

Annual Review

of consumer complaints about

insurance ■ credit ■ banking ■ savings ■ investments



Financial
Ombudsman
Service

■ financial year 2011 | 2012 ■

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 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.
- Everyone can learn something from complaints – so that what has gone wrong in the past need not happen again. This is why we have a crucial role in sharing insights from what we see – to help prevent future problems.

“... everyone can learn something
from complaints – so that what has gone
wrong in the past need not happen again”

key figures about the Financial Ombudsman Service

- We handled **1,268,798** initial enquiries and complaints from consumers – over 5,000 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 **264,375** new cases, up **28%** on the previous year.
- **60%** of new cases were about the sale of payment protection insurance (PPI), with the number rising to **157,716** – the highest number ever received in a year about a single financial product.
- The number of investment-related complaints fell by **4%** and banking complaints declined by **1%** – while insurance complaints *other than* PPI cases rose by **31%**.
- **Over half** of the total number of cases we dealt with related to **4** financial services groups – while 4,048 businesses accounted for just 5% of our caseload.
- We resolved a record **222,333** cases – resulting in compensation for consumers in **64%** of complaints.
- We resolved **two thirds** of all disputes within 6 months – and almost 4 out of 10 complaints *other than* PPI cases within 3 months.
- We operated on a cost-base of **£108 million** with a staff of **1,700** at the end of the year.
- We provided information and handled enquiries in **46** different languages and formats – from Braille to video-file, Chinese to British Sign Language.
- We took part in over **200** seminars, roadshows, exhibitions and events.
- We handled **624** parliamentary enquiries – and **19,281** calls to our technical advice desk, our dedicated service for professionals handling complaints in the financial services sector and the consumer-advice world.
- We featured in **5,500** articles in the media – and **75%** of adults in the UK said they were aware of the Financial Ombudsman Service.

All figures relate to the financial year 2011/2012.

contents

5	chairman's foreword
9	chief ombudsman's report
17	the complaints we received
37	what the complaints were about
67	how we dealt with the complaints
85	who complained to us
125	who the complaints were about
135	other work we have done
143	our news updates in 2011/2012
159	our board and senior people
164	index
167	our services for businesses and consumer-advice agencies
168	what matters to us

an overview of how we handle cases

**1,268,798 initial enquiries
and complaints**

handled by our front-line
customer-contact division

(see page 18 for more details)

264,375

new cases

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

(see page 31 for more details)

**201,793 cases resolved
by our adjudicators**

through mediation, recommended
settlements and adjudications

(see page 68 for more details)

**20,540 cases resolved
by our ombudsmen**

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

(see page 69 for more details)

All figures relate to the year ended 31 March 2012.

... we have seen **higher levels**
than ever of incoming
complaints and resolved **cases** –
coinciding with an **ambitious**
“change programme”, focused on making
our service even more **effective,**
quick and **easy to use.**

Sir Nicholas Montagu KCB

chairman's foreword



I am delighted to be writing my first foreword to our *annual review* as chairman of the Financial Ombudsman Service – having taken over from Sir Christopher Kelly in February 2012. I welcome the opportunity to pay tribute to his leadership and vision during the seven years in which he was chairman – years which saw radical changes in all aspects of our work and organisation.

I have joined the service at a time when those changes are continuing and when we face significant challenges, not least in the scale of consumer demand. This *annual review* provides ample evidence of the scale of these challenges – and reflects a record year in many ways. We have seen higher levels than ever of incoming complaints and resolved cases – coinciding with an ambitious “change programme”, focused on making our service even more effective, quick and easy to use.

Our work has been dominated during the year by complaints about the mis-selling of payment protection insurance (PPI). These complaints – which rose sharply in volume after the judicial review brought by the banks found in our favour in April 2011 (see page 46) – accounted for 60% of our total annual workload. The judicial review resulted in the banks accepting our approach to deciding PPI cases and the Financial Services Authority's guidance on case handling.

At the same time, media coverage made large numbers of consumers aware for the first time that they might have been mis-sold PPI policies. We received over 150,000 of these cases during the year – the highest number we have ever received in a year about a single financial product. At the time of writing, we are still receiving PPI complaints – at the rate of over 1,000 new cases every day.

chairman's foreword

To ensure we can cope with these volumes, we are rapidly expanding our case-handling capacity – and looking at streamlining the way we handle PPI cases – to make our processes quicker, without reducing standards of service or quality. Inevitably, this issue will be top of our list of challenges for some time yet.

PPI cases are not, of course, the only complaints we deal with. We cover *all* aspects of financial services here – and the tougher economic environment has meant more cases involving financial hardship, with more at stake both for consumers and businesses, as money gets tighter all round. I take great pride in our having resolved over 100,000 complaints during the year that *didn't* involve PPI. I'm also very pleased that we continued to improve our accessibility to people of all backgrounds and needs across the UK, providing a genuinely valuable service to consumers and businesses alike.

These achievements reflect great credit on people across our service. I am fortunate to have inherited an exceptionally strong executive team, led by Natalie Ceeney. But at all levels, and wherever I go throughout the organisation, I am impressed by the talent and commitment of our people – and their determination to give the best possible service to those whose complaints we handle. We are very lucky to have such people.

We are also an innovative organisation, always on the lookout for smarter and quicker ways of providing our service. Some of the key work this year has included reducing the time it takes us to resolve the most complex and entrenched cases, exploring how technology can help us reach more people, streamlining our processes to make them quicker and cheaper, and developing the expertise of our people yet further.

As the world continues to change, we remain committed to developing the ombudsman service, so that we can stay ahead. For example, we have recently consulted on a new charging structure for businesses – and on how we could publish ombudsman decisions openly and transparently. Change is a constant aspect of any forward-thinking service – and something we openly embrace here. Quite simply, we want to provide everyone who uses us with the highest-quality service for resolving disputes fairly and impartially.

The role of the board is to support and provide constructive challenge to the executive, as they take forward this work. Here, too, I am lucky to have inherited from Chris Kelly a board of strong and diverse talent, whose commitment to the tasks ahead matches that of the executive. In the coming year I look forward to working with them – and with people throughout the service – to help make our aspirations a reality. I also look forward to reinforcing our links with the financial community, with whom we have a shared interest in securing the best outcomes for our customers.

A handwritten signature in black ink, appearing to read 'Nick Montagu', with a stylized flourish at the end.

Sir Nicholas Montagu KCB

May 2012

chief ombudsman's report



chief ombudsman's report

It's now two years since I joined the ombudsman service – and I can report on another busy year. Our ambition is to provide a truly first-rate service when compared with customer-service standards in *any* sector. So as well as dealing with record numbers of individual complaints over the past year, I'm pleased that we have made significant progress in developing the service we offer to all of our customers.

At the start of the financial year, in April 2011, we set out five priorities for our service, which provide a useful framework for reporting on the work we have done this year – and which we plan to do more of in the year ahead.

delivering a trusted, fair and easy to use service – for everyone

At the heart of our model is the issue of “trust”. By the time a consumer reaches us, they have already raised a complaint directly with a financial services business and have had that complaint rejected. So it's crucial that consumers trust us to be fair and impartial in the way we handle and resolve their dispute – and we monitor this through our customer research.

Over the past year – while trust in many national institutions has been in decline – we have maintained the general level of trust that people have in the ombudsman, with seven out of ten people saying they would trust us if they had a complaint. I'm especially pleased that consumers who have actually used our service trust us even more – with 63% of these people now saying they trust us *completely*, up from 50% in the previous year. The proportion of people who say they would recommend our service to friends and family has increased over the year as well – from 74% to 77%.

chief ombudsman's report

During the year we have also significantly strengthened our accessibility. Given the current tough economic times – and the extent of financial hardship now affecting all kinds of people – it's even more vital than ever that our service should be open and available for everyone. So we have developed proactive partnerships with front-line advice agencies across the UK – and have worked collaboratively with consumer groups and stakeholders to make our service easier to use.

As a result of this work, we have seen the demographic profile of our customers shift – with significantly more consumers from “DE” (unskilled) backgrounds using our service than ever before. For example, the proportion of people in so-called “elementary” occupations – including restaurant, bar and hotel workers – who referred complaints to us during the year increased from 3% to 10%. And readers of the *Financial Times* and *The Star* now refer *equal* numbers of complaints to us.

Of course, it's also essential that the financial businesses we work with trust our decision making. We have developed a new framework for measuring quality, more than doubled the number of ombudsmen we employ, and developed a new training approach – which includes a three-month “academy” for all newly-recruited adjudicators and an externally accredited training-programme for our case-handling staff, as they develop from the role of adjudicator through to ombudsman.

We know that by providing consistent decisions on similar issues we will help businesses improve their complaint handling, as well as deliver a fair and just process for consumers and businesses alike.

The impact of harder times – with family finances and job security coming under more pressure than ever – means it's likely that the need for our service will only increase. This is why a priority for the coming year is to continue to build trust in what we do – and to widen and deepen awareness and use of our service across all sections of the community.

chief ombudsman's report

sharing our insight and experience – to help prevent future problems

Our work in resolving disputes has a significantly greater impact if the lessons learned can be fed back to prevent future problems. This is why we have continued our work during the year to make the activities and decisions of the ombudsman service even more open and transparent.

We came under the *Freedom of Information Act* in November 2011. We have also completed a consultation with stakeholders on our proposals for publishing ombudsman decisions (with information about consumers kept confidential) – in order to be ready to implement the new approach in 2013, once the relevant legislation is in force. Publishing ombudsman decisions builds on our existing commitment to openness and transparency, both in terms of the way we manage our corporate governance and in terms of our general approach to handling cases.

We have also invested significant time in helping financial businesses learn from what we see, focusing our effort where feedback is most needed. Ten financial services groups account for three quarters of the complaints we receive. And this is where we have invested most time over the year.

However, we also support smaller businesses and advice agencies in learning from what we do – through events and outreach, information and publications, and our technical advice desk. This will remain a key area of our focus going forward.

Our relationship with the regulators is, of course, crucially important. We continue to have close dialogue with the Financial Services Authority (FSA) and the Office of Fair Trading (OFT) – both through the formal joint “co-ordination committee” as well as on specific issues, where the insight we have from cases is of use to the regulator.

Over the coming year, we will be putting significant focus on developing a similarly close and effective working relationship with the proposed new Financial Conduct Authority (FCA).

chief ombudsman's report

putting knowledge and expertise at the heart of everything we do

Professionalism should be at the heart of everything we do at the ombudsman service – and this depends on our people having the right knowledge and expertise to do their work to the highest standards.

To promote and encourage professionalism across the service, we introduced a range of measures over the year to make sure our values are central to everything we do. Our values are at the core of our approach to recruiting, training and developing our people. During the year we launched our new professional career structure, strengthened our arrangements for continuing professional development, and reinforced our commitment to professional leadership by our ombudsmen.

The substantial investment we have made in increasing the number of our ombudsmen is crucial to the success of this work – ensuring that our ombudsmen are actively involved in the development of our people and our case handling. By doing this, we will continue to ensure that quality and consistency remain at the heart of our work, as we face the challenges of a caseload that continues to grow and change significantly.

We were especially pleased to be accredited in the *Best Companies* survey in January 2012. Given the scale and scope of the ombudsman service – and the changes we are going through – high levels of staff engagement, coupled with a commitment to grow and develop our knowledge, are crucial to our future.

being flexible, reliable and effective

The challenge of meeting service standards that would be seen as excellent in *any* sector is made more difficult to deliver by the increased volatility of our caseload, the rising volumes of complaints about mis-sold payment protection insurance (PPI), and the growing complexity of the disputes referred to us.

chief ombudsman's report

To help us cut the time it takes to resolve cases, we have carried out “lean” process improvement of our case-handling systems – and we will be further developing this work in 2012/2013. Our recruitment of more ombudsmen during the year is already reducing the waiting time at the final decision stage of our process. As we recruit additional ombudsmen over the coming year, we expect more cases to be settled sooner.

We have also reviewed our costs and “operating model”, in order to be more efficient and better able to cope with volatile levels of cases. The National Audit Office (NAO) carried out a six-month assessment of our efficiency – at the invitation of our non-executive board – and concluded that the volatility of our workload, and the behaviour of businesses and consumers in the complaints process, were the biggest challenges for us (see page 139).

The NAO also concluded that our “change programme” – introduced in 2010 to modernise operational processes and IT (including the “e-enablement” project) – has already begun to realise benefits, and is being managed well with good progress made to date.

During the year we expanded our PPI complaints-handling capacity in response to the volumes of current and expected new cases. Our plan is to double the number of our case-handling staff by the autumn of 2012. This expanded resource will help us manage the volatilities in our workload more effectively in 2012/2013 and beyond – as well as helping us deal with the rising volumes of PPI complaints now heading our way.

Our ability to settle complaints efficiently depends on a wide range of factors including – in each individual case – the extent of the factual issues that are in dispute, the complexity of the technical questions, the strength of the legal arguments, and the willingness or otherwise of the parties involved to co-operate.

chief ombudsman's report

As times get tougher with the current economic environment, we are seeing more disputes involving hard-fought arguments and entrenched attitudes – with businesses becoming less willing to concede and consumers becoming more demanding. This makes the complaints more difficult to resolve – which in turn affects our efficiency and productivity.

operating a “lean” and efficient infrastructure

The ombudsman service is not funded by the taxpayer but by the financial businesses that consumers complain about. We are as mindful as any business of the importance of controlling costs and providing good value for money – even more so at a time when everyone is feeling the pinch and tightening belts.

During 2011/2012 we delivered our programme to reduce our underlying costs by 10% – and we built up capability in our finance and procurement functions, to enable us to continue to scrutinise and control our costs. At the same time, we have invested in a “continuous improvement” programme, so that we can look constantly for ways of making our service better for our customers – as well as lower-cost – using the insight and expertise of our own people.

These programmes and initiatives have resulted in our ending the financial year 2011/2012 within budget – despite the considerable pressures of a substantially increased and volatile workload. We have also been able to freeze our levy and case fees for 2012/2013 – for the third year running – other than a new fee specifically to cover the costs of scaling-up our service to deal with the rising volumes of PPI mis-selling complaints. This fee will be paid only by those businesses with more than 25 PPI cases a year.

chief ombudsman's report

touching lives

As my final thought, I'd like to return to our most important "asset" at the ombudsman service – our staff. The board, the executive and I rely not only on the professionalism and expertise of all our people here – but also on their hard work, enthusiasm and commitment. It's the teamwork, solidarity and shared sense of purpose that help to make the ombudsman service such a remarkable place to work.

This is why the deaths during the year of three members of our staff have had such a profound effect across the service. Tufail Malik, Jonathan Baxter and David Horton are sadly missed by their colleagues here. This *annual review* – and the achievements it records – is for Malik, Jonathan and David, and for their teams and colleagues, and for everyone whose lives they have touched both in and outside work.

For surely, to be able to touch lives and make a real difference is what life is all about. The ombudsman service plays just a very small part in that.



Natalie Ceeney CBE

May 2012

the complaints we received



the complaints we received

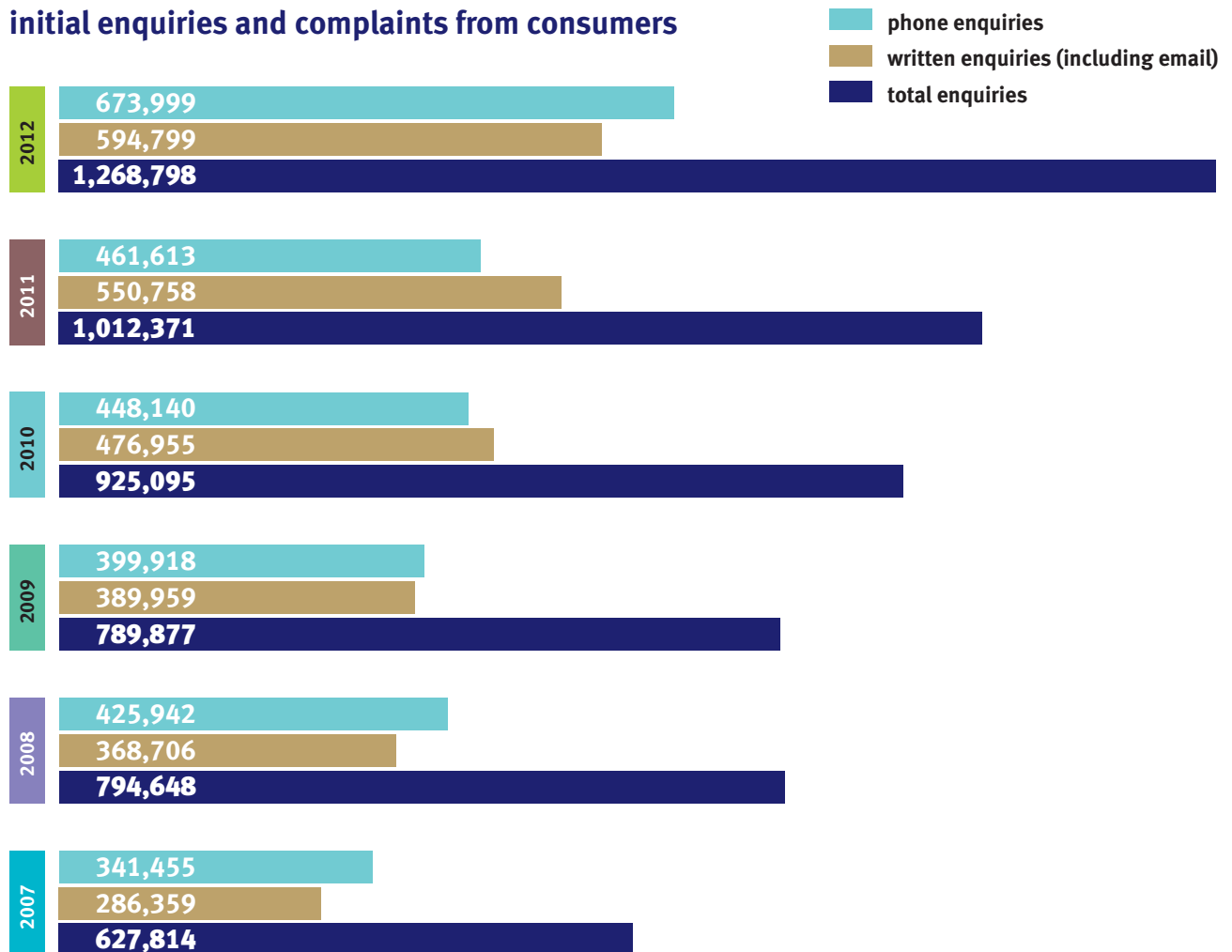
our consumer helpline

Our customer-contact division runs our consumer helpline – for enquiries by phone, letter and email. In the financial year 2011/2012 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 **1,268,798** initial enquiries and complaints during the year – a 25% rise on the previous year and double the number we received annually five years ago.

This means that each working day during the year our customer-contact division responded to over 5,000 phone calls and front-line enquiries from consumers.

initial enquiries and complaints from consumers



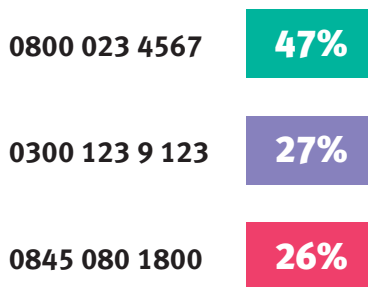
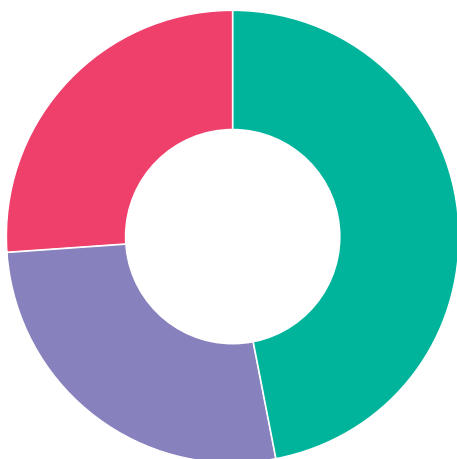
year ended 31 March

the complaints we received

The consumer helpline is the first port of call for everyone who phones the ombudsman service on one of our easily-memorable “non-geographic” numbers. During the year 95% of people said it was easy to find out how to contact us.

Consumers can choose which number they prefer to call us on – depending on which is more convenient for them personally and which is cheaper (or in many cases free – subject to their own phone tariff).

which helpline number do consumers use the most?



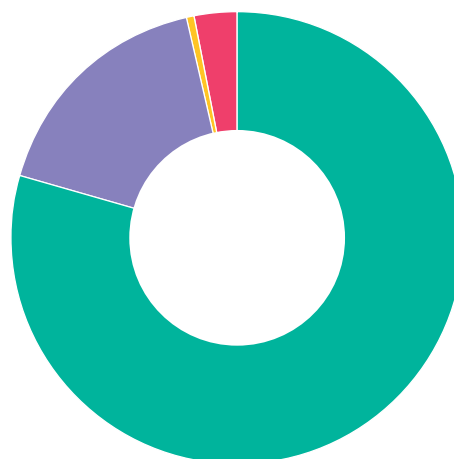
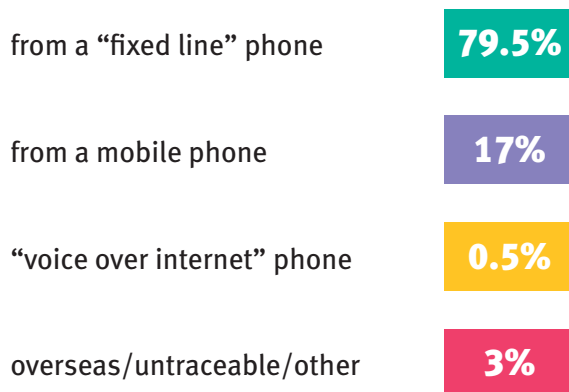
We have not actively promoted our original 0845 number for over three years, because it can cost more for mobile phone users. This number is now being used less, as the many organisations who give out our contact details gradually update their records with our new alternative contact numbers.

During the year we extended the opening hours of our consumer helpline to include Saturday mornings. By the end of the year, up to 5% of the calls we received each week were on Saturdays.

We expect this number to increase as more people hear that we are open for front-line enquiries outside standard “office hours”.

The next step is to extend our opening hours in the evening from 6pm till 8pm – something we plan to do during 2012. This means consumers will be able to contact us from 8am to 8pm on weekdays, as well as on Saturday mornings. This is in line with our commitment to make our service as accessible as possible for everyone – whatever their family and work commitments and lifestyle.

how do people phone our consumer helpline?

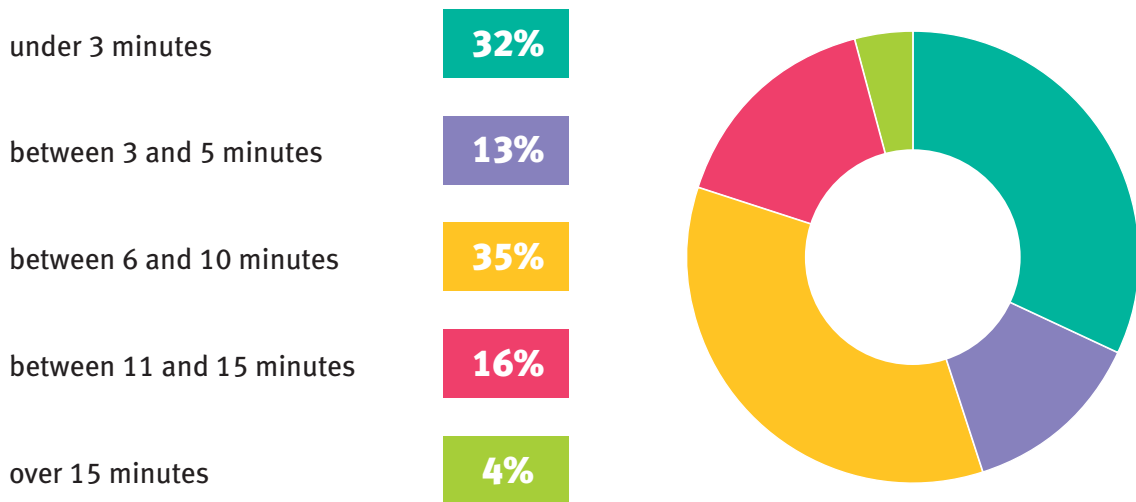


the complaints we received

The proportion of calls to our consumer helpline from mobile phones and “fixed line” phones remained almost the same as in the previous year – following a 13% rise in calls from mobiles during 2010/2011. 1,819 people phoned us from payphones (0.3% 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.

We aim 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 65% of calls within 20 seconds – less than our target, largely as a result of the 46% increase in phone calls. 91% of consumers surveyed during the year said their calls to us were answered promptly.

how long are calls to our consumer helpline?



Consumers who phone the ombudsman service hear a short automated welcome-message – recorded personally by the chief ombudsman – giving four options to choose from. This helps to filter the call to an expert in our customer-contact division with the relevant technical knowledge. This filtering is essential, given the very wide range of complaints we cover – from pet insurance to payday loans.

Peak times for phone calls are generally on Mondays between 10am and 2pm. During this period we often receive up to 400 phone calls an hour. 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.

“... on the busiest day 15,595 people visited our website”

the complaints we received

The busiest day in the year for our consumer helpline was Tuesday 26 April 2011, when we received 5,086 phone calls. This was during the peak period of enquiries about payment protection insurance (PPI), following the High Court's ruling against the banks on the approach to PPI complaints.

The quietest day for our consumer helpline was Friday 23 December 2011 – the last working day before the Christmas break – when the number of phone enquiries fell to 1,379.

“... during peak periods we receive
up to 400 enquiries an hour”

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.

Each day during the year over 11,000 people logged onto our website – www.financial-ombudsman.org.uk – a 51% increase compared with the previous year. The busiest time on our website continues to be late morning on weekdays. However, people use our website round the clock, 365 days a year, to send us emails and register complaints online – including 8,413 people who visited our website on Christmas Day.

The busiest day on our website during the year was 21 November 2011 – when 15,595 people logged on, largely as a result of media coverage of the topics in issue 98 of *ombudsman news* that we published on that day. These topics included complaints involving cheques, storm-related insurance disputes, and an update on PPI complaint volumes.

445,979 complaint forms were downloaded from our website during the year – a 38% increase on the previous year when 323,582 were downloaded. This increase largely resulted

from the rise in complaints about payment protection insurance (PPI) – which led to an eight-fold increase in the number of PPI consumer questionnaires downloaded from our website (1,726,447 compared to 214,140 in the previous year).

The PPI consumer questionnaire helps businesses, consumer agencies and the ombudsman service alike standardise and streamline the handling of PPI complaints – gathering and sharing as much information as possible in one place at the start of the process. There is more information about PPI complaints on page 46.

The other most-visited pages on our website were:

- Our news page (with 162 news updates added during the year).
- Our various online videos – including four new short films of consumers telling their own story about their complaint and their personal experience of the ombudsman service.
- Case studies from the online version of our newsletter, *ombudsman news*.
- Our online careers section – with 72,301 downloads during the year of our job adverts and job descriptions.


the complaints we received

To help people find what they are looking for across the 4,000 pages of our website – from the tax treatment of compensation to how to apply for a job at the ombudsman service – we have a specially-tailored “Google-style” search facility. However, many people find the quantity and complexity of data that these types of online “search engines” produce increasingly confusing and overwhelming.

This is why we introduced a new simpler online tool during the year called *what are you looking for?* This helps people who may not be sure about the exact terminology or words to use in a “search engine” – by prompting them with specific questions. The questions are generated automatically using “intuitive” software that learns from how people have previously looked for – and found – similar information.

what words are searched for most often on our website?

how to
cheque PPI claim
direct debit car insurance
charge repayment
claim debt inconvenience



During the year we also started using “QR codes” in our leaflets, posters and printed information. When people scan these using a mobile phone, they are taken straight to whichever part of our website is directly relevant to them. This helps to pinpoint and personalise the information they are interested in – and prevents people from being distracted by other information that is less relevant to them.



Around 600 organisations now link from their websites to ours – ranging from bbc.co.uk to leicestershirevillages.com, savvywoman.co.uk to ifaonline. There is more information about the people who visit our website on page 120 of this *annual review*.

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 complaints we received

The work of our consumer helpline involves responding to consumers' problems and concerns at an early stage by:

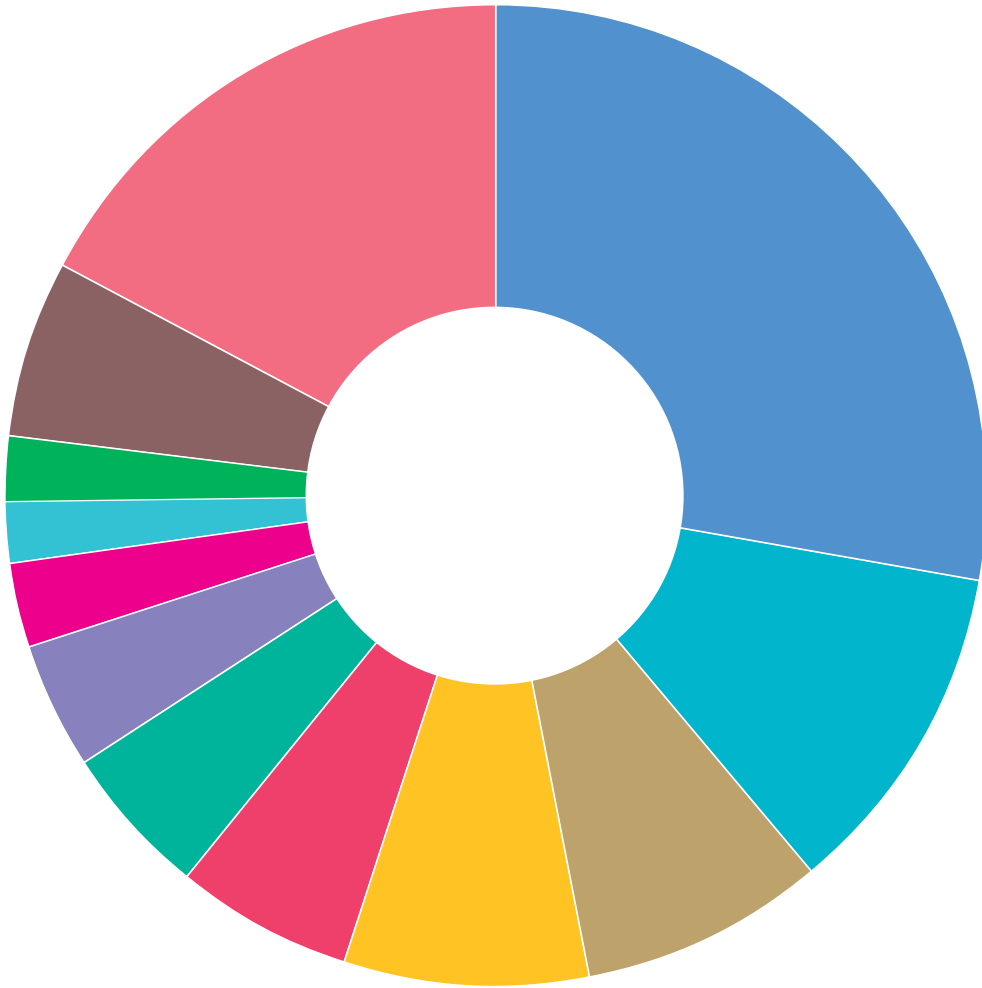
- Explaining the complaints procedure that financial businesses have to follow.
- Reassuring consumers who feel intimidated by the formal process of complaining.
- Stressing that a business should have the opportunity to sort out matters with its customers, before the ombudsman can step in formally.
- Confirming the details of who consumers should complain to at a business – if they haven't already done this.
- Forwarding complaints direct to the relevant business.
- Reminding consumers that they can ask us to get involved formally – if a business isn't able to resolve their complaint within eight weeks.
- Clarifying the role of the ombudsman.
- Directing the consumer to relevant helplines and self-help websites.
- Providing the consumer with the facts they need, to resolve the problem themselves.
- Giving an early steer on the likely outcome of a complaint – from our informed independent viewpoint.
- Offering practical suggestions to both sides on sorting things out informally – without needing to escalate the case as a formal dispute.
- In cases where we don't believe it would be helpful or productive to pursue the matter further, explaining why we think this.
- Providing impartial guidance on any redress already on offer.
- Explaining the rules of our jurisdiction – for example, on time limits that may apply.
- Explaining the difference between the ombudsman and the regulator.
- Suggesting other relevant bodies or ombudsmen.

“... we reassure consumers who feel intimidated by the formal process of complaining”

Financial Ombudsman Service

the complaints we received

our consumer helpline – what do consumers contact us about most?



28% payment protection insurance (PPI)

6% general insurance*

2% savings accounts

11% loans and credit

5% credit cards

2% other banking services

8% car and motorbike insurance

4% household insurance

6% other financial products

8% current accounts

3% mortgages

17% other problems and concerns**

* including travel insurance, mobile phone cover, warranties and home emergency cover

** eg debt-related worries, money questions, and complaints we can't help with about utilities and phone companies

the complaints we received

making it easy to contact us

Our day-to-day experience on our consumer helpline – and our wider research – suggests that certain groups of consumers 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. But 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).

In particular, 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 attitudinal factors. We continue to carry out research in this area – and we highlight some key findings on pages 96 to 117.

We want to remove barriers that may unfairly prevent particular consumers from using our service. As part of this commitment, we have a team of specially-trained front-line advisers who work with more vulnerable consumers who might otherwise struggle with forms and procedure. During the year this team worked on cases like the ones described here:

a consumer with obsessive compulsive disorder

The consumer explained to us that he could not bring himself to open any items sent to him through the post. His fear was that they had become contaminated when handled by people. He did not have access to a computer and so he had to wait till his brother came around to open post for him. As he only saw his brother once a month, this meant he was worried about any deadlines he would need to meet.

We completed the complaint form with him over the phone and amended our records so that we wouldn't post any letters to him – but would always update him over the phone instead. When we needed to send him something in writing, we would call him first to let him know. We would explain what the letter said and arrange to send it just before his brother was due to visit. By arranging to accept over the phone the consumer's agreement to the business's offer, we also took away the stress that completing a paper settlement-form caused him.

a consumer with early-stage Alzheimer's

A very independent consumer, completely comfortable and capable in dealing with her own affairs, explained to us that her short-term memory was not as good as it used to be. When we asked what we could do to help, she told us that frequent and familiar contact helped her to digest and remember information. We gave her a single number to call, so that she always had a direct line to her dedicated casework adviser.

The same casework adviser used a regular and consistent sequence of communication to provide information – starting with a phone call, following up with an email the next day, and posting a letter the day after that. The consumer felt reassured, knowing that she would be speaking to the same person – who treated her with respect and dignity and understood she may not remember deadlines or what had been said before.

the complaints we received

Our outreach work across the UK with front-line community and advice workers has shown that some consumers are reluctant to phone us directly without someone from their own local advice agency taking part in the call – to introduce them and help explain their problem to us.

So during the year we have worked with Citizens Advice on arrangements that allow three-way phone conversations between a consumer, their advice worker and someone from our own consumer helpline.

We now handle around 300 front-line calls a month that involve these three-way conversations. Given the success of this initiative, we are extending the arrangement to cover other consumer advice lines across the UK as well.

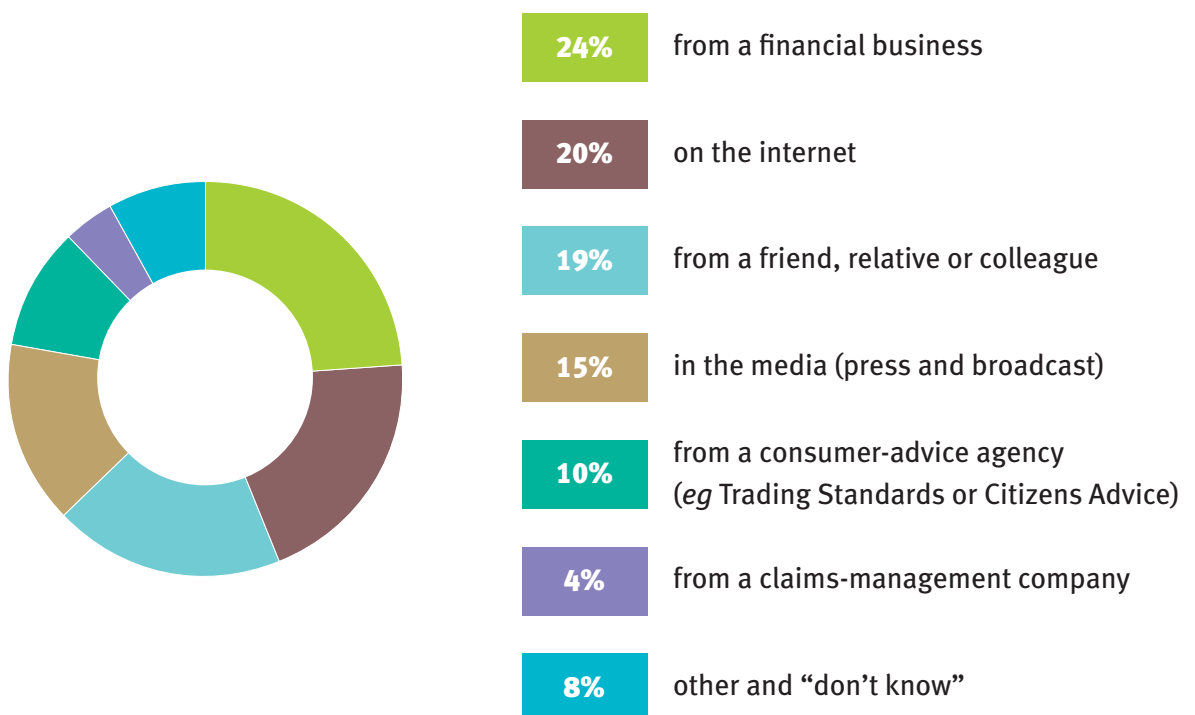
There is more information about our access and inclusion work on page 99 of this *annual review*.

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 making sure no one is disadvantaged in bringing a complaint to us – while also emphasising our impartiality. “Impartial” means we do not “side” with anyone.

This is a hard message for some 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.

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



the complaints we received

Consumers who contact our helpline at the early stage to ask for initial guidance – rather than to refer an actual complaint to us – are:

- 29% *less likely* to have first heard about the ombudsman from a financial business than consumers who pursue a formal complaint with us (see page 92).
- 21% *more likely* to have first heard about us through word of mouth from a friend, relative or colleague.
- 30% *more likely* to have heard about us from a consumer-advice agency.

the value of our early involvement

Our customer research shows that our approach to initial enquiries and complaints is valued by the consumers who contact our consumer helpline.

During the year:

- 92% of people who contacted our helpline said they were given a clear explanation of what would happen next with their complaint.
- 84% felt that the consumer adviser they spoke to knew enough to answer their questions.
- 90% said we showed real interest in their enquiry.

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.

We continue to carry out 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, 48% were subsequently able to resolve their problem themselves, without needing further help from the ombudsman service (45% 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.

Of the 52% 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).
- 27% said they had let the matter drop.

The proportion of people who said they would *continue* to pursue a complaint that they had not initially been able to resolve directly with the financial business involved – and the proportion of people who said they would let the matter drop – both remained the same as in the previous year.

There is more information on page 115 about people's attitudes to pursuing complaints – and some reasons why people say they do not do so.

“... 92% 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.
- Text Relay services and British Sign Language (we added three new videos in British Sign Language to our website during the year).
- Information in alternative formats such as large print, CD/DVD and “accessible text” (sometimes called “EasyRead”).

There is more information about our access and inclusion work on page 99.

other languages

During the year 1,910 consumers from 104 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 rose by 82% during the year – as the financial companies we cover increasingly carry out more international business with customers round the world.

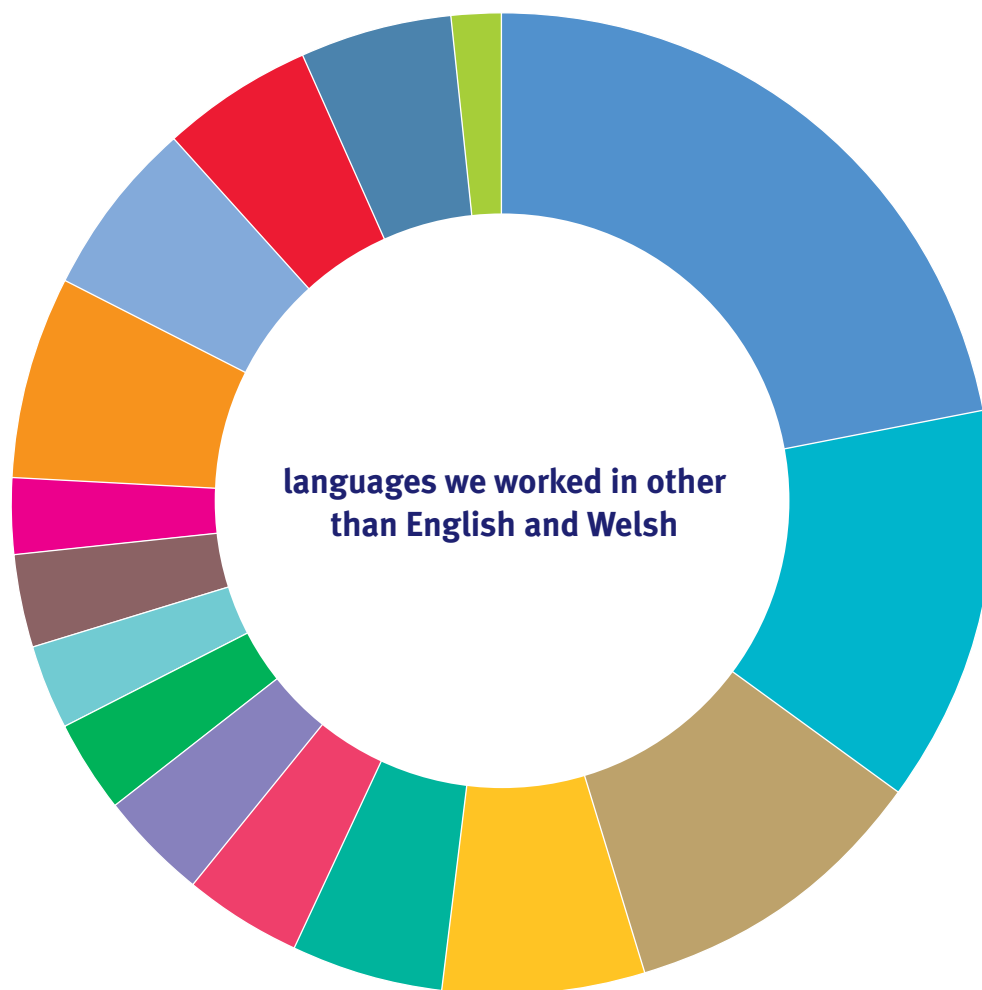
2,282 cases during the year (around 1% of our overall workload) involved working in a language other than English or Welsh. In total this meant working in 46 languages. Of these cases:

- 41.5% involved Western European languages – from Greek to Norwegian.
- 33% involved Eastern European languages – from Latvian to Bulgarian.
- 18% involved Asian languages – from Sinhala to Japanese.
- 6% involved Middle Eastern languages – including Hebrew and Farsi.
- 1.5% involved African languages – including Shona and Tigrinya.

The most frequently-requested languages during the year were broadly similar to previous years – with the exception of Chinese, for which year-on-year demand increased by over four-fold. Our work in Russian and Slovakian also increased noticeably – with demand in those languages doubling and tripling respectively.

The languages listened to most frequently during the year as audio-file downloads from our website – other than English and Welsh – were Chinese, Punjabi and Hindi.

the complaints we received



22% Polish	3% Slovakian
13% German	2.5% Italian
10.5% French	6.5% other Asian languages
6.5% Spanish	6% Middle Eastern languages
5% Chinese	5% other Western European languages
4% Portuguese	5% other Eastern European languages
3.5% Urdu	1.5% African languages
3% Bengali	
3% Russian	

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 complaint 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.

During the year we worked on simplifying and streamlining our complaint form – in consultation with consumer groups and financial businesses – and we reduced it from four pages in length to three.

Working with the disability charity, Shaw Trust, we also re-wrote our consumer leaflet, *your complaint and the ombudsman*, reducing the amount of text by 20% and adding more colour and graphics.

We distribute around a million copies of this leaflet every year – to financial businesses as well as to consumer-advice centres, libraries and community centres across the UK. The leaflet is available in a wide range of languages and formats – from British Sign Language to mp3 sound-file.

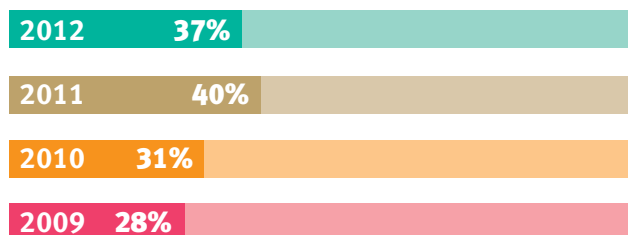
We also updated our consumer leaflet – and other publications and pages on our website – to reflect the new higher maximum compensation (£150,000) which applied to complaints we received from 1 January 2012.

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 caseworkers to start work on.

Under the complaints-handling rules set by the Financial Services Authority (FSA), businesses have up to eight weeks to send a final response to a consumer’s complaint, before it is referred to the ombudsman service.

However, in 37% 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.

proportion of cases where the business had *not* sent their customer a final response within eight weeks



year ended 31 March

the complaints we received

This figure was slightly lower than the previous year (40% in 2010/2011). For complaints involving payment protection insurance (PPI), businesses had failed to send consumers a final response within the eight-week timescale in 45% of the cases.

A large number of these PPI complaints involved banks that had applied to the FSA for special extensions to the normal eight-week timescale for responding to customer complaints. These extensions (formally called “waivers”) were intended to help the banks manage more effectively their large backlogs of PPI complaints – following their unsuccessful judicial review in early 2011 of the FSA’s and the ombudsman’s approach to the handling of PPI complaints.

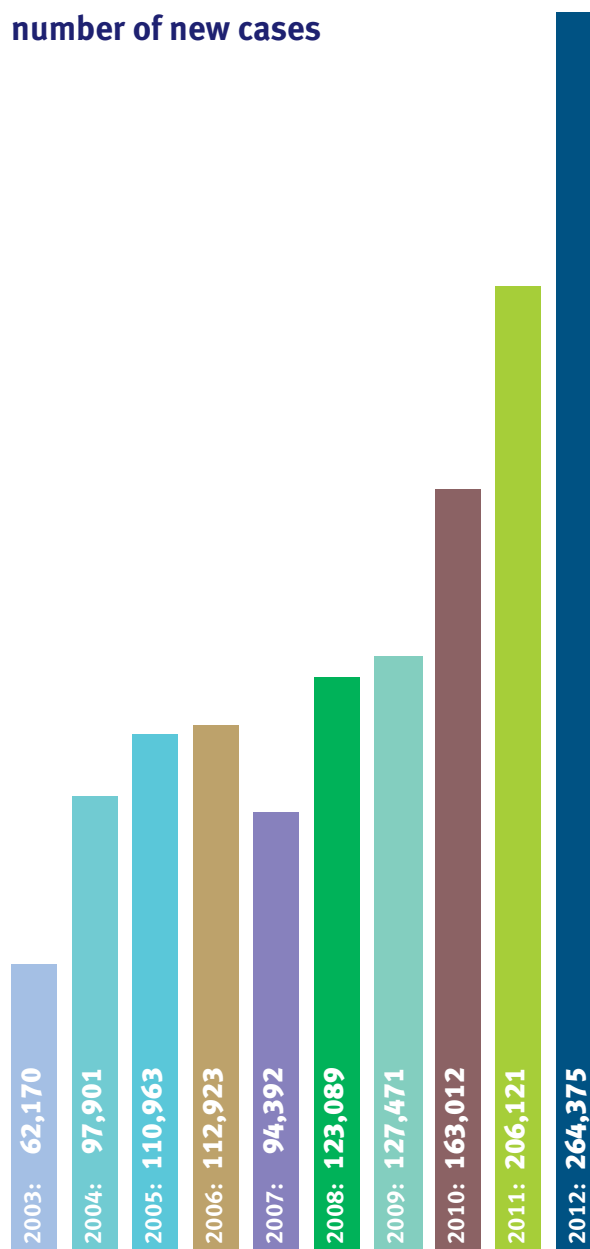
In our discussions with financial businesses, we stress how important it is for a business to respond fully to a customer’s complaint within the period set by the FSA. We would like to see as many complaints as possible resolved directly by businesses themselves at this stage.

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 24% of people who contacted our consumer helpline said they heard about us from the business they complained to.

In the financial year 2011/2012, our customer-contact division referred a record **264,375** new cases to our adjudicators for further work – out of a total 1,268,798 enquiries and complaints raised initially with our consumer helpline.

This is a **28% increase** on the 206,121 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.

number of new cases



year ended 31 March

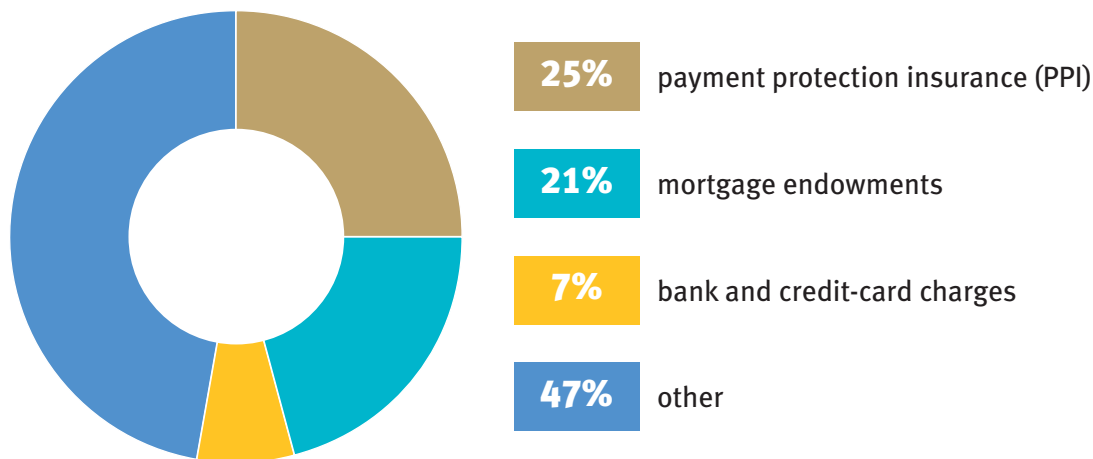
The record level of new cases in the financial year 2011/2012 resulted from a 51% increase in complaints about the sale of payment protection insurance (PPI) – following a 113% increase in the previous year. There is more information about these complaints on page 46.

the complaints we received

Other trends during the year included the number of complaints about:

- Motor insurance, mortgages and pensions *increasing* by 26%, 35% and 31% respectively.
- Travel insurance, current accounts and stockbroking *falling* by 4%, 27% and 38% respectively.

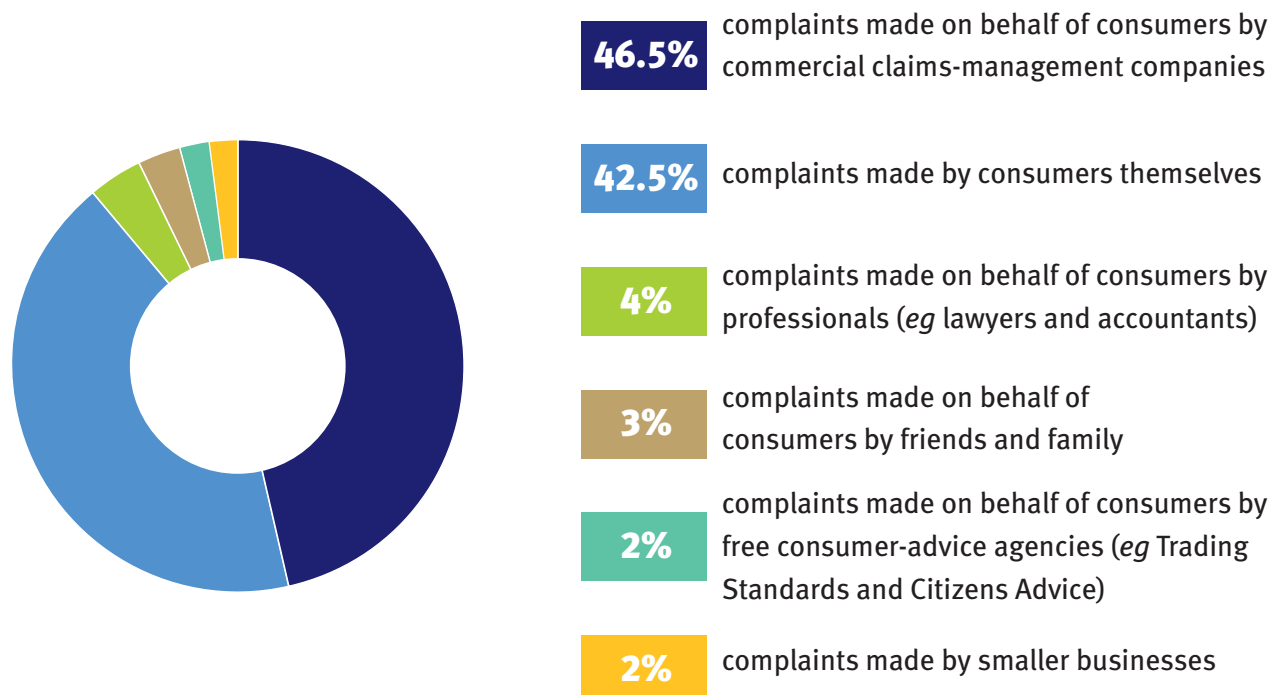
the most complained-about financial products since we were set up



Since the ombudsman service was set up in 2000, we have received a total of 1,437,094 cases, of which more than half have involved just *three* issues – mortgage endowments, bank and credit-card charges, and payment protection insurance (PPI).

The significant volatility in workload relating to these three issues – and the way in which financial businesses have themselves managed the substantial volumes of complaints involved – have presented us with major operational challenges over the last decade.

how new cases were brought to us in 2011/2012



the complaints we received

42.5% of people who used the ombudsman service during the year did so in a personal capacity as individual consumers – a very similar figure to the previous year.

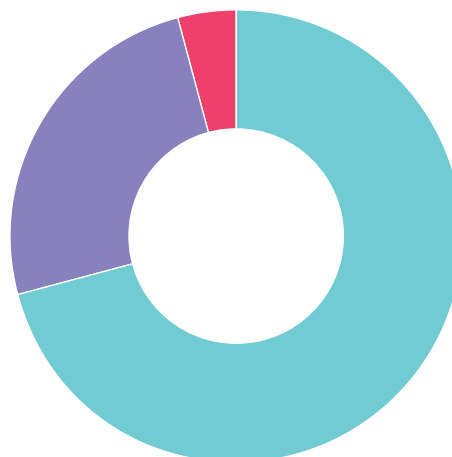
People wanting to bring a complaint can appoint someone else to do this for them. During the year 5% of cases involved someone acting *for free* on behalf of the person with the complaint.

Three fifths of these cases involved people referring complaints on behalf of friends and family. Two fifths involved a wide range of professional consumer representatives and advocates, acting for free on behalf of clients. These included Trading Standards, Citizens Advice and community workers.

In 50.5% 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 45% to 46.5% during the year – directly as a result of the 51% increase in PPI complaints, where claims-management companies are most active. There is more information about claims-management companies on page 34.

complaints from smaller businesses



69% banking complaints

28% insurance complaints

3% investment complaints

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 increased by 39% during the year – from 3,093 cases to 4,304. This followed a 35% decrease in the number of complaints from smaller businesses in the previous year.

Almost seven out of ten cases referred to us by smaller businesses involved complaints about business banking – including disputes about charges and problems with administration.

“... 7 out of 10 cases referred to us by smaller businesses involved complaints about business banking”

the complaints we received

The 28% of complaints brought by smaller businesses about insurance issues included cases involving commercial vehicles and property, and business protection insurance.

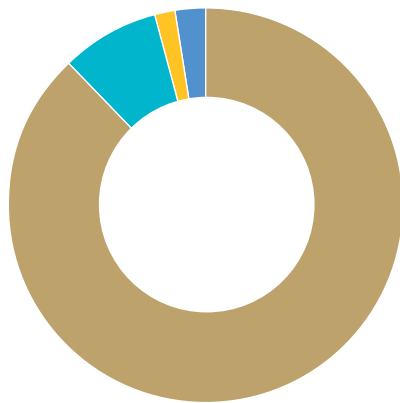
However, sole traders and people running small businesses do not always register their complaint specifically as a *business* dispute, as they often see the issues as essentially personal rather than commercial. For example, 16% of people who completed our customer surveys during the year described themselves as self-employed or running their own business – significantly higher than the 2% of cases where the dispute was *formally* registered with us as a business dispute.

During the year we continued our outreach activities with smaller businesses – to promote understanding of the circumstances where the ombudsman service can help with commercial disputes relating to financial services.

This included working with smaller-business trade associations and networks (including our own smaller-businesses forum) and arranging targeted coverage in specialist business-to-business publications.

cases referred by claims-management companies

The proportion of all complaints referred to the ombudsman service by claims-management companies on behalf of consumers continued to rise during the year – from 45% to 46.5% of all cases.



88% payment protection insurance (PPI) complaints

8% credit card complaints

1.5% mortgages

2.5% other types of complaint (including pensions, current accounts and mortgage endowments)

the complaints we received

This increase reflects the growing volumes of complaints relating to payment protection insurance (PPI), where claims-management companies are most active. 69% of the 157,716 new PPI cases during the year were brought by claims-management companies. However, in the previous year 76% of PPI cases involved claims-management companies.

The decline in the proportion of consumers using claims managers to refer PPI complaints to us may reflect the fact that we have taken every opportunity this year to tell consumers that they do not need the help of a claims-management company.

Six claims-management companies accounted for 51% of all the cases we handled during the year where consumers were represented by this type of company. The other 49% of cases involved over 500 other claims-management companies.

Our research during the year suggests that:

- Men are marginally more likely than women to complain to us directly rather than using a claims-management company.
- Consumers aged between 18 and 24 – and over 55 – are also more likely to deal with us directly, while those aged 25 to 54 are more likely to use a claims-management company.

We work closely with the Claims Management Regulator (a part of the Ministry of Justice), and we pass information onto them about poor practice we see in the claims-management sector. This is in line with the joint note that we agreed and published in July 2011 with the Ministry of Justice, the FSA and the Financial Services Compensation Scheme (FSCS). Each of these organisations has its own particular relationship with claims-management companies – and we aim to co-ordinate our approach and share information wherever we can.

The ombudsman service cannot handle complaints from consumers about claims-management companies. That is the role of the claims-management regulator. But we do everything we can to make sure that claims-management companies who refer complaints to us understand and follow our processes, so that our interactions with them can be as efficient as possible.

“... we have taken every opportunity
this year to tell consumers that they do not
need the help of a claims-management company”

the complaints we received

For example, we meet regularly with the larger claims-management companies and their trade associations, to identify practical steps that can be taken to avoid unnecessary complaints and delays when referring complaints to us on behalf of consumers. During the year this has included meetings and information published on our website about our approach to disputes between claims-management companies and financial businesses over whether or not PPI was sold in individual cases.

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. And our procedures are designed to be simple for consumers to use.

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.

“... you don't need to use a claims company.
Why pay someone else to do it for you, when you're
just as likely to win by doing it yourself for free?”

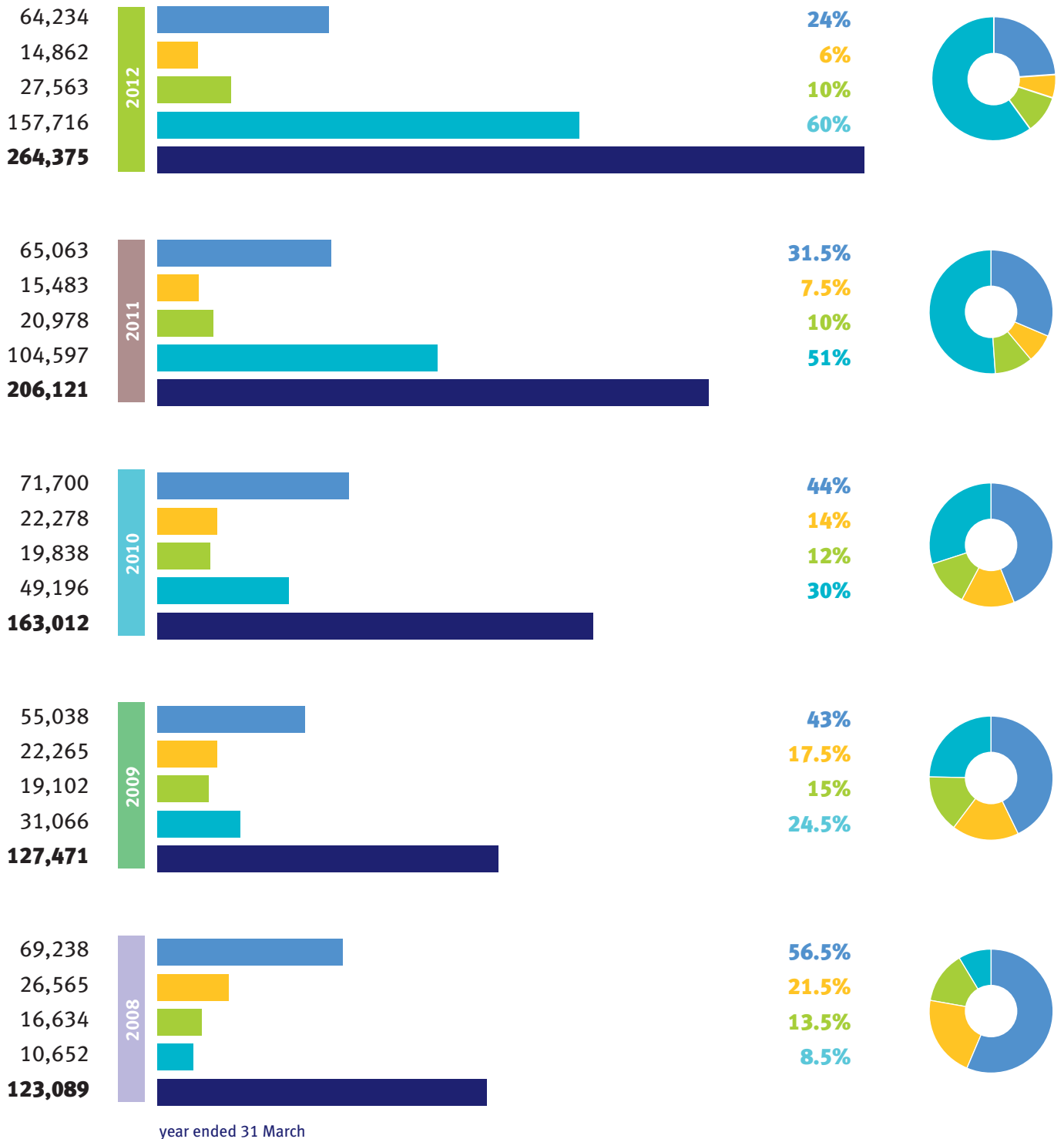
what the complaints were about



what the complaints were about

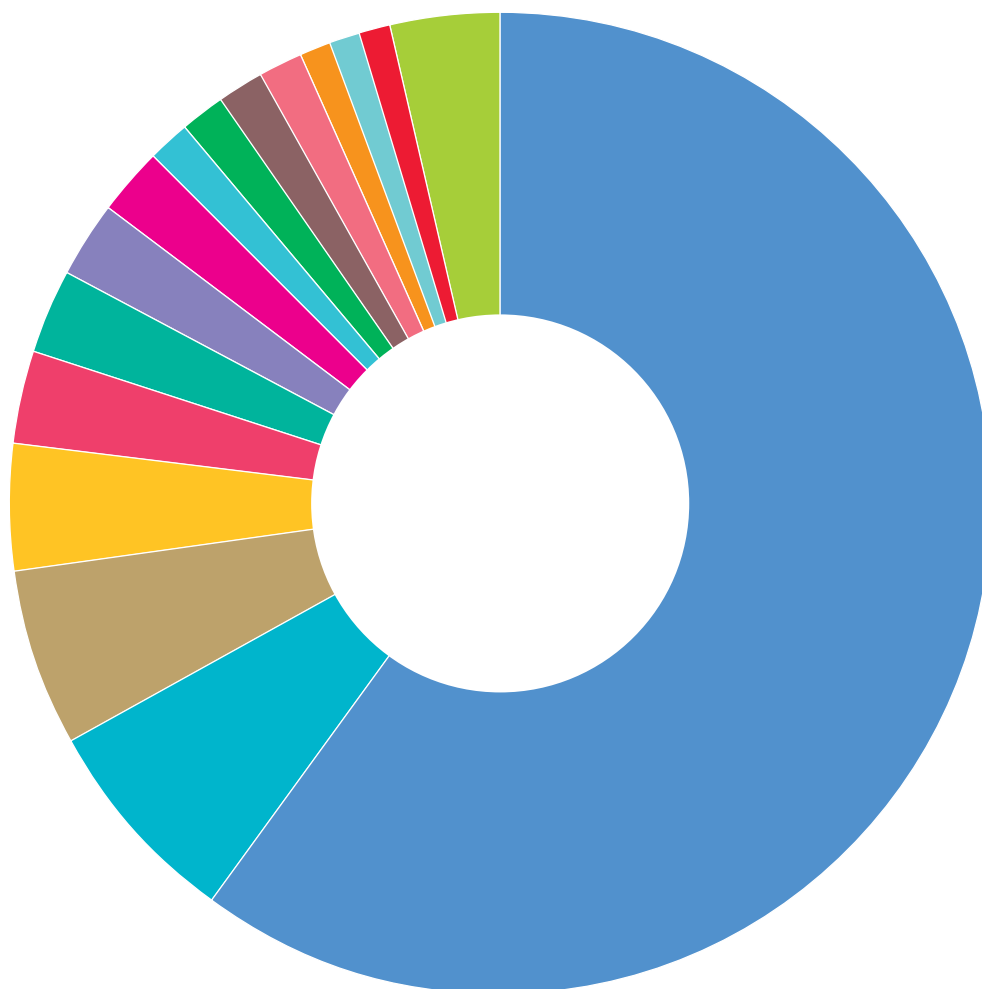
number of new cases

- 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

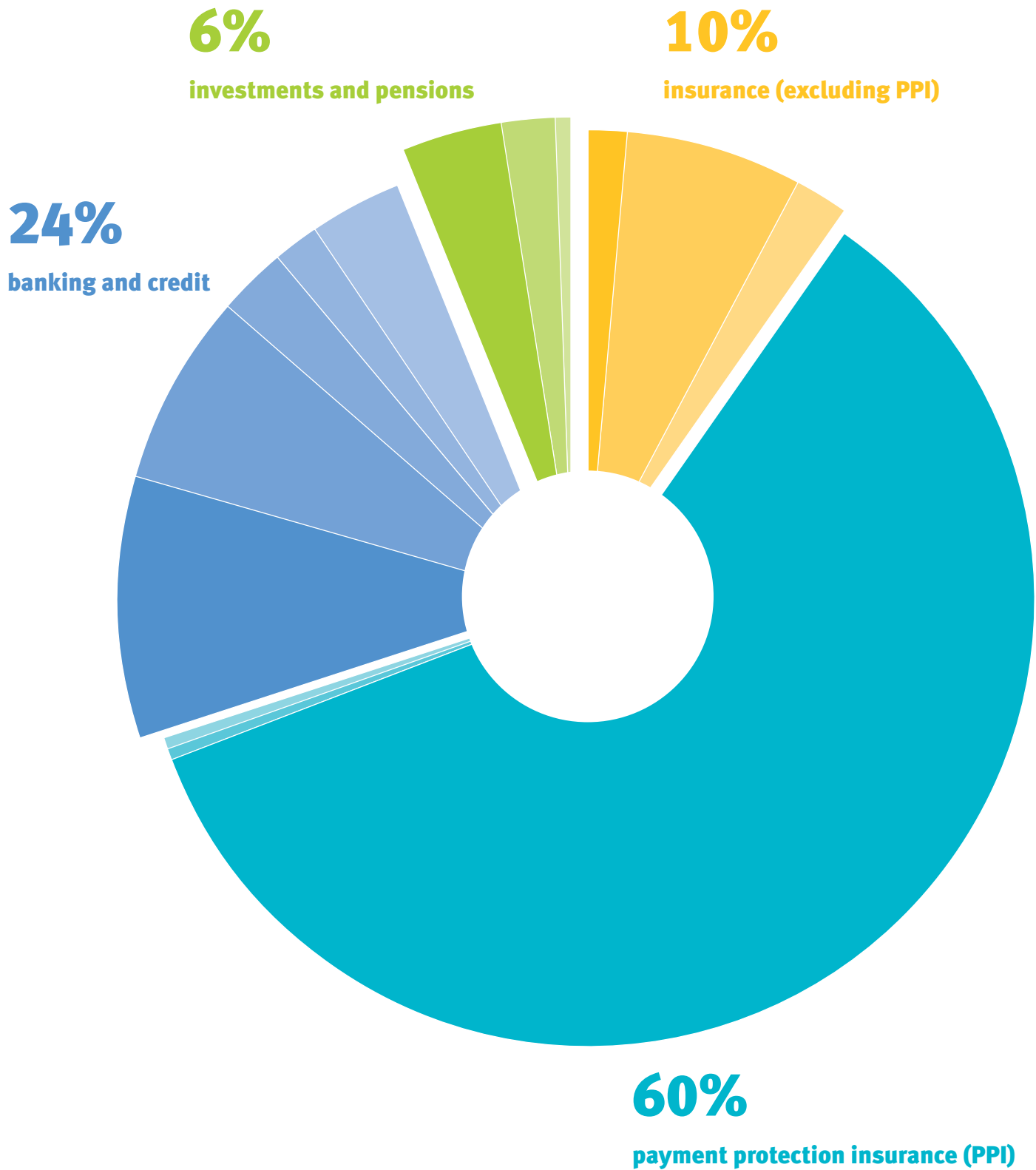


- 60%** payment protection insurance (PPI)
- 7%** credit cards
- 6%** current accounts
- 4%** mortgages
- 3%** consumer-credit products and services*
- 3%** motor insurance
- 2.5%** unsecured loans
- 2%** buildings insurance
- 1.5%** savings accounts
- 1.5%** whole-of-life policies and savings endowments
- 1.5%** pensions
- 1.5%** “with-profits” and unit-linked bonds
- 1%** mortgage endowments
- 1%** travel insurance
- 1%** contents insurance
- 3.5%** other products

*eg hire purchase, debt collecting and catalogue shopping

what the complaints were about

what issues the cases involved



what the complaints were about

10% insurance (excluding PPI)

<i>of which</i>	16%	complaints about sales and advice
	64%	complaints about claims
	20%	complaints about administration

60% payment protection insurance (PPI)

<i>of which</i>	99%	complaints about sales and advice
	0.5%	complaints about claims
	0.5%	complaints about administration

24% banking and credit

<i>of which</i>	40%	complaints about charges
	29%	complaints about administration
	10%	complaints about sales and advice
	7%	complaints about transactions
	14%	other complaints

6% investments and pensions

<i>of which</i>	61%	complaints about sales and advice
	31%	complaints about administration
	8%	other complaints

what the complaints were about

new cases by financial product or service	year ended 31 March 2012	year ended 31 March 2011
payment protection insurance (PPI)	157,716	104,597
credit cards	19,183	17,466
current accounts	14,595	19,944
<i>including complaints about</i>		
● business bank-charges	414	1,359
● direct debits and standing orders	538	571
mortgages	9,537	7,067
consumer-credit products and services	7,416	7,250
<i>including complaints about</i>		
● point-of-sale loans	2,247	2,765
● hire purchase	1,545	1,395
● catalogue shopping	695	582
● credit broking	627	697
● debt collecting	576	512
● store cards	476	480
● debt adjusting	462	302
● pay-day loans	296	*
● hiring, leasing and renting	240	221
● debt counselling	124	155
● credit reference agencies	69	40
● home credit	41	34
motor insurance	7,264	5,784
unsecured loans	6,262	5,820
other types of general insurance	5,488	3,904
<i>including complaints about</i>		
● home-emergency cover	1,473	*
● commercial vehicles and property	1,065	746
● mobile phone insurance	599	*
● pet insurance	554	438
● roadside assistance	364	300
● guaranteed asset protection (“gap”) insurance	213	182
● business protection insurance	160	204
● caravan insurance	89	63

* not recorded previously as a separate category

what the complaints were about

new cases by financial product or service <i>(continued)</i>	year ended 31 March 2012	year ended 31 March 2011
buildings insurance	4,556	3,469
savings accounts	4,286	4,783
whole-of-life policies and savings endowments	4,186	3,328
pensions	3,454	2,706
<i>including complaints about</i>		
● personal pension plans	1,827	1,407
● small self-administered schemes (SSASs) and self-invested personal pensions (SIPPs)	562	472
● annuities	511	423
● SERPS	294	196
● income draw-down	94	66
● free-standing additional voluntary contribution (FSAVC) schemes	76	65
investment-linked products	3,308	3,784
<i>including complaints about</i>		
● investment ISAs	904	824
● unit-linked bonds	856	849
● “with-profits” bonds	542	683
● guaranteed-income bonds	352	408
● “structured” products	139	550
● unit trusts	138	125
● PEPs	51	45
mortgage endowments	3,267	3,048
other banking services	2,955	2,733
<i>including complaints about</i>		
● cash machines	836	878
● money transfer	688	529
● cheque clearing	670	691
● electronic payment	403	369
● foreign currency	74	55
● safe custody	70	63
travel insurance	2,431	2,536
contents insurance	2,089	1,697

continued overleaf

what the complaints were about

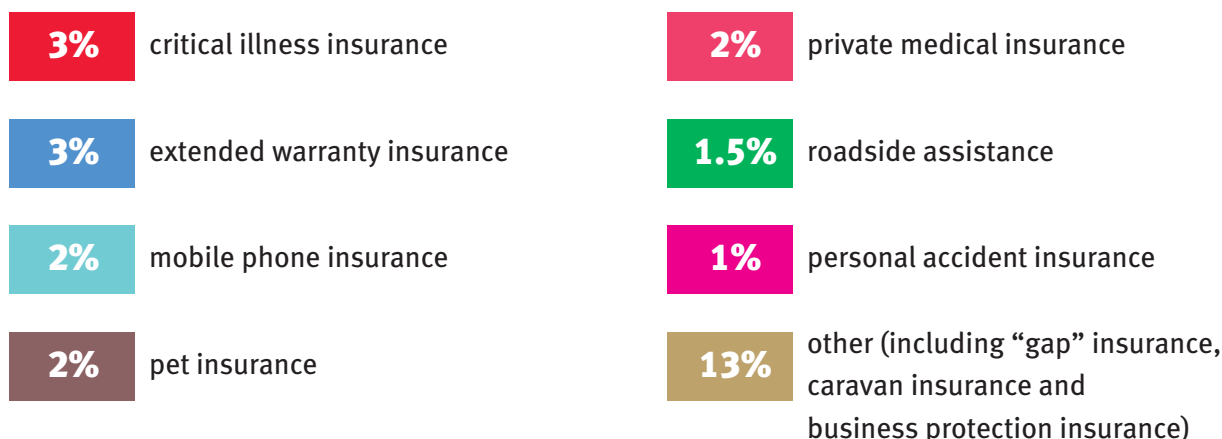
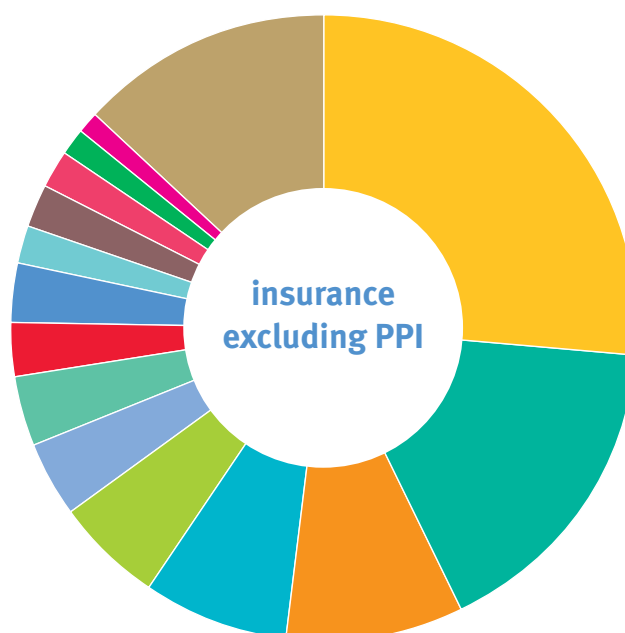
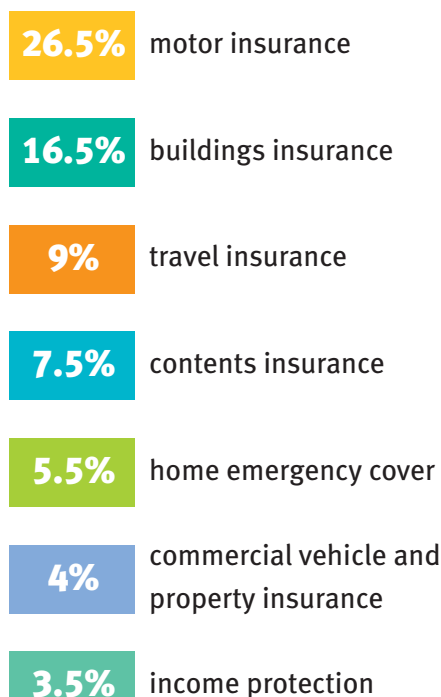
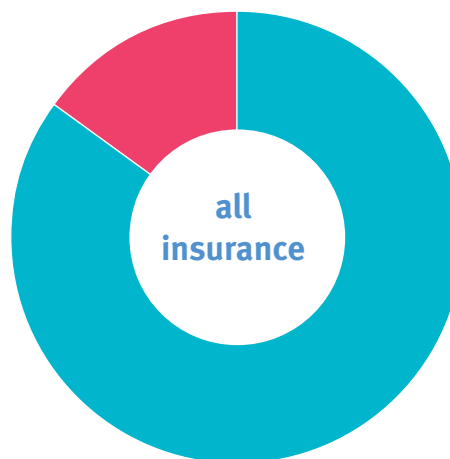
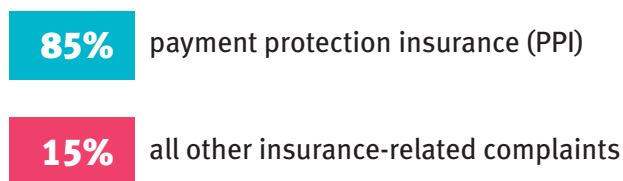
new cases by financial product or service <i>(continued)</i>	year ended 31 March 2012	year ended 31 March 2011
portfolio management	1,152	1,148
income protection	965	720
extended warranty insurance	881	895
critical illness insurance	817	528
legal expenses insurance	805	635
stockbroking	690	1,119
private medical insurance	513	506
personal accident insurance	322	304
derivatives	237	350
<i>including complaints about</i>		
● spread-betting	165	219
total number of new cases	264,375	206,121

what the complaints were about: insurance

complaints about insurance

Complaints about insurance made up 70% of the total number of new cases we received during the year (61% in the previous year). The number of new cases relating to insurance increased by 48% – from 125,575 in 2010/2011 to 185,279 in 2011/2012.

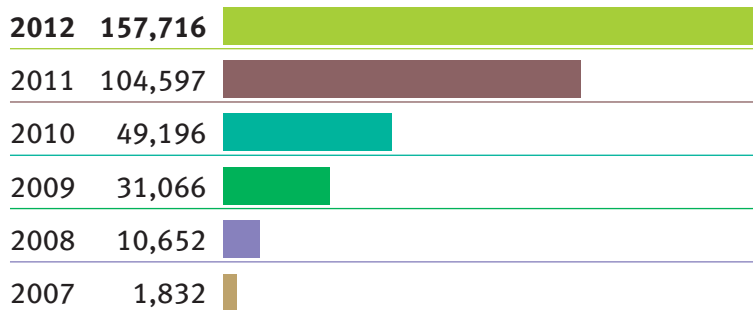
The charts below show how these insurance complaints were spread across different products and services.



what the complaints were about: insurance

The increase in insurance cases largely resulted from the further 51% rise in the number of complaints about payment protection insurance (PPI) – from 104,597 in 2010/2011 to 157,716 in 2011/2012 – following a 113% rise in the previous year. This is the largest number of complaints we have ever received in a year about a single financial product.

payment protection insurance (PPI)



year ended 31 March

In last year's *annual review* we reported a 113% increase in the volume of complaints referred to us about payment protection insurance (PPI) during 2010/2011. We also reported in last year's *annual review* on the challenges arising from the 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 on PPI-related matters.

This 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 on PPI complaints 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.

In May 2011 the BBA confirmed that it would not be appealing against the High Court ruling or continuing its legal challenge. With any legal uncertainty resolved, the FSA gave the businesses concerned a deadline for resolving the backlogs

We also saw a 26% increase in complaints relating to motor insurance, a 31% increase in buildings insurance complaints, a 23% rise in disputes about contents insurance, and a 55% increase in complaints involving critical illness insurance.

On the other hand, the number of complaints we received during the year about travel insurance fell by 4% and complaints about extended warranty insurance dropped by 2%.

annual trend:
+51%

of cases they had put on hold during the judicial review. Some businesses were also given more time by the FSA to resolve new cases they had received following the judgment.

This initially led to a significant decrease in the number of cases referred to the ombudsman service. However, that decrease was soon reversed, as businesses caught up with their backlogs of complaints – and increasing numbers of consumers, unhappy with the outcome of those complaints, subsequently referred their dispute to us. This resulted in the number of new PPI cases referred to us climbing steeply in the second half of the year – from fewer than 1,000 a week to over 1,000 every day.

This means that during the financial year 2011/2012 we received a further 157,716 PPI complaints – a 51% year-on-year increase on top of last year's record figures. PPI cases accounted for 60% of our total new workload during the year. In December 2011 we received our 300,000th PPI complaint.

what the complaints were about: insurance

These increasing volumes of PPI cases presented us with a significant challenge – and in January 2012 we consulted on how we planned to manage and fund the growing workload involved. These plans included significantly increasing the number of our case-handling staff – with up to 150 new people joining us each month – to deal with the volumes of new cases.

In order to fund these additional resources – which have had to be mobilised at speed – we consulted on charging businesses a *supplementary* case fee of £350 for each PPI mis-selling case referred to the ombudsman service from April 2012. This is chargeable *only* when businesses have *more than* 25 of these cases a year – reflecting where the costs are actually incurred in having to sort out PPI mis-selling on this scale.

We have continued to promote the use of our standard PPI documentation for referring PPI disputes – to help encourage more efficient, co-ordinated and consistent complaints-handling by claims-management companies and across the financial services industry. We have received positive feedback about the standard PPI forms for consumers and businesses – and how these forms can help the complaints-handling process.

However, during the year we have again seen some claims-management companies taking 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 – and we have required a number of them to withdraw their complaints and to re-complete the questionnaires again in full.

The quality of the information provided by claims-management companies to support their clients' cases also continues to vary significantly. 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. However, as we said last year, these same points can sometimes also be made about the information provided by financial businesses.

Too often, the true facts of a case are properly addressed only after the dispute is referred to the ombudsman service. This continues to 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.

We have also continued to see a significant 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.







During the year we hosted an event on this topic for representatives from financial businesses and claims-management companies, to work together on the practical steps that everyone involved can take to avoid unnecessary complaints and delays. We put more information on our website about this – and we wrote to businesses and claims-management companies, reminding them of our approach and of the actions they should take before a complaint is referred to us.

If either a financial business or a claims-management company appears to be acting unreasonably, we refer these matters to the relevant regulator.

“... we received our 300,000th PPI complaint”

what the complaints were about: insurance

motor insurance complaints

2012	7,264	
2011	5,784	
2010	5,451	
2009	6,267	
2008	6,009	
2007	4,230	

year ended 31 March

annual trend:
+26%

The number of complaints involving motor insurance increased significantly during the year – by 26% – following a smaller 6% rise in the previous year. This is likely to reflect the tougher economic times. We are seeing more entrenched cases being harder fought – with less enthusiasm on either side for informally negotiated settlements.

However, it is disappointing when insurers continue to pursue cases to the final stage – requesting final decisions from an ombudsman – in areas where our approach is well known and clearly set out. The online technical resource on our website covers in detail the areas of motor insurance where we most frequently see complaints.

During the year we saw a 17% increase in the number of complaints involving guaranteed asset protection (so-called “gap” insurance). This is often sold alongside motor finance, to cover the “gap” between the amount paid out by a motor insurance policy and the amount still to be repaid on the finance that was taken out to buy the vehicle.

In the complaints we see, we are concerned that sellers do not always explain the limitations of the cover – particularly the fact that policies generally cover only the finance for the car and not any additional purchases such as insurance products and service plans. We also see cases where the consumer has paid more for the car than its recommended retail price. As this will not be reflected in the settlement of any claim, the consumer may find themselves out of pocket.

“Gap” insurance policies can last several years – but they often provide no refund if they are cancelled early. During the year we upheld cases about this, where we had concerns that the seller of the insurance had not considered properly the suitability of this type of policy for the customer.

In our *annual review* last year we highlighted our concerns about the thoroughness of insurers’ investigations into claims for stolen vehicles. During the year, latest information from the Thatcham Motor Insurance Repair Research Centre and the Metropolitan Police gave us sharper insight both into the reasons behind car theft (with cars increasingly stolen for their parts) and the methods used to steal modern cars.

In complaints we see, insurers can still be too quick to assume that thefts are not genuine. In these cases, we need to see that there has been a proper investigation. To be able to establish that fraud has taken place, there must be a very high degree of probability. This means more than just suspicion. When we are considering a dispute like this, we expect the vehicle to have been thoroughly examined and the consumer to have had the opportunity to explain any perceived anomalies.

We have also had concerns in some cases about the way in which the insurer has investigated issues around “non-disclosure” by the consumer. This has included disputes where the insurer had not properly considered whether the questions they asked the customer (or the questions on a comparison site) were sufficiently clear.

what the complaints were about: insurance

And some cases we have seen show that insurers have made assumptions that can be misleading – or have simply failed to ask the consumer for an explanation, in order to be able to consider whether any “non-disclosure” was innocent, inadvertent or deliberate.

Some of the disputes we see could have been avoided, if the insurer had been clear about the questions they asked – on what needed to be disclosed – when the consumer first applied for

the policy. Our approach to “non-disclosure” and misrepresentation has developed over many years and has now been adopted into the law by the *Consumer Insurance (Disclosure and Representation) Act*.

For example, we have continued to see cases where insurers have not been clear – when they asked their customer generally about “convictions” – that they actually wanted to know about any fixed penalty points.

complaints about buildings and contents insurance

	buildings insurance	contents insurance
2012	4,556	2,089
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

year ended 31 March

annual trend:
+31%

During the year we continued to see a significant number of complaints about buildings and contents insurance where a main part of the dispute involved the quality of the investigation carried out by the insurer into the claim.

For example, we have seen cases where claims for damage have been rejected on the basis of the loss adjuster’s “gut instinct” rather than on specific evidence. This results in our having to make further requests for information from the insurer. In the meantime, there may be further damage – for example, caused during periods of severe weather.

annual trend:
+23%

In cases like this, we often recognise the inconvenience that the consumer has been caused, by telling the insurer to pay additional compensation for the customer’s inconvenience.

The heavy snowfall and prolonged cold weather during the winter and early spring of 2010/2011 led to a substantial increase in the number of complaints referred to us about home emergency cover. Many of these complaints were caused by businesses being unable to cope with the spike in demand for repairs to broken boilers or burst pipes.

what the complaints were about: insurance

We also saw an increase in disputes relating to insurance premiums. The pricing of insurance is not a matter for the ombudsman. But there is clearly a difference between the legitimate exercise of commercial judgement and treating customers fairly.

For example, consumers frequently complain to us that a quotation for a *new* policy on the insurer's website is cheaper than the *renewal* premium they have already been offered by that insurer. This does not strike them as fair – especially if they have been customers of that insurance company for a long time.

We also continue to see complaints that an insurer has failed to make it clear that the sum insured should reflect the *full value* of the consumer's contents or home – and instead has just asked questions such as “what sum

insured would you like?” We have handled cases during the year where this has left the consumer under-insured – or even facing allegations of misrepresentation, when they later tried to make a claim on their insurance policy.

Household insurance is an area where many of our approaches to settling disputes are well established. Businesses can refer their complaint handlers to our online technical resource which sets out the approach we generally take – taking into consideration the individual facts of each case. Given the availability of this information, it is disappointing that some insurers still insist on pursuing individual cases to the last stage of our process – an ombudsman's final decision. This can lead to delay and inconvenience for everyone involved.

travel insurance complaints



year ended 31 March

annual trend:
-4%

This year saw the final conclusion to the insurance complaints that were referred to us following delays and disruption to travel, caused by ash from a volcanic eruption in Iceland in 2010.

Despite the scale of the disruption and the large number of travellers affected, we received a comparatively small number of complaints about this. Most travel insurers chose to compensate their customers on an informal goodwill basis.

A number of disputes referred to us turned on whether the volcanic ash cloud constituted “poor weather conditions” under the terms of the policy.

The ombudsman made a final decision in March 2011 which illustrated many of the issues involved – and concluded that wind-borne volcanic ash *could* be a poor weather condition.

We expected travel insurers to use this ruling as a guide to the ombudsman's general approach to resolving these kinds of complaints. However, in June 2011 an insurance company, Europ Assistance, challenged the decision by way of a judicial review – which resulted in over 300 consumers' cases being put on hold.

what the complaints were about: insurance

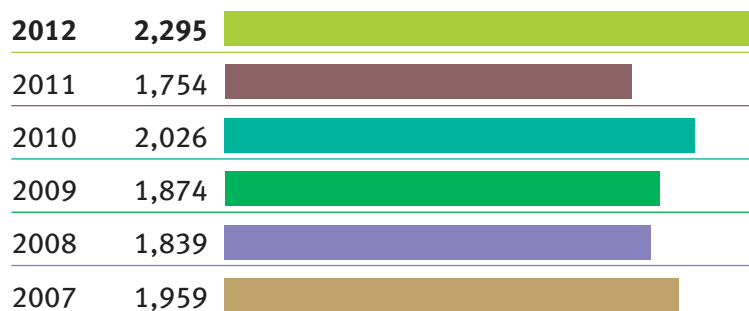
In January 2012 the High Court rejected this legal challenge, and Europ Assistance said it would resolve the remaining cases in line with the ombudsman's decision.

Many of the travel insurance disputes we see involve the challenges that chief medical officers at travel-assistance companies face in assessing medical claims – where they need to make an expert judgement on whether the claim relates to a pre-existing health condition or on what the most appropriate form of treatment should be. In these cases, we have to balance the evidence from the chief medical officer with the evidence from the consumer – as well as information from the medical practitioners actually involved in the consumer's care.

In last year's *annual review* we welcomed the requirement by some insurers for consumers to speak to a medical helpline when buying travel insurance. However, we highlighted our concern that this might not solve all potential problems.

In cases during the year where we listened to recordings of phone calls to medical helplines, we felt there was often a lack of clarity about the full range of health conditions that needed to be disclosed. In other cases, the consumer was asked questions about their own health – but not about the health of fellow travellers whose medical conditions could also affect the insurance cover.

health and medical insurance complaints



year ended 31 March

annual trend:
+31%

Following a decline in the previous year in the number of disputes referred to us involving health and medical insurance, complaints about income protection and critical illness increased this year by 34% and 55% respectively. Disputes involving private medical insurance rose slightly by just 1%.

We saw more cases about income protection claims involving work-place stress – which could in part reflect the tougher economic environment, with people feeling under more pressure at work. The harder times may also account for the growing number of complaints we saw during the year involving the sale of short-term income protection policies offering unemployment cover.

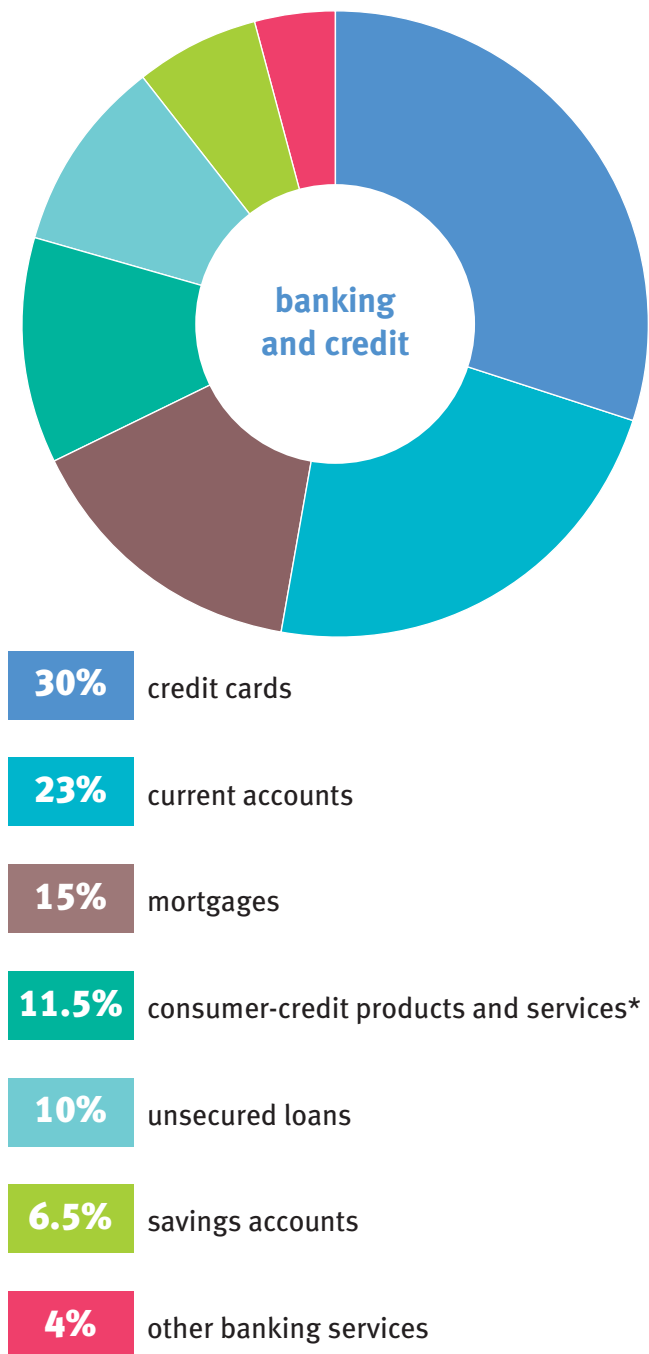
In general, this is an area of insurance where we continue to have constructive dialogue with the insurers involved. For example, the health-insurance sector was well represented at a seminar we held during the year on our practical approach to health-related insurance disputes. We also took part in a number of insurance-sector events on health insurance matters.

During the year we published more details about our approach to disputes involving personal accident insurance – aimed particularly at insurers who have complaints referred to us relatively infrequently and who may not be familiar with our approach. The information we published included case studies in *ombudsman news* (issue 99) and more details about our approach set out in our online technical resource on our website.

what the complaints were about: banking and credit

banking and credit complaints

Complaints about banking and credit made up 24% of the total number of new cases we received during the year (31.5% in the previous year). The number of new cases relating to banking and credit fell slightly by 1% – from 65,063 in the financial year 2010/2011 to 64,234 in 2011/2012. This chart shows how these banking and credit complaints were spread across different products and services.



* eg hire purchase, credit broking and catalogue shopping

credit card complaints

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 – remain an ongoing source of complaints against credit-card providers.

Given the range of goods and services that consumers buy with credit cards, we see a correspondingly wide range of disputes involving section 75 – many concerning the quality of goods or services. Most complaints tend to involve problems with furniture, kitchen appliances, electronic equipment or holiday clubs.

Unsurprisingly, given that section 75 is a complicated piece of law, many consumers are unsure about what exactly they are entitled to ask their credit-card provider to do, if there is a problem with the goods or services they have bought with their credit card.

Although section 75 provides valuable protection to consumers, not *every* transaction (or problem) is covered. This means we regularly have to provide a clear explanation to the consumer about how section 75 works – something that their credit-card provider has itself often failed to do. Given that the *Consumer Credit Act* has now been in force for over 30 years, it is disappointing that many credit-card providers still seem to struggle to understand section 75 – and in some cases raise poorly-constructed legal arguments as to why it does not apply.

Where we are satisfied that section 75 applies, we can require the credit-card provider to pay redress under certain circumstances. Consumers and their representatives sometimes ask us to make the credit-card provider pay on a “fair and reasonable” basis, even when section 75 does *not* extend to the transaction. But the law does not make the credit provider liable where section 75 does *not* apply – and so, in fairness, neither do we.

what the complaints were about: banking and credit

credit card complaints (*continued*)

2012	19,183	
2011	17,466	
2010	18,396	
2009	18,590	
2008	14,123	
2007	2,731	

year ended 31 March

annual trend:
+10%

On the other hand, credit-card providers sometimes say that, even though section 75 *does* apply to a particular transaction, we should not make them pay because that would not be fair to them in the circumstances of the case. This argument is also unlikely to be successful – as the law is one of the things we have to take into account when we consider cases, and we have no power to either exclude or develop the statutory consumer-credit protections.

During the year we have continued to see complaints where special credit-card “deals” have come to an end, and credit-card providers have applied the terms of the deal with little flexibility – for example, if the consumer is late with a monthly payment. Some of these disputes involve the clarity of information about when – and in what circumstances – the special deal will end. Where the consumer is experiencing financial difficulty, the dispute is likely to be about whether the credit-card provider is taking a fair approach to agreeing a payment arrangement with the consumer.

Disputes about so-called “default charges” on credit cards have featured in previous *annual reviews* and continue to result in a steady stream of complaints.

As with disputed transactions involving other types of card, complaints about disputed credit-card transactions continued to form a significant part of our work during the year. Dealing with these complaints often involves our helping consumers as well as their credit-card providers better understand the rules for disputed credit-card transactions – which are different from the rules that apply to other types of card transactions.

Given the nature of these complaints, we rely on the parties to be entirely open with us and to provide all the information we ask for. This enables us to make the best possible assessment of what probably happened and, applying the relevant rules, to decide where liability lies for the disputed transactions.

what the complaints were about: banking and credit

current account complaints



year ended 31 March

annual trend:
-27%

For the third year running, we have seen a substantial number of complaints from consumers who told us that their current-account problems related to financial hardship they were experiencing – often also saying that charges applied to their current accounts had added to the problem.

It is now over two years since the Supreme Court made its decision clarifying the legal position on current-account charges. But many consumers who refer complaints to us about these charges still believe that current-account providers should limit the charges to the actual cost of the work charged for – for example, the cost of returning an unpaid direct debit.

This means we have to spend time in many cases clarifying the legal position – before we can start working on an outcome that the consumer can understand. From what we see, this problem is often caused when consumers (or their representatives) have looked at out-of-date or inaccurate information about bank charges on the internet. During the year we produced a new consumer factsheet on current-account charges which is available on our website.

Our approach to achieving a fair outcome in cases like this has remained consistent over a number of years. It normally involves arriving at a practical “package” of measures that reflects the consumer’s individual circumstances and

personal means. The aim is to make existing problems more manageable – and to break the cycle of charges, in order to reduce the likelihood of *new* charges making things worse in future.

As we have explained in previous *annual reviews*, this is most likely to be achieved when the consumer (or their representative) provides us with the information we ask for, and the current-account provider is responsive and constructive when we approach it with our ideas for a practical way of resolving the problem.

When we deal with cases involving financial difficulty, it is very important that the financial business is entirely open with the consumer about the implications of any proposals – for example, about what they may mean in relation to information registered with the credit reference agencies or in relation to any future limitations on the consumer’s current account. If the business isn’t sufficiently clear about these matters, it can result in further problems – when the consumer later realises the unexpected consequences of the arrangements they have agreed with their account provider.

This year we have seen more complaints about so-called “packaged” accounts, where the consumer pays a monthly fee for a current account that includes some insurance products (such as travel insurance) and/or other special features (such as an automatic overdraft facility or a discounted borrowing rate).

what the complaints were about: banking and credit

In some cases we see, the consumer says that they did not realise their old account had been upgraded to a packaged account and that they had not given their consent to this change.

As in previous years, we have continued to see a significant number of complaints about disputed card transactions in relation to current accounts. Consumers who refer cases like this to us are sometimes confused by what they may have read in the press or on the internet about what it is possible for a card fraudster to do.

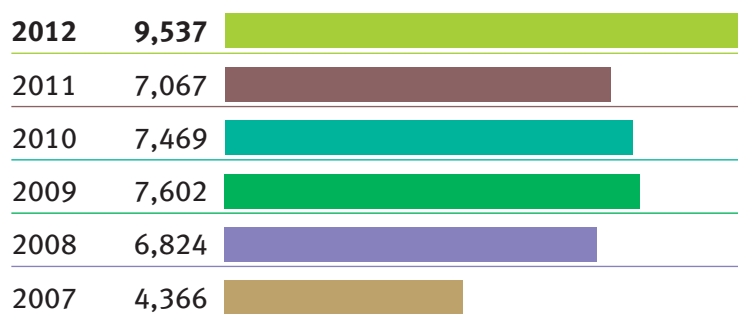
We also still see some financial businesses failing to apply the relevant law and regulations correctly when dealing with these types of complaint – or providing only patchy evidence to support their case. Whatever the circumstances of the complaint, we rely on both the consumer and the financial business to be open with us and to answer our questions fully. Not giving us the evidence we need – for whatever reason – does not help either side.

This year we have seen a significant increase in the number of disputes involving the *joint* debts of couples who have broken up. This perhaps reflects the continuing difficult economic times – and the strain this can put on relationships. Typically, in the cases we see, an overdraft on a joint current account is incurred or increased by one or other of the partners *after* they have split up.

Understandably, consumers may feel it is unfair for the account provider to hold them liable for spending they did not personally incur – or liable for more than what they might see as “their half” of a debt.

The terms and conditions of a joint current account should be very clear that *each* of the parties will be liable for any debt on the account, regardless of which person incurred it. We also expect the account provider to take reasonable steps to freeze an account – and to avoid additional joint debt being run up on it – once it has been told about a couple’s separation. As the circumstances leading up to this type of situation are usually sensitive and complex, we look at each case individually to see what we believe is the fair outcome.

complaints about mortgages



year ended 31 March

The number of mortgage-related complaints referred to us by consumers increased by over a third during the year. The complaints generally continued to involve the types of issues that we have seen in this area over the last few years. Many of these issues reflect the economy and the state of the mortgage market as a whole.

annual trend:
+35%

Administrative errors remained the largest area of complaint. We also saw an increase in the number of cases involving an element of financial hardship.

what the complaints were about: banking and credit

Complaints about the handling by lenders of mortgage arrears continued to form a significant part of our work. This included complaints about arrears charges applied by some lenders – and complaints about the inflexibility of lenders in arriving at a plan to manage the arrears in a way that fitted the consumer’s circumstances.

Sadly, our work included some cases where the consumer’s circumstances had deteriorated to the point where there was no practical way in which they could maintain the mortgage – and where there was no expectation that things would improve in the future. In cases like this, there may be a limit to the period over which the lender can continue to exercise “forbearance”. And once the lender has exhausted all other options, the consumer may have to reconcile themselves to the loss of their home.

Consumers in this position sometimes hope that we may be able to persuade or order the lender to allow them to stay in their home – and we have to explain at an early stage of the complaint that we are unlikely to be able to do that. In particular, as a service set up to resolve complaints, there is little real help we can provide where the lender has already obtained a “warrant for possession” for the property from the Court.

However, we *are* able to look at complaints about how the lender has dealt with the arrears and treated the consumer. Where the likely outcome is that the property will be repossessed, we would expect to see the lender take particular care to ensure that the consumer is adequately supported – and provided with the necessary level of information and quality of communication – to make the process no more upsetting than is absolutely necessary.

Cases involving the sale by lenders of repossessed properties remained a small part of our work during the year. These cases continued to raise difficult and sensitive issues – often relating to poor communication by the lender.

We also continued to see complaints involving administrative problems such as delay – as well as disputes over the price obtained for the repossessed property and the level of charges applied to the mortgage account by the lender.

A number of cases during the year involved claims-management companies referring complaints to us on behalf of consumers about the sale of past mortgages. As with all disputes like this, we expected both sides in these complaints to make a reasonable effort to provide us with evidence to back up their case.

In some of these complaints, the sale in question had taken place before October 2004 – when the regulatory framework changed for mortgage brokers, who came under the FSA for the first time from that date. In each case, we looked at the dispute in the light of the rules that were in place at the time of the events complained about.

We saw fewer complaints during the year from consumers whose application to “port” their *existing* residential mortgage (in other words – transfer it to a new property) had been turned down. However, we saw more complaints involving *new* mortgage applications – or switches to new mortgage products – where the difficult mortgage market meant that consumers had problems meeting the necessary “loan-to-value ratio” for the new mortgage they wanted.

We also saw more cases where consumers were disappointed when their own lender’s reduced range of available mortgages made it necessary for them to move to another lender, in order to get a mortgage at a better rate. As we have highlighted in previous years, complaints about being turned down for a mortgage often also include dissatisfaction with the explanation – or lack of explanation – that the lender gave about why the mortgage application was not successful.

what the complaints were about: banking and credit

We continued to see disputes about decisions by lenders to reduce significantly the upper age-limit applying to the term of a mortgage – or to require the consumer to provide proof of their income in retirement (or to show how they intended repaying the mortgage after they retired).



Letting – rather than selling – their mortgaged property is an option that some consumers are considering in the current property market.

We saw complaints during the year from

consumers who either wanted or needed to let their property – and were unhappy with the increased interest rate or administrative charges that their lender applied as a condition of agreeing to the letting.

Some complaints were from consumers who had previously been allowed by their lender to let their properties without much formality and with no additional charge – and were unhappy that their lender had moved to a more formal approach.

complaints about consumer credit

2012	7,416	
2011	7,250	
2010	6,329	
2009	3,014	
2008	849	

year ended 31 March

annual trend:
+2%

We have seen a steady rise in the number of complaints about consumer credit since April 2007, when the range of credit-related complaints we cover was extended by law – to cover consumer credit provided by all types of lenders, as well as other regulated consumer-credit activities, such as hire purchase and catalogue shopping.

Given the tough economic times, it is perhaps not surprising that many of the complaints we handled during the year involved problems stemming from financial difficulty. For example, we continued to see a rising number of complaints from consumers who had used the services of fee-charging debt-management businesses (who liaise with the consumer's creditors and agree and administer payment plans for them).

Complaints involving debt-management businesses were generally about their administration of a payment plan – or about the level of fees they charged for their service, which the consumer did not feel had been made clear to them at the outset. Because these consumers were already in financial difficulty – often in relation to a range of creditors – poor service by the debt-management business could have a particularly serious impact on them.

As we highlighted in our previous *annual review*, we also see complaints involving debt-management businesses that had offered to act on the consumer's behalf in bringing a claim against the consumer's creditors. In these cases the consumer usually complains to us that they were not sure exactly what the business was undertaking to achieve for them as part of their debt management package – or what they were getting for the money they were being asked to pay.

what the complaints were about: banking and credit

During the year we saw a 12.5% rise in the number of complaints about debt-collecting businesses. In these cases, the consumer generally complained about poor administration, heavy-handed collection techniques (often involving phone calls), or being chased for someone else's debts because the debt collector had confused their identity with that of the person who actually owed the money.

Complaints about credit broking also continued to form a significant part of our work during the year. In most of these cases, it was not clear what steps – if any – the credit broker had taken to try to source credit for the consumer, in return for the up-front fee the consumer had paid. We also saw complaints that credit brokers had taken fees that the consumer had not authorised – often using debit-card details that the consumer had been asked to provide for “identification purposes”.

In our previous *annual review*, we highlighted a rise in complaints about point-of-sale loans that consumers had taken out to pay for goods or services such as 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. Because of the underlying arrangements between the lender and the provider of the goods or services, for loans of this type the consumer may potentially have a claim against the lender – if there is a problem with the purchase – under section 75 of the *Consumer Credit Act 1974*.

We have continued to receive similar complaints about point-of-sale loans this year. In many cases, the consumer complains that the company that was meant to provide a training course has gone out of business – and the consumer does not feel that a suitable alternative has been provided. Consumers also continue to refer complaints to us about holiday-club memberships that have not turned out as expected or, in the case of some older consumers, had not been affordable for them from the outset.







Point-of-sale loans are also a popular way of buying new and used motor vehicles. And during the year we continued to see complaints about the quality of vehicles supplied. Because of the expectations of everyone involved in these disputes, these cases are often particularly challenging for us to resolve.

The credit providers involved can be reluctant to accept that they have any liability in the matter at all – or they are unwilling, even in the face of supporting evidence, to accept that there is anything wrong with the vehicle. Consumers, on the other hand, are sometimes reluctant to accept that minor mechanical problems with used vehicles – if put right reasonably promptly by the supplier – are not a reason to return the vehicle and get their money back.

During the year we also began to see a rise in the number of complaints involving short-term finance – often called “pay-day loans”. We had previously received relatively few complaints about this type of lending – 59 cases in 2010/2011, rising to 296 in 2011/2012. In many of the cases we saw during the year, the complaints involved the way in which the lender had operated the payment authority given to them by the consumer.

what the complaints were about: banking and credit

complaints about unsecured loans

2012	6,262	
2011	5,820	
2010	6,285	
2009	4,242	
2008	2,940	
2007	1,755	

year ended 31 March

annual trend:
+8%

During the year we continued to see a significant number of complaints from consumers who were experiencing financial difficulty – and who did not feel their lenders had treated them fairly.

In some cases, when lenders responded to customers in financial difficulty, they still relied too much on inflexible *standard* approaches. This is something we commented on in last year's *annual review*. However, we also saw cases where consumers were unwilling to be flexible about the arrangements they were prepared to agree with their lender – often focusing solely on getting the debt written off completely, rather than on agreeing an affordable and workable way forward through their difficulties.

When assessing what would be fair treatment for the consumer in these cases, we take account of their individual circumstances – in keeping with our established approach to these kinds of complaints.

We also continued to receive complaints from consumers who were paying interest on loans on a variable-rate basis – and who could not understand why their interest rate had remained so high in relation to the historically-low Bank of England base rate.

Understandably, these consumers supposed that their lenders were unfairly making a much-increased profit on their loans. Having obtained the relevant information from the lenders involved, we were able to explain to the







consumers why their lenders' cost of funding was not as low as they had assumed. However, in many of these cases the lender had not given their customer a clear explanation about this when they first dealt with the complaint. This could have prevented these misunderstandings escalating to the stage where the ombudsman service had to get involved.

As in previous years, we continued to see some cases where consumers argued that their loan agreement was “unenforceable at law”. Unfortunately, many of these complaints were based on inaccurate or out-of-date information. The ombudsman service has no legal power to declare a loan unenforceable in court. Only a court can do that. This means we may not be the most appropriate forum for complaints based solely on this point.

During the year we received a number of complaints from consumers who had signed up for loans given to members of their family. These consumers generally believed they had acted as “just” the guarantor for the loan, rather than as the borrower – and so they did not think they should be asked to pay when the borrower defaulted. These cases highlight the considerable potential risks of standing as a guarantor for someone else's loan – which, for most consumer credit loans, means being liable to pay if the borrower fails to do so.

what the complaints were about: banking and credit

complaints about savings accounts

2012	4,286	
2011	4,783	
2010	5,033	
2009	5,183	
2008	2,675	
2007	1,438	

year ended 31 March

annual trend:
-10%

As in previous years, many of the complaints involving savings accounts that we saw during the year were about poor administration by some savings-account providers – including delays and errors in opening accounts and in transferring balances between providers.

Consumers also complained to us in cases where they felt savings-account providers had not given them clear enough information about the end of fixed-rate or bonus deals. In particular, some consumers complained that their savings-account provider had not given them the necessary reminder about the end of their bonus-rate period – after which their account reverted to a much lower rate, unless they took action to move their money to a better product.

In these cases the savings-account providers in question suggested – wrongly in our view – that the payment-services rules *excused* them from providing the reminder that was required under the FSA’s banking “conduct of business” rules.

During the year we also saw complaints about “guaranteed equity bonds” – a type of savings bond where the capital is protected but any returns depend on the stock market or some other investment index. These products are often sold following advice or a recommendation. But they do not fall under the rules for selling investments, because technically they are classed as *deposit*-based products rather than as *investments*.

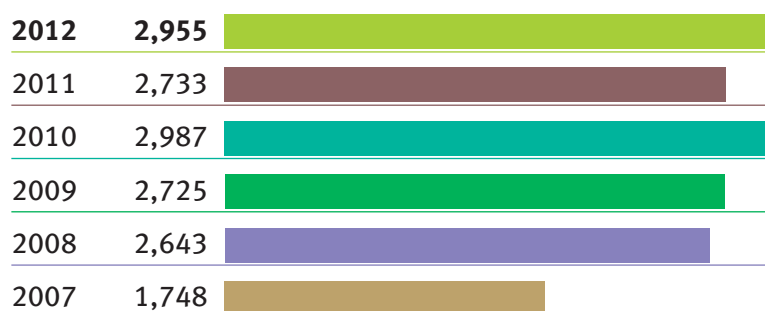
The complaints we saw often involved bonds which were taken out in 2006 and 2007 – and which matured yielding no return. We found consumers and savings-account providers alike to be unclear about the rules setting out how these products should be sold. Consumers often wrongly supposed that they should have been taken through a full “fact find” before they were sold the product – which is required for the sale of investments.

Savings-account providers, on the other hand, often forgot that even so-called “non-advised” sales had to be carried out with reasonable care and skill – and that they were responsible where encouragement or recommendation was given to a consumer to take out a particular product.

Because traditional savings accounts are not as attractive to consumers in today’s low interest-rate environment, savings-account providers are designing – and consumers are taking out – more complex products than in the past. These products are resulting in slightly different complaints from those we have traditionally seen in this area. This is sometimes because neither the consumer nor the member of staff they dealt with at the provider is entirely certain about how the savings product is designed to operate.

what the complaints were about: banking and credit

complaints about other banking services



annual trend:
+8%

year ended 31 March

During the year our work continued to include cases involving the *faster payments service* – for payments over the internet and by phone. These complaints generally related to transactions that had not been processed as “faster payments” – or situations where the consumer felt the payment service provider had not given them an adequate explanation about the *faster payments service* and what it meant in practice.

We also continued to see complaints about payments made through specialist payment services – in relation to payments made both *within* the UK and *from* the UK to international destinations. These complaints often involved the release of payments to third parties who were not entitled to them. Consumers also referred complaints to us about wrong or inadequate information they had been given on how the payment service worked.

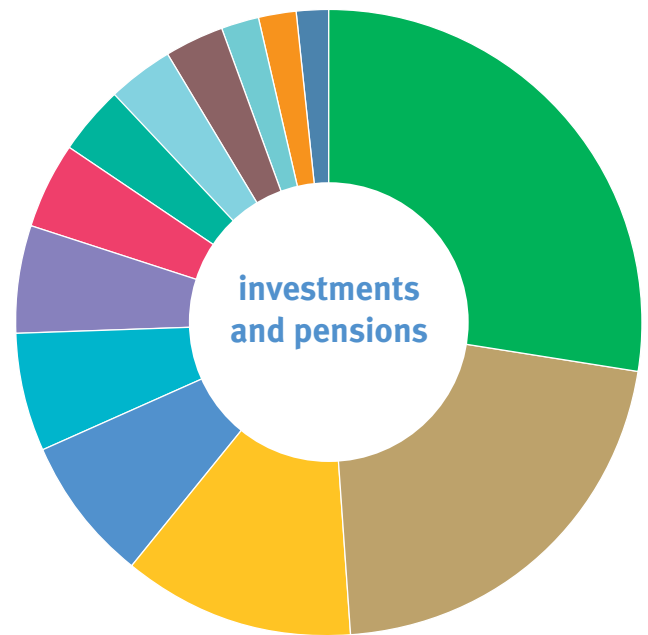
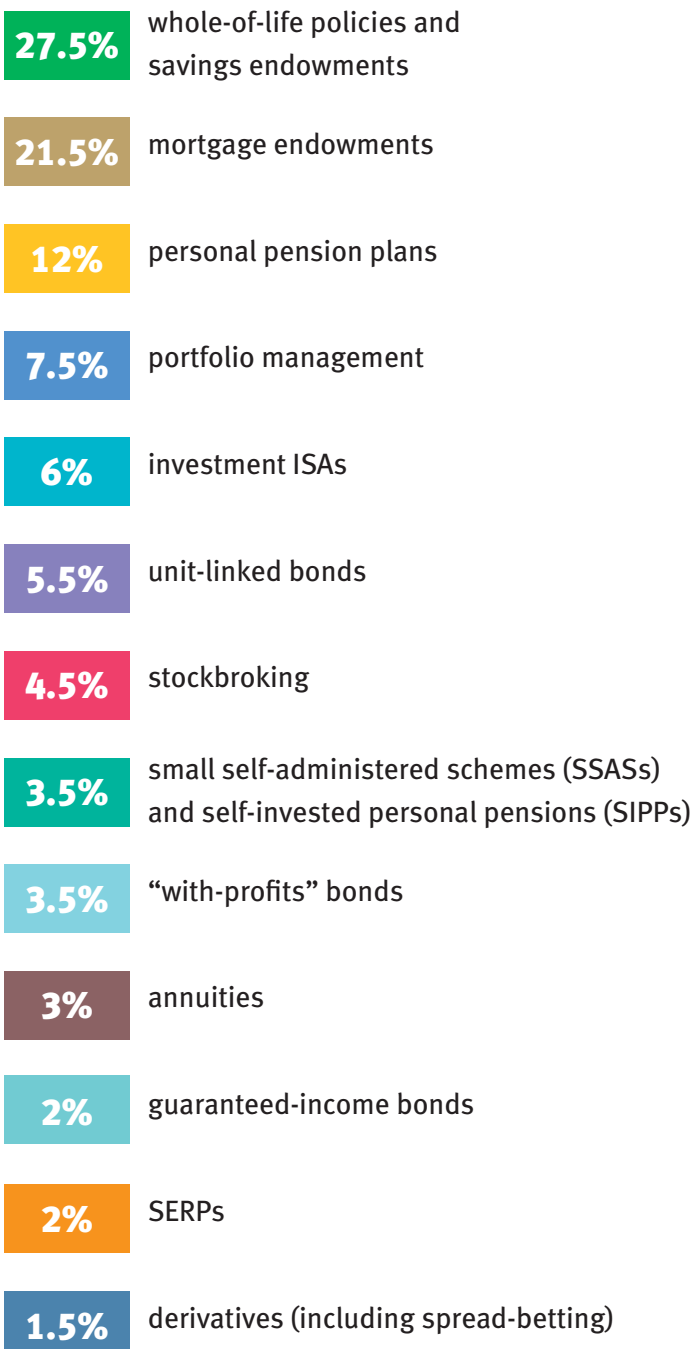
We continued to receive complaints about the costs, time scales and procedures involved in international money transfers. When problems occur with these transfers, a regular source of confusion for many consumers is the use by their UK bank of an overseas intermediary bank – or so-called “correspondent” bank – for arranging payment to a foreign “beneficiary” bank, with which the UK bank had no direct business relationship. In many of the complaints we see, these arrangements have not been clearly explained to the consumer by their bank.

In last year’s *annual review* we mentioned complaints about payments that had been “misapplied” because of a mistake by the person sending the money – for example, by entering the wrong account number on a transfer form or in an online transaction. We continued to see complaints about this during the year. In the cases we saw, the problem had been made more immediate by the more streamlined payments systems – that mean there is less opportunity for payments made in error to be retrieved before they reach their destination.

In some of these cases, we decided that the financial business sending the payment for the consumer – when alerted by the consumer to the error – had not made sufficient effort either to stop the payment reaching its destination or to recall the payment from the financial business that had already received it. However, with this type of complaint the very individual circumstances that apply in each case mean there is a varied range of outcomes.

what the complaints were about: investments and pensions

investments and pensions complaints



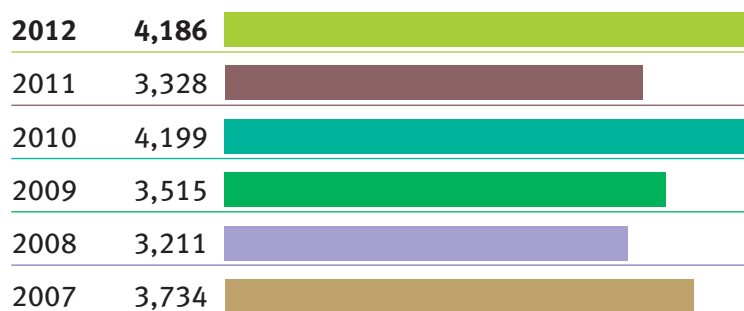
Complaints about investments and pensions made up 6% of the total number of new cases we received during the year (7.5% in the previous year). We received 14,862 investment and pension-related cases – 4% fewer than in the previous year.

While pension-related complaints rose by 28%, and complaints about whole-of-life policies and savings endowments increased by 26%, complaints about stockbroking fell by 38% and cases involving derivatives declined by 32%.

This chart shows how these investment and pension-related complaints were spread across different products and services.

what the complaints were about: investments and pensions

complaints about whole-of-life policies



year ended 31 March

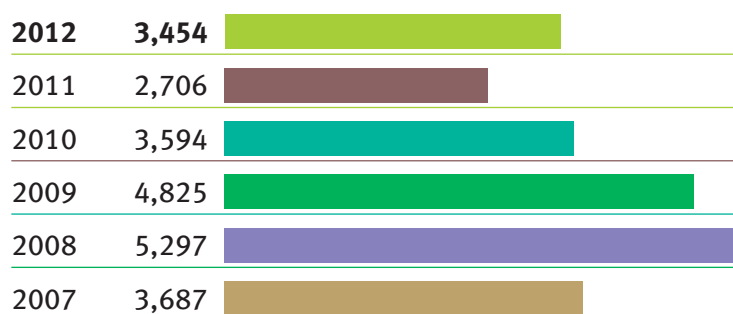
annual trend:
+26%

As in previous years, we continued to see a significant number of complaints during the year about so-called “reviewable” whole-of-life policies – where reviews carried out by businesses, some years after the policies had been taken out, revealed that the original assumptions (particularly in relation to investment returns) had not been met. The consumers in these cases were unhappy that they now faced either a reduction in their life cover *or* an increase in their premiums.

When we decide these cases, a key consideration for us is the prominence of information that was 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 telling 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).

complaints about pensions



year ended 31 March

annual trend:
+28%

Long-running disputes are a feature of many of the investment-related cases we deal with – especially in the pensions area. During the year we saw a rise of over a quarter in the number of pension complaints referred to the ombudsman service. Most of these cases involved complex issues, legal argument and entrenched positions.

Many of the pension disputes we see also arise at a point where the consumer is just about to retire and become dependent on their pension – or is already retired and needing their pension income. This means that delays and uncertainty can create more financial problems for them – and possibly financial hardship.

what the complaints were about: investments and pensions

30% of pension disputes require an ombudsman's final decision – as the last stage of our complaints process (see page 69). Where we are not able to resolve complaints at an early more informal stage – especially where businesses challenge our decisions through extensive legal representations – consumers may have to wait a considerable time before their case is resolved.

Pension complaints also frequently have very large sums of money at stake. During the year the maximum amount that the ombudsman can tell a business to pay in compensation was increased from £100,000 to £150,000 – for new complaints we received from 1 January 2012. Businesses may agree to settle any *recommendation* we can make above this level – but the recommendation itself is not legally binding on them.

The historically-low Bank of England base rate means that annuity rates are also very low.

This is very significant for people on annuity-based pensions – and we continue to see disputes where alternative pension arrangements have been taken out instead, resulting in the consumer facing greater investment risk.

In many of these cases the problem could have been avoided if the consumer had been given clear information about the important decisions they had to make.

During the year we also continued to see pension-related disputes where the underlying problems resulted from administrative errors involving miscalculations. Once we had identified the cause of these complaints, the businesses involved generally accepted their liability without further dispute. However, it is disappointing that these cases were resolved only after they had been escalated to the ombudsman service – and had not been sorted out much earlier by the business itself.

complaints about investment-linked products



year ended 31 March

annual trend:
-13%

The number of investment-linked complaints referred to the ombudsman service tends to rise when stock markets fall – as consumers suddenly see problems with an investment that they had thought was safe. On the other hand, when markets rise – as they have this year – investments are more likely to perform in line with consumers' expectations, and so fewer people complain.

However, in last year's *annual review* we highlighted the fact that growing numbers of disputes about investment-linked products were becoming increasingly entrenched and fiercely contested. And disappointingly, this is a trend we have seen continue during the year.

what the complaints were about: investments and pensions

Many of these disputes involved major financial institutions and large sums of money – often very much more than the maximum amount we are able to tell businesses to pay as compensation to individual consumers.

The legalistic approach to complaints handling now being taken by some of these businesses and their legal advisers has caused significant delay during the year to the final resolution of cases. This has meant we have needed to ask the consumers involved to be patient – while lengthy legal arguments have been exchanged.

A significant number of these cases continued to involve consumers who were unhappy that they had invested in products carrying greater levels of risk than they had anticipated. They complained to us that the underlying investments had failed to match the descriptions they were given when they took them out.

In some instances we found that highly unsuitable products had been sold to elderly and inexperienced investors. We raise these matters with the FSA, the regulator, where appropriate.

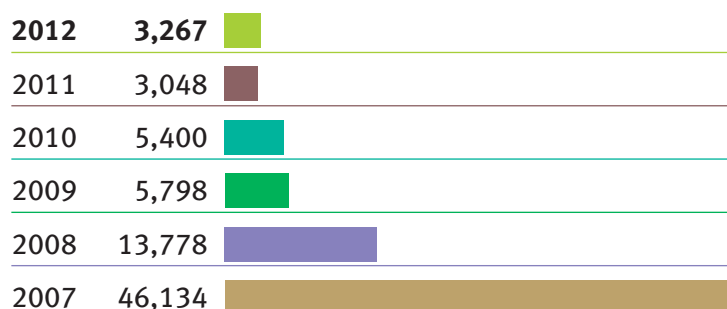
We also continue to see disagreements between consumers and businesses about what investments should make up a “high”, “balanced”, “low” or “no risk” portfolio.

Various complex issues arose during the year in cases where the parties made legalistic arguments about “causation” – in the context of disputes over losses in relation to advice on investments.

In arriving at decisions based on what the ombudsman believes is fair and reasonable in the circumstances of each individual case, we take the law into account – as well as other matters, such as relevant good practice. A number of high profile cases were referred to the ombudsman service where these issues were raised, and the ombudsman made provisional and final decisions on these investment-related cases – which we published on our online technical resource.

During the year we continued to liaise with the FSA, where it was working with businesses to put right problems for groups of consumers who had not necessarily referred investment-related complaints to the ombudsman.

complaints about mortgage endowments



year ended 31 March

annual trend:
+7%

In last year’s *annual review* we reported that the number of mortgage endowment complaints had continued to fall. This year, however, the number of cases increased slightly – by 7% to 3,267 – for the first time since 2004/2005.

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 still very low by comparison and now represent just 1.2% of our overall workload – from a peak of 63% in 2005.

what the complaints were about: investments and pensions

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.

We are now unable to look at many of these cases, because the time limits set by the FSA have already expired. These time limits were very widely publicised in campaigns throughout the mid 2000s – which included millions of so-called “re-projection letters” being sent out to consumers, warning of possible shortfalls on mortgage endowments.

As a result of these campaigns, very large numbers of consumers took action between 2002 and 2007 – to deal with any potential shortfall

when their endowment policies matured. This included making complaints – and being paid compensation where appropriate.

However, we still anticipate a rise in mortgage endowment complaints in the next few years – as the substantial numbers of endowment policies that were sold with 25-year mortgages in the 1980s start to mature, leaving consumers confused and disappointed.

Mortgage endowment complaints referred to us sometimes involve concerns that funds have been mismanaged by businesses. This usually happens when stock market rises do not appear to be reflected in endowment fund values. We do not generally look at these types of complaint, as fund performance normally results from the legitimate exercise of businesses’ commercial decisions.

complaints about stockbroking and portfolio management

2012	1,842	
2011	2,267	
2010	2,474	
2009	2,078	
2008	1,209	
2007	1,052	

year ended 31 March

annual trend:
-19%

During the year there was an overall decline in the number of complaints referred to us about stockbroking and portfolio-management issues. This could reflect the fact that market conditions during the year may not have been as subdued as anticipated.

However, we saw more complaints involving so-called Unregulated Collective Investment Schemes (UCIS). These cases generally involved larger amounts of money. They also frequently related to funds that have been suspended – or have already failed – so the losses can be large. In the complaints referred to us, the information provided by businesses has often revealed

unsatisfactory record keeping and poor evidence about the classification of the funds. The businesses in question sometimes appear to have little understanding of how these funds – which may include overseas property and investments such as forestry plantations – should be marketed only to restricted classes of investors and not to consumers in general.

We have also seen cases where consumers eager to take advantage of what seemed to be an exciting investment opportunity – at a time when returns on traditional savings and investments were disappointing – have not always taken the time to reflect on the risks involved.

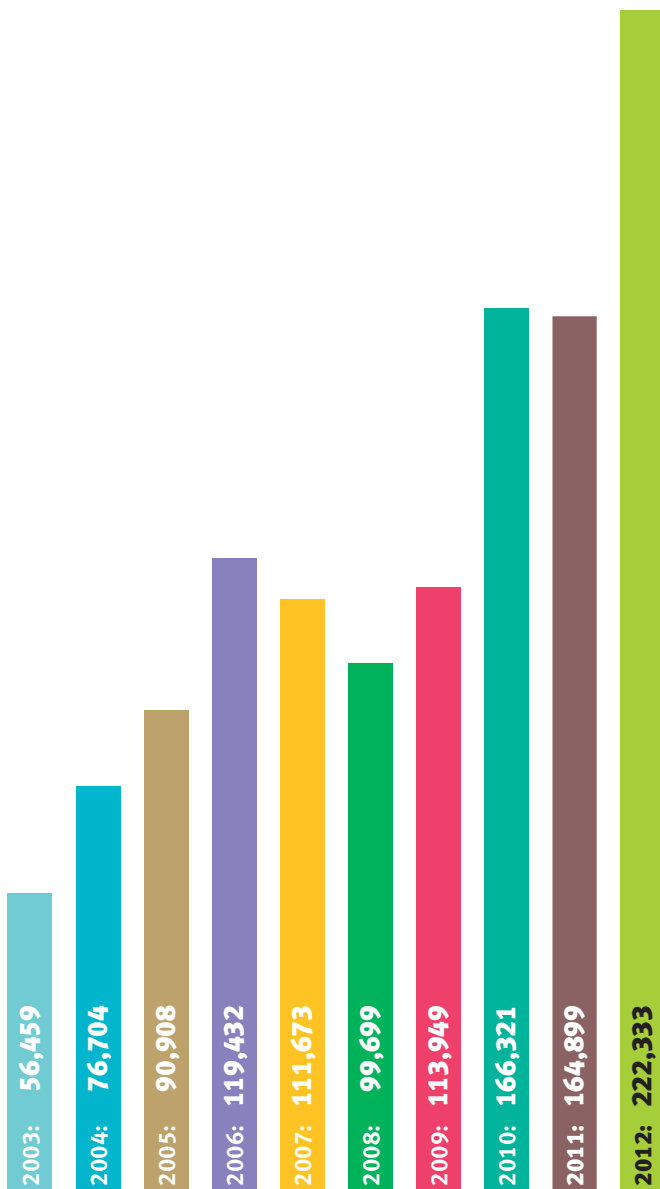
how we dealt with the complaints



how we dealt with the complaints

number of cases we resolved

We continued to settle cases at record levels – resolving a total of **222,333** cases in the financial year 2011/2012. This is **35% higher** than the 164,899 cases we resolved in the previous year – and the highest number in any year since the ombudsman service was set up in the year 2000.



year ended 31 March

how we resolved the cases

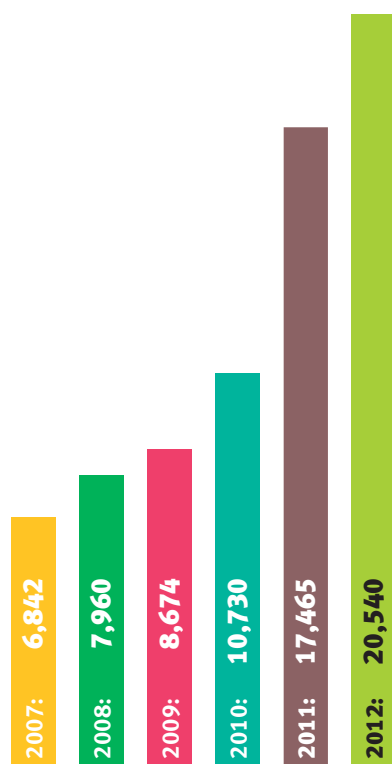
The approach we take to resolving disputes is largely determined by the individual facts of each case – and by the level of formality required to settle matters appropriately.

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 110 ombudsmen (see page 163) for a final decision.

how we dealt with the complaints

cases appealed to an ombudsman for a final decision



year ended 31 March

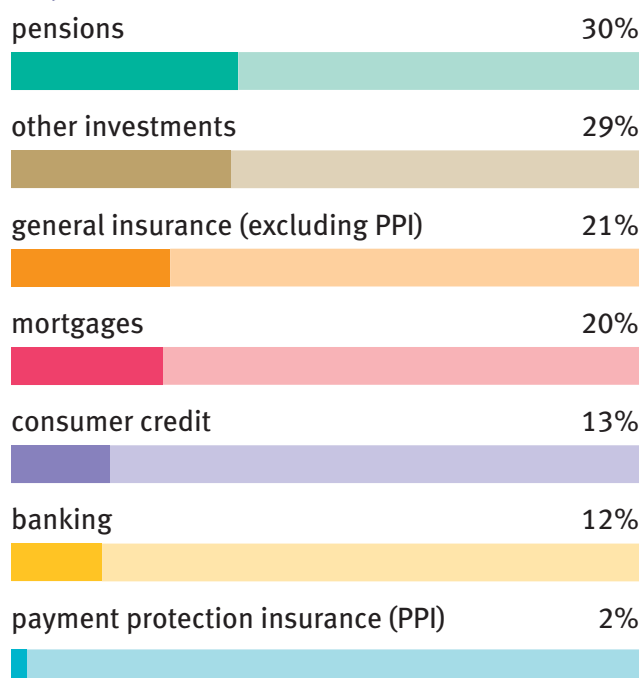
During the year, the number of cases requiring the direct involvement of an ombudsman – and a formal ombudsman decision – continued to rise. 17,465 cases had a final decision by an ombudsman in the financial year 2010/2011 – rising 18% to 20,540 cases in 2011/2012.

9% of cases we settled during the year required an ombudsman to make a final decision – as the last stage of our process. The proportion of cases appealed to an ombudsman has been slowly rising over recent years – from 6% in 2006/2007 to the current figure of 9%. This reflects a trend we have commented on in previous years' *annual reviews*. 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, 36% of requests were made by financial businesses and 64% by consumers (38% and 62% respectively in the previous year).

In 86% of 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.

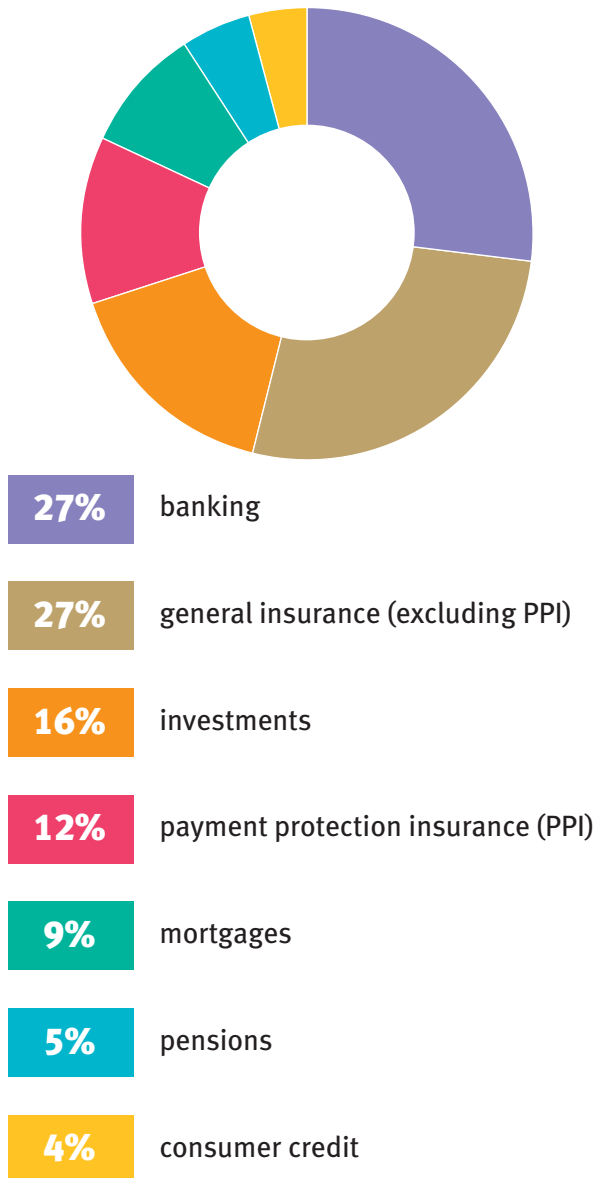
which complaints were more likely to require an ombudsman decision?



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.

how we dealt with the complaints

ombudsman decisions – by product



Younger people remain 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 88.

However, the proportion of men and women who requested a final decision by an ombudsman remained broadly similar – as did 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 85 to 124.

“... men and women requested ombudsman decisions in broadly equal proportions”

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 – held 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 **64%** of the complaints we settled in the financial year 2011/2012 – compared with 51% of cases in the previous year.

This figure varied across complaints involving different financial products. For example, during the year we upheld in favour of the consumer:

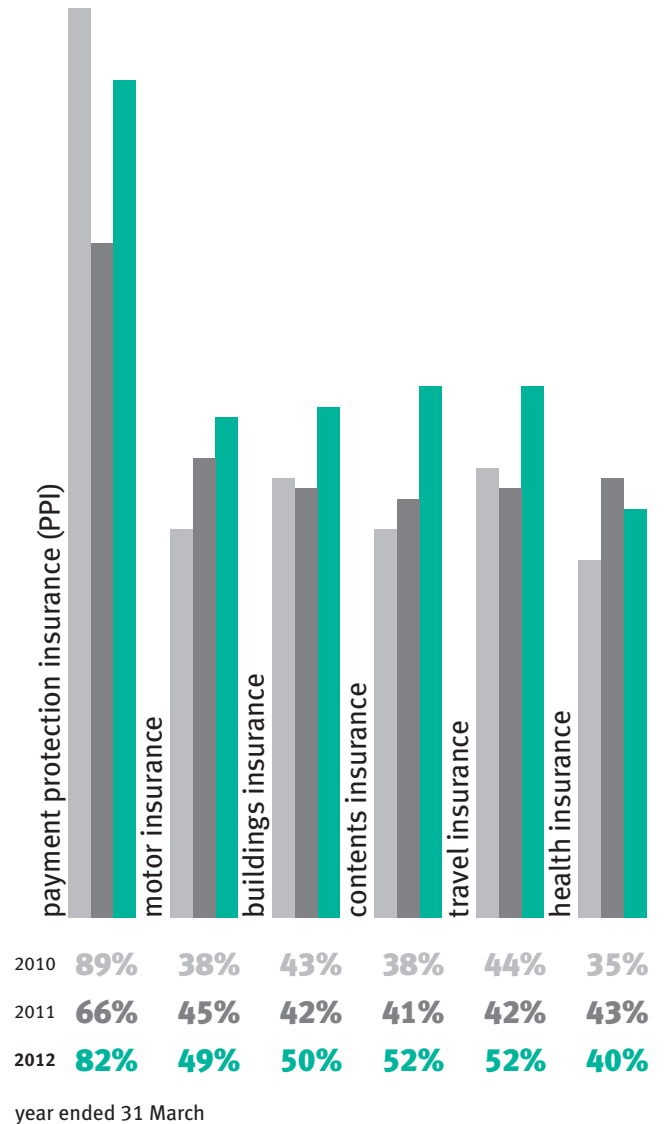
- 82% of the cases we resolved involving mis-sold payment protection insurance – where our long-standing approach, explained on our website, was endorsed during the year by the High Court in response to a legal challenge by the banks.
- 31% of the cases we resolved involving current accounts – where a ruling by the Supreme Court in November 2009 means we cannot generally help with complaints that charges are unfair or too high.

complaints data about named businesses

Since September 2009 we have been publishing 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:

- 160 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 19,569.
- The proportion of cases we uphold in favour of the consumer varies substantially from business to business – between 2% and 98%.

insurance complaints



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.

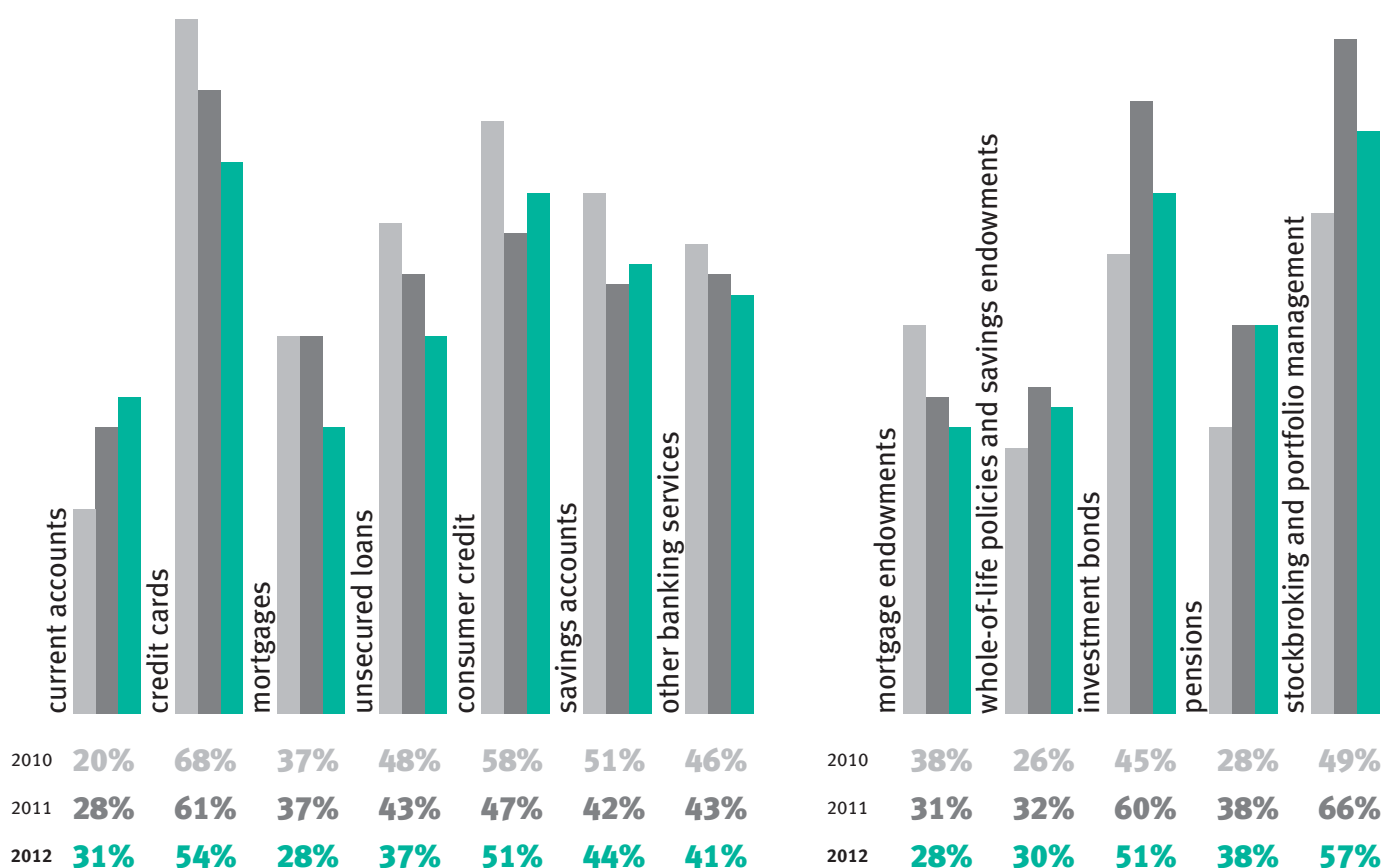
These include:

- 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.

how we dealt with the complaints

banking and credit complaints

investment and pension complaints



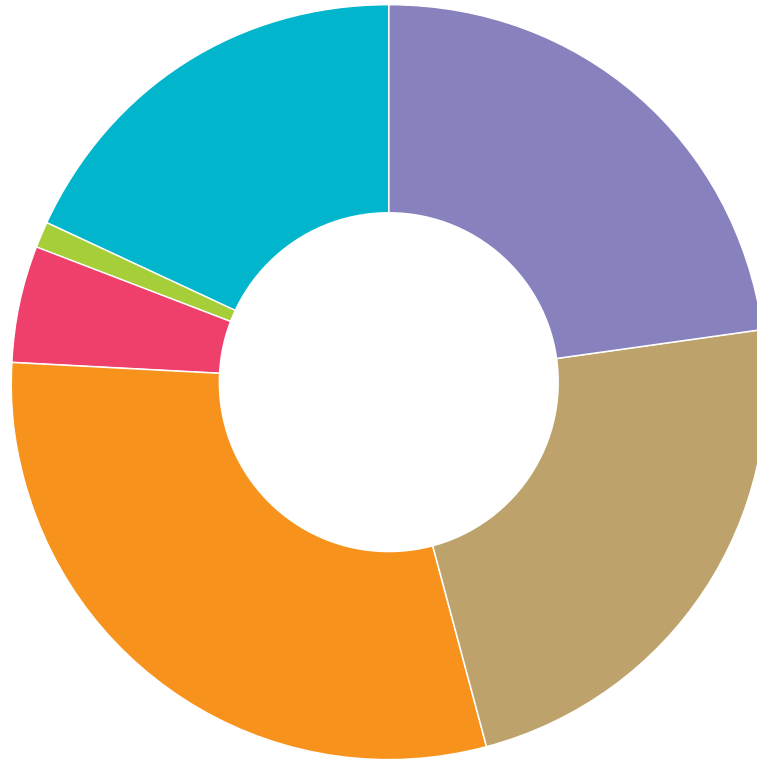
- Telling the business to compensate the consumer for distress and inconvenience – following our long-standing approach, set out on our website. We did this in 18,813 cases during the year – 14% of the cases we upheld – generally awarding between £150 and £500.
- Directing the business to do something (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.

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).

how we dealt with the complaints

what redress do ombudsmen tell businesses to pay in individual cases?



23%

telling the business to take actions to put things right that don't have a direct cash value (for example, correcting a credit reference)

23%

redress up to £1,000

30%

£1,001 to £25,000

5%

£25,001 to £100,000

1%

more than £100,000*

18%

telling the business the basis or formula on which they must pay compensation (for example, where specialist calculations need to be carried out by an actuary)

*The ombudsman can *tell* a business to pay compensation of up to £100,000 (£150,000 for complaints we received from 1 January 2012) – and can *recommend* that the business pay compensation in excess of this amount.

how we dealt with the complaints

The figures in this chart do not include any *additional* amounts that we might tell a business to pay, to compensate a consumer for distress and inconvenience (see page 73).

We continue to see many entrenched disputes that could have been avoided – if there had been better communication between the financial business and the customer. Too many problems stem from simple misunderstandings that should have been cleared up at the outset.

We know that some consumers express their problems in an unfocused way that may make them seem unreasonable to the business they complain to. But we also see some businesses responding to customer concerns unhelpfully and defensively – aggravating problems that a clear, helpful and sympathetic explanation might have resolved.

Just because we might not uphold a complaint on its merits does *not* mean that the consumer may not genuinely feel upset and let down by the way the business treated them. Similarly, 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”.

Of the 222,333 complaints we settled during the financial year 2011/2012, we concluded that 5,667 cases (2.5% of the total) could be categorised as “frivolous and vexatious” (0.9% in the previous year).

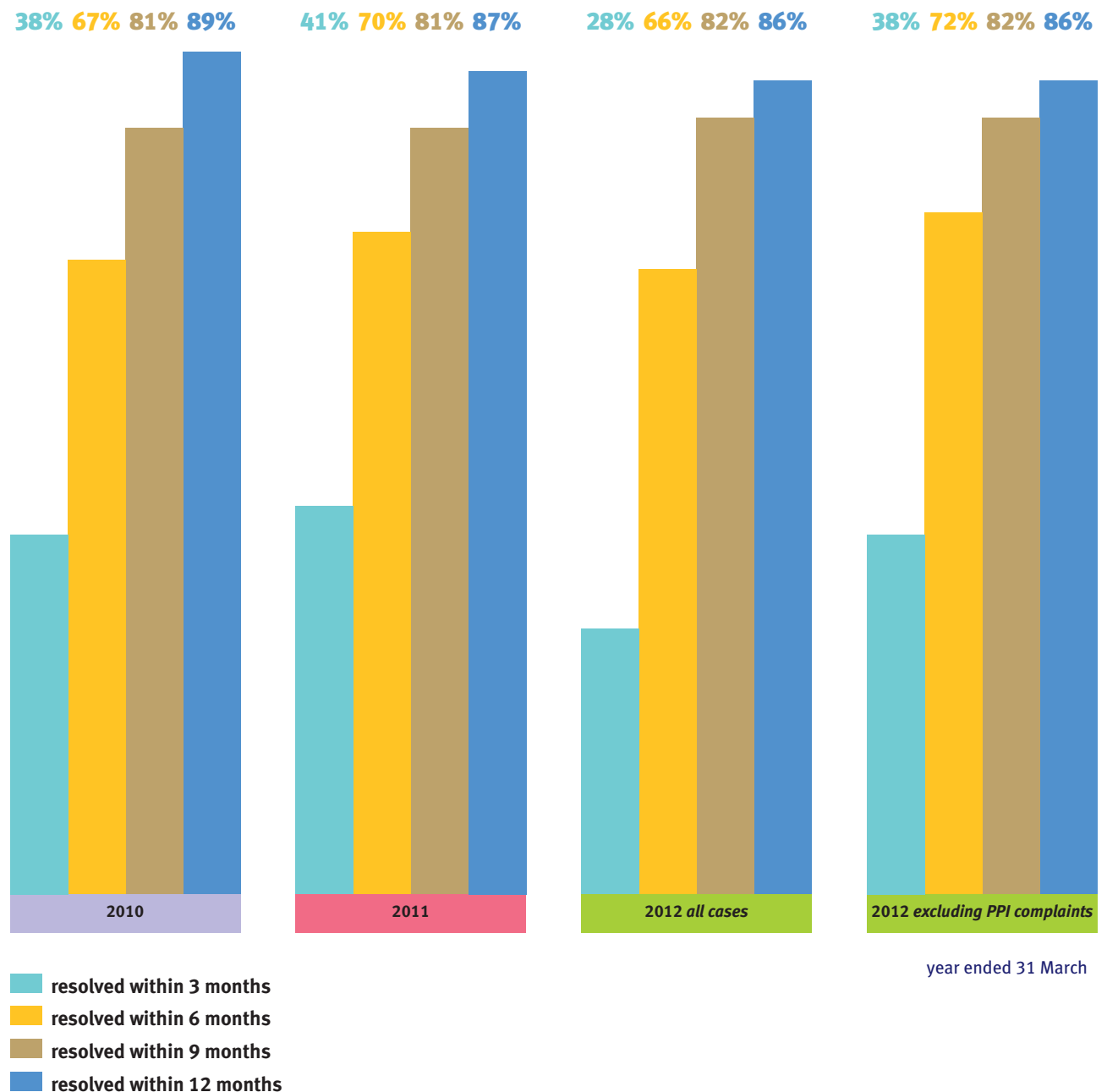
99% of these cases involved complaints about mis-sold payment protection insurance (PPI) where it emerged that no policy had ever actually been sold. We published information on our website during the year about our approach in these cases (see page 47).

We do not charge a case fee to the business complained about where we decide that a complaint is “frivolous and vexatious”.

“... too many problems stem from
simple misunderstandings that should
have been cleared up at the outset”

how we dealt with the complaints

time taken to resolve cases



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

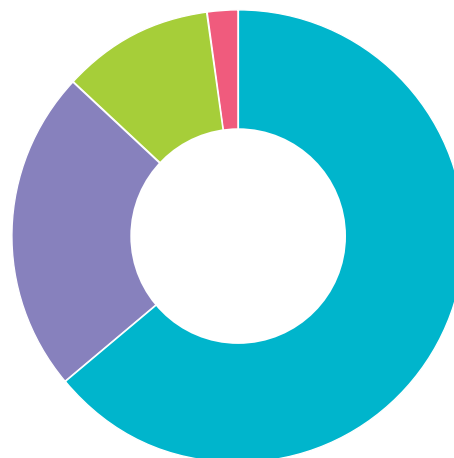
The proportion of cases we settled within nine months and within 12 months remained at similar levels to previous years. However, we were unable to settle as many cases as we wanted within our three-months and six-months targets, largely because of the impact of the legal challenge brought by the banks in relation to our approach to payment protection insurance (PPI) complaints (see page 46).

how we dealt with the complaints

This legal challenge gave rise to a number of issues that significantly affected our ability to deal with cases as promptly as we would have liked:

- Publicity around the banks' legal challenge – and subsequent publicity and media campaigns throughout the year – have led to substantial increases in the number of new PPI cases referred to us. Following public consultation at the start of 2011, we had geared up to receive between 48,000 and 72,000 new PPI cases during the year – not the record 157,716 cases we actually received.
- During the legal challenge we experienced less co-operation from some businesses than we would otherwise have expected. With businesses deciding not to respond substantively to many complaints until the legal outcome was known, this meant large numbers of cases were effectively put on hold – resulting in delays and uncertainty.
- Following the High Court ruling – and the subsequent decision by the banks not to appeal – some major businesses struggled to catch up with their backlogs of complaints and had to apply to the regulator, the FSA, for special extensions to the normal complaints-handling deadlines.
- As banks and financial businesses have rapidly expanded their operations to deal with the substantial volumes of PPI cases, the skills of our adjudicators made them very attractive on the recruitment market. We have found it challenging to compete with the remuneration packages offered by some businesses – and this led to significantly higher staff turnover. Having to recruit and train large numbers of new staff – both to replace our leavers and to gear up for our increased workload – has had a direct impact on our productivity and the timeliness of our complaints handling.

PPI cases awaiting resolution at 31 March 2012



- 64%** waiting for less than 6 months
- 23%** waiting between 6 months and a year
- 11%** waiting between a year and two years
- 2%** waiting over two years

We have continued to see businesses taking a more challenging – and in some areas, more legalistic – approach, not only in relation to PPI complaints but also to casework more generally.

For example, during the year an insurance company, Europ Assistance, launched a legal challenge (by way of a judicial review) against an ombudsman's decision on a travel-insurance complaint involving volcanic ash – following delays and disruption to travel caused by a volcanic eruption in Iceland in 2010 (see page 50).

This legal challenge meant that over 300 consumers' cases were held up for six months – until the High Court rejected the challenge in January 2012 and Europ Assistance said they would handle the cases in line with our approach.

how we dealt with the complaints

In most areas of our work, we are 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 an 18% 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 69).

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 over 10,000 cases where financial hardship was a significant issue. Around 4,000 of these cases related to overdrafts and loans – and more than 3,000 involved mortgages.

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

knowledge and expertise

We believe that professionalism should be central to our approach – and that this professionalism depends on our adjudicators and ombudsmen having the right knowledge and expertise to do their work to the highest standards.

As part of our commitment to putting professionalism and quality at the heart of everything we do, we have:

- Expanded our panel of ombudsmen, giving us the capacity to involve ombudsmen more actively in mentoring and developing our case-handling staff – and in the professional leadership of our service more widely.
- Invested in a new training programme, externally accredited by Queen Margaret University, Edinburgh, that we will be introducing for all our adjudicators. The programme, set at Masters degree level, has been specially designed to build and maintain the professional skills of our case-handling staff.
- Developed our “knowledge infrastructure” – with new tools to help give our staff the knowledge they need at the time they need it. In 2011 we won a national award for the innovative way in which we use online forums, blogs, chats and *wikis* on our in-house intranet – to encourage knowledge-sharing and collaborative working.
- Launched our new professional career-structure that encourages and enables the growth and development of our case-handling staff – from the consultants on our consumer helpline through to our most senior ombudsmen.

“... we identified and prioritised over
10,000 cases where financial
hardship was a significant issue”

how we dealt with the complaints

- Extended our “academy style” approach to training all 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.
- Committed to a training and development programme for all our managers – with staff each having an average of nine days’ training during the year.
- Supported a “continuous improvement” framework to co-ordinate and organise the wide range of ideas and suggestions put forward by employees – aimed at delivering improvements for our customers.
- Prioritised our internal communications – to engage everyone, and to maintain impetus and enthusiasm, as we introduce new ways of working and new changes such as electronic case-files.
- Launched a series of customer videos for internal training purposes – to help us better understand, from the consumer’s own perspective, how it feels to bring a complaint to the ombudsman service. This builds on the “customer experience” workshops that we developed last year – and have now built into our training programme for all case-handling staff.
- Provided our staff with the skills to deal confidently and sensitively with an increasingly diverse range of customers, including those with different needs. We run a disability-awareness and customer-service programme in partnership with six disability, mental health and wellbeing charities (see page 100). During the year we focused, in particular, on helping our staff interact with customers facing difficult issues involving loss and bereavement.

quality

Quality is what matters most to our customers and stakeholders – and delivering a high-quality service is of fundamental importance to us. “Quality” 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 applying the approach we take consistently in similar cases.
- Treated customers well – the consumer and the business in each case – so that they are satisfied with the level of service we have provided.
- Got the basics right – for example, responding appropriately to different communication needs.

“... quality means getting the basics right, treating customers well, and making decisions in the right way”

how we dealt with the complaints

During the year we reviewed the framework we have in place for measuring and reporting on quality and consistency issues. This included:

- Involving ombudsmen far more proactively in reviewing and giving constructive feedback on the technical accuracy and consistency of adjudicators' work.
- Developing a system to ensure that any case-specific feedback from customers is reported direct to the individual case-handler who worked on the case in question – and to their manager.
- Looking at the role of the quality committee – a sub-committee of our board of non-executive directors – and ensuring that it was receiving the right level of management information to ensure strategic oversight of quality and customer-service issues.
- Involving our senior management team and board members in an assessment of a cross-section of randomly-selected closed cases.
- Introducing a consistent approach to measuring the quality of our customer service – reflecting aspects such as reliability and empathy that customers consistently tell us are important to their overall satisfaction.

stakeholder research

We carry out a programme of stakeholder and customer research – to help give us a closer understanding of what our customers think and feel, how they rate the service we provide, and where we could do things better. During the year this programme included:

- Running monthly online surveys and six-monthly postal surveys to record and measure how consumers, whose complaints we have handled, rate various aspects of the service we provided.
- Researching the issues covered and the language used across the internet in online conversations about financial problems and the ombudsman – to assess where it would be helpful and appropriate for us to increase our social media presence.
- Filming consumers in their own homes, talking freely about how complaints in general – and using our service in particular – made them feel.
- Surveying consumers online and over the phone, to find out their views on the possible implications for them of making ombudsman decisions publicly available.
- Carrying out research to monitor the views of the businesses we cover – smaller businesses and larger ones alike – using both online and postal surveys.

“... we want a closer understanding
of what our customers think and feel”

how we dealt with the complaints

- Commissioning research among MPs to get their views on our work in relation to their constituents.
- Monitoring general consumer-awareness of the ombudsman service, 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 a survey for our website users, to find out more about who they are and why they use our website.

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 first-rate customer service. 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 problems straightaway – as soon as someone tells us that they are unhappy with the standard of service they have received. The prompt involvement of the relevant manager – with an immediate phone call to apologise or explain – means we can resolve many issues without the problem escalating into a formal complaint.

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 2011/2012, we handled 2,382 complaints about our service. This was a 4% decrease compared with the 2,489 complaints we received in the previous year. We were able to resolve two thirds of these complaints directly within the teams where the problem arose – and a third of the complaints (805 of them) were settled with the involvement of a more senior manager.

Complaints about our service related to 0.9% of our total caseload (1.2% in the previous year). 5% of the complaints were made by businesses and the others were all from consumers or their representatives.

We upheld 37% of these complaints (33% in the previous year). Where this involved paying compensation – in recognition of the inconvenience caused by delays or administrative errors on our part – most payments were around £250.

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

improving our processes

We are committed to identifying and implementing changes to our processes that help improve the quality, consistency and efficiency of our work.

Many of the projects and initiatives aimed at delivering improvements for our customers are co-ordinated as part of our “continuous improvement” framework. Others are part of our major “change programme” which we launched in 2010 to transform and modernise all aspects of our operations, in the light of the rapid and unpredictable growth in demand for our services.

During the year, our progress on delivering this programme has included:

- Starting to exchange the majority of case information electronically with some of the major banking groups – eliminating costly and cumbersome “bulk mail” processes.
- Trialling document-scanning and electronic-file management, to help reduce our reliance on paper files.
- Introducing centralised printing – as a faster and more efficient way of printing and enveloping letters.
- Developing a new framework for recruiting a proportion of our adjudicators as contractors rather than as permanent staff.
- Strengthening our operational planning capability – to help us forecast future workload and to run our “demand and capacity” function more efficiently.

During the year we also launched an experimental casework project, testing out different ways of handling complaints involving e-money and payment transfers. New payment systems mean that consumers are interacting with financial services in very different ways – and are increasingly expecting to complain differently too, if something happens that they are not happy with.

This highlights the speed with which society, business and technology are evolving and transforming. We need to scrutinise our processes on an ongoing basis, to see how they might be adapted and updated to reflect both business and consumer needs.

As part of our programme of three-yearly external reviews, our board invited the National Audit Office (NAO) to carry out an independent review of our efficiency. We published the review in full in January 2012 (see page 139).

The NAO concluded that the key efficiency challenges facing us included our having to cope with volatile demand – such as the large surges of so-called “mass claims” like bank charges and PPI – and the way in which financial businesses themselves deal with customer complaints.

The NAO also noted that the programme of changes introduced in 2010 to modernise our operational processes and IT (including our “e-enablement” project) had already begun to realise benefits – and while some aspects of project management should be strengthened, the programme was being managed well with good progress made to date.

“... this highlights the speed with which society, business and technology are evolving”

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 2011/2012 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 129 about how many businesses paid case fees.

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

Following public consultation in January and February 2011, the boards of the FSA and the Financial Ombudsman Service approved a balanced budget for the ombudsman service – for the financial year 2011/2012 –

our unit cost



that assumed both income and expenditure would be £102.9 million, with a unit cost of £571. 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.

The actual final figures for the year showed total income of £125.5 million, expenditure of £107.5 million, and a unit cost of £484. These were significantly different from the figures that had been anticipated at the start of the year, reflecting the operational volatilities we experienced during the year.

For example, we had expected to be able to complete and close between 60,000 and 84,000 payment protection insurance (PPI) cases during the year. But this number rose to 117,806, because in the second quarter of the year we were able to resolve a much larger number of PPI cases than expected – as businesses agreed to settle, without challenge, many complaints that had been held up by the judicial review (see page 46).

However, we saw the costs of dealing with PPI cases rising steadily – as the high volumes of new complaints showed little sign of abating, and as businesses and claims-management companies became less willing to settle cases at an early informal stage. This meant we started to see increased numbers of entrenched disputes requiring detailed investigation and analysis.

year ended 31 March

how we dealt with the complaints

This is a trend we expect to continue into the future – and we have proposed changes to our charging structure from 2012/2013, to reflect the rising costs of dealing with our increasingly complex and challenging PPI caseload.

In spite of these volatilities, we were still able to deliver the cost-cutting programme to which we had committed during the year. This involved reducing our underlying cost base by 10% through a range of measures, including re-negotiating

contracts, strengthening our procurement capability, internal restructuring, and introducing a new framework for managing our contractors.

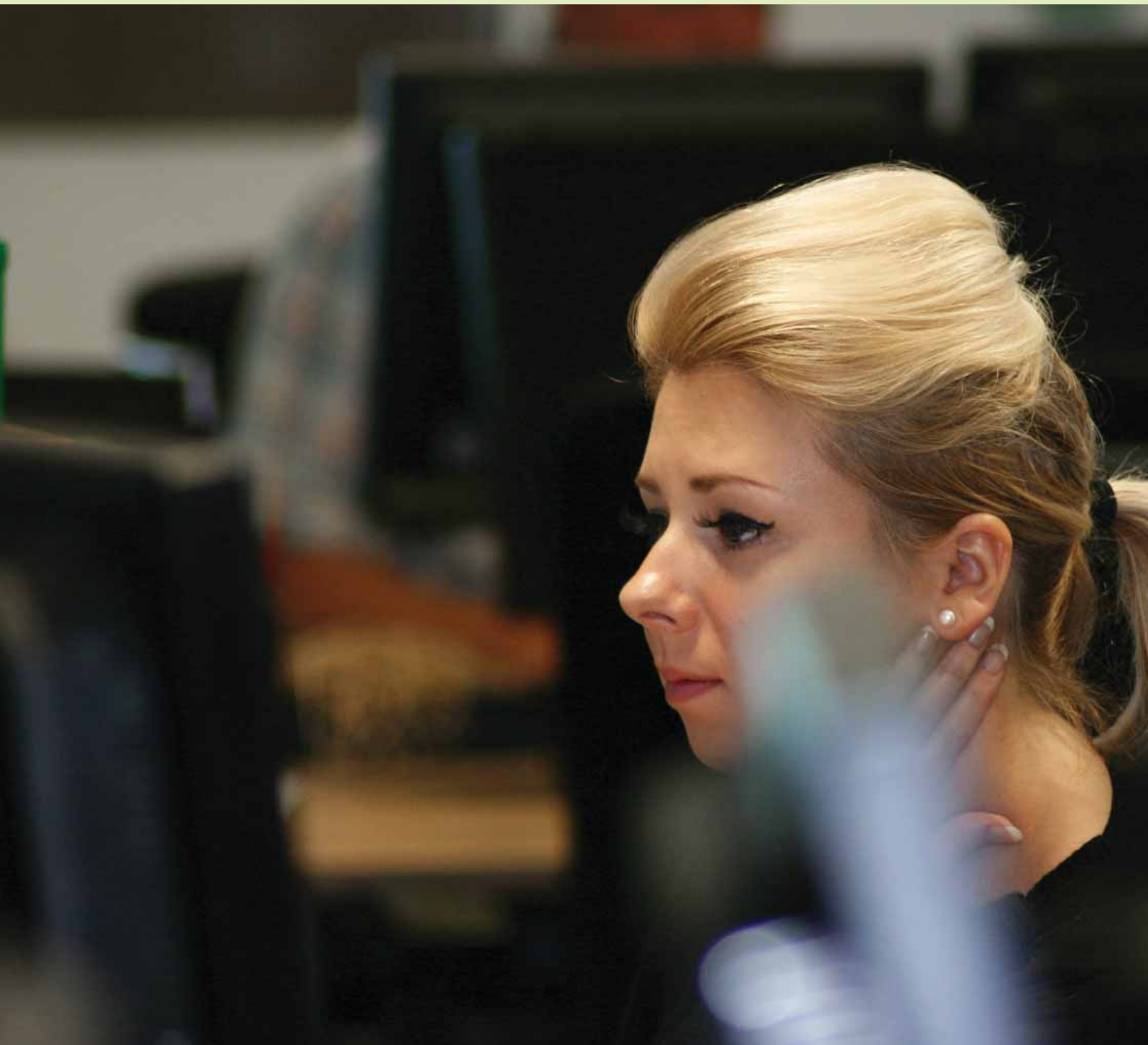
As part of the NAO's review of our efficiency this year (see page 139), it identified that while the total costs of settling disputes at the ombudsman service had risen by 214% in real terms since 2001, the complaints workload we have handled over this period had increased by 376%.

summary of our income and expenditure

	<i>actual</i> year ended 31 March 2012 £ million	<i>budget</i> year ended 31 March 2012 £ million	<i>actual</i> year ended 31 March 2011 £ million	<i>actual</i> year ended 31 March 2010 £ million
income				
annual levy	22.6	20.5	20.9	20.6
case fees	102.5	82.2	77.1	77.6
other income	0.4	0.2	0.3	0.2
total income	125.5	102.9	98.3	98.4
expenditure				
staff-related costs	84.2	84.2	88.8	78.3
other costs	21.1	16.6	15.0	12.3
financing charges	0.0	0.0	0.0	0.0
depreciation	2.2	2.1	2.1	1.8
total expenditure	107.5	102.9	105.9	92.4
surplus/(deficit)	18.0	0.0	(7.6)	6.0

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 from July 2012.

who complained to us



who complained to us

what kind of consumer uses the ombudsman service?

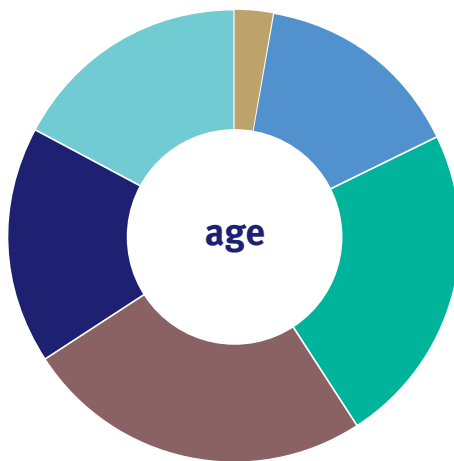
We need to know what kinds of consumers bring complaints to the ombudsman service – so that we can provide a service that meets their needs and expectations.

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 casehandling 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 inclusion.
- 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 few years has increased substantially. During this time the overall proportion of people in each age group has remained broadly consistent – with the exception of consumers over 65 who now account for 20% of people who use our service (compared with 17% in the previous year and 12% in 2008/2009).

This largely reflects the growing number of older people who are now referring complaints to us about payment protection insurance (PPI). For example, in the financial year 2011/2012 the proportion of PPI complaints we received from consumers aged over 65 increased from 11% to 42%.

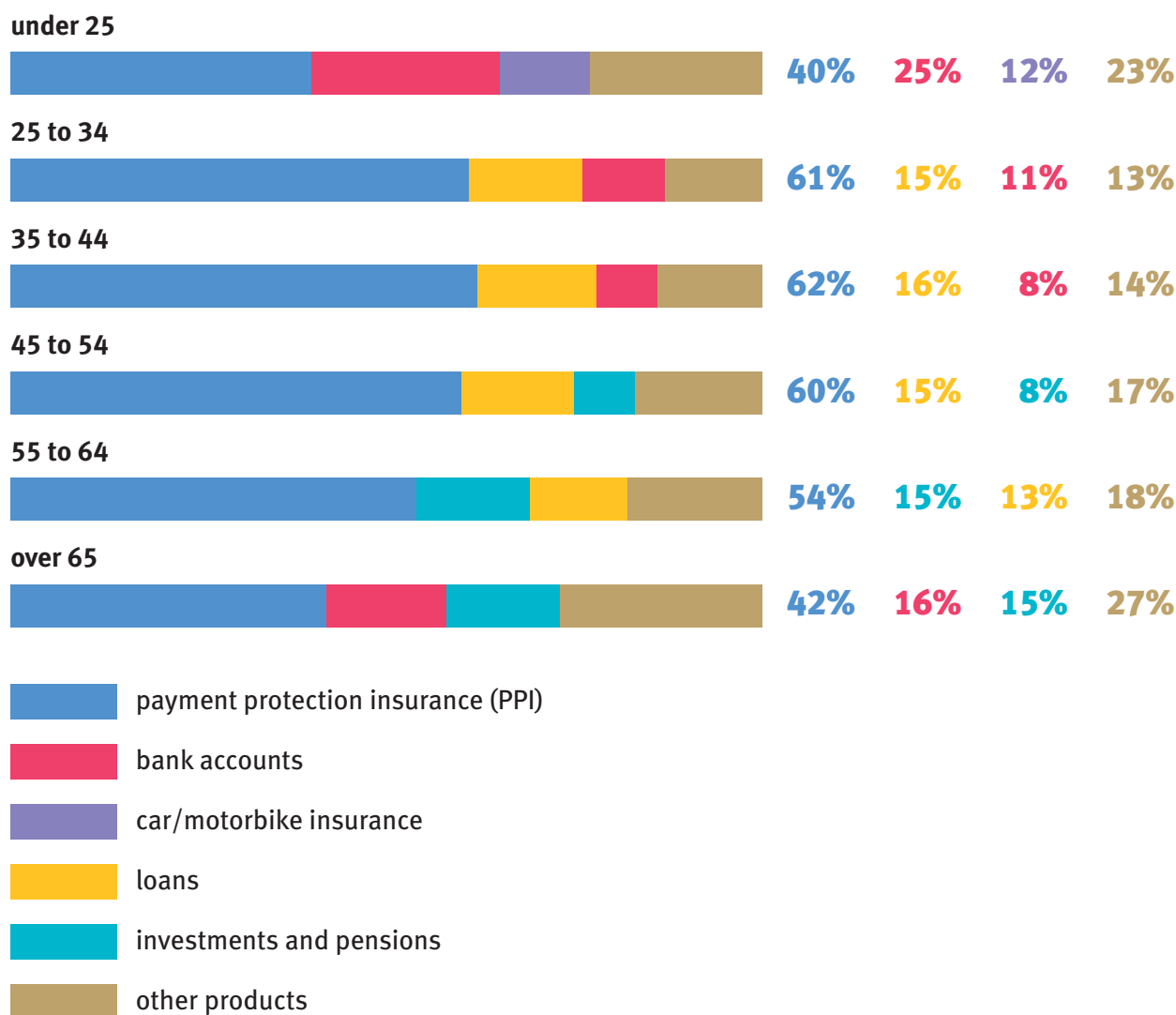
who complained to us

The continued rise in the number of cases from older people may also reflect our outreach work with older and retired people over the last few years (see page 109) – with more consumers in the older age groups now showing increased confidence in complaining.

Almost 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.

For the first time, PPI is now the most complained about financial product across *all* age groups. However, it accounts for different proportions of complaints within each age group. For example, around four out of ten consumers aged under 25 and over 65 referred complaints to us about PPI – but this number rose to six out of ten for people between 25 and 54.

what financial products do consumers of different ages complain about most to the ombudsman?



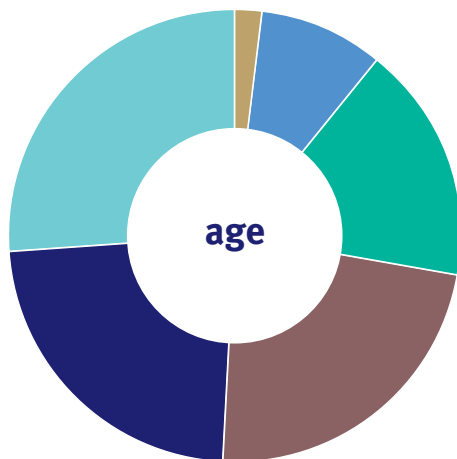
who complained to us

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 refer a complaint to us, once they have contacted us informally on our consumer helpline.

Consumers under 25 and over 65 are less likely to have their complaints upheld than people in other age groups – but this reflects the products they complain about. As highlighted above, younger consumers, and those over 65, are proportionately less likely to complain about payment protection insurance (PPI) – where we uphold a higher number of cases in the consumer’s favour (see page 72).

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



Younger consumers are significantly 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.

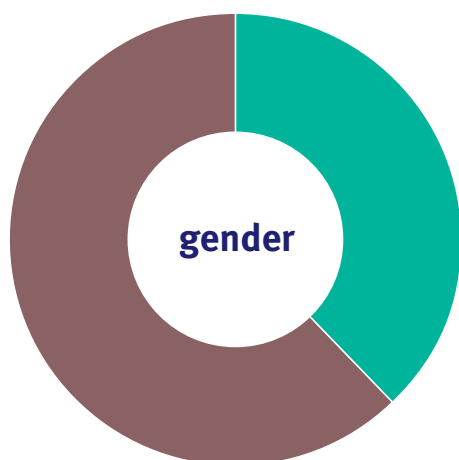
The proportion of cases requiring an ombudsman’s final decision increases by age group. This largely reflects the types of financial products involved. As people get older, they generally have more complex products such as investments and pensions – areas where ombudsmen are proportionately more involved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

For example, 15% of complaints brought by consumers aged 55 and over related to investments and pensions – but these products featured in only 1% 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 107.

who complained to us

what gender are consumers who complain to the ombudsman?



39% female

61% male

Men continue to complain more to the ombudsman service than women – although during the year the proportion of complaints from women increased from 37% to 39%.

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.

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

- Payment protection insurance (56% of women's complaints and 54% of men's).
- Credit cards (9% of women's complaints and men's complaints alike).
- Current accounts (8% of women's complaints and 7% of men's).

Our research shows that women are slightly less likely to pursue complaints with us *formally*, after they have contacted us initially on our consumer helpline – for advice and guidance at an early stage.


However, although other research we carried out during the year suggests that women are a third less likely than men to say they have had a problem with a financial product or service, women are just as likely as men to say they had pursued a complaint to the business if they *did* have a problem.

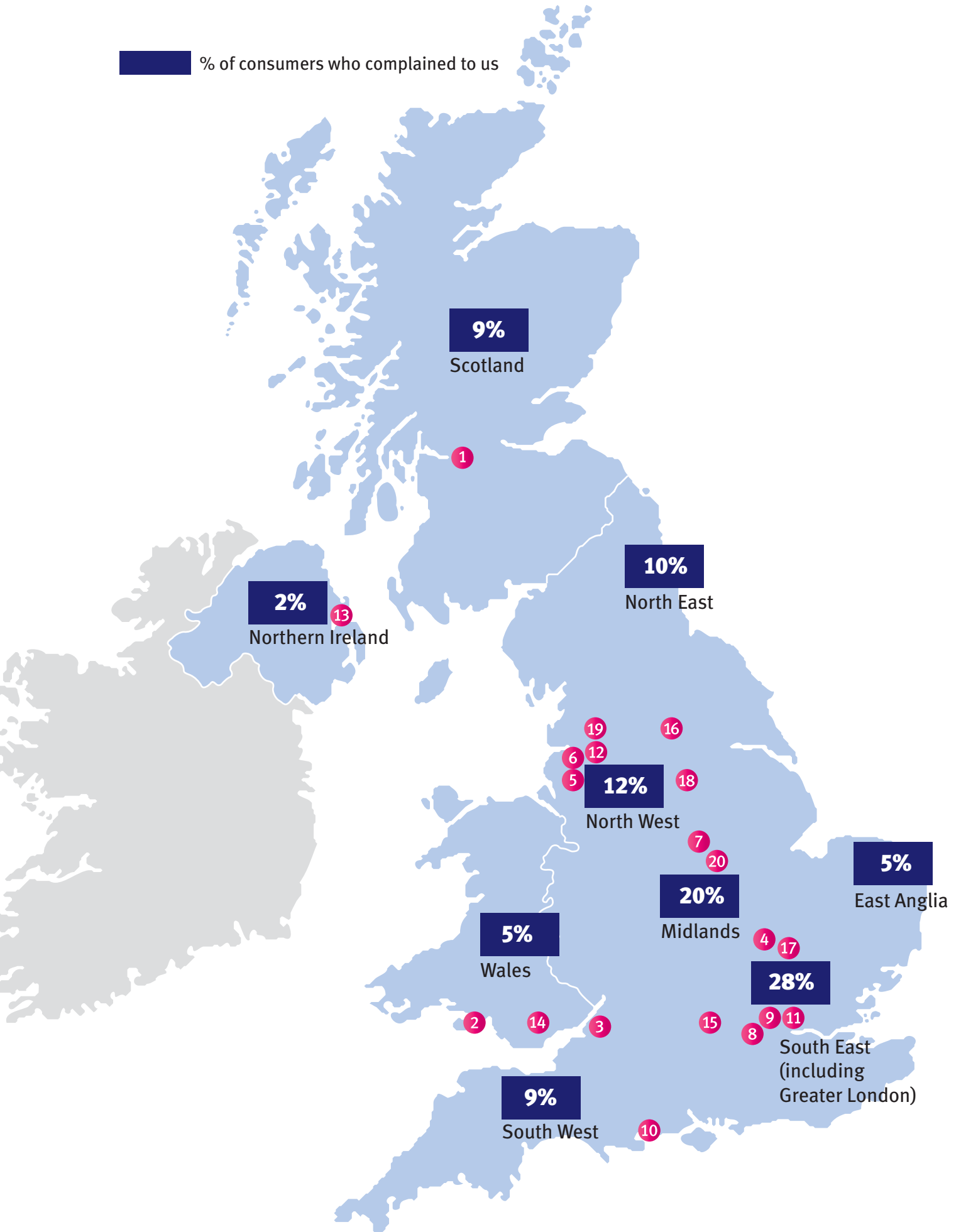
In these circumstances, women are then 25% less likely than men to be satisfied with the business's response. And the proportion of women who say they would be prepared to continue to pursue their complaint at that stage has been steadily rising over the last few years (from 42% to 55%) – with women now more likely to take action than men.

Taking into account the fact that the proportion of complaints we uphold varies according to the financial product involved (see page 72) – and that the proportion of products complained about by women and men varies slightly – there is no significant difference in the overall outcome of cases based on gender.

And 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

 % of consumers 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 virtually the same as in previous years.

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. The main exceptions were for complaints involving:

- Payment protection insurance (PPI) – which made up 62% of complaints from the North East of England compared with 48% from the South East.
- Current accounts – which made up 9% of complaints from the South East and 6% of complaints from the North East.

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

- | | |
|----------------------|--------------------|
| 1 Glasgow | 11 Enfield, London |
| 2 Swansea | 12 Rochdale |
| 3 Bristol | 13 Belfast |
| 4 Luton | 14 Cardiff |
| 5 Manchester | 15 Reading |
| 6 Bolton | 16 Leeds |
| 7 Nottingham | 17 Watford |
| 8 Kingston on Thames | 18 Sheffield |
| 9 Colindale, London | 19 Blackburn |
| 10 Bournemouth | 20 Leicester |

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

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

The way that consumers who refer complaints to us say they knew about the ombudsman has changed over the year. In previous years most people said they had heard about us through the media. This year most said it was the business they had complained to that had told them about the ombudsman service.

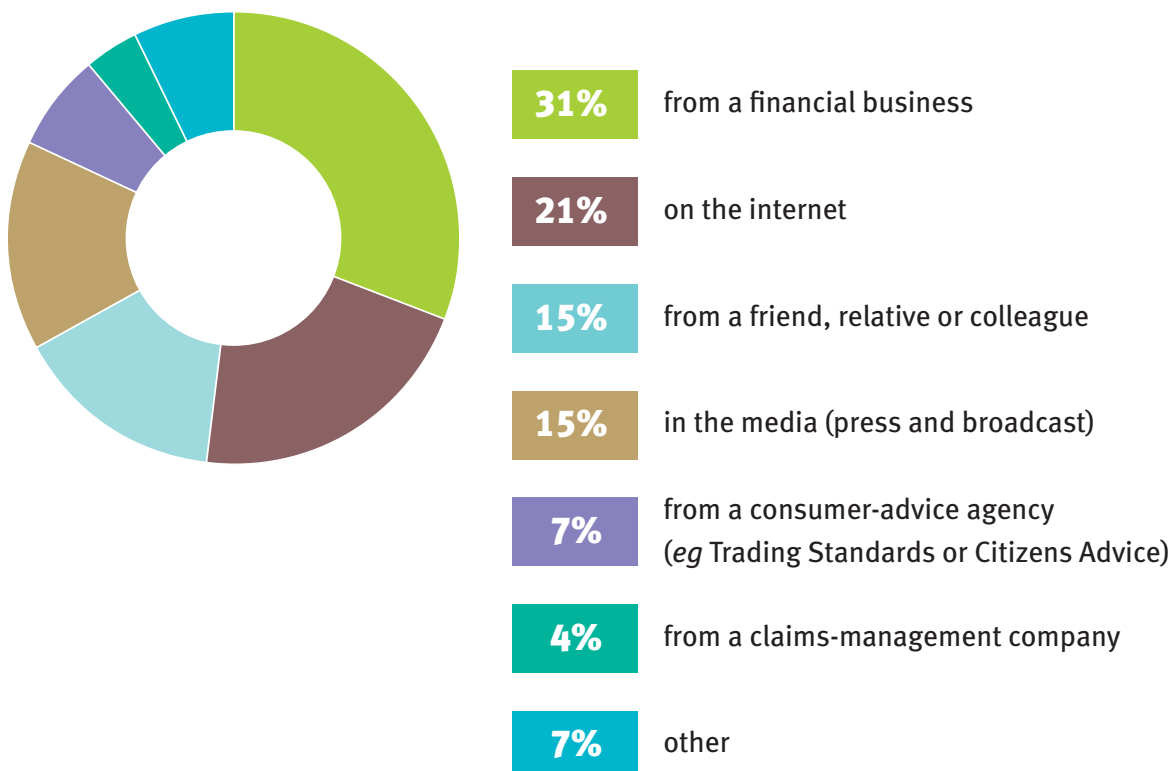
Under the FSA's complaints-handling rules, businesses covered by the ombudsman service have always been required to mention the ombudsman when they deal with a customer for the first time. Businesses also have to give details about us, if a complaint arises which the business cannot resolve to the customer's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

So we would expect a significant number of consumers who bring complaints to us to say they were told about the ombudsman by the business they complained to.

We hope the increase this year – from 20% to 31% – in the proportion of consumers who said this was how they first heard about us reflects a continuing focus by businesses on improving their customer service and complaints-handling.

Men are more likely than women to say they found out about us from the financial business. And the proportion of consumers who first heard of us from the business increases by age group – rising to a third of people over 65 who said this was how they knew about us.

35% of people from professional and managerial (AB) backgrounds told us they heard about us from the business they had complained to. This figure fell to 27% of skilled and semi-skilled people (C1/C2) and 21% of unskilled people (DE). People from the unskilled (DE) socio-economic group were more likely to rely for information about us on friends, colleagues and family, on front-line consumer-advice agencies, and on claims-management companies.



who complained to us

The importance of traditional media as a way of finding out about us has declined during the year – from 29% to 15%. This is particularly linked to how old consumers are. For example, our research continues to show that younger people rely significantly less on the press to find out about us – and are more than twice as likely to know about us through friends, colleagues and family.

However, their strong reliance on social networks does not extend to the way in which younger people use the internet to find out about the ombudsman. The heaviest internet users – in terms of those who said they first heard about us online – were people aged between 35 and 44, *not* people under 25.

This is consistent with other feedback from students and younger people on what they use the internet for. In our research, 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 107.

However, women and Asian consumers showed a particular preference for the internet in terms of finding out about our service.

There is more information on page 112 about general levels of consumer awareness of the ombudsman service.

“... younger people are more than twice
as likely to know about us through friends,
relatives and colleagues”

who complained to us

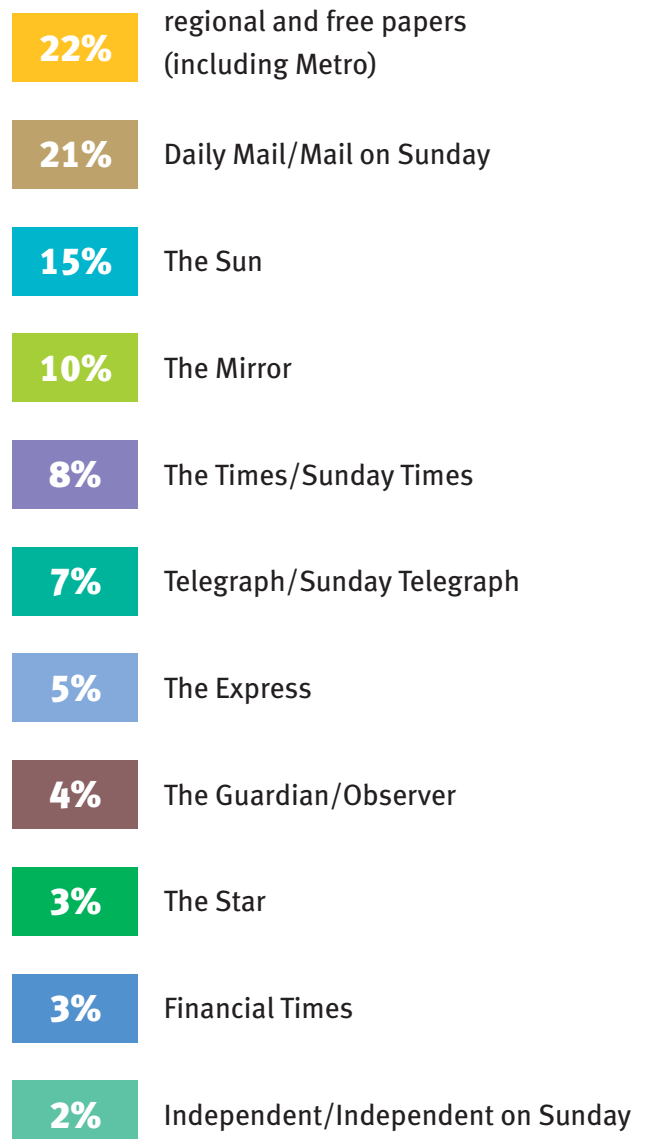
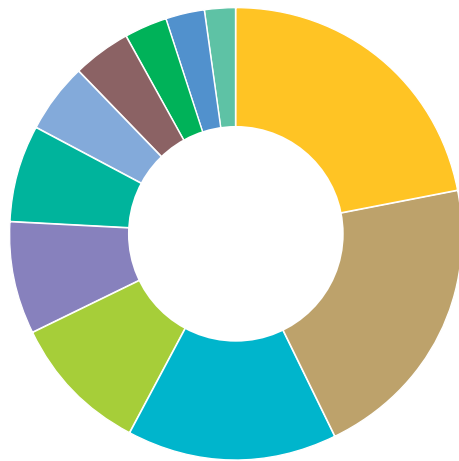
which newspapers do consumers read who complain to the ombudsman?

Over the last few years we have seen a continuing steady shift in the newspapers that consumers who use the ombudsman service tell us they read. The proportion of “broadsheet” readers has declined significantly, with the *Sun*, the *Mirror* 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 96). *Financial Times* readers and people who read *The Star* now use the ombudsman service in equal proportions.

Our research with consumers who use our service continues to show 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.

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



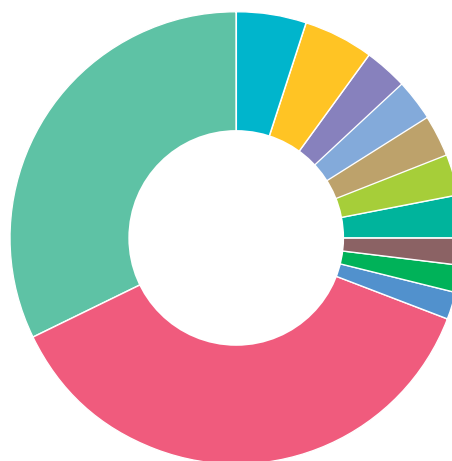
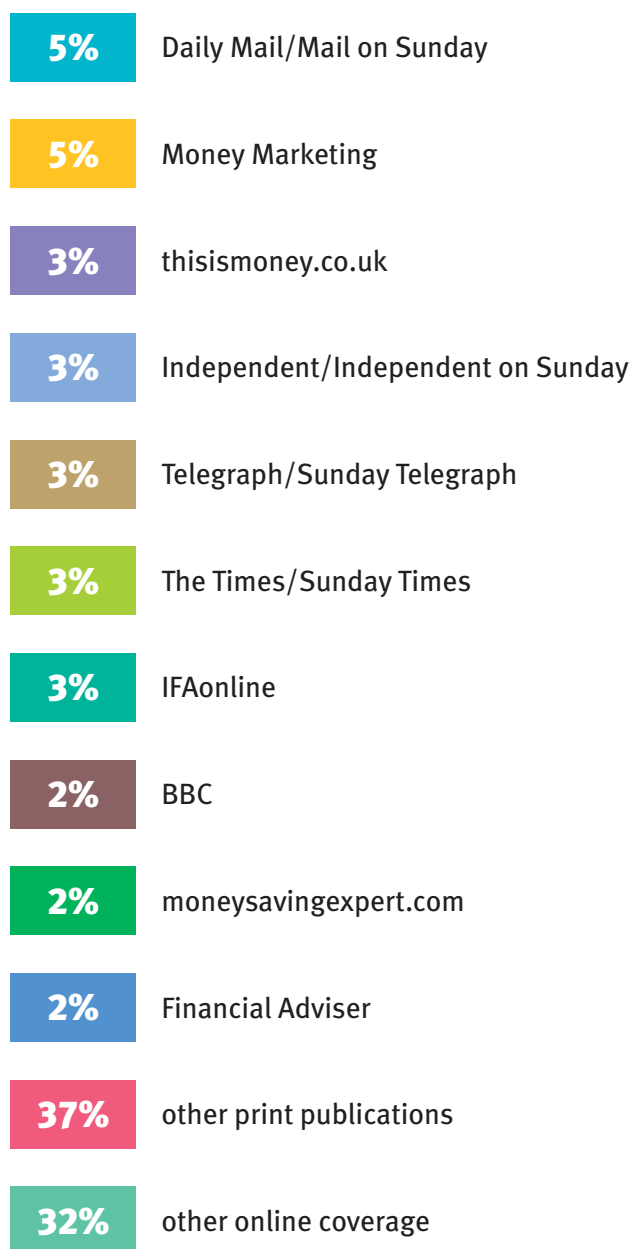
who complained to us

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, around 600 organisations now link directly from their websites to ours (see page 22).

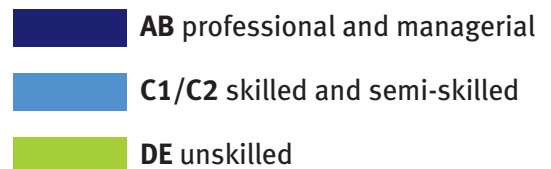
The media that covered the ombudsman service most frequently during the year included national newspapers, specialist business-to-business publications and consumer websites. There is more information about our work engaging with stakeholders such as the media on page 141 of this *annual review*.



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



year ended 31 March



Our research suggests that consumers from DE backgrounds are significantly less likely to complain to a financial business – and where they do so, they are more likely than any other socio-economic group to be satisfied with the financial business's response.

On the other hand, our research shows that AB consumers are more likely to have a wider range of financial products and services – *and* are the most likely to consider they have had a problem with a financial business.

These factors are clearly reflected in the type of people who refer complaints to the ombudsman service – if they remain unhappy with the financial business's response.

However, 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.

Over the last five years, the proportion of complaints to the ombudsman from skilled and semi-skilled workers (C1/C2) has risen by 50%, and complaints from unskilled workers (DE) have more than doubled.

Over the same period complaints from people from professional and managerial backgrounds (AB) have fallen proportionately by 42%.

This shift largely reflects the type of complaints that consumers refer to the ombudsman service – and the financial products and services involved. Between 2004 and 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.

During the year – for complaints about *all* financial products – we upheld 57% of complaints from AB consumers, 69% of complaints from C1/C2 consumers and 70% of complaints from DE consumers. However, in relation solely to complaints about payment protection insurance (PPI), there was no difference in outcome by socio-economic group.

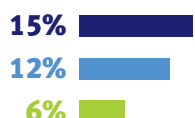
who complained to us

what financial products do consumers from different socio-economic backgrounds complain about most to the ombudsman?

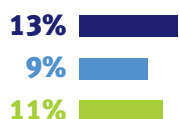
payment protection insurance



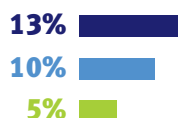
bank accounts



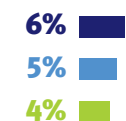
loans



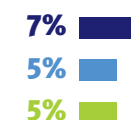
investments and pensions



motor and household insurance



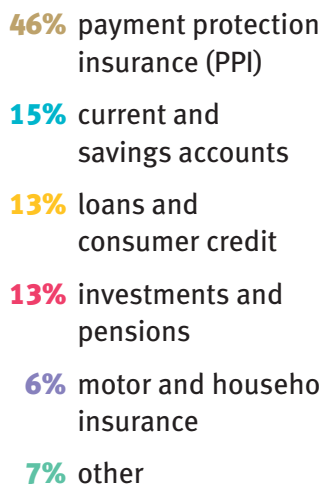
other



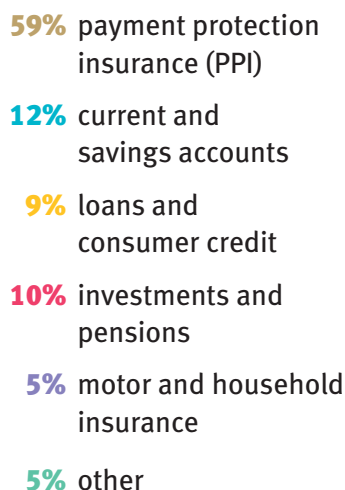
The order of financial products most complained about is broadly similar across the different socio-economic groups of consumers. However, the relative proportion of complaints about these different products varies significantly.

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

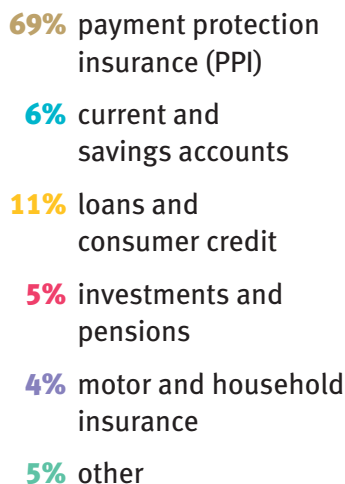
AB professional and managerial



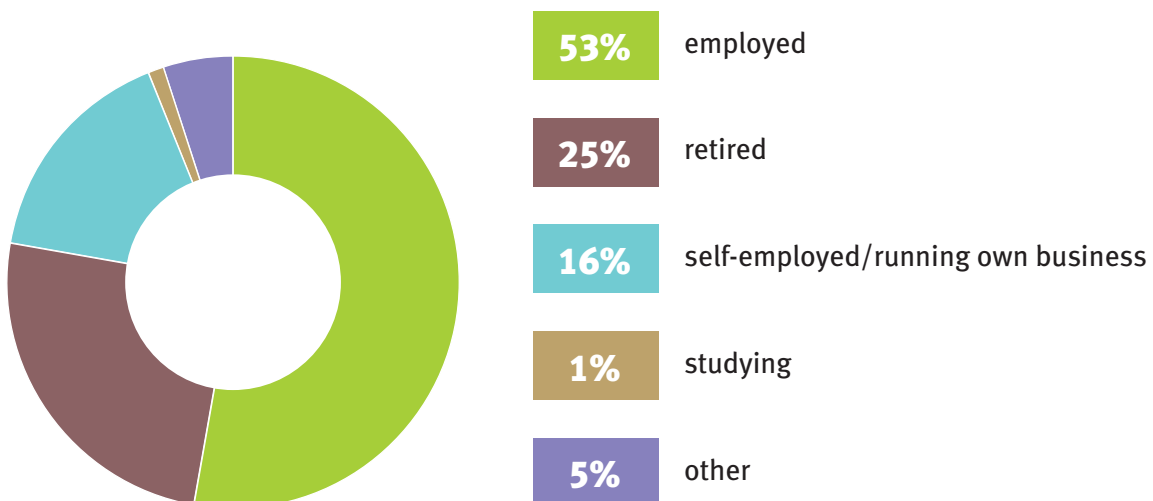
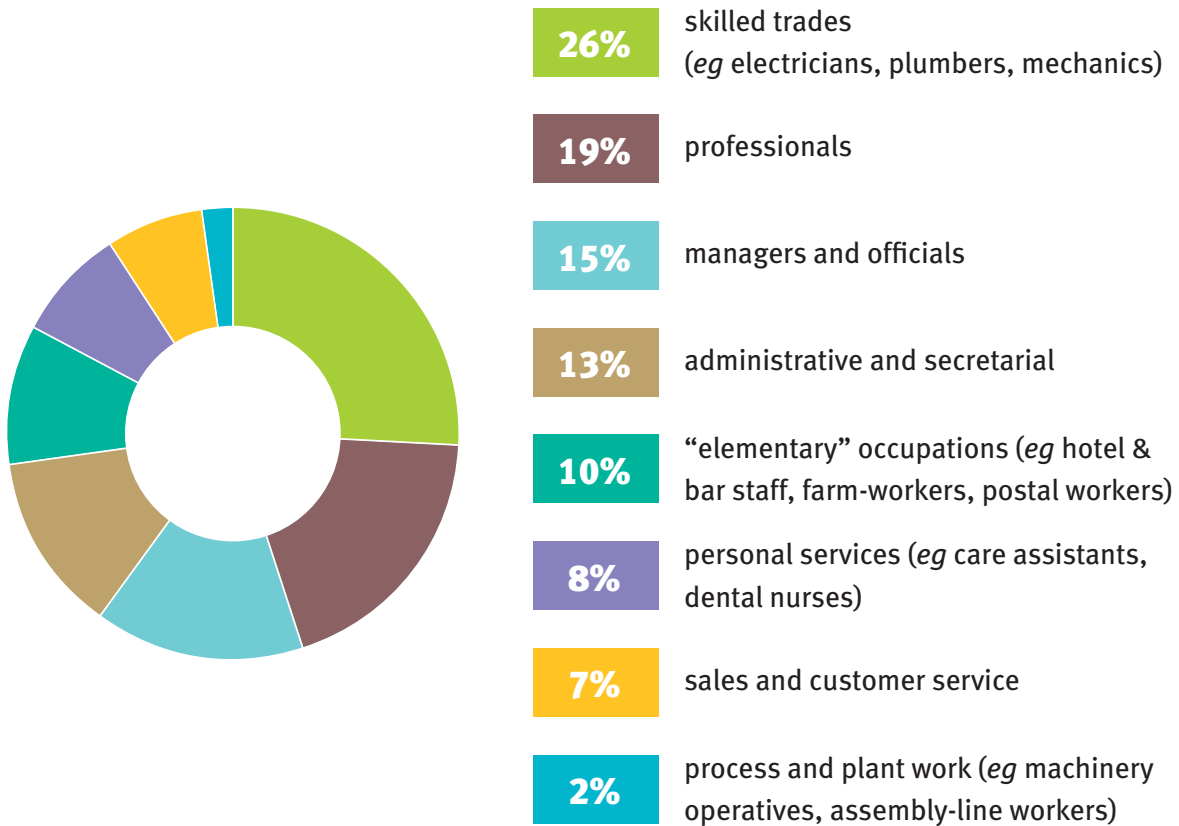
C1/C2 skilled and semi-skilled



DE unskilled



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



who complained to us

The occupational backgrounds of consumers using our service shifted noticeably during the year – reflecting the continuing socio-economic changes. The proportion of managers and officials fell from 19% to 15%, and the number of people in administrative and secretarial jobs slipped from 16% to 13%.

But the number of people using the ombudsman who worked in sales and customer service, and in healthcare jobs, doubled during the year. And the proportion of people in “elementary” occupations – including restaurant, hotel and bar staff – increased from 3% to 10%.

The proportion of people using our service who said they were employed increased during the year – from 49% to 53%, the highest level in the last five years. The proportion of our customers who told us they were self-employed also rose slightly – from 15% to 16% – continuing a steady year-on-year rise in recent years.

A quarter of people who brought complaints to the ombudsman service during the year were retired – reflecting the fact that 37% were aged 55 or over (see page 86).

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.

access and inclusion

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.

“... our outreach work focuses on groups whose knowledge and use of us is lower”

who complained to us

During the year our strategic and practical approach to diversity was independently assessed over an eight-week period – and we were awarded “gold standard” accreditation as a “diversity assured” organisation.



We continue to work with a range of external partners specialising in this area. These include:

- The Employers’ Network for Equality and Inclusion – providing us with ongoing strategic and practical advice in the role of a “critical friend”.
- The Institute of Equality & Diversity Practitioners – with whom we hosted joint events on equality and inclusion in financial services.
- Six disability, mental health and wellbeing charities – including the Samaritans, British Dyslexia Association and Alzheimer’s Society – who provide training and guidance for our staff on disability issues.

Our in-house customer service group – made up predominantly of casework 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. The customer service group has provided input on a number of equality analyses (formerly known as “impact assessments”) that we carried out during the year, covering areas including:

- Our “e-enablement” project – which includes the scanning of incoming post.
- How we record and manage requests for information made to us under the *Freedom of Information Act*.
- Proposals to publish ombudsman decisions and the possible impacts this could have on consumers, particularly those who are more vulnerable.

Building on the “customer experience” workshops that we developed last year – which now form part of our training programme for all case-handling staff – we launched a series of customer videos during the year for internal training purposes. The videos, filmed in consumers’ own homes, give a very different insight into people’s lives – and into the challenges and difficulties that people may face that may not always be immediately apparent just from the paperwork in a file.

“... we want to understand the impact that having a financial problem can have on ordinary life”

who complained to us

The aim of the videos is to help us better understand, from each consumer's own perspective, the impact that having a financial problem can have on ordinary life – and how it feels to bring a complaint to the ombudsman service. The videos have been watched and discussed across the whole of the ombudsman service – including the board – and they now also form part of our training for all staff.

bereavement

Another “customer experience” event we held during the year involved a consumer, Mrs K, visiting our office to talk to us directly about her own experience of complaining. Mrs K, a retired palliative-care nurse from Yorkshire, had spent two years in a dispute with a financial business, complaining about the insensitive and bureaucratic way in which the business had treated her following her father's death.

Mrs K subsequently brought her dispute to the ombudsman service – where we also made mistakes and provided a service we were not proud of. As part of resolving her complaint about our service, our chief ombudsman invited Mrs K to come and tell us her story in person – so that we could learn lessons from it. Mrs K spoke powerfully to an audience of over 50 of our managers – about dealing sensitively with issues around illness, death and bereavement.

We have also worked with disability and healthcare charities during the year as part of our “ombuds-ambassador” activities. Our “ombuds-ambassadors” are employees who are interested – *outside* work – in helping to raise awareness of the ombudsman in their own local communities. As our front-line “ambassadors” they help promote the ombudsman locally where levels of awareness or usage of our service are lower. This includes community work with:

- Younger people – where our “ombuds-ambassadors” work in schools and youth groups.
- The gay and lesbian community – with our LGBT support-group taking part in London's *Pride* weekend.
- Disabled people – involving outreach and support for a number of disability charities.
- Different ethnic communities – where our “ombuds-ambassadors” volunteer across the African-Caribbean, Mauritian, Chinese and Polish communities.

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 casehandling procedures to address particular accessibility issues.

disability

21% of consumers whose disputes we settled during the year told us they had some form of disability – most commonly mobility and manual dexterity difficulties. This increased from 18% in the previous year. The figure is now higher than the proportion of disabled people in the UK (18%) estimated by the Government's Office for Disability Issues.

who complained to us

disabled consumers who complain to the ombudsman



22% mobility difficulties

19% arthritis and manual dexterity difficulties

14% heart and circulatory problems (eg stroke)

10% organ and nervous-system disorders & disease (eg diabetes, MS)

9% respiratory and breathing difficulties (eg asthma)

7% hearing impairment

6% mental health issues

4% sight impairment

1% learning difficulties (eg dyslexia)

8% 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 receive training to help promote their confidence in dealing sensitively and practically with customers' different needs. During the year this included training on:

- How we adapt the way we talk and write to people with learning disabilities.
- Responding to phone calls, emails and letters from worried or confused people, who may be experiencing feelings of distress or despair, including those which could lead to suicide.
- Understanding different types of mental health conditions, their symptoms, and what impact these might have on a person's ability to manage their affairs, including their finances.
- The signs and symptoms of dementia, the impact of dementia on family members, and understanding what a person with dementia may be communicating through their behaviour.

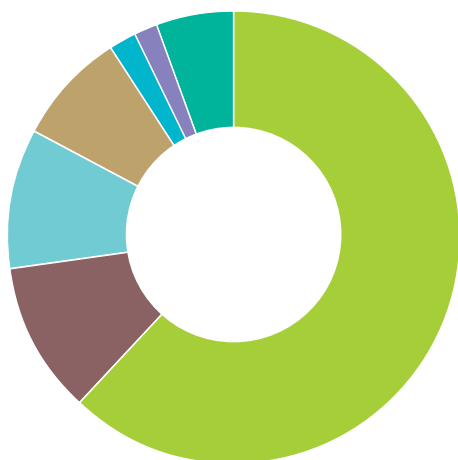
During the year there was a 90% increase in the number of cases where we provided information for customers in alternative formats. For example, we used large print in 585 cases (252 in the previous year) and colour-tinted paper in 105 cases – to help meet people's specific needs.

These increases reflect both the general increase in the volume of casework, as well as our continuing focus on promoting our services for disabled people.

“... we train our staff to deal sensitively and practically with customers' different needs”

who complained to us

meeting customers' different communication needs



62%

using large or bold print

11%

using colour-tinted paper

10%

information on CD and cassette

8%

EasyRead

2%

Braille

1.5%

British Sign Language

5.5%

meeting different needs in other ways (including Text Relay)

Our aim is to take a flexible approach in cases where a particular disability means we need to adapt our more usual means of communicating with customers. There are some examples on page 25 of cases where there was no ready-made solution.

To be able to better understand 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, including Naidex (the UK's largest event for homecare, disability and rehabilitation).

During the year we worked with *Remark!* – a TV company run by and for deaf people – on a feature about sorting out financial problems and the role of the ombudsman. And we added three new videos in British Sign Language to our website.

We also worked with the disability charity, Shaw Trust – to make sure our consumer leaflet is fully accessible and readable (see page 30) – as well as with the six disability, mental health and wellbeing charities who provide training and guidance for our staff on disability issues (see page 100).

We continue to work in partnership with *Able* – the disability lifestyle-magazine and website – to help raise the profile of the ombudsman service both as an employer and as a dispute-resolution service. And we featured in magazines including *Disability* 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.

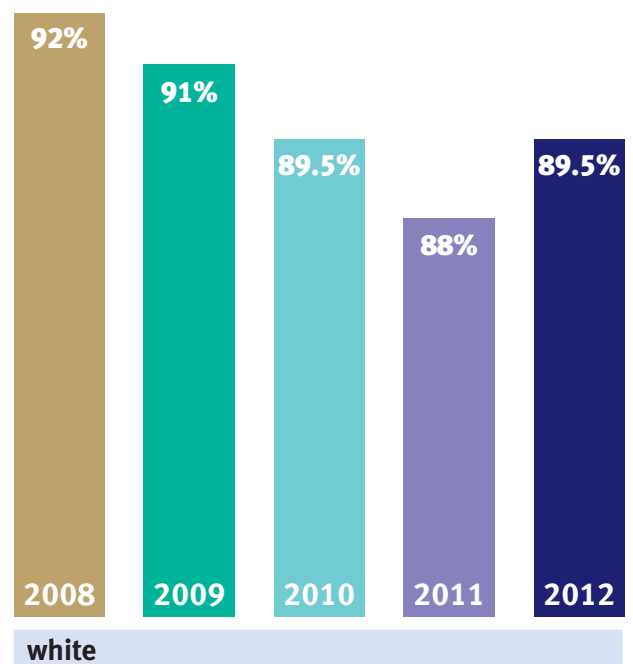
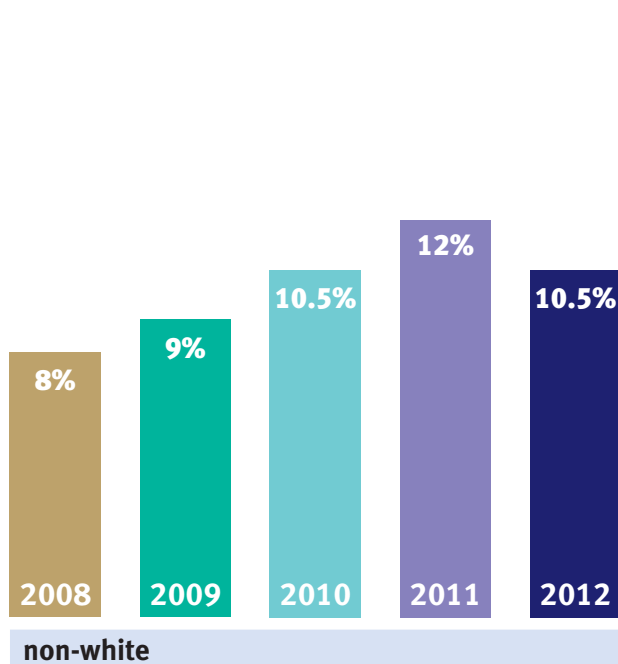
what ethnic background do consumers come from who complain to the ombudsman?

10.5% of people who brought complaints to the ombudsman service during the year said they had a non-white ethnic background (12% in the previous year and 10.5% in the year before that).

As part of this figure, the proportion of Black/Black British consumers using our service has continued its year-on-year gradual increase (rising from 4.7% to 5.1% during the year) – but the proportion of Asian/Asian British consumers has slipped back (3.2% compared with 4.3%).

These changes are likely to reflect trends in our casework – especially in relation to payment protection insurance (PPI) complaints during the year. 70% of the complaints referred to us by Black/Black British consumers related to PPI (rising from 38% in the previous year) – compared to 55% of cases from white consumers and 41% of cases from Asian consumers.

There is no significant difference in the outcome of cases, when comparing the complaints referred to us by white and non-white consumers across all financial products. And white and non-white consumers are equally as likely to appeal their case to an ombudsman for a final decision.

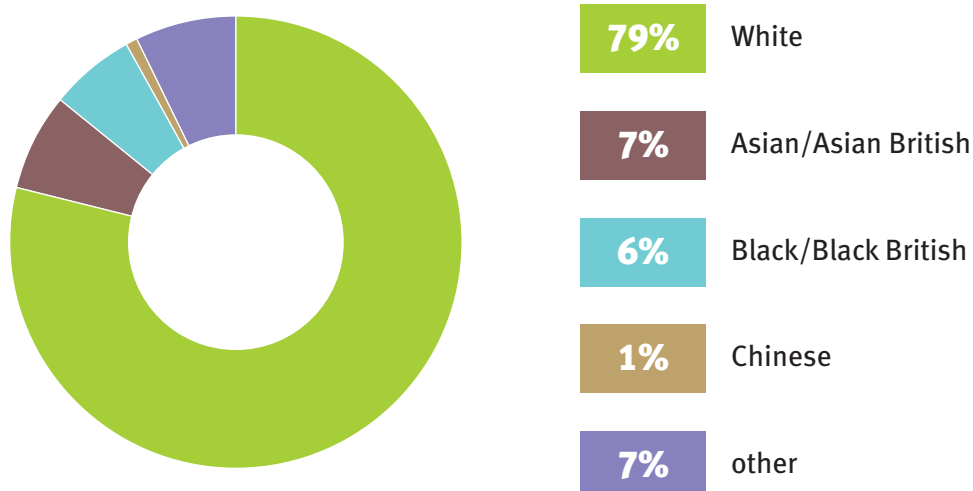


During the year we worked closely with influential Black women's magazines, *Black Hair* and *Pride*, on lifestyle features that highlighted consumer rights – and awareness of the ombudsman – in the context of events such as weddings and holidays. We also ran features on *The New Black Magazine* website – including our 12 top money-tips for 2012.

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

who complained to us

what ethnic background are our website users?



Targeting information about the ombudsman service for the Asian community by using web-based material and online advertising reflects the findings of our online survey (see page 120) – which continues to show a slightly higher proportion of Asian consumers using our website than other ethnic groups. This is in line with research indicating higher levels of internet use among the Asian community more generally.

However, we also used more traditional ways of getting our message across direct to harder-to-reach communities, where awareness and understanding of our service is lower. During the year this included:

- Public information advertising on buses in the Midlands, Yorkshire and Belfast.
- Awareness and recruitment advertising on bus shelters in South East London.
- Taking part in multicultural consumer events – such as the London *mela* – to meet people face to face and hear about their experiences of interacting with financial services.

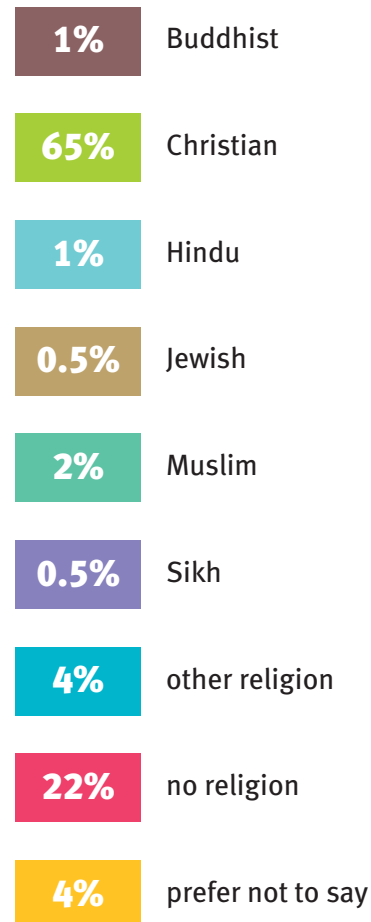
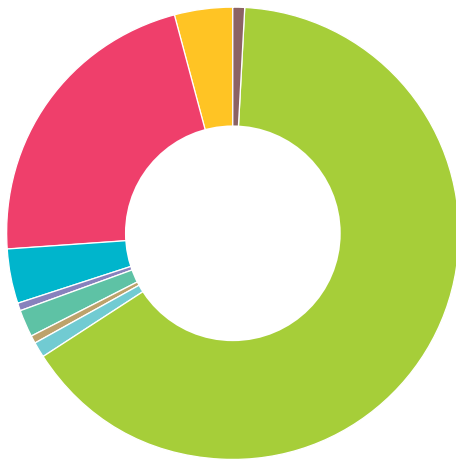
Unprompted awareness of the ombudsman service increased the most during the year among Black/Black British consumers – with 15% now able to name us without any prompting, compared to 11% in the previous year. Unprompted awareness of our service among Asian consumers has remained relatively stable – at 9% – over the last few years. 18% of Chinese consumers were able to name us unprompted.

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.

Of the people who completed our customer survey, 8% did not respond to the question about faith and religion – and 4% indicated that they would prefer not to say.



who complained to us

These figures are broadly in line with statistics about consumers' religious beliefs published by the Office for National Statistics in their *Integrated Household Survey* for 2011.

However, we received:

- Fewer complaints from consumers who told us they were Christian (65% in our survey and 69% across the UK).
- Fewer complaints from consumers who told us they were Muslim (2% in our survey and 4% across the UK).

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

For example, Christian consumers were among the groups that complained the most about payment protection insurance (PPI) – which has one of the highest uphold rates as a product. This meant that overall these consumers had a higher proportion of their complaints upheld throughout the year.

However, Hindu consumers complained the least about PPI (only 23% of their total complaints – compared with 56% of the complaints from Christian consumers). This was reflected in a slightly lower uphold rate overall for Hindu consumers.

The different patterns of financial products complained about by the various faith groups – resulting in slightly different proportions of uphold rates – may also reflect different religious attitudes to credit and interest.

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 we receive proportionately fewer complaints from consumers between 18 and 24.

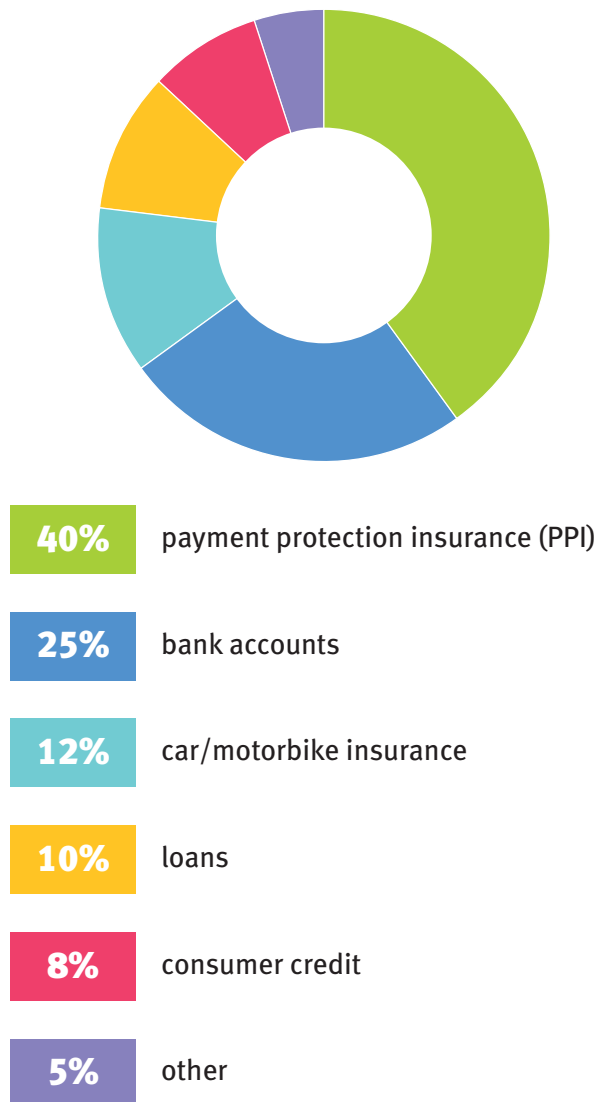
This largely reflects the fact that people under 25 generally own fewer financial products than older, more financially-established consumers. For example, data from the *Family Resources Survey* published in May 2011 by the Department for Work and Pensions showed that families with a head of household aged 25 or under had fewer than the average number of savings and investment products.

But many younger people have personal loans, credit cards and bank accounts – and take out insurance for loans, travel, mobile phones, cars and motorbikes. And this is reflected in the complaints we *do* see from this age group – as shown in the chart on the next page.

For the first time, payment protection insurance (PPI) was the financial product most complained about this year by people under 25. However, while 40% of those under 25 referred complaints to us about PPI, this figure rose to 62% for people between 35 and 44.

who complained to us

what do consumers under 25 complain to us about?



In our consumer research, 8% of people under 25 said they had “had a problem with a financial product or service” – compared with 18% of people between 25 and 34 and 26% of people between 45 and 54.

55% of these young people said they had then gone on “to make a formal complaint against a financial company” – significantly fewer than for any age group other than the over 65s.

This may 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. It could also explain why younger consumers are less likely to pursue a complaint to an ombudsman for a final decision, if they are unhappy with an adjudicator’s view (see page 88).

However, 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.

As part of our consumer research over the year, over 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 three quarters of people in this age group recognising our name and 18% able to name us without any prompting.

“... three quarters of people between
25 and 34 recognised our name”

who complained to us

As part of our outreach work we continue 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 look at different ways of communicating with this age group – and we work with a range of specialist partners to help get our message across. This includes:

- Featuring tailored messages in youth publications and websites such as *The Festival Guide*, *Verge* magazine, universitiesnet.com and *The Student Guide*.
- Developing our presence across social media – but keeping our messages and interactions 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 Trading Standards' *Young Consumers of the Year* competition.
- Working with the National Association of Student Money Advisers (NASMA) on a series of initiatives, including a smartphone finance-tips app and features on their website.

older consumers

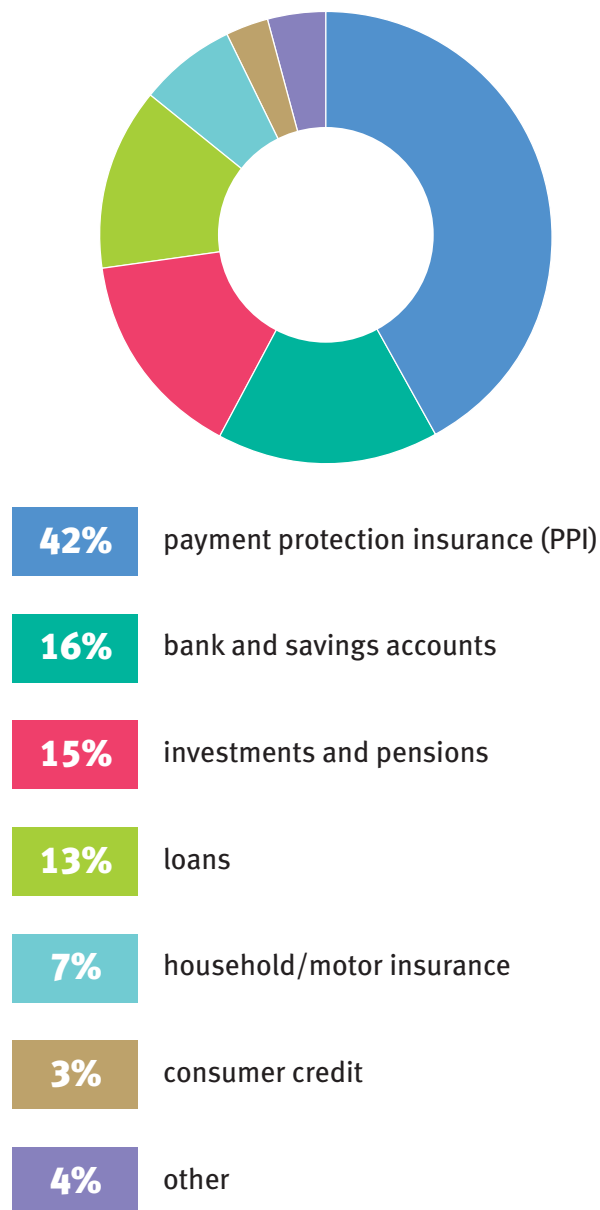
Over a third of all consumers who referred complaints to the ombudsman service during the year were aged 55 or over – and 25% were retired.

The proportion of people aged 55 to 64 who complained to us remained the same as in the previous year – and 18% more people aged 65 or over brought complaints to us, with significantly more complaints about payment protection insurance (PPI). In fact, during the year the proportion of PPI complaints we received from consumers aged 65 or over increased from 11% to 42%.

Consumers over 55 are more likely to pursue a complaint to an ombudsman for a final decision, if they are unhappy with an adjudicator's view (see page 88). 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.

“... the proportion of PPI complaints we received from consumers aged 65 or over increased from 11% to 42%”

what do consumers over 65 complain to us about?



As part of our outreach work we continue 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.

Awareness of the ombudsman service has been steadily rising among older consumers over the last few years. 15% of people over 65 can now name the ombudsman service without any prompting – compared to 10% in 2010. 76% of this age group has some awareness of our service – compared with 86% of people aged 55 to 64.

Our research continues to show a significant divergence within the older age-groups between consumers who are confident users of technology and those who cannot, or do not, use computers and the internet. 24% of consumers between 55 and 64 told us that they did *not* have internet access – rising to 47% of consumers aged 65 or over. The figure for people over 65 without internet access was 64% in the previous year. Just 1% of people between 25 and 34 say they do not have internet access.

To reflect this difference in preferred communication methods, our range of communications with older people includes:

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

who complained to us

the diversity of our own workforce

43% of people working at the ombudsman service at the end of the year were aged between 25 and 35 – with 6% of our workforce older than 55. The age of our employees ranged from 19 to 73 years old.

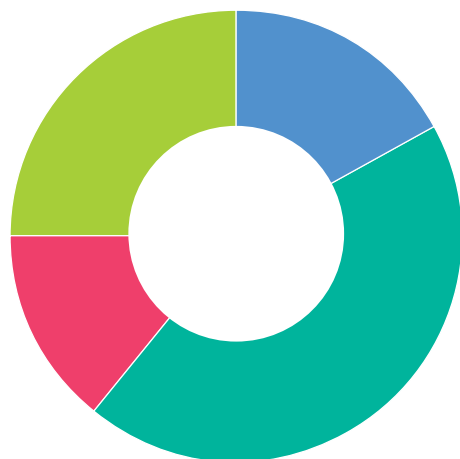
Across our workforce as a whole, 51% are male and 49% female (54% and 46% respectively in the previous year).

At the end of the year, women accounted for 55% of our non-executive board, 57% of our executive team and 47% of our panel of ombudsmen. 21% of our employees are from non-white ethnic minority backgrounds.



During the year we took part in the *Best Companies* survey that measures workplace engagement. Although we did not get into the *Top 100*, we achieved *one to watch* status.

levels of consumer awareness of the ombudsman service



17%

people who could name us, without any prompting

44%

people who said they *definitely* knew of us, when they were told our name

14%

people who said they *may* have heard of us, when they were told our name

25%

people who didn't recognise our name or know who we were

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 service 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.
- 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 few years, levels of awareness of the ombudsman have remained steady. 17% of the adult population can actively name us, without any prompting, as the organisation whose job it is to help consumers sort out individual disputes with financial businesses. This rises to around one in five people between 35 and 64 who can actively name us.

Including consumers who say they know about us when they are prompted with our name, 75% of adults are aware of the ombudsman service.

awareness of the ombudsman service across different groups of consumers

men

77%

women

73%

18 to 24 year olds

44%

45 to 64 year olds

84%

Black/Black British consumers

61%

White consumers

77%

professionals and managers (AB consumers)

81%

unskilled (DE) consumers

70%

people in Wales

75%

people in Northern Ireland

54%

people in Scotland

75%

people in England

75%

who complained to us

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

There is more information in this chapter about the targeted consumer initiatives we run to help raise levels of awareness of our service – where our research identifies specific groups of more vulnerable consumers, or those who appear less likely to know about, or to use, our service.

For example, while overall awareness of our service among Black/Black British consumers still remains relatively low, *unprompted* awareness increased the most during the year among Black/Black British consumers – with 15% now able to name us without any prompting, compared to 11% in the previous year.

We also continue to prioritise our outreach work in Northern Ireland. This includes working closely with consumer groups and the media, advertising on buses, and taking part in the largest agricultural show in Belfast each year. While general awareness remains relatively low, the proportion of people from Northern Ireland who refer complaints to the ombudsman service is proportionately in line with the overall population figures.

There is more information about how consumers hear about the ombudsman service on page 26.

consumers who *don't* use our service

In our consumer research over the year, 18% of people on average said they had had a problem with a financial product or service – rising to 26% of people aged between 45 and 54.

64% of the people who told us they had had a problem with a financial product or service said they went on to make a formal complaint to the financial business involved. And 69% of these people said they were satisfied with the business's response – the same as in the previous year.

Of the 31% of people who said they were dissatisfied with the business's response to their complaint, a half took *no* further action – a similar figure to the previous year. This meant they did not refer their complaint to the ombudsman service.

Consumers aged under 25 and over 65 were least likely to take any further action – even though they remained unhappy with the business's response to their complaint.

Consumers aged between 35 and 44 were most likely to pursue their complaint further – with 61% saying they would take further action, including referring their dispute to us.

**“... consumers under 25 and over 65
were least likely to take any further action
– even though they remained dissatisfied”**

who complained to us

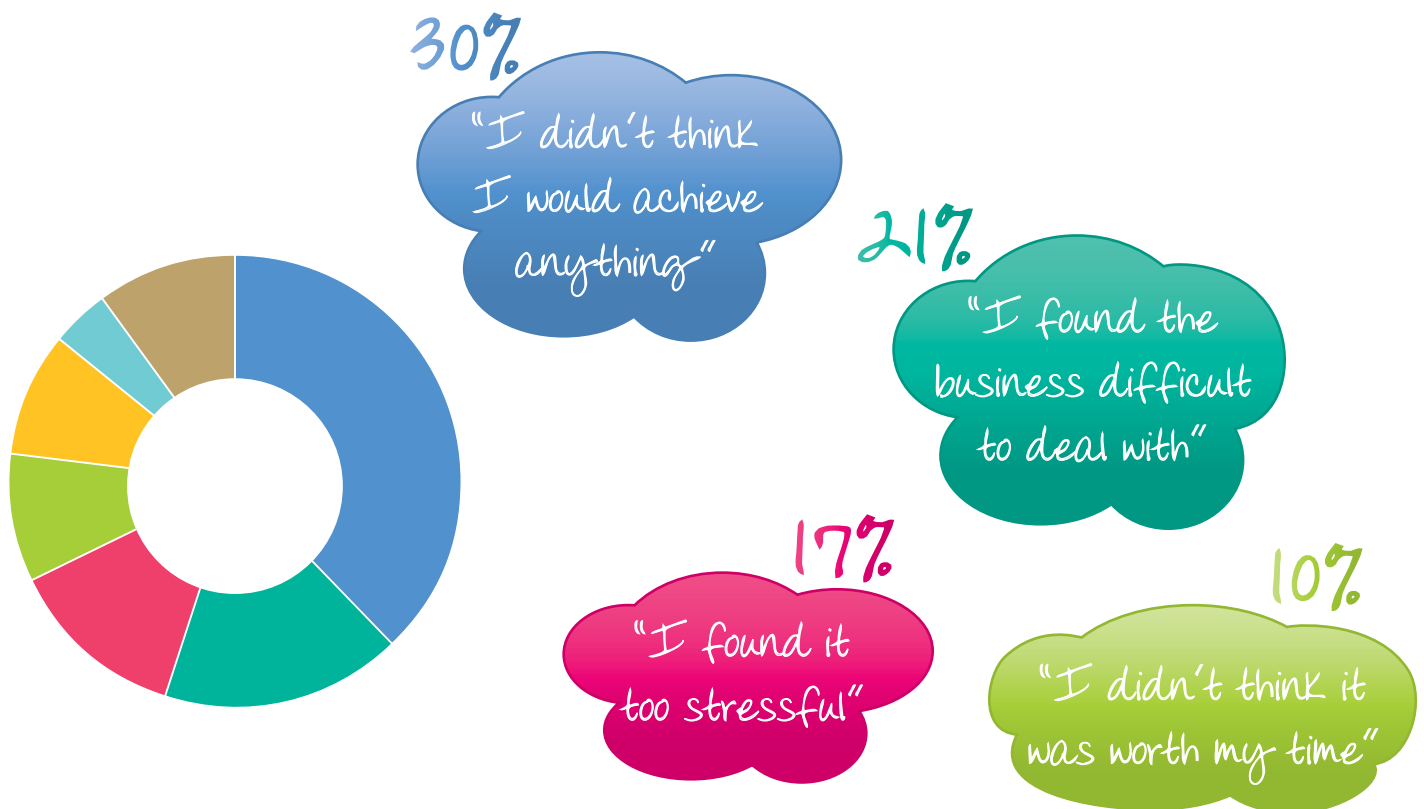
We are very interested in people's reasons for not pursuing a dispute to the ombudsman service – if they are unhappy with the business's response to their complaint. We want to understand whether barriers – real or perceived – may exist in accessing our service, and where we may need to target specific outreach and awareness-raising activities or adjust our casehandling procedures to address any access issues.

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 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.

why consumers say they didn't pursue a complaint – even though they were dissatisfied with the business's response



who complained to us

attitude to complaining

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

But we recognise there are factors that could affect people's approach and attitude to complaining which may *not* be defined by, or limited to, specific demographic groups.

This is why we carried out research last year, to see how different personality types *feel* about complaining and how they respond to situations involving complaints.

This research showed that, broadly speaking, consumers identify themselves as one of three distinct groups (or "segments") when it comes to complaints.

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

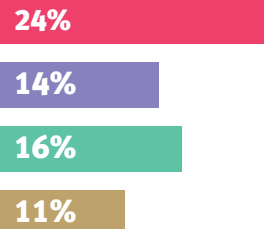
Having this insight into how consumers feel and behave in relation to complaints is particularly important for us. It helps us make sure that our processes are easy to use and flexible – built around, and reflecting, our customers' needs.

As part of this work, for example, we made a series of videos for our website during the year, showing consumers from different backgrounds talking in their own homes about their own personal experience of using the ombudsman service – and telling people "like them" not to be put off or afraid of making a "formal" complaint.



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."



"I generally don't like complaining. It can be quite stressful as it's my word against theirs."



"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."



- consumers in general
- consumers who initially contact the ombudsman helpline
- consumers who register a complaint with us *formally*
- consumers who pursue a complaint to the final stage – for an ombudsman decision

who complained to us

The idea behind using the direct and accessible medium of video to tell people's personal stories is based on research that shows that "seeing someone like me" do it is one of the most effective ways of giving people the confidence to do something themselves. This is particularly important in the context of complaining – a potentially strange and uncomfortable experience for many people, who would rather use a claims-management company, or not pursue a complaint at all, than complain direct themselves.

Of course, 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 behaviour – on both sides – may already be entrenched *before* our own involvement starts.



trust

Our consumer research monitors the level of trust that people have in the ombudsman service. 70% of adults across the UK say they would trust the ombudsman service – the same as in the previous year.

This compares with 76% of people who say they would trust their local Trading Standards and 80% 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 – at 49.5%.

14% of people who had heard about us – but had not used our service – said they would trust us *completely* (13% in the previous year and 10% in the year before that). This compared with 27% of people who would trust Citizens Advice completely and 3% 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 more than four-fold – with 63% of consumers trusting us *completely* at that stage (50% in the previous year).

Consumers aged between 18 and 24 were over a third more likely to trust us completely than any other age group. Women trust us slightly more than men – and a far higher proportion (35%) of Asian consumers trust us completely than any other white or non-white group. Consumers from the DE socio-economic group are also more likely to trust us completely.

“... seeing *someone like me* do it is one of the most effective ways of giving people confidence”

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



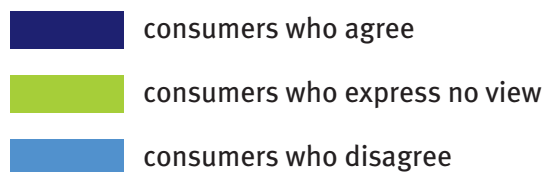
we settle disputes within an acceptable length of time



we provide a good dispute-resolution service for consumers



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



Our research during the year – to hear what consumers who had used our service thought about it – included postal surveys sent to 10,000 people whose complaints we had worked on. Broadly the feedback from these surveys about the level of service we provided showed some improvements during the year. There were improvements across four out of six aspects of our customer service including:

- An increase from 70% to 75% in the proportion of people who agreed that we get to the bottom of complaints and deal with issues thoroughly.
- An increase from 51% to 58% in the proportion of those who said we had settled complaints within an acceptable length of time.

Given the very substantial increases in the volumes of payment protection insurance (PPI) complaints being referred to us throughout the

second half of the financial year 2011/2012 – and the challenges of scaling-up our operations to deal with the numbers and issues involved – we recognise that it will be difficult next year to build on these improvements in how consumers rate our timeliness in resolving cases.

There were no year-on-year changes to the two other aspects of our customer service – with 61% agreeing our decisions are fair and unbiased and 70% saying we provide a good dispute resolution service overall (both the same ratings as in the previous year).

During the year 77% of people whose complaints we handled said they would recommend us to family and friends (74% in the previous year). Having our service recommended by customers is important to us, because our research shows that many consumers first heard about us from a friend, relative or colleague (see page 26).

who complained to us

what proportion of people think we're ...

	very	quite	not really	not at all
helpful and approachable	48%	28%	12%	12%
independent and impartial	49.5%	26.5%	11.5%	12.5%
authoritative and knowledgeable	51%	26%	11%	12%
capable and efficient	48.5%	22%	14.5%	15%
respected and influential	49%	28%	9%	14%

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

consumers who said they felt they had "won" their complaint:



consumers who said they felt they had "lost" their complaint:



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

those who gave us negative feedback

those who expressed no view

91% of consumers who felt they had "won" their complaint said they would recommend our service – the same as in the previous year. But 58% of those who felt they had "lost" their case said they would do so (56% in the previous year).

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 customer service.

who complained to us

And while people who refer complaints to the ombudsman service would clearly like to have their cases upheld, these comments from consumers show those aspects of customer service that also really matter to people who use our service.

"I like dealing with a real person - not a machine."

"It's important that a company you've complained about should show they've learned from the complaint."

"I want to feel someone really listened to me."

"I didn't want this hanging on around me - I just wanted things sorted out, one way or the other."

"getting details about me right, and knowing who I am, makes me feel I'm a human being - not just a number in a process."

our website users

Each day during the year over 11,000 people logged onto our website – www.financial-ombudsman.org.uk – a 51% increase compared with the previous year. There is more information on page 21 about how our website forms a key part of our front-line service to customers.

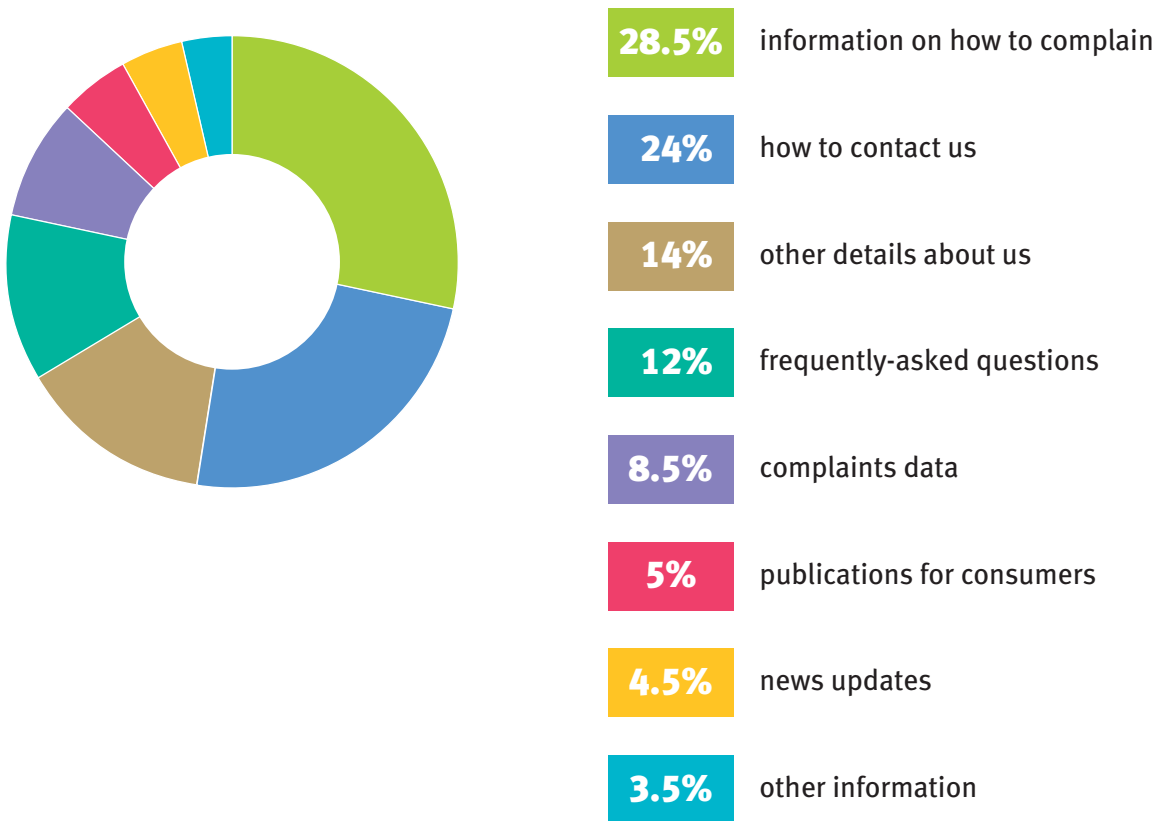
To find out more about our website users, we run a web-based user-survey each year. Key findings from this year's survey showed that:

- 67% of people were first-time visitors and 33% had been on our website before.
- 90% of users were consumers and 10% were using our website for business purposes.
- 55% of users were male and 45% female.
- 71% of users said they would *definitely* visit our website again and 23% said they would *probably* do so.

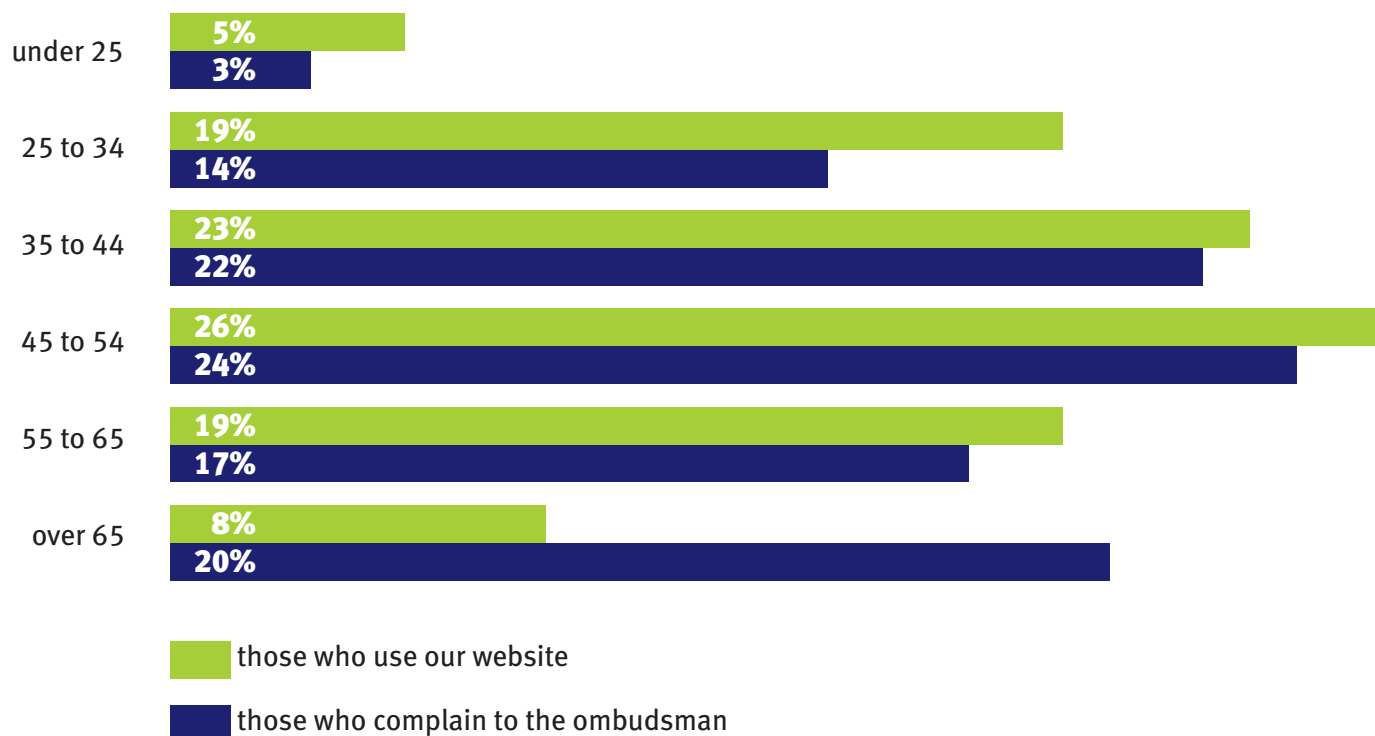
Knowing what kinds of people *do* and *do not* access our website is very important for us. It helps us make decisions on its design and content. And it helps when we assess the most appropriate channels of communication to get our messages across effectively. It also helps us consider the advantages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

who complained to us

what information are our website users looking for?



what age are our website users?



Financial Ombudsman Service

who complained to us

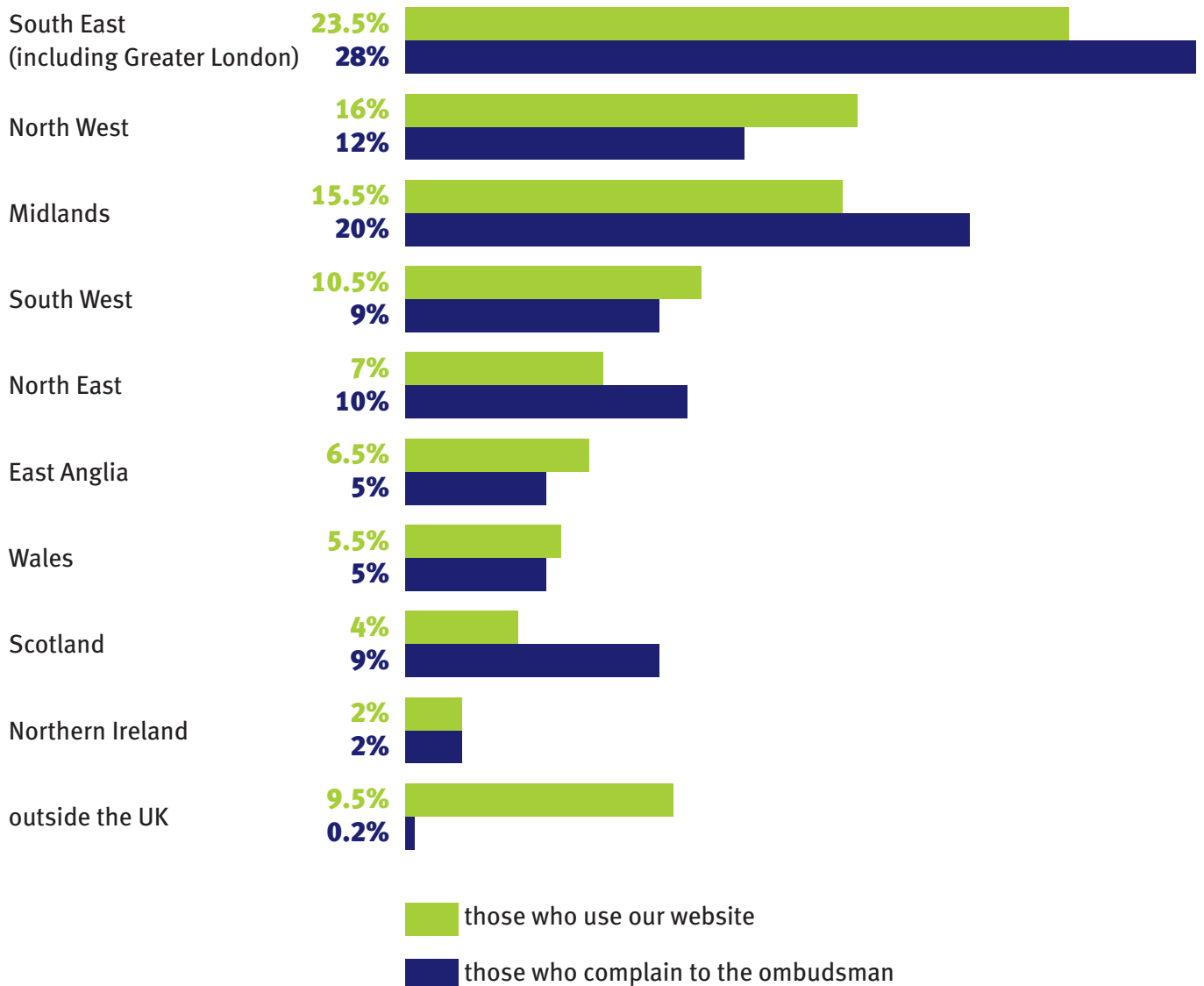
The overall proportion of people in each age group who used our website during the year remained broadly similar to the previous year.

However, the proportion of people under 25 who used our website increased from 3% to 5% during the year. And the number of people aged over 65 who used our website also rose slightly – 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 86).

However, we know that a significant number of older people still do not or cannot use the internet. The research on page 110 shows that 24% of people between 55 and 64 who use our service do not have internet access – rising to 47% 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 1% of people between 25 and 34 say they do not have internet access. And these consumers are a third more likely to visit our website than to refer a complaint to us.

where do our website users live?



who complained to us

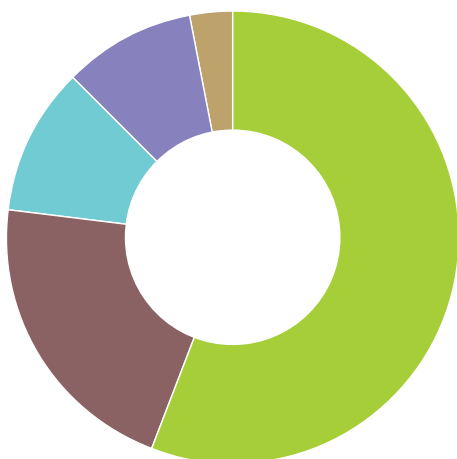
The spread of people using our website across the UK is broadly similar to the previous year.

Consumers in the South East, the Midlands, the North East and Scotland are less likely to use our website than they are to refer complaints to us. On the other hand, more people in the North West, the South West, East Anglia and Wales use our website than actually complain to us.

These trends are also broadly similar to the previous year. We will continue to monitor them to see if we can find out more about what they may mean.

Our website attracts a significant 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?



56% through an internet search-engine

21% from a financial business

10.5% from a friend or colleague

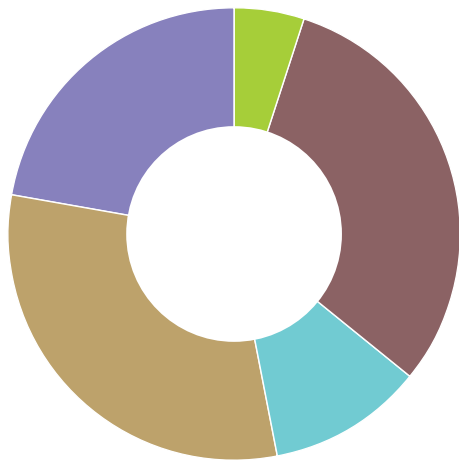
9.5% through a link on another website

3% from a newspaper or magazine

The majority of people continue to say that they found our website through internet searches – mostly using Google. Other websites from which people are most frequently referred to ours continue to include bbc.co.uk, [yahoo](http://yahoo.com) and moneysavingexpert.com.

We use “search engine optimisation” to try to make sure that links to our website are listed prominently in the results shown for relevant internet searches. This is becoming more challenging, as claims-management companies advertise increasingly aggressively – and pay premium rates to have their details listed in key positions online.

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



The number of people using our website who said they were waiting for a financial business to reach a decision on their complaint rose from 7% to 11% during the year – and the number of those who were just browsing also increased (from 2% to 5%).

However, the proportion of people who said they were thinking about complaining – either to a financial business or to us – fell slightly, as did the number of those who said they were waiting for a decision from us on their case.

5% only browsing at this stage

31% thinking about making a complaint to a financial business

11% waiting for a financial business to reach a decision on their complaint

31% thinking about referring an unresolved dispute to the ombudsman service

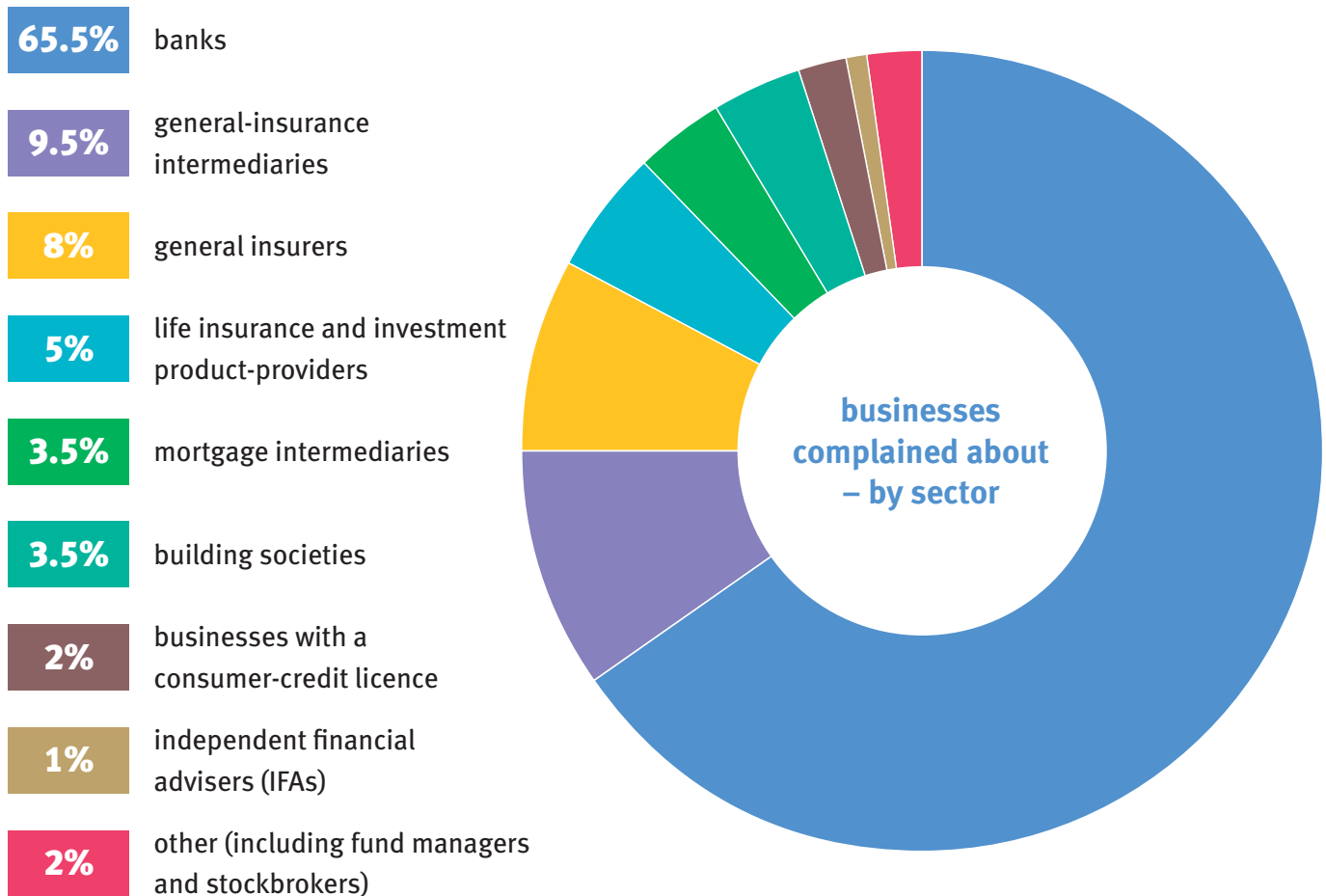
22% waiting for the ombudsman service to make a decision on their complaint

who the complaints were about



who the complaints were about

business complained about – by sector



These charts show how the new complaints we received in the financial year 2011/2012 were spread across the different sectors of the financial services industry.

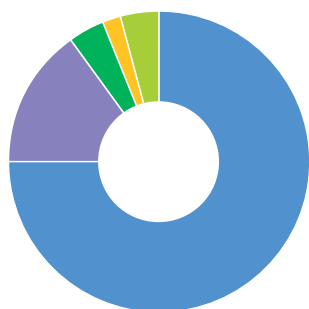
The overall proportion of disputes relating to banks remained the same as the previous year – at 65.5% of all cases. This continued to reflect the volume of complaints about payment protection insurance (PPI) during the year. The proportions of cases involving general-insurance intermediaries and mortgage intermediaries also remained identical to the previous year.

The proportion of cases involving building societies rose from 2% to 3.5%. But cases relating to independent financial advisers (IFAs) continued to decrease – from 1.5% to 1% – reflecting the steady decline in the number of complaints to the ombudsman service about investments and pensions.

The charts opposite show how new complaints involving the products most frequently complained about to the ombudsman service were spread across the different sectors of the financial services industry.

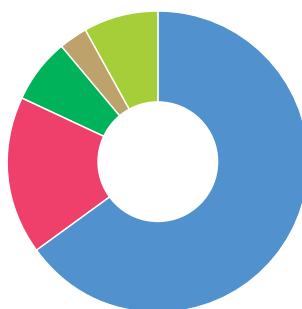
who the complaints were about

financial products most frequently complained about – by sector



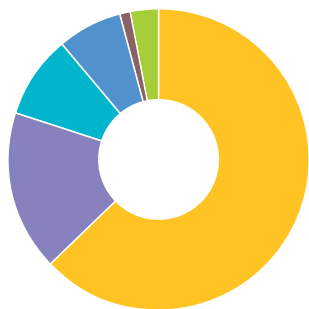
complaints about payment protection insurance (PPI)

- 75%** banks
- 15%** insurance intermediaries
- 4%** building societies
- 2%** general insurers
- 4%** other



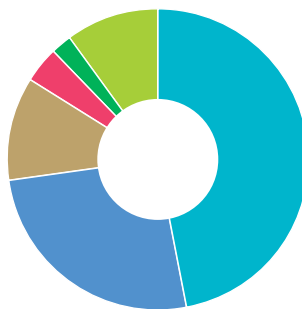
complaints about mortgages

- 65%** banks
- 17%** mortgage intermediaries
- 7%** building societies
- 3%** IFAs
- 8%** other (including non-bank mortgage providers)



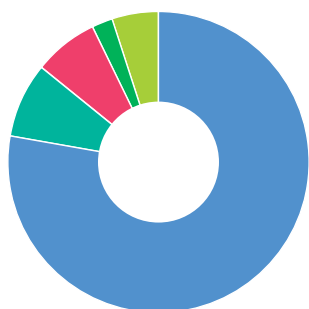
complaints about general insurance (excluding PPI)

- 63%** general insurers
- 17%** insurance intermediaries
- 9%** life insurance & investment product-providers
- 7%** banks
- 1%** Society of Lloyd's
- 3%** other (including cash-plan health insurers)



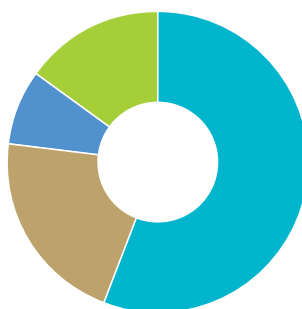
complaints about investment products

- 47%** life insurance & investment product-providers
- 26%** banks
- 11%** IFAs
- 4%** stockbrokers and fund managers
- 2%** building societies
- 10%** other (including friendly societies and credit unions)



complaints about banking and credit

- 78%** banks
- 8%** businesses with a consumer-credit licence
- 7%** mortgage intermediaries
- 2%** building societies
- 5%** other



complaints about pensions

- 56%** life insurance & investment product-providers
- 21%** IFAs
- 8%** banks
- 15%** other (including building societies and stockbrokers)

who the complaints were about

outcome of cases – by sector

On page 72 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 82%.

On page 72 we also refer to the six-monthly sets of data published on our website – relating to the 160 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. This uphold rate varied substantially from business to business during the year – from 2% to 98%.

The chart below shows the outcome of cases in the financial year 2011/2012 – by sector.

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

intermediaries selling PPI

72%

banks

70%

general insurers

54%

independent financial advisers (IFAs)

54%

businesses with a consumer-credit licence

52%

intermediaries selling general insurance

49%

intermediaries selling banking and/or mortgage products

39%

life insurance and investment product-providers

37%

building societies

21%

who the complaints were about

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

2,369 businesses each had **1 complaint** referred to the ombudsman service during the year

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

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

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

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

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

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

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

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

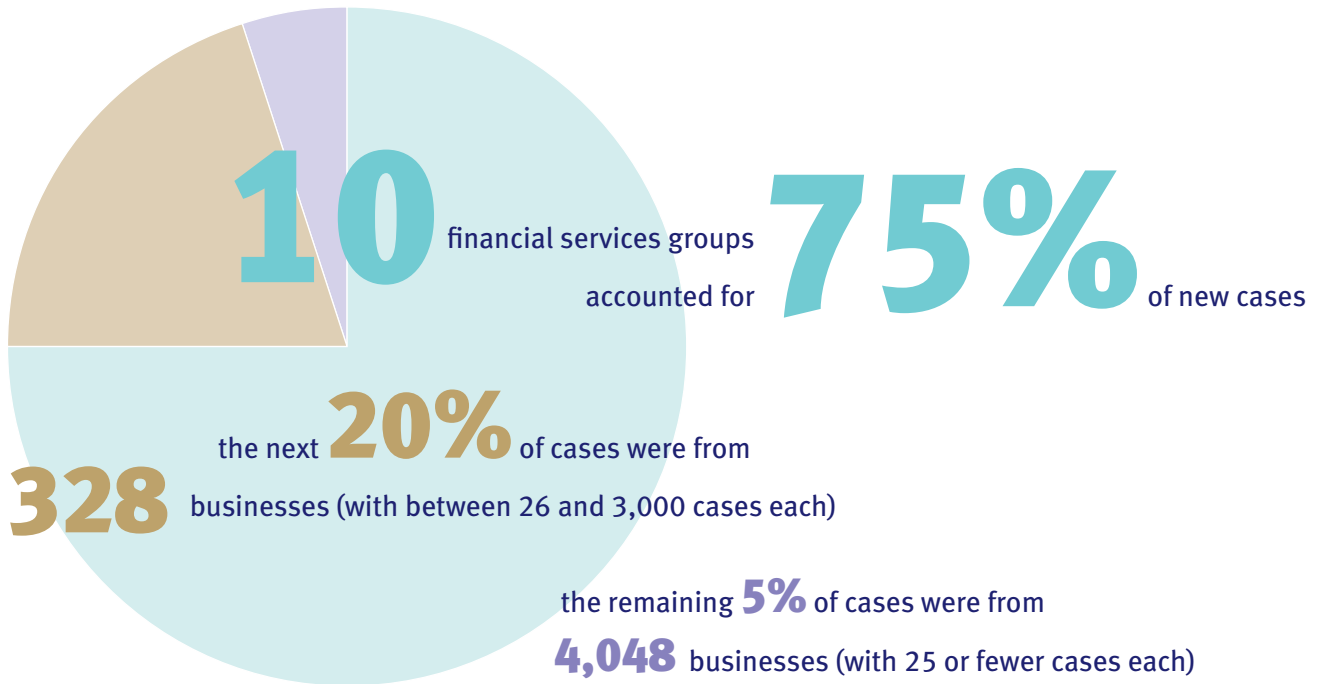
51 businesses each had **more than 500 complaints** referred to the ombudsman during the year

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).
- 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 2011/2012, fewer than 5% 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 138,848 cases (52.5% of all the complaints we received). At the other end of the scale, 182 cases (0.1% of all complaints) related to friendly societies (124 in the previous year) and 79 complaints involved credit unions (30 in the previous year).

During the year we published complaints data showing the number of new cases, and uphold rates, for each of the 160 or so financial businesses that together generate some 90% of our workload. There is more information about this on page 72.

3,278 businesses – out of the 4,475 in total that had complaints referred to the ombudsman service during the year – had *fewer* than four complaints. This meant that 73% of businesses with complaints referred to the ombudsman service paid *no* case fees (74% in the previous year) – as again we did not charge for the *first three* complaints during the year.

In January 2012 we launched a public consultation on proposals for new case fee arrangements which would come into effect from April 2013. These proposals would involve:

- Increasing the number of free cases from 3 to 25 for the majority of businesses that have the lowest number of complaints referred to the ombudsman service (so that only 1% of businesses would pay any case fees at all).
- Developing a new group-account arrangement for each of the 10 financial services groups that together account for 75% of our complaints workload.

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 regular 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 overall proportion of businesses agreeing with these statements about our service rose slightly during the year – from 46% to 48%. The proportion agreeing with three of the five statements increased – most significantly, those agreeing that our decisions are consistent (rising from 36% to 42%).

More businesses also said that we are good value – with 40% agreeing this, compared with 35% in the previous year. This may reflect the findings of the National Audit Office (NAO) who reported on our efficiency in January 2012 (see page 139). It may also reflect our new proposals for changing our case-fee structure for businesses. These proposals – which would mean that only 1% of businesses paid case fees in future – were given a broadly positive welcome when we published our consultation paper in January 2012.

On the other hand, the proportion of businesses agreeing that our decisions are fair and unbiased slipped back during the year – from 55% to 52%. This may reflect the significant increase in the proportion of cases we upheld during the year in favour of consumers rather than businesses (rising to 64% from 51% in the previous year – see page 72).

However, half of businesses still agreed our decisions are fair and unbiased. This suggests that the way businesses rate the fairness of our service may not be entirely determined by the outcome of complaints.

Around three out of ten businesses were still unable or unwilling to express views on issues widely considered to be of key interest to the financial services industry – most significantly, on whether our service provides value for money.

who the complaints were about

engagement with financial businesses and trade associations

In 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 businesses on complaints prevention.

During the year we 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 businesses valued most



29% our website (including our online technical resource)

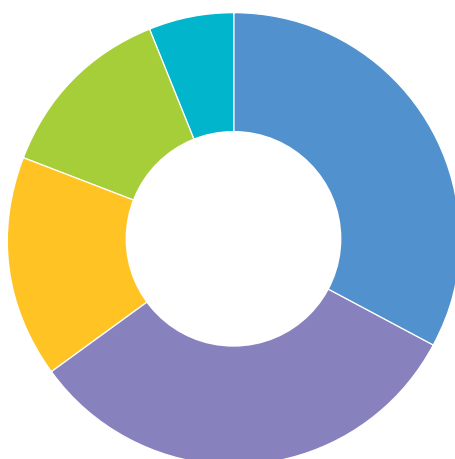
28% our technical advice desk

20% *ombudsman news*

14% other publications

9% events and seminars

what the questions to our technical advice desk related to



33% our approach to insurance complaints

32% our approach to banking and credit complaints

16% our casework procedures

13% our approach to payment protection insurance (PPI)

6% our approach to investment complaints

who the complaints were about

Our technical advice desk handled 19,281 enquiries from professional complaints handlers during the year – a 15% increase on the previous year. 83% of these calls were from businesses and 11% from community workers and consumer advisers. The other enquiries were from a range of users and stakeholders including researchers and trade associations.

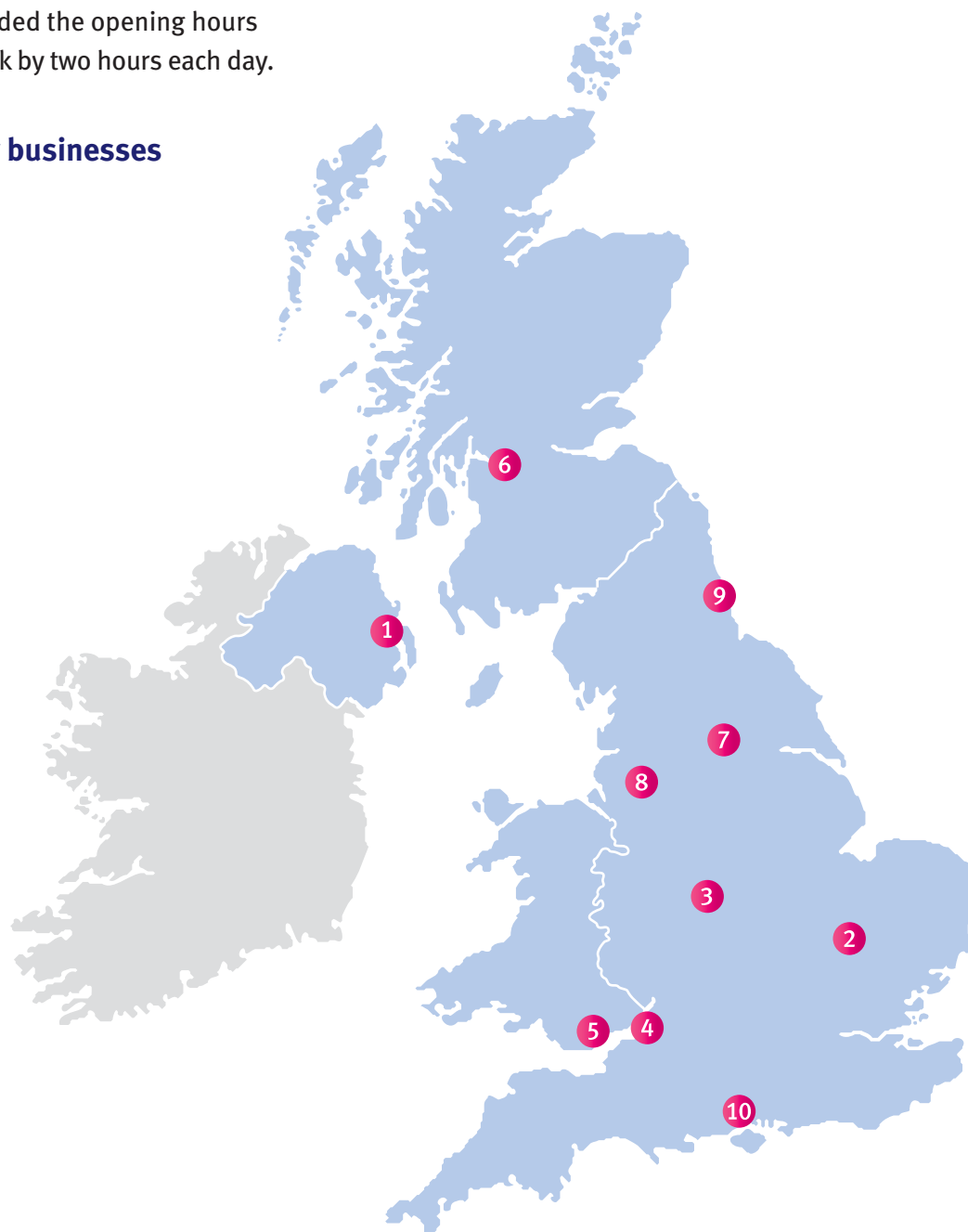
During the year, 71% of people who used the technical advice desk said they were “very satisfied” with the service – with an overall satisfaction rate of 98%. In response to feedback from the survey, we extended the opening hours of the technical advice desk by two hours each day.

For smaller businesses, we also have an outreach team who work closely with trade associations and networks both nationally and regionally. Our outreach team run our *introduction to the ombudsman* seminars, where smaller businesses – who are otherwise less likely to have direct contact with us – can meet us and ask the ombudsman questions face-to-face.

During the year we met smaller businesses at events we hosted across the UK.

our events for smaller businesses

- 1 Belfast
- 2 Cambridge
- 3 Birmingham
- 4 Bristol
- 5 Cardiff
- 6 Glasgow
- 7 Leeds
- 8 Manchester
- 9 Newcastle upon Tyne
- 10 Southampton



who the complaints were about

90% of the smaller businesses who took part in one of these events said that it had given them a better understanding of complaints handling and the role of the ombudsman – which would change the way they approached customer complaints in future.

For the 16 financial services groups that together accounted for the majority of complaints referred to the ombudsman service during the year, we run a tailored relationship-management programme. 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.

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 during 2010, 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.

The high-level steering group is chaired by our chairman and includes 16 chief executives of key financial services institutions. At meetings of this group – and in other high-level industry meetings – we have discussed strategic issues such as major trends in complaints and our funding mechanism. Minutes of the various meetings of the steering group are available on our website.

Membership of the wider cross-sector industry panel includes 200 financial services practitioners and officials from 30 trade associations. We keep in regular contact with the industry panel through a fortnightly email newsletter and a series of events, including *meet the ombudsman* Q&A sessions and specialist seminars on complaints-related topics (for example, on PPI and on the quality of goods bought with credit).

“... this involves constructive relationships
at both operational and strategic level”

other work we have done



other work we have done

To support our work in settling disputes between consumers and financial businesses, 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 with both 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. During the year we have worked particularly closely with the regulators through the new joint “co-ordination committee”. This has helped to identify emerging issues that affect large numbers of consumers or businesses – and where regulatory action may be needed.

We also worked with the FSA as they finalised rules to improve businesses’ complaints-handling processes. This included raising the maximum amount of compensation that the ombudsman can tell a business to pay – from £100,000 to £150,000 – and preparing for the abolition of the “two stage” complaints-handling process which the FSA had found was inherently prone to abuse by some financial businesses.

“... we have worked particularly closely with the regulators through the new joint co-ordination committee”

other work we have done

extensions to our remit

We worked closely during the year with HM Treasury, the FSA and others on a number of changes or extensions to our remit. This included:

- Preparing to bring the regulation of credit unions in Northern Ireland under the FSA, which in turn brought these credit unions within our remit from 31 March 2012.
- Changing our rules to allow us to consider more complaints where the consumer says they have been a victim of identity theft.
- Working with the FSA to implement the second *Electronic Money Directive*, which has brought more financial businesses within our remit.
- Working with the FSA to implement the European Directive that updates the arrangements for “UCITS” (undertakings for collective investment in transferable securities). This created, for the first time, the possibility of a fund authorised in *one* EU member state being managed by a fund manager authorised in *another* member state – which in turn meant that we would cover complaints about some businesses operating outside the United Kingdom.
- Working with the FSA on changes to their regulatory powers in relation to “sale and rent-back” and to situations where lenders sell on their mortgage business – both of which will bring a wider range of businesses under our remit.
- Working with the FSA, the Solicitors Regulation Authority and others to prepare for the launch of “alternative business structures”, which allow providers of legal services to provide other services – such as financial services.

regulatory reform

We have continued to work closely with HM Treasury and the FSA on issues arising from the reform of financial regulation, which is one of the Government’s key priorities. The Government’s proposals for reform were set out in its consultation paper, *A new approach to financial regulation: the blueprint for reform*, and confirmed in the *Financial Services Bill* which was introduced into Parliament in January 2012.

These proposals 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, the FSA and the proposed Financial Conduct Authority (FCA) on the implementation of these proposals.

“... these proposals confirmed the government’s intention that the ombudsman service would remain independent”

other work we have done

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, in particular, HM Treasury, the Department for Business, Innovation and Skills (BIS), and the Ministry of Justice.

We have worked closely with the Claims Management Regulator, part of the Ministry of Justice, and have reported to them trends and concerns about complaints received from claims-management companies (see page 35). We continue to take part in their Regulatory Consultative Group.

We have also had dialogue with a number of other government departments – such as with the Department of Work and Pensions (DWP) on pension redress issues, and with the Department of Energy and Climate Change on redress in relation to the proposed “Green Deal”.

At an international level, we have continued to work with the European Commission on improving the availability of cross-border “alternative dispute resolution”, primarily through FIN-NET, the network of European financial dispute-resolution services. We have also worked with the Commission and the other EU institutions on proposals for a directive on “alternative dispute resolution” and for a regulation on “online dispute resolution”.

freedom of information

Our many stakeholders – ranging from consumers deciding whether to pursue complaints, to trade associations carrying out policy research – look to the ombudsman service to provide the information they need. And we aim to be as open and helpful as we can in making information freely available.

The Ministry of Justice extended the *Freedom of Information Act* to cover the ombudsman service from November 2011. Since then, we have received around two or three formal requests each week for information under the Act.

Many of the facts and figures we are regularly asked for are already publicly available through the “publication scheme” on our website.



other work we have done

publishing decisions

In September 2011 we published a discussion paper responding to the Government's proposals to require us to publish the final decisions of our ombudsmen. Our discussion paper set out our initial thoughts on how we might publish decisions in practice – so that stakeholders' responses to these proposals could inform the subsequent debates in Parliament.

Our stakeholders were largely supportive of publishing ombudsman decisions. They noted that increased transparency about our approach could help financial businesses and consumers alike – and prevent future complaints – while also improving our own accountability.

We are therefore continuing our dialogue with businesses and consumer groups while Parliament debates the issue, so that – whatever Parliament decides – we will be able to implement its decision quickly and effectively.



external review

Our board asked the National Audit Office (NAO) to carry out the latest of our regular external reviews – this time with a focus on our efficiency. The NAO published its report in January 2012. It concluded that:

- Having to cope with volatile demand is a key test for the ombudsman service.
- With more than half of the ombudsman service's workload over the last decade relating to just *three* issues – mortgage endowments, bank and credit-card charges, and PPI – the large surges of so-called “mass claims”, and the way in which financial businesses deal with them, give rise to major operational challenges.
- The cost of settling disputes at the ombudsman service has risen by 214% in real terms since 2001 – but the complaints workload it has handled over this period has increased by 376%.
- The programme of changes introduced in 2010 to modernise our operational processes and IT (including the “e-enablement” project) has already begun to realise benefits – and while some aspects of project management should be strengthened, the programme is being managed well with good progress made to date.

The NAO's report also made five specific recommendations – including more detailed work to assess how the current case-fee charging-structure affects the service's cash-flow and funding, and quantifying more precisely the impact of a range of variable factors on the service's “unit cost”.

We are following up on each of these recommendations – such as, for example, by reviewing our case-fee structure.

other work we have done

review of our case-fee structure

In January 2012 we published a consultation paper on changes to our case-fee structure – to apply from April 2013. Although our current case-fee structure has served the ombudsman service and case fee payers well – as it is simple to understand and reasonably straightforward to operate – it has brought increasing challenges too.

The case-fee structure has, in particular, made it difficult to handle the cost pressures and financial risks brought about by the increasingly volatile demand for our service. It does not recognise that we now cover a much wider and more diverse group of financial businesses, ranging from some of the largest businesses in the UK to many of the smallest.

The consultation paper set out a proposal for a new approach – designed to better reflect the diverse needs and issues of case-fee payers, while ensuring continuing adequate funding for our work in future years.

The two key elements of our proposals are:

- We should charge the very largest financial groups on a “group account” basis – focusing less on charges for individual cases and more on a broader assessment of the overall proportion of our costs attributable to each major group.
- We should ensure that smaller businesses generally pay no case fees at all – by increasing the number of “free” cases from 3 to 25, which would have a more proportionate impact on these businesses.

Taking into account the feedback we receive, we will consult again later in 2012 on the detail of the proposals to take effect from April 2013.

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:

- Answering 19,281 enquiries to our technical advice desk – our dedicated service for professionals handling complaints in the financial services sector and the consumer-advice world.
- Responding to 624 parliamentary enquiries (including 46 ministerial questions) – and taking part in a range of events for MPs and their constituency caseworkers, including drop-in “surgeries” and seminars on motor finance, debt, and financial problems faced by older people.
- Organising visits, meetings and training for businesses we cover – including a relationship-management programme involving the 16 financial services groups that together accounted for the majority of complaints referred to the ombudsman service during the year.
- Running our industry steering-group and our industry panel (see page 134); 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.

other work we have done

- Holding 13 regional training-days for community and advice workers – from Belfast to Ipswich, Southampton to Glasgow – 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 *50+Show*, the *Gadget Show Live*, Belfast’s Balmoral agricultural show and the BBC *Rip off Britain* roadshow at Manchester Trafford Centre.
- Speaking at seminars and conferences hosted by organisations ranging from the National Association of Student Money Advisers (NASMA) to the Insurance Institute of Aberdeen.
- Targeting specific audiences – those less likely to use, or be aware of, the ombudsman service – including advertising on buses in the Midlands and Northern Ireland and “click-throughs” direct to our website from the *One India* online portal.
- Adding or updating 1,690 pages of our website – including 162 news updates and increased video content.
- Publishing nine issues of our newsletter, *ombudsman news* – including our 100th issue, guest-edited by four leading personal-finance commentators; and more information on our online technical resource – covering our approach to complaints involving, among other things, storm damage, legal expenses insurance, ISA allowances and dormant accounts.
- Answering media questions and providing information for publications ranging from *Reader’s Digest* to *Your Cat* – and taking part in over 75 broadcasts, from Radio 4 *Today* to Borders Community Radio.

“... sharing our complaints-handling skills
with front-line problem-solvers in the community”

other work we have done

During the year we met front-line community workers and consumer advisers at events we hosted across the UK.

94% of the consumer representatives who took part in one of these events said that it had given them a better understanding of financial problems and the role of the ombudsman – which would change the way they approached complaints in future.

our events for consumer advisers

- 1 Belfast
- 2 Birmingham
- 3 Bristol
- 4 Cambridge
- 5 Cardiff
- 6 Chester
- 7 Glasgow
- 8 Ipswich
- 9 Leeds
- 10 London
- 11 Manchester
- 12 Newcastle upon Tyne
- 13 Southampton



our news updates



our news updates

credit unions in Northern Ireland*30 March 2012*

with credit unions in Northern Ireland coming under the ombudsman's remit for the first time from 31 March 2012, we highlight the services and resources available to help prepare for the change

ombudsman news issue 101*29 March 2012*

- a round-up of recent investment complaints
- case studies involving cash ISAs
- an interview with our new chairman, Sir Nicholas Montagu
- Natalie Ceeney, chief ombudsman, on the impact of tougher times on complaints and those who make them

highland gathering*29 March 2012*

the ombudsman joins advice workers and community volunteers from across the Scottish Highlands and Islands – at Citizens Advice Scotland's annual Highland Gathering near Inverness – to promote the work of front-line consumer advisers in helping people sort out financial problems and complaints

pet insurance*27 March 2012*

in a provisional decision partly upholding a consumer's complaint relating to Halifax's withdrawal from "life-time" pet insurance, the ombudsman sets out his general approach to this kind of case

our plans and budget for 2012/2013 – finalised and approved*27 March 2012***MPs, older people and money problems***22 March 2012*

the ombudsman is joined in Westminster by Age UK and the Greater London Forum for Older People at a complaints "advice-surgery" for MPs' caseworkers – focusing on money problems faced by older consumers and how best to get them sorted

talking insurance in Scotland*21 March 2012*

at a seminar organised by the Insurance Institute of Aberdeen, the ombudsman talks about insurance complaints and how to prevent them – highlighting the ombudsman's complaints-prevention resources for financial services practitioners

spring forward*20 March 2012*

as spring begins officially, the ombudsman shares handy hints on spring-cleaning your finances with *Retirement Today* magazine

updates for BBA members*15 March 2012*

lead ombudsman, Jane Hingston, speaks at the British Banking Association's annual complaints seminar – with updates on sharing information under the *Freedom of Information Act*; plans for publishing ombudsman decisions; proposals for changing the case-fee arrangements; and forecasts and plans for 2012/2013

help for insurers in Bournemouth*14 March 2012*

the ombudsman tells members of the Insurance Institute of Bournemouth that good complaints handling is just part of good customer service – with a range of resources available from the ombudsman service to help financial services practitioners nip problems in the bud, before they escalate into complaints

our news updates

passbooks lost and found

12 March 2012

as part of our growing online technical resource, we set out our long-established approach to settling disputes involving old bank or building society passbooks – and whether the accounts in question are still open, closed or “dormant”

PPI questions and answers on BBC website

9 March 2012

David Cresswell from the ombudsman service answers questions about payment protection insurance (PPI) that people have sent into BBC online

telling their own story

9 March 2012

Yuliya, Luke and others talk on video about their experience of complaining and using the ombudsman

PPI across Cumbria

9 March 2012

David Cresswell from the ombudsman service talks on BBC Radio Cumbria about the ombudsman’s role in sorting out payment protection insurance (PPI) complaints – and why people don’t need to pay a claims manager to make a complaint

meeting smaller businesses in East Anglia

8 March 2012

lead ombudsman, Caroline Mitchell, explains the role of the ombudsman – and how handling complaints well is part of good customer service – to representatives of 80 smaller businesses based in East Anglia, including financial advisers, debt collection agencies and insurance brokers

from Carlisle to Cambridge

7 March 2012

the ombudsman is working today with front-line community and advice workers from across Cumbria and East Anglia – running our latest consumer-adviser training-day in Cambridge and complaints-handling training in Carlisle in partnership with the Cumbria Advice Network

why pay someone else, when you can do it yourself for free?

6 March 2012

Tony Boorman, principal ombudsman, explains on the BBC news why people don’t need to pay a claims manager to make a PPI complaint

motor-insurance complaints workshop

6 March 2012

we run a workshop for insurers on complaints issues relating to motor insurance – including thefts and valuation, disputes over repairs, and compensation for distress & inconvenience

personal accident insurance

6 March 2012

following the recent case studies of complaints involving personal accident insurance (published in issue 99 of *ombudsman news*), we add more information to our online technical resource about the ombudsman’s approach to these disputes

ombudsman at the 50 + Show in Manchester

2 March 2012

as part of our outreach work with older consumers, Peter Cook from the ombudsman service takes part in a consumer question-time with Sarah Pennells of *Savvy Woman* at the *50+ Show*

do it yourself on PPI on 5 Live

1 March 2012

David Cresswell from the ombudsman service takes part in a discussion on BBC Radio 5 Live – on why consumers don’t need to use a claims manager to complain about payment protection insurance (PPI) – and are just as likely to win by doing it themselves

our news updates

Citizens Advice Scotland*29 February 2012*

the ombudsman takes part in Citizens Advice Scotland's annual conference – as part of our work with front-line community and advice workers

ombudsman releases latest complaints data on individual financial businesses*28 February 2012***welcome to our 100th issue of ombudsman news***24 February 2012*

to mark the 100th issue of *ombudsman news*, four guest editors select their favourite complaints case-studies – and write about customer service from their personal perspective:

- Diana Wright (*Sunday Times, A Question of Money*) points out that a mistake put right isn't a complaint at all
- Paul McMillan (*Money Marketing*) says claims managers aren't the only ones needing to clean up their act
- Sue Anderson (Council of Mortgage Lenders) suggests joining the dots between the myths and the evidence
- James Daley (Which?) urges turning a bad complaints experience into a good customer one

student money advice in Liverpool*23 February 2012*

we update the National Association of Student Money Advisers (NASMA) on what the ombudsman is doing to be more relevant to students and younger consumers – who complain less and have least knowledge of their consumer rights

drive-time with the ombudsman*22 February 2012*

chief ombudsman, Natalie Ceeney, is interviewed on Radio 5 Live's drive-time show – on why consumers don't need to use a claims manager to complain about PPI – and are just as likely to win by doing it themselves

warning! scam phone calls*21 February 2012***meeting businesses in Stoke***21 February 2012*

at a seminar organised by the Insurance Institute of Stoke for its members, the ombudsman explains how effective complaints handling is part and parcel of good customer service – and highlights the complaints-prevention resources available for financial services practitioners

from Belfast to Bollywood*20 February 2012*

as part of the ombudsman service's ongoing awareness-raising work with people less likely to know their rights if they have a financial problem, the ombudsman features this month on key Asian-lifestyle websites and on buses in Northern Ireland

Northants drivers*15 February 2012*

David Cresswell from the ombudsman service takes part in a phone-in on BBC Radio Northampton about the ombudsman's approach to motor insurance complaints

consumer adviser training*13 February 2012*

we launch our new series of training days across the UK for front-line community workers and consumer advisers

our news updates

take pride in your finances

10 February 2012

the ombudsman shares tips with *Pride* magazine on how to make the most of your money – as part of our ongoing work to raise awareness of the ombudsman service across the Black African and Caribbean community

AIG-related decision

10 February 2012

in a provisional decision upholding a consumer's complaint about a bank's advice to invest in AIG funds, the ombudsman sets out his general approach to this kind of case

GAP insurance

6 February 2012

as part of our growing online technical resource, we set out the ombudsman's approach to disputes involving "guaranteed asset protection" (GAP) insurance

ombudsman's "volcanic ash" decision – legal challenge dropped

1 February 2012

the Court rejects Europ Assistance's legal challenge against the ombudsman's key ruling on "volcanic ash-cloud" travel-insurance claims

feedback on proposals to publish ombudsman decisions

31 January 2012

we publish a summary of responses to our consultation on the practical issues involved in publishing ombudsman decisions

treating everyone fairly and equally

31 January 2012

the progress we have made on our "equality and diversity action plan" is independently assessed – and signed-off a year early – as part of our commitment to doing the right thing by everyone we deal with

cashflow for Zee magazine readers

30 January 2012

Zee, the magazine for subscribers to the Asian TV network, asks the ombudsman for new year cashflow tips on making the most of your money in 2012

was a PPI policy sold?

27 January 2012

more case studies and guidance added to our online technical resource – setting out the ombudsman's approach to disputes over whether payment protection insurance (PPI) was sold or not – including letters we have sent about this to financial businesses and to claims-management companies

complaints, regulation – and re-building trust

25 January 2012

Tony Boorman, principal ombudsman, speaks at the BBA's retail-banking seminar on the new Financial Conduct Authority – about the importance of building confidence and trust in financial services through a new approach to regulation, complaints and customer service

vehicle valuation over breakfast

21 January 2012

David Cresswell from the ombudsman service takes part in the money slot on the BBC1 *breakfast show* – to talk about the ombudsman's approach to motor insurance disputes involving the valuation of a vehicle that's been written-off

ombudsman news issue 99

17 January 2012

- recent disputes involving debt
- complaints about personal accident insurance
- a snapshot of the ombudsman's complaint figures for the third quarter of the 2011/2012 financial year
- Natalie Ceeney, chief ombudsman, on proposed new arrangements for charging financial businesses case fees

our news updates

efficient handling of financial services complaints*12 January 2012*

the National Audit Office (NAO) reviews the efficiency of the ombudsman service, as it gears up to face further unprecedented demand for its services

ombudsman in Chester*11 January 2012*

our first complaints-prevention training day of the year takes place in Chester – for front-line community workers and consumer advisers from across the North West and North Wales

ombudsman gets sporty*10 January 2012*

the ombudsman features in the 2012 issue of *Family Health* magazine – distributed across sports and fitness centres in the UK – helping new parents to get their finances into shape in the new year

financial ombudsman consults on plans for dealing with record complaints workload*6 January 2012***Money Box and Christmas complaints***28 December 2011*

David Cresswell from the ombudsman service takes part in Radio 4's *Money Box Live* Christmas phone-in – on consumer rights and how to get things put right if there's a problem

the ombudsman's money tips for the new year*26 December 2011*

as part of the ombudsman's work to reach people who might not be aware of their rights if they have a money problem they can't sort out, the ombudsman shares new year money tips across a range of publications including *The New Black Magazine*

community Christmas*20 December 2011*

the ombudsman service's Emma Parker takes part in the Christmas extravaganza show on Birmingham's community radio, *Switch* – providing festive finance-themed tips and highlighting the ombudsman's role in getting problems sorted

MPs drop in for Christmas*13 December 2011*

the ombudsman service hosts a "complaints advice-surgery" in Parliament – with MPs dropping in to discuss their constituents' financial complaints and how best to sort them

PPI complaints in Essex*13 December 2011*

David Cresswell from the ombudsman service takes part in a phone-in and discussion on BBC Radio Essex – about complaints involving payment protection insurance (PPI) and how consumers can best get PPI problems sorted

Rip-off Britain*6 December 2011*

the ombudsman features in the new season of BBC1's *Rip-off Britain*, including interviews on sorting out a range of financial problems

countdown to Christmas with the ombudsman*1 December 2011*

festive finance tips from the ombudsman feature in *Black Hair* and *Family Life* magazines – as part of our ongoing work to raise awareness of the ombudsman with consumers who know less about us

our news updates

meeting smaller businesses in South Wales

1 December 2011

as part of our series of seminars for smaller businesses, our lead ombudsman, Caroline Mitchell, explains the role of the ombudsman – and how handling complaints well is part of good customer service – to 50 smaller businesses from the Cardiff area, including financial advisers, debt collection agencies and insurance brokers

ombudsman on *The Hub*

28 November 2011

the ombudsman is interviewed on *The Hub* – a news and current affairs programme by and for deaf people – about how to get a financial complaint sorted, the ombudsman’s role, and how the ombudsman service can provide information in a range of languages and formats

recruiting heads of casework

28 November 2011

we are recruiting heads of casework – with energy and proven experience in managing complex, high-powered operations

Sir Nicholas Montagu appointed as chairman

23 November 2011

“Arch cru”-related decision

22 November 2011

in a provisional decision upholding a consumer’s complaint about an intermediary’s advice to invest in an “Arch cru”-related fund, the ombudsman sets out his general approach to this kind of case – and explains how we propose to take into account compensation available under FSA’s “s404” package for investors

talking credit in Parliament

22 November 2011

ombudsmen Tony Boorman and Jane Hingston talk about nipping consumer credit problems in the bud – at a seminar for MPs hosted by Lorely Burt MP with representatives from Citizens Advice and the Finance & Leasing Association (FLA)

“handling complaints” in Birmingham

22 November 2011

we run the latest in our series of conferences for financial services complaints handlers – with an event for over 70 industry practitioners from across the Midlands, covering topics such as compensation for distress and inconvenience, redress for being “deprived” of money and for investment loss and good practice for complaints handlers

ombudsman news issue 98

21 November 2011

- banking complaints involving cheques
- insurance disputes about storm and weather damage
- outgoing chairman, Sir Christopher Kelly, on the highlights of his decade with the ombudsman service
- Natalie Ceeney, chief ombudsman, on why PPI remains the big issue for the ombudsman service

ombudsman recruitment

20 November 2011

open mind, cool head and solid judgement? We’re recruiting ombudsmen with proven experience and the right perspective

warning! scam phone calls pretending to be from the ombudsman

18 November 2011

Swansea surgery

18 November 2011

the ombudsman service joins Age UK and Citizens Advice at Sian James MP’s drop-in surgery at Hafod Community Centre, Swansea – helping consumers with money-related problems and giving tips on getting problems sorted

our news updates

money matters for students!*17 November 2011*

the ombudsman continues its awareness-raising work with younger people – working in partnership with the National Association of Student Money Advisers (NASMA) on a range of money-related tips as well as featuring in *The Student Guide* and *Verge* magazines

the ombudsman and Asian consumers*16 November 2011*

the ombudsman service continues its awareness-raising work aimed at Asian consumers, including working throughout November with outreach partners across the Midlands

operations director*13 November 2011*

we're recruiting for an operations director – to manage the smooth running of the ombudsman service

training for community and advice workers in London*10 November 2011*

our latest complaints-prevention training day for community and advice workers takes place in Southwark – for front-line consumer advisers from across London

more information in sign language*9 November 2011*

as part of our range of information and resources in different languages and formats, we've added two new video-clips in British Sign Language

ombudsman decisions and Money Box*5 November 2011*

David Cresswell from the ombudsman service explains on Radio 4 *Money Box* what a "final decision" by an ombudsman means

ombudsman goes north east*3 November 2011*

as part of our programme of outreach and complaints prevention, the ombudsman goes to Newcastle – to run the latest in our series of consumer-adviser training days for front-line community and advice workers across the north east

Saturday mornings*1 November 2011*

our consumer helpline is now open from 9am to 1pm on Saturdays – for general advice and guidance on what to do if consumers have a complaint about a financial product or service

ombudsman question time – accident, health and unemployment cover*27 October 2011*

the ombudsman hosts a question time for businesses that handle customer complaints relating to personal accident, income protection, critical illness and unemployment claims

ombudsman outreach*25 October 2011*

the latest issue of *Disability Magazine* features money-related tips from the ombudsman, as part of our ongoing work with disabled people – with research showing 22% of people bringing complaints to the ombudsman describing themselves as disabled

doing it themselves in Northern Ireland*22 October 2011*

David Cresswell from the ombudsman service tells *On Your Behalf*, BBC Ulster's flagship consumer programme, that consumers don't need to use a claims company to complain about payment protection insurance (PPI) – and are just as likely to win by doing it themselves for free

our news updates

chief ombudsman on consumer credit complaints

20 October 2011

Natalie Ceeney, chief ombudsman, talks about consumer credit complaints and the role of the ombudsman – at the Finance and Leasing Association’s annual consumer finance conference

government minister, Mark Hoban MP, visits ombudsman service

19 October 2011

working with Warwickshire advice agencies

19 October 2011

working with Legal Advice Warwickshire, the network of free Midlands-based advice agencies, the ombudsman service helps train community and advice workers on complaints prevention and the role of the ombudsman

ombudsman news issue 97

18 October 2011

- financial disputes brought to the ombudsman by students
- the ombudsman’s complaints statistics for the last quarter
- Natalie Ceeney, chief ombudsman, on the ombudsman’s complaints-prevention work with younger people – and on how the ombudsman service is keeping pace with new ways of doing business

ombudsman in Ipswich

18 October 2011

our latest regional training day for front-line advice and community workers takes place today in Ipswich in partnership with Suffolk County Council

credit unions in Northern Ireland

18 October 2011

with credit unions in Northern Ireland coming under the ombudsman’s remit for the first time from 31 March 2012, we highlight the services and resources available to help prepare for the change

ombudsman on the road

14 October 2011

the ombudsman takes part in the international motorhome and caravan 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

Watchdog and bank accounts

13 October 2011

David Cresswell from the ombudsman service talks on BBC *Watchdog* about the type of bank account problems the ombudsman sees

motoring in Parliament

12 October 2011

ombudsman, Juliana Campbell, talks about the ombudsman service’s approach to disputes involving motor finance – as part of a seminar on motor standards organised by the Trading Standards Institute and the Finance & Leasing Association for the Parliamentary All Party Group on Consumer Affairs and Trading Standards

ombudsman in Glasgow

6 October 2011

the ombudsman service runs the latest in our series of consumer-adviser training days – for front-line community and advice workers in Glasgow

Gwyn Burr appointed to the board of the ombudsman service

6 October 2011

Leveson Inquiry

5 October 2011

principal ombudsman, Tony Boorman, explains how the Financial Ombudsman Service operates – at the briefing on “regulatory models” held as part of the Leveson Inquiry into the culture, practices and ethics of the press

our news updates

meeting building societies*4 October 2011*

the ombudsman service takes part in the Building Societies Association's customer relations seminar – to explain the ombudsman's approach to complaints involving mortgage arrears and financial hardship

debate on “compensation culture”*3 October 2011*

Natalie Ceeney, chief ombudsman, takes part in a debate on “compensation culture” with ABI and Which?

Radio 4 Money Box and travel insurance disputes*1 October 2011*

BBC Radio 4's *Money Box* asks David Cresswell from the ombudsman service about the ombudsman's approach to travel insurance disputes involving the cancellation of a holiday

new factsheet on current-account charges*30 September 2011*

our new factsheet is now available on current-account charges – for consumers complaining about bank charges applied to their current account

outreach, publishing decisions and the ombudsman*21 September 2011*

the ombudsman service hosts a workshop with Age UK, the Institute of Equality and Diversity, Mind and RADAR to discuss accessibility, outreach and the proposals to publish ombudsman decisions

ombudsman and Manchester shoppers*17 September 2011*

the ombudsman service takes part this weekend in the BBC *Rip Off Britain* roadshow at the Trafford shopping mall, Manchester – joining *Savvy Woman*, Trading Standards and Which?, helping people get financial problems sorted

BBC Watchdog on claims-management companies and the ombudsman*15 September 2011*

interviewed on BBC *Watchdog*, principal ombudsman Tony Boorman says, “If you want to make a complaint about payment protection insurance (PPI), it really is straightforward – and it's certainly something I'd advise you can do yourself”

ombudsman news issue 96*15 September 2011*

- complaints involving e-money
- the ombudsman's response to business feedback on how we can improve our service
- Natalie Ceeney, chief ombudsman, on forecasting what will impact on our workload – for the next financial year and the second half of this one

ombudsman gives evidence to parliamentary committee*15 September 2011*

chief ombudsman, Natalie Ceeney, gives evidence in Parliament to the joint committee of MPs and Peers, who are scrutinising how the draft Financial Services Bill will protect consumers

critical illness*14 September 2011*

the ombudsman joins IFAs, journalists and industry leaders – to discuss the types of complaints we see about critical illness insurance

ombudsman at Citizens Advice annual conference*14 September 2011*

the ombudsman service is taking part in the Citizens Advice annual conference in York – involving more than 1,000 delegates from citizens advice bureaux across England and Wales – to highlight the ombudsman's role and complaints-handling resources available to front-line advice workers

our news updates

publishing ombudsman decisions

9 September 2011

we launch a discussion on the practical issues and next steps involved in publishing ombudsman decisions – following government proposals for legislative change to underpin this approach

ombudsman in Bristol

9 September 2011

the ombudsman service runs the latest in our series of consumer-adviser training days – for front-line community and advice workers in Bristol

banking on customer service

7 September 2011

lead ombudsman, Jane Hingston, takes part in FSA's forum on banking and customer service – covering issues such as branch-staff training on powers of attorney and consumer complaints about interest rates

ombudsman releases latest complaints data on individual financial businesses

6 September 2011

meeting smaller businesses in Newcastle upon Tyne

6 September 2011

as part of our series of free seminars for smaller businesses, 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 over 50 smaller businesses, including financial advisers, debt collection agencies and insurance brokers

gathering in Gunnersbury

2 September 2011

the ombudsman joins in the London *mela* at Gunnersbury Park, West London – as part of the service's work to maintain awareness of consumer rights and the ombudsman among Asian consumers

Northern Ireland credit unions

31 August 2011

FSA and HM Treasury consult on bringing credit unions in Northern Ireland under FSA regulation – and the Financial Ombudsman Service's remit – from 31 March 2012

ombudsman on drive-time

24 August 2010

David Cresswell from the ombudsman service is interviewed on BBC Radio 5 Live drive-time – about payment protection insurance (PPI) and the ombudsman's long-held approach to PPI complaints

keep your finances fit!

19 August 2011

the ombudsman features in the latest issue of *Retirement Today* – the lifestyle magazine for people approaching or enjoying retirement – providing tips on how to get personal finances in shape this summer

hassle-free summer holidays

11 August 2011

Family Life, the lifestyle magazine for parents in Scotland, asks the ombudsman for money-related tips to help ensure hassle-free holidays – as part of the ombudsman service's outreach work with parents and families

ombudsman in Cardiff

4 August 2011

as part of our programme of outreach and complaints prevention, the ombudsman goes to Cardiff – to run the latest in our series of complaints-handling training days for front-line consumer advisers and community workers

our news updates

ombudsman news issue 95*2 August 2011*

- financial complaints involving aspects of buying or refurbishing a home
- the ombudsman's complaint statistics for the first quarter of the 2011/2012 financial year
- Tony Boorman, principal ombudsman, on the roller-coaster of fast-changing complaints numbers

talking travel insurance*30 July 2011*

Emma Parker from the ombudsman service talks on the BBC1 *breakfast show* about the ombudsman's approach to disputes involving travel insurance – and what consumers need to tell their insurer when taking out a travel policy

holidays without the hassle*29 July 2011*

disability life-style magazine, *Able*, asks chief ombudsman Natalie Ceeney for her tips on planning hassle-free holidays – as part of the ombudsman's ongoing work with disabled people

Arch cru*26 July 2011*

following FSA's announcement on the £54 million package for CF Arch cru investors, the ombudsman has written to update all consumers and businesses who have Arch cru-related complaints with the ombudsman service

PPI complaints handling for businesses*21 July 2011*

Caroline Wayman, principal ombudsman and legal director, talks about the ombudsman and complaints handling at the FSA's training session for businesses on the assessment and redress of payment protection insurance (PPI) complaints

meeting advice workers in Leeds*21 July 2011*

as part of our continued outreach work with community and advice agencies, the ombudsman is in Leeds running another in our series of training-days for front-line community and advice workers

banks and claims-management companies*19 July 2010*

at a BBA seminar on complaints handling, Tony Boorman, principal ombudsman, sets out five steps on how banks and claims-management companies can work together with the ombudsman – to help ensure fairer and more accessible complaints handling for consumers

On Your Behalf in Northern Ireland*16 July 2010*

David Cresswell from the ombudsman service is a guest on BBC Northern Ireland's *On Your Behalf* – talking about complaints involving payment protection insurance (PPI) – and how consumers can complain themselves direct without paying for claims managers to do it for them

ombudsman at the 50+ Show*15 July 2010*

as part of our outreach work with older consumers, Peter Cook from the ombudsman service takes part in a consumer question-time with Sarah Pennells of *Savvy Woman* at the *50+ Show*

“handling complaints” conference in Glasgow*14 July 2011*

the ombudsman runs the latest in its series of conferences for financial services complaints handlers – with an event for over 40 industry practitioners from Glasgow and the surrounding area

our news updates

household insurance disputes involving repairs*12 July 2011*

as part of our online technical resource, we set out our general approach to settling disputes between consumers and insurers – about repairs carried out under household insurance policies

going for gold for equality*11 July 2011*

the ombudsman is awarded the “gold standard” by Committed2Equality, in recognition of the service’s positive work-culture and commitment to provide equal access to all its customers

technical data on redress for mis-sold pensions*7 July 2011*

our technical note is updated with new assumptions (as from 1 July 2011) for calculating redress for mis-sold pensions

a service for everyone*5 July 2011*

the ombudsman hosts a training day in partnership with the Institute of Equality and Diversity Practitioners – as part of our continuing commitment to the fair and equal treatment of everyone we deal with

if only I’d known that ...*4 July 2011*

the ombudsman features in the 2011 edition of the Royal Association of Disability And Rehabilitation (RADAR)’s *If only I’d known that a year ago* – a guide for people who have become recently disabled

legal challenge on ombudsman’s “volcanic ash-cloud” decision*1 July 2011*

following the ombudsman’s decision in March 2011 on travel-insurance and volcanic ash, travel insurer, Europ Assistance, launches a legal challenge (“judicial review”) – putting 300 consumers’ complaints on hold

improving redress*29 June 2011*

speaking at BBA’s international banking conference, chief ombudsman, Natalie Ceeney, suggests improvements on delivering redress – including changing the banks’ approach to customer complaints, to help restore consumer confidence in banking

ombudsman news issue 94*29 June 2011*

- complaints brought on behalf of consumers by third parties
- an interview with Caroline Wayman, the ombudsman’s legal director
- Natalie Ceeney, chief ombudsman, looking forward to a future with no more “mis-sale scandals”

new framework for redress*28 June 2011*

Natalie Ceeney, chief ombudsman, talks about “joined up” redress – at FSA’s conference on the new Financial Conduct Authority’s approach to regulation

student money advice*27 June 2011*

the ombudsman takes part in the annual conference of the National Association of Student Money Advisers (NASMA) in Liverpool – as part of its work to help make the ombudsman more relevant to younger consumers

ombudsman talks debt with Money Advice Scotland*23 June 2011*

the ombudsman joins money advisers from across Scotland to discuss problems arising from consumer over-indebtedness – and to improve awareness of the service among front-line community advice workers

our news updates

sorting out complaints in Cumbria*23 June 2011*

David Cresswell from the ombudsman service takes part in BBC Radio Cumbria's breakfast show – on getting financial problems sorted and the ombudsman's work in the region

ABI biennial conference*22 June 2010*

chief executive and chief ombudsman, Natalie Ceeney, joins a panel debate at ABI's biennial conference on how the insurance industry can improve its reputation and its customer service

Trading Standards and young consumers*21 June 2011*

the ombudsman service takes part in the Trading Standards national conference in Bournemouth – and supports the Trading Standards' *Young Consumers of the Year* competition

next steps on from PPI*16 June 2011*

principal ombudsman, Tony Boorman, speaks at BBA's complaints-handling seminar about PPI, mass detriment, root causes and next steps

consumer credit question-time for businesses*16 June 2011*

the ombudsman hosts a seminar and question-time for businesses that handle customer complaints about the quality of goods and services – where they are the provider of the consumer credit or hire arrangements

PPI – a view from the ombudsman*14 June 2011*

principal ombudsman, Caroline Wayman, shares the ombudsman's approach to PPI complaints – in a presentation at Westminster and City's annual conference on protection and creditor insurance

storm-related complaints*14 June 2011*

we set out the ombudsman's general approach to buildings insurance disputes involving storm damage – as part of our growing online technical resource

FSA grants temporary extension for some PPI complaints*13 June 2011***non-executive director now being recruited***13 June 2011*

applications are invited from appropriately experienced and qualified candidates – to join the board of the Financial Ombudsman Service as a non-executive director

ombudsman in North West*9 June 2011*

the ombudsman service runs the latest in its series of training-days for front-line community and advice workers

meeting smaller businesses in Bristol*3 June 2011*

as part of our series of free seminars for smaller businesses, 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 over 50 smaller businesses from the Bristol area

legal expenses insurance*3 June 2011*

dealing with over 600 complaints a year about legal expenses insurance, we set out the ombudsman's general approach to these cases, as part of our online technical resource

money makeover*1 June 2011*

the ombudsman features in the latest edition of *Zee* – the Asian lifestyle magazine – providing money tips as part of the ombudsman's ongoing work to raise awareness across the Asian community

our news updates

FSA confirms increased £150,000 limit for the ombudsman – and new complaints-handling rules for financial businesses

27 May 2011

FSA confirms new complaints-handling rules for the businesses it regulates – and increases the maximum compensation the ombudsman can tell businesses to pay from £100,000 to £150,000 (for complaints the ombudsman receives from 1 January 2012)

busy in Belfast

27 May 2011

the ombudsman returns to Northern Ireland with a training-day for front-line community workers, run in association with Trading Standards

consumer insurance law to be overhauled

25 May 2011

Otto Thoresen, director general of the Association of British Insurers (ABI), explains how the government's new Consumer Insurance Bill will change the law, to clarify what information consumers need to "disclose" to their insurers – in line with the long-standing approach taken by the ombudsman to complaints involving "non disclosure"

online technical resource

25 May 2011

as part of our expanding online technical resource – aimed primarily at businesses and advice workers – we set out the ombudsman's general approach to complaints about missed ISA allowances and disputes involving pre-existing medical conditions in short-term insurance policies

complaints-handling training for advice workers in Birmingham

20 May 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 the West Midlands, run in association with Age UK

over a million enquiries and more than 200,000 disputes ...

18 May 2011

the ombudsman service publishes its *annual review* of personal finance disputes – covering insurance, credit, banking, savings and investments

applications invited for post of new chairman

16 May 2011

with Sir Christopher Kelly due to step down from the board of the Financial Ombudsman Service in January 2012, when his term of office as chairman ends, suitably qualified applicants are invited to apply for the post of chairman as his successor

On Your Behalf in Northern Ireland

14 May 2011

David Cresswell from the ombudsman service takes part in *On Your Behalf* – BBC Radio Ulster's consumer programme – to talk about the ombudsman's work in Northern Ireland

meet the ombudsman in Northern Ireland

11 May 2011

the ombudsman takes part for the second year in Belfast's largest agricultural show – as part of our ongoing work to raise consumer awareness of the ombudsman service across Northern Ireland

no appeal by banks on PPI legal challenge

9 May 2011

our news updates

meeting smaller businesses in Leeds*6 May 2011*

as part of our series of seminars for smaller businesses, our lead ombudsman, Caroline Mitchell, explains the role of the ombudsman to representatives from 50 smaller businesses from the Leeds area

Graduate Guide*3 May 2011*

the ombudsman features in the 2011 edition of *The Graduate Guide* – the magazine for students coming out of higher education

ombudsman news issue 93*28 April 2011*

- financial complaints involving gadgets and electrical appliances
- our long-established approach to compensation for distress and inconvenience
- Natalie Ceeney, chief ombudsman, on the need to move forward and resolve complaints about payment protection insurance (PPI)

wedding bells*28 April 2011*

as Royal Wedding fever sweeps the nation, the ombudsman works with *Black Hair*, *Pride* magazine and *The Asian Today* on a series of articles featuring money-related wedding tips – as part of the ombudsman’s outreach work

legal challenge (“judicial review”) on payment protection insurance (PPI)*20 April 2011*

judgment is handed down on the judicial review brought by the British Bankers Association (BBA) – rejecting the banks’ legal challenge and endorsing the approach taken by the FSA and the ombudsman on PPI complaints handling

good advice from the family*15 April 2011*

the latest ombudsman feature in *Choice* magazine – the lifestyle magazine for people over 50 – focuses on the role that older people carry out when younger family members turn to them for advice on money matters

gadgets*11 April 2011*

meet the ombudsman this week at the *Gadget Show Live* at Birmingham NEC – as part of the ombudsman’s outreach work with younger people who spend more on gadgets (and borrow more on credit to pay for them)

BBC breakfast and motor insurance*4 April 2011*

Emma Parker from the ombudsman service is interviewed on the BBC1 *breakfast show* about the ombudsman’s approach to motor insurance complaints

30 years ago today ...*1 April 2011*

our predecessor ombudsman scheme, the Insurance Ombudsman Bureau (IOB), opened its doors to the public for the first time in April 1981 – as the first private-sector ombudsman in the UK, supported by consumer bodies and funded by insurance companies

our board and senior people



our board

Sir Nicholas Montagu KCB chairman

- chairman of Council at Queen Mary, University of London
- chair, Committee of University Chairs

formerly

- chairman of the board of Inland Revenue
- a senior civil servant working on issues ranging from pensions to public service reform

Gwyn Burr

- customer service and colleague director at J Sainsbury plc
- chair of Business in the Community's cause-related marketing leadership-team

formerly

- managing director of the Resultant Team Consultancy
- retail managing director at ASDA/WalMart
- European marketing manager at Nestle Rowntree

Dame Janet Gaymer DBE QC (Hon)

- independent member of the Speaker's Committee for the Independent Parliamentary Standards Authority
- co chair of the Consultation Steering Panel for the Legal Education and Training Review in England and Wales
- member of the Council of Justice
- life vice-president of the UK Employment Lawyers' Association
- honorary chairman of the European Employment Lawyers Association
- member of the board of International Women of Excellence
- governor of the London School of Economics

formerly

- Commissioner for Public Appointments in England & Wales and a Civil Service Commissioner
- the senior partner at Simmons & Simmons

Alan Jenkins

- a non-executive board member of the Crown Prosecution Service
 - an independent non-executive director of PKF 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
 - director of Gross Hill Properties Ltd, Sydney and London Properties Ltd and Northcourt Ltd
- #### *formerly*
- partner & chairman of global markets at Eversheds LLP
 - chairman of the board of Eversheds LLP
 - managing partner of Frere Cholmeley Bischoff
 - governor of Bishop Gilpin Primary School

as at 31 March 2012

our board and senior people

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

Julian Lee

- chair of Brighton & Sussex University Hospitals Trust
- a commissioner at the Legal Services Commission
- Justice of the Peace on the North Sussex Bench
- strategy and risk consultant

formerly

- chair of NHS Brighton & Hove
- chairman, then chief executive, of Allied Carpets Group plc
- chief executive of The Bricom Group plc
- joint managing director of British & Commonwealth Holdings plc
- partner, Arthur Andersen

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

- a trustee of Guide Dogs
- a business adviser, Young Enterprise
- mentor, New Leaf
- chair, Calverton Parish

formerly

- a non-executive director of HMRC
- group marketing director at BUPA
- managing director of corporate positioning services and head of brands management at British Airways
- governor at the University of Bedfordshire
- regional board member of the Prince's Trust

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

Chris McDermott
operations director

Caroline Wayman
principal ombudsman
and legal director

Jacquie Wiggett
director of human resources (HR)
and organisational development

as at 31 March 2012

our senior team

Garry Wilkinson
deputy operations director

heads of casework operations:

Tim Archer

Nathan Horner

Patrick Hurley

heads of casework teams:

Barbara Claypole

Simon Coe

Heather Cunliffe

Paul Fleming

Alison James

Neil Perry

Steve Thomas

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

Alison Hoyland
head of the chief executive's
office and board secretary

Emma Parker
head of media and
customer research

Caroline Wells
head of outreach and
external liaison

Sally Young
head of publishing,
online and design

Tracy Campbell
head of property and
operations support

Mike Harris
head of strategic analysis

Chris Stanley
head of management accounts

David Weaver
interim head of procurement

Melanie Wheeler
head of business planning
and performance

Kelly Thompson
head of HR operations

Margaret Wrightson
head of organisational
development

Jacqueline Rees
head of knowledge and
information management

our board and senior people

our panel of ombudsmen

Natalie Ceeney CBE

chief ombudsman
and chief executive

Tony Boorman

principal ombudsman
and decisions director

Caroline Wayman

principal ombudsman
and legal director

lead ombudsmen:

Jane Hingston

Caroline Mitchell

David Thomas

managing ombudsmen:

Yvette Bannister

David Bird

Annette Lovell

David Millington

Richard Thompson

Richard West

Sue Wrigley

ombudsmen:

Claire Allison

David Ashley

Sabeena Asad

Nicolas Atkinson

Charles Bacon

Hilary Bainbridge

Greg Barham

Audrey Baxter

Simon Begley

Jim Biles

Graham Booth

Cathy Bovan

Mike Boyall

June Brown

Juliana Campbell

Julia Chapman

Julia Chittenden

Heather Clayton

Melissa Collett

Rebecca Connelley

Stephen Cooper

Michael Crewe

Paul Daniel

Kim Davenport

Elizabeth Dawes

Francesca Del Mese

Simon Dibble

Rona Doyle

Susan Ewins

Paul Featherstone

Reidy Flynn

Geoffrey Futer

Dawn Griffiths

Sean Hamilton

James Harris

Jarrold Hastings

Doug Hill

Richard Hill

Claire Hopkins

Adrian Hudson

Michael Ingram

Colin Keegan

Ray Lawley

David Lawson

Simon Leach

Ruth Lewis

Steve Lilley

Harriet McCarthy

Michael McMahon

Doug Mansell

Kristina Mathews

Amanda Maycock

Janet Millington

Philip Miller

Roy Milne

Gideon Moore

Clare Mortimer

Ray Neighbour

Claire O'Connor

Jan O'Leary

Jeff Parrington

Kim Parsons

Nimish Patel

Michelle Peters

Nigel Pope

Louise Povey

Simon Rawle

Roslyn Rawson

Mark Richardson

Philip Roberts

Fiona Robinson

Malcolm Rogers

Ken Rose

Douglas Sayers

Mark Sceeny

Nicole Shinnick

Robert Short

Nicola Sisk

Nicole Smith

Lesley Stead

Caroline Stirling

Suzannah Stuart

Michael Stubbs

John Swain

Charlie Sweeney

Keith Taylor

Niall Taylor

Chris Tilson

Lennox Towers

Raj Varadarajan

Katherine Wells

Karen Wharton

Lindsey Woloski

Elsbeth Wood

Chloe Wooles

Claire Woollerson

Roger Yeomans

*there are more details about our
ombudsmen on our website*

index

A

accessibility 7, 11, 26, 28, 81, 86, 99, 101, 152

adjudicators 30, 31, 68, 69, 77, 78, 79, 80, 88, 108, 109

Age UK 144, 149, 152, 157

alternative business structures 137

alternative formats 28, 30, 102, 103, 149, 150

Alzheimer's and dementia 25, 100, 102

annuities 43, 62, 64

arrears 56

ash-related travel-insurance cases 50, 77, 147, 155

Association of British Insurers (ABI) 152, 156, 157

attitude to complaining 27, 114, 115, 116, 117

awareness (of our service) 91, 93, 99, 101, 104, 105, 108, 110, 111, 112, 113, 114, 141, 146, 148, 150, 151, 153, 156, 157

B

banks 6, 46, 72, 76, 77, 82, 126, 127, 128, 154

bereavement 79, 101

best companies 13, 111

board (of the ombudsman service) 8, 80, 81, 83, 99, 101, 111, 139, 156, 160

British Bankers Association (BBA) 46, 144, 154, 155, 156, 158

budget (of the ombudsman service) 15, 83

buildings insurance 39, 43, 45, 46, 49, 72, 156

building societies 126, 127, 128, 152

business banking 33, 42

business protection insurance 34, 42, 45

C

caravan insurance 42, 45, 151

case fees 15, 47, 75, 83, 84, 130, 131, 139, 140, 144, 147

cash machines 43

cash-plan health insurers 127

catalogue shopping 39, 42, 52, 57

Ceeney, Natalie (chief ombudsman) 9, 144, 146, 147, 149, 151, 152, 154, 155, 156, 158, 162, 163

chairman, Sir Nicholas Montagu 5, 134, 144, 149, 160

“change programme” 6, 14, 82, 139

cheque clearing 43, 149

Citizens Advice 26, 32, 33, 93, 117, 149, 152

claims-management companies 26, 32, 33, 34, 35, 36, 47, 56, 83, 93, 117, 123, 138, 140, 145, 146, 150, 152, 154

commercial insurance 34, 42, 45

commercial judgement 50, 66

complaints data 72, 121, 128, 130, 146, 153

complaints-handling rules 30, 31, 92, 136, 137, 157

complaints prevention 132, 134, 140, 141, 144, 145, 146, 148, 150, 151, 153

consumer credit 39, 42, 52, 57, 69, 70, 73, 107, 108, 110, 126, 127, 136, 149, 151, 156

consumer helpline 18, 19, 20, 22, 23, 24, 26, 27, 31, 88, 89

contents insurance 39, 43, 45, 46, 49, 72

continuous improvement 15, 79, 82

co-ordination committee 136

Council of Mortgage Lenders 146

credit broking 42, 52, 58

credit cards 24, 34, 39, 42, 52, 53, 73, 89

credit reference 42, 54, 74

credit unions 127, 130, 137, 144, 151, 153

critical illness insurance 44, 45, 46, 51, 151, 152

current accounts 24, 39, 42, 52, 54, 55, 73, 88, 89, 91, 96, 97, 152

customer experience 79, 100, 101

customer research 10, 27, 35, 80, 86, 89, 93, 94, 101, 106, 111, 113, 114, 115, 117, 118, 120, 131

D

debt adjusting 42

debt collecting 39, 42, 58, 145

debt counselling 42

debt management 57

“default” charges 53

demographics (of consumers) 11, 86-110, 111, 115, 121

Department for Business, Innovation and Skills (BIS) 138

Department for Work and Pensions (DWP) 107, 138

derivatives 44, 62

different needs 102, 103

direct debit 42, 54

disability 25, 30, 79, 100, 101, 102, 103, 149, 150, 154, 155

disputed transactions 53, 55

distress and inconvenience (compensation) 73, 75, 145, 149

diversity 25, 79, 99, 100, 106, 111, 147

dormant accounts 145

Dyslexia Association 100

E

electronic payment 43

e-money 82, 152

e-enablement 14, 82, 100, 139

equality 86, 99, 100, 106, 147, 155

ethnic communities 93, 94, 101, 104, 105, 111, 113, 117, 146, 147, 150, 153, 156, 158

index

European Commission 138
 extended warranty insurance 44, 45, 46
 external liaison (at the ombudsman service) 132, 133, 134, 140, 141, 167
 executive team (at the ombudsman service) 162

F

faith 106
 “faster payments service” 61
 final response letter 30, 31, 71
 financial hardship 7, 11, 54, 55, 57, 59, 63, 78, 152
 Financial Conduct Authority (FCA) 12, 137, 147, 155
 Financial Services Authority (FSA) 6, 12, 30, 31, 35, 46, 56, 60, 65, 66, 77, 83, 92, 129, 136, 137, 149, 153, 154, 155, 157, 158
 FIN-NET 138
 freedom of information 12, 100, 138, 144
 fraud 48, 55
 friendly societies 127, 130
 “frivolous and vexatious” (complaints) 75
 FSAVCs 43
 FSCS (Financial Services Compensation Scheme) 35
 funding (of the ombudsman service) 15, 83, 134, 139, 140

G

gender 89
 guaranteed asset protection (“gap” insurance) 42, 45, 48, 147
 guaranteed equity bonds 60
 guaranteed income bonds 43, 62

H

health insurance 51, 72
 hearings 71
 High Court 46, 51, 72, 77
 hire purchase 39, 42, 52, 57

HM Treasury 137, 138
 holiday clubs 52, 58
 home credit 42
 home emergency cover 42, 45, 49
 household insurance 49, 50, 97, 110, 155

I

impartiality 26, 99, 106
 income and expenditure 83, 84
 income draw-down 43
 income protection insurance 44, 45, 51, 150
 independent assessor 81
 independent financial advisers (IFAs) 126, 127, 128
 industry panel 134, 140
 insurance intermediaries 126, 127, 128
 internet 26, 54, 55, 80, 93, 105, 110, 122, 123
 investment-linked products 64, 65, 73
 ISAs (individual savings accounts) 43, 62, 141, 144, 157

J

judicial review 6, 31, 46, 50, 77, 83, 158

K

Kelly, Sir Christopher (former chairman) 6, 149, 157
 knowledge management (at the ombudsman service) 13, 78

L

languages other than English 28, 29
 legal expenses insurance 44, 141, 156
 Leveson Inquiry 151
 levy (the ombudsman service’s funding) 15, 83, 84, 131
 loans 24, 39, 42, 52, 59, 73, 78, 97, 107, 108, 111

M

maximum compensation 30, 64, 65, 74, 136, 157
 medical insurance 51
 mental health 102
 micro-enterprises 33
 Ministry of Justice 35, 138
 mobile phone insurance 42, 45, 107
 money transfer 43, 61
 Montagu, Sir Nicholas 5, 144, 149, 160
 mortgages 24, 39, 42, 52, 55, 56, 57, 66, 69, 70, 73, 78, 127
 mortgage endowments 32, 39, 43, 62, 65, 66, 73, 96, 139
 mortgage intermediaries 56, 126, 127, 128
 motor finance 48, 58, 140, 151
 motor insurance 24, 42, 45, 46, 48, 72, 97, 145, 146, 147, 158
 MPs and Parliamentarians 81, 140, 144, 148, 149, 151, 152

N

National Audit Office (NAO) 14, 82, 131, 139, 148
 newspapers 93, 94, 95, 123
 “non-disclosure” 48, 49, 157

O

Office of Fair Trading (OFT) 12, 129, 136
 Office for National Statistics 107
 older consumers 70, 86, 87, 94, 109, 110, 122, 140, 144, 145, 154, 158
 ombudsman decisions 12, 50, 64, 69, 70, 77, 78, 88, 89, 100, 104, 108, 109, 139, 144, 150, 153
 ombudsman panel 13, 14, 68, 69, 78, 80, 111, 163
ombudsman news 21, 51, 132, 141, 146, 147, 154, 155

index

outcome of complaints 71, 72, 73, 96, 104, 107, 119, 128

outreach

(by the ombudsman service)

12, 26, 34, 86, 87, 99, 101, 109, 110, 114, 133, 140, 141, 145, 150, 152, 153, 154, 158, 167

overdrafts 54, 78, 96

P

“packaged” accounts 54

pay-day loans 42, 58

payment protection insurance (PPI)

6, 13, 14, 15, 21, 22, 24, 31, 32, 33, 34, 35, 36, 38, 39, 41, 42, 45, 46, 69, 70, 72, 75, 76, 77, 83, 84, 86, 87, 88, 89, 91, 96, 97, 104, 107, 108, 109, 110, 118, 126, 127, 132, 134, 139, 145, 146, 147, 148, 149, 150, 152, 153, 154, 156, 157, 158

pensions 39, 43, 62, 63, 64, 69, 70, 73, 88, 109, 110, 127, 155

PEPs (personal equity plans) 43

personal accident insurance

44, 45, 51, 145, 147, 150

pet insurance 42, 45, 144

point-of-sale loans 42, 58

portfolio management

44, 62, 66, 73

pre-existing medical conditions

51, 157

private medical insurance

44, 45, 51

Q

quality 11, 13, 78, 79, 80, 82

R

ratings (by customers)

80, 118, 119, 131, 133, 142

regional data 90, 91, 112, 122

regulatory reform 137

repossession 56

“reviewable” policies 63

risk 65

roadside assistance 42, 45

S

safe custody (banking) 43

sale and rent-back 137

Samaritans 100

savings accounts

24, 39, 43, 52, 60, 73, 97, 110

savings endowments 39, 43, 62

section 75 (consumer credit)

52, 53, 58

SERPs 43, 62

Shaw Trust 30, 103

SIPPs (self-invested

personal pensions) 43, 62

smaller businesses

32, 33, 34, 133, 134, 140, 145, 149, 153, 156, 158

social media 80, 93, 109

Society of Lloyd’s 127

socio-economic groups 25, 69, 92,

94, 96, 97, 99, 112, 114, 117

Solicitors Regulation Authority 137

spread-betting 44

SSASs (small self-administered

schemes) 43, 62

stakeholder engagement 140

stockbroking 44, 62, 66, 73, 126

store cards 42

“structured” products 43

T

technical advice desk

12, 132, 133, 140, 167

time limits 26, 66

timeliness (of the ombudsman service’s casehandling) 76, 77, 118

trade associations 34, 36, 117, 132, 133, 134, 138

Trading Standards 26, 32, 33, 93,

109, 117, 156, 157

training and development

(at the ombudsman service)

11, 13, 78, 79, 100, 102, 103

transparency 12, 139

travel insurance 39, 43, 45, 46, 50, 54, 72, 77, 107, 152, 154

trust 10, 117, 147

U

unit cost

(at the ombudsman service) 83, 139

unit trusts 43

unit-linked bonds 39, 43, 62

uphold rates of complaints 71, 72, 73, 96, 99, 107, 128, 130, 131

V

videos 21, 28, 79, 100, 115, 117, 141, 145, 150

vulnerable consumers 25, 100

W

weather-related claims 49, 149

website (of the ombudsman service)

21, 22, 28, 36, 46, 47, 48, 51, 72, 73, 81, 99, 105, 120, 123, 132, 134, 136, 138, 141, 167

whole-of-life insurance

39, 43, 62, 63, 73

“with-profits” bonds 39, 43, 62

word of mouth 27

Y

younger consumers

25, 70, 88, 93, 94, 101, 107, 108, 109, 114, 117, 122, 146, 150, 151, 155, 156, 158

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

our **outreach and external liaison team** can:

- organise and speak at seminars, workshops and conferences
- take part in events and exhibitions
- provide training for people working with financial complaints.

020 7964 1400

liaison.team@financial-ombudsman.org.uk

our website **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, factsheets 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.

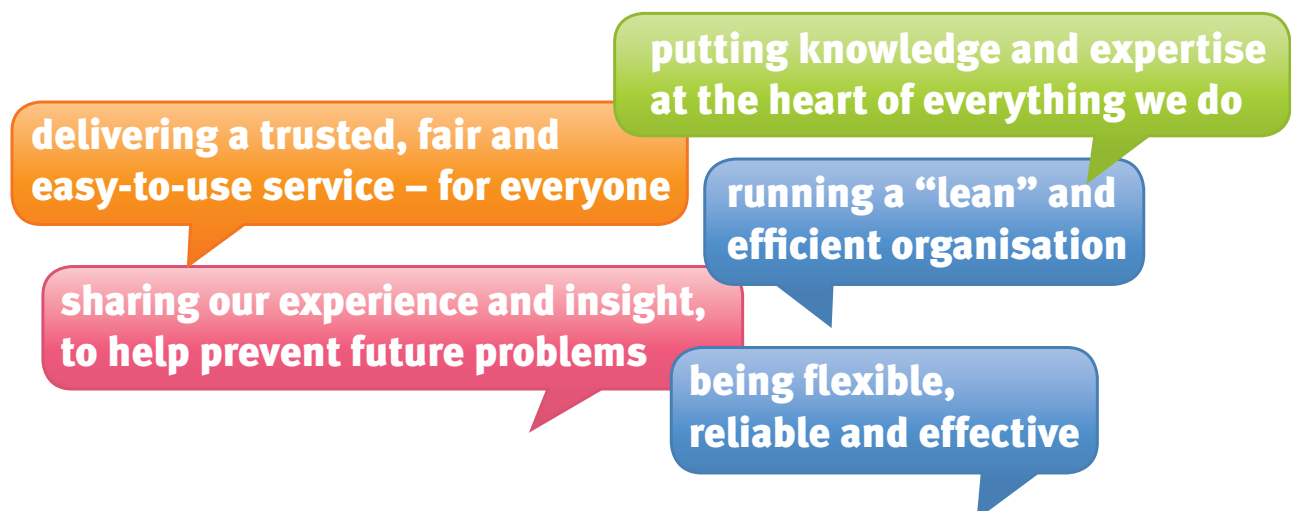
“... settling disputes,
without taking sides”

“... 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 a first-rate 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:



© Financial Ombudsman Service Limited, May 2012
Produced by the communications team at the Financial Ombudsman Service (646/22.05.12).
Photography by Margie Hetherington and Sandy Kaur at the Financial Ombudsman Service.

This *annual review* is printed on Claro Silk, a paper comprising fibres sourced from well-managed sustainable forests. The paper's manufacturing process is chlorine-free.

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

- **look at our website**

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.