon Leach

Ruth Lewis

Steve Lilley

Annette Lovell

Doug Mansell

Harriet McCarthy

Amanda Maycock

Phil Miller

David Millington

Janet Millington

Roy Milne

Clare Mortimer

Ray Neighbour

Claire O'Connor

Jan O'Leary

Michelle Peters

Nigel Pope

Simon Rawle

Philip Roberts

Fiona Robinson

Malcolm Rogers

Ken Rose

Mark Sceeny

Nicole Shinnick

Robert Short

Lesley Stead

Caroline Stirling

Suzannah Stuart

John Swain

Charlie Sweeney

Richard Thompson

Chris Tilson

Lennox Towers

Raj Varadarajan

Claire Wells

Richard West

Karen Wharton

Lindsey Woloski

Clare Woollerson

Sue Wrigley

Roger Yeomans

*there are more details about our  
ombudsmen on our website*

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## services for businesses and consumer-advice agencies

### how we can help

#### contact our **technical advice desk** for:

- an informal steer on how the ombudsman might view particular complaints
- help finding the information you need about the ombudsman service
- information about how the ombudsman service works.

**020 7964 1400**

**[technical.advice@financial-ombudsman.org.uk](mailto:technical.advice@financial-ombudsman.org.uk)**

#### our **external liaison team** can:

- provide training for people working with financial complaints
- organise and speak at seminars, workshops and conferences
- take part in events and exhibitions.

**020 7964 1400**

**[liaison.team@financial-ombudsman.org.uk](mailto:liaison.team@financial-ombudsman.org.uk)**

#### our website **[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)** gives you online access to:

- news and frequently-asked questions (FAQs)
- help for consumers and technical guidance for businesses
- publications, briefing notes and *ombudsman news*  
– our regular newsletter with case studies and commentary.

## what matters to us

The Financial Ombudsman Service was set up by law as an independent public body. Our job is to resolve individual disputes between consumers and financial services businesses – fairly, reasonably, quickly and informally.

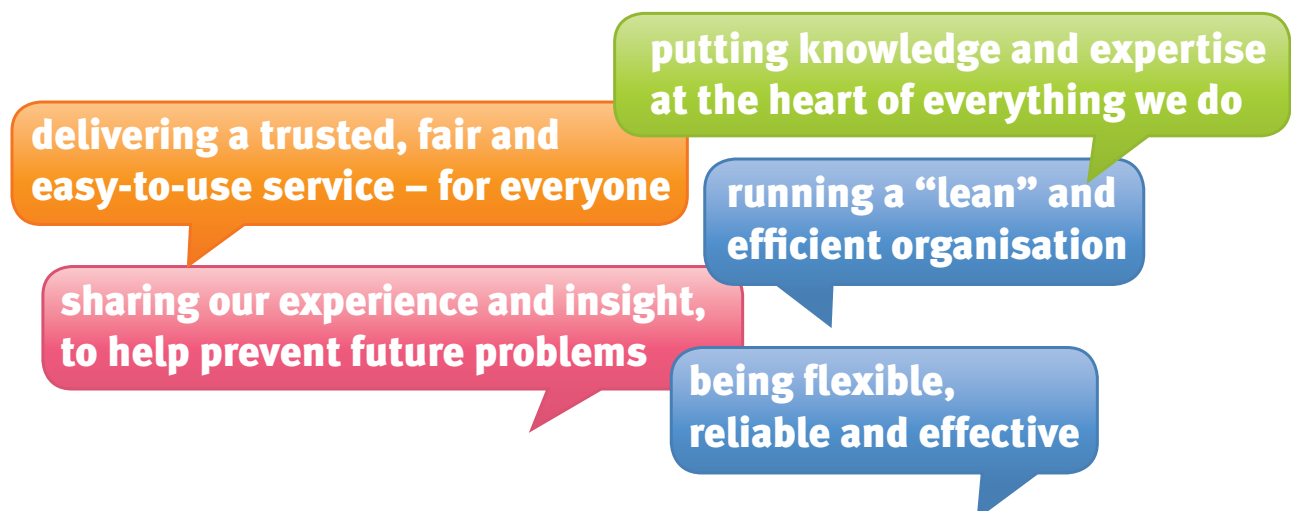
“... settling disputes,  
without taking sides”

“... sharing what we see,  
to help prevent future problems”

We believe we can best do what we are here for by knowing what matters to us – and standing by our values in all areas of our work. What matters to us is that:



We want to provide our customers – businesses and consumers alike – with an excellent service. And we are constantly developing and improving what we do and how we do it. To help us in this, we are committed to:



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## **how to contact us**

- **write to us**

**Financial Ombudsman Service**  
**South Quay Plaza**  
**183 Marsh Wall**  
**London E14 9SR**

- **phone us**

**0300 123 9 123**  
**0800 023 4567**  
*switchboard* **020 7964 1000**

- **email us**

**[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)**

- **look at our website**

**[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)**

**We can help if you need information in a different format  
(eg Braille or large print) or in a different language. Just let us know.**