

## **Ministry of Justice – Proposals to amend the Conduct of Authorised Persons Rules: The Financial Services Perspective**

### **response from the Financial Ombudsman Service**

9 January 2014

---

The Financial Ombudsman service welcomes the proposals to amend the Conduct of Authorised Persons Rules, and supports the Government's intentions to provide a more robust regulatory framework for claims management companies (CMCs) acting in the financial services sector.

#### **about the Financial Ombudsman Service**

The ombudsman service was set up by Parliament to sort out individual complaints that consumers and financial businesses aren't able to resolve themselves. It is an independent service for settling complaints which is free to consumers. The business must be given the chance to look into a problem first – and they have eight weeks to do it. If the business does not respond within eight weeks, or does not respond to the consumer's satisfaction, the consumer can go to the ombudsman service.

#### **below we have provided answers to those questions which are relevant to our experience of dealing with claims management companies**

**Q2. The proposed General Rule 2b) amendment requires CMC to 'substantiate and evidence' the basis of claims. The Ombudsman will consider a consumer's oral evidence and recollections where documentation cannot be located. Do you think there is a risk that financial service providers will reject claims from CMCs as a result of this proposal if they interpret 'substantiate' to mean documentation? Can this be mitigated?**

We feel it is important to highlight here that the ombudsman service will consider oral evidence and customer testimony *in addition* to any other existing documents – we want to hear the complaint through the consumer's own personal testimony and recollections whether or not there is specific documentation to support it. Where there is documentation to support this, we would expect this to be supplied also. We would therefore suggest considering rewording the rule to put the onus on CMCs to properly set out the basis of a

claim as relating to the facts and circumstances of the individual complainant, and to set out the consumer's testimony in their own words wherever possible.

---

Stephanie Chapman, Policy Advisor

📍 Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR

✉ [stephanie.chapman@financial-ombudsman.org.uk](mailto:stephanie.chapman@financial-ombudsman.org.uk) ☎ 020 3487 4082