



Walter Merricks
chief ombudsman

holding our nerve

If the financial markets are nervous, how should we expect retail consumers to react? When professionals talk of 'sentiment' leading the market up or down, they often refer to their reading of leading indicators, corporate profit forecasts and analysts' briefings.

And most consumers – who don't read these things – are none the wiser. In normal times, financial news stays safely inside the financial pages.

In recent weeks, however, the public has been assailed by headline news of stock markets plunging, credit markets crunching and the property market collapsing (or not) – not to mention the continuing dramas of a bank in need of a rescue and a trader gambling billions of his bank's money on a disastrous one-way bet.

All this may – or may not – filter through to us in the form of an increased workload of complaints in the coming year, for which we have recently published our corporate plan and budget forecasts. But a general nervousness on the part of consumers – relating both to their own personal finances and to their perception of a less economically secure world around them – is certainly now starting to show up in the calls we're getting on our consumer front-line.

There's no logical reason why – just because the financial markets are jittery – we ought to receive more disputes. The 'fundamentals' of most financial products and services for retail consumers haven't changed that much. ▶

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But if the confidence of some consumers has been shaken by recent headlines, then financial firms need to put extra effort into reassuring troubled customers. This is where good customer service – and sensitive, intelligent responses to worried questions – can divert those who may be feeling nervous and confused from the path of panic and confrontation.

Much of our work in resolving disputes at the ombudsman service is, in the end, about giving worried and confused people more thorough and considered explanations of how things work. We stand ready to deal with the inevitable disputes that human life and the real world always throw up. But financial businesses can help us – and their customers – by anticipating how consumers are likely to feel and react when they see the frightening headlines.

Walter Merricks, chief ombudsman

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020 7964 1400 (this number is for businesses and professional consumer advisers only – consumers should ring us on 0845 080 1800)

complaints involving the use of cash machines

Most people with a bank or building society account make regular use of cash machines. In fact, around 7.5 million cash machine transactions are successfully carried out in the UK each day. Seen in that context, the number of complaints we see involving cash machines is relatively very small. However, those cases we do see often require detailed investigation, involving the analysis of cash machine audit trails, as well as collecting and assessing information about the circumstances of the disputed transactions.

The possibility of card fraud can be a particular worry for consumers. They are often concerned about whether a fraudster might be able to obtain information from their card, or from a transaction slip, to get access to their account – perhaps by ‘cloning’ their card (making a copy that can be used in a cash machine). Most cards now include a micro-chip which can be ‘read’ by the cash machine, providing an enhanced level of audit trail information.

However, consumers are often unclear about exactly how this might affect them in the event of a dispute.

Sometimes, consumers do not question having made a particular cash machine transaction. However, they say there was some problem with the cash machine and that it failed to dispense their money, or that their account was debited with more than they actually drew out. The situation can be further complicated by the fact that a consumer may be complaining about a transaction made at a cash machine owned by a different bank or building society from the one where they hold their account.

When we look at complaints involving cash machines we take into account the relevant law and provisions of the *Banking Code*, as well as the card terms and conditions of the customer’s account. The following case studies illustrate some of the more typical cash machine complaints we have dealt with recently. ▶

■ 67/1

consumer complains that cash machine withdrawal was debited to his account even though the machine failed to dispense his money

Mr O, a customer of bank A, attempted to use his cash card to withdraw £100 from a cash machine owned by bank B. He later told us he had assumed there was some kind of fault with the machine. He said he had waited longer than usual but the cash had failed to appear, so he had given up and walked away.

He complained to his bank after finding the withdrawal shown on his next statement. When the bank refused to refund the money, he brought his complaint to us.

complaint not upheld

As part of our investigation into the complaint, we obtained the audit trail from bank B's cash machine for the day in question. There was no evidence of any malfunction and nothing to suggest that the sum of cash Mr O requested had not been dispensed in the usual way.

Initially, Mr O had been adamant that he had waited at least 20-30 seconds before concluding that the machine was out of order and would not dispense his cash. However, his recollection of the length of time he had waited became far less certain as our investigation progressed.

We noted from the cash machine's audit trail that there had been a gap of three minutes after Mr O had attempted to withdraw cash and before the next customer used the machine.

We concluded that it was more likely than not that Mr O had simply failed to wait quite long enough for the machine to dispense his cash. It seemed probable that the cash had then been picked up by a third party after Mr O had left the cash machine. We sympathised with Mr O, but we were unable to uphold his complaint.

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■ 67/2

bank refuses to refund all of the money taken from a customer's account after he was the victim of a cash machine 'scam'

Mr A tried, unsuccessfully, to withdraw cash from the machine outside a branch of his bank. He said he had entered his details but had then found that the screen failed to function correctly. The machine retained his card and the cash failed to appear, so he went inside the branch to report the problem.

... the cash failed to appear, so he had given up and walked away.

... he had not waited quite long enough for the machine to dispense his cash.

To his alarm, he subsequently discovered that while he had been inside the branch, £300 had been withdrawn from his account. Someone had used his card at a different bank's cash machine in a shopping mall a few minutes' walk away. And a few minutes after that there had been a further withdrawal of £300 from the same cash machine in the shopping mall.

Mr A's bank agreed to refund the second withdrawal of £300. However, it refused to refund the first withdrawal. It said Mr A must have been '*negligent in the care of his card and/or personal identity number ('PIN')*'. Mr A then brought the complaint to us.

complaint upheld

We gathered information from Mr A about his unsuccessful attempt to withdraw money with his card. We also obtained the audit trails from both banks for the cash machines in question.

... he had been the victim of a cash machine 'scam'.

After examining all the facts, we concluded that Mr A had been the victim of a common scam – often known as the '*Lebanese loop*'. A fraudster tampers with a cash machine so that it appears to 'swallow' the customer's card. And having carefully observed the customer using the machine, the fraudster knows the customer's PIN, so can then use the card to take money from the customer's account.

We did not agree with the bank's view that Mr A had been negligent. Applying the provisions of the *Banking Code*, we upheld his complaint and said the bank should refund both of the £300 withdrawals. We said it should also pay Mr A a further £100 for the distress and inconvenience its mis-handling of the complaint had caused him.

■ 67/3

customer complains about a number of cash machine withdrawals that she said were made without her knowledge

Ms C contacted her bank about a number of cash machine withdrawals that had been made from her bank account over the previous two years.

She denied all knowledge of these withdrawals and said she thought there must have been an error in the bank's cash

machine system, causing duplicated or 'phantom' transactions to be generated on her account. Alternatively, she suggested, the disputed transactions might have been made by someone using a 'cloned' card.

When the bank refused her request to refund all the disputed transactions, Ms C complained to us.

complaint not upheld

Because Ms C's cash card had expired and been replaced during the period in question, the withdrawals involved two different cards. And the disputed withdrawals had been made at machines owned by several different banks.

We noted that most of the disputed transactions were for small amounts and had been made almost immediately after other – undisputed – withdrawals. In many of the transactions, the cash machines were ones that could 'read' the micro-chip in the card and we were satisfied, from all the evidence we obtained, that the cards had not been cloned.

There was nothing in the various audit trails to support Ms C's allegation of a systems fault at her bank, or in the individual cash machines.

We concluded, from the evidence, that Ms C herself should be liable for the withdrawals. We did not uphold the complaint.

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■ 67/4

consumer disputes cash machine withdrawals made in the early hours of the morning

Mr B's bank statement showed that four separate cash machine withdrawals – for £50, £100, £30 and £30 – had been made during the early hours of a Saturday morning. Mr B disputed two of these withdrawals.

He accepted that he had made the first withdrawal – of £50. He said he had been out celebrating his birthday with a group of friends. He had stopped at a cash machine shortly before 1.00am,

... we thought his celebrations had probably gone on for a lot longer than he later recalled.

while on his way from the club where he had spent most of the evening to a different club, nearby.

However, Mr B strongly denied having made the second withdrawal – of £100. This transaction had taken place at 4.28am at a different cash machine, situated in the town's high street. Mr B said he could not have made this withdrawal as he was certain he had returned home by that time.

Mr B also disputed the withdrawal of £30 – made at 7.00am at the same cash machine in the high street where the £100 withdrawal had been made.

He accepted that he had indeed attempted to withdraw money from that particular cash machine at that time. However, he said the machine had failed to dispense any cash, so the transaction should not have been debited to his account. He did not dispute the withdrawal of £30 made at 7.24am from another cash machine nearby.

Mr B complained to us after his bank refused his request to refund the disputed transactions. ►

complaint not upheld

We checked through the audit trails from the different cash machines involved.

These did not show any error or discrepancy. There were a number of inconsistencies in the different versions of events that Mr B gave us during the course of our investigation. There were also inconsistencies in the information provided by the friends who had shared in his birthday celebrations.

Taking everything into account, we thought Mr B's celebrations had probably gone on for a lot longer than he later recalled. We thought it likely that he had made (but later forgotten about) the withdrawal of £100. And it seemed more likely than not that the cash machine *had* dispensed the £30 withdrawn at 7.00am, but that he had failed to wait long enough for the cash to emerge from the machine. We did not uphold the complaint.

.....

... we checked through the audit trails from the different cash machines involved.

■ 67/5

bank failed to take prompt action when made aware of suspicious circumstances

Every Friday morning Mrs V, a pensioner in her eighties, withdrew £50 from the cash machine outside her local bank branch. On one particular Friday, she said she had just started to use the cash machine when a smartly-dressed middle-aged man had come up to her. He told her that there was a problem with the machine because it had 'eaten' his card when he had tried to withdraw some cash. He warned her that she ought to cancel her transaction in case the same thing happened to her.

Feeling flustered, Mrs V pressed the 'cancel' button. However, the man told her she had been too late and that the card had already gone. He said that if she dashed into the branch quickly enough, one of the bank staff might be able to open up the machine and get her card out.

Mrs V hurried in to the bank and after queuing up anxiously for several minutes was able to speak to a cashier. She reported exactly what had happened – and how the man had advised her to come in to the bank right away.

... he had observed her entering her PIN, and had distracted her to obtain her card.

The cashier told Mrs V that she was not to worry, and that the card would be fine – she would just have to wait a few days for it to be returned to her.

Within 15 minutes of Mrs V reporting to the cashier that the machine had ‘eaten’ the card, someone had made two cash machine withdrawals from her account. The withdrawals – each for £250 – had been made at two different cash machines.

When Mrs V contacted the bank, it refused to refund the disputed withdrawals, saying the problem must have resulted from negligence on her part.

Eventually, after she had made a formal complaint, the bank said it was prepared to allow her an interest-free overdraft of £500 while it investigated. Mrs V then referred the matter to us.

complaint upheld
We were satisfied that Mrs V’s account of what had happened to her at the cash machine, and immediately afterwards in the branch, was entirely truthful.

It was clear to us that the man who spoke to her had observed her entering her PIN, and had then distracted her in order to obtain the card.

In our opinion, the events that Mrs V reported to the cashier should immediately have aroused suspicions that she had been targeted by a fraudster. The cashier should have recommended that Mrs V’s card be ‘stopped’. If he had taken prompt action, the card would have been stopped some five minutes before the fraudster made the first withdrawal.

We did not accept the bank’s argument that Mrs V had been negligent in her care of the card or PIN and we upheld the complaint. We said the bank should refund Mrs V both of the disputed withdrawals, and pay her a further £250 for the worry and distress caused by its mishandling of the complaint.

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■ 67/6

bank failed to take proper account of the *Consumer Credit Act 1974*

Miss G had a £5,000 overdraft facility in place on her account. When she got her monthly bank statement she was expecting to find that she was overdrawn by around £800. She was therefore very surprised to discover an overdraft of over £1,000. When she looked at her statement more closely, she found a £250 cash machine withdrawal that she could not account for. She contacted her bank to say she was certain she had not made the withdrawal herself and could not understand how anyone else could have done so.

The bank insisted that Miss G must have been negligent in the care of her card or PIN. So it said that, under the terms and conditions of her account and the provisions of the *Banking Code*, she was liable for the transaction. Miss G then brought her complaint to us.

... there was a £250 cash machine withdrawal that she could not account for.

... her colleague had carefully watched her entering the number when she used her card

complaint upheld

The detailed information that we obtained during our investigation led us to conclude that one of Miss G's work colleagues had probably taken her cash card from her handbag – without her knowledge – and had later replaced it.

On several occasions the colleague had gone shopping with Miss G during their lunch break. We thought it likely that the colleague had been able to obtain the PIN by carefully watching Miss G entering the number when she used her card in a supermarket near their workplace.

We were satisfied that Miss G had neither made nor authorised the transaction. And in our view the question of negligence did not arise at all.

Because Miss G's account was overdrawn, the transactions had been made from credit. This meant that the relevant provisions of the *Consumer Credit Act 1974* applied. These say that customers are only liable for a transaction if they either made or authorised it themselves – otherwise their liability is limited to the first £50. The *Consumer Credit Act*, which is a statutory safeguard for consumers, takes precedence over the *Banking Code*.

So we said Miss G should not be liable for more than the first £50. We also said that the bank should refund the overdraft interest charged on the £250, and pay Miss G £75 for the inconvenience it had caused her by its poor handling of her complaint.

.....

... she had not made the withdrawal and could not understand how anyone else could have done so.

the ombudsman service board of directors – and their role



The governing body of the ombudsman service – its board – consists of nine ‘non-executive’ directors. The individual directors do not represent any particular group or sector but are appointed in the public interest, to ensure that the board as a whole can draw on a wide range of experience, knowledge and skills.

Board members are recruited through advertisements in the national press and on our website – and appointments are made by the Financial Services Authority (FSA), under the *Financial Services and Markets Act 2000*. The appointment of the chairman is also approved by HM Treasury.

Board directors play no part in investigating or deciding the outcome of any individual complaints referred to the ombudsman service. Nor do they become involved in the day-to-day management of the organisation.

The main responsibilities of the board are to:

- take a strategic overview and ensure the ombudsman service is properly resourced

- ensure the ombudsman service is able to carry out its functions effectively, impartially and independently – free from any control or influence by those whose disputes we resolve
- agree the annual budget and recommend it to the FSA for final approval
- appoint individual ombudsmen, on terms consistent with the ombudsmen’s independence
- appoint the Independent Assessor, who acts on the board’s behalf to consider complaints about the level of service provided by the ombudsman service
- make rules about various aspects of the jurisdictions of the ombudsman service
- report regularly to the FSA on the way in which the board has carried out its functions.

Full meetings of the board are generally held ten times a year and involve discussion of a wide range of issues. These issues cover matters such as general workload, staffing, external and public relations, accountability, technology and funding. Individual members

of the executive team and other staff often attend board meetings, when required, to contribute to discussion on specific topics.

Certain functions and decisions are delegated to the audit committee or to the nomination and remuneration committee, both of which are sub-committees of the main board. A further sub-committee – the quality committee – is currently being set up.

The following new appointments have recently been made to the board and will take effect from 23 February 2008.



Alan Cook CBE
Managing director of Post Office Ltd. From 2002 to 2006 he was the chief executive of National

Savings and Investments (NS&I) which signed-up to the Financial Ombudsman Service on a voluntary basis in 2005. Before this, he had a long career with the Prudential, culminating in the post of chief operating officer.

Joe Garner
Group general manager of personal finance services at HSBC since 2004. His previous career was largely in marketing,



initially with Procter & Gamble in the UK and Eastern Europe, and then with the Dixons Group. More recently he led the implementation of two major initiatives – to counter mobile phone theft, and to recruit special constables from the retail industry – under the *Shopwatch* initiative.

John Howard

Currently chairman of the Financial Services Consumer Panel but due to stand down from the panel at the end of March. He



is a journalist and broadcaster with extensive experience of consumer issues, having been the principal presenter of BBC Radio 4's *You and Yours*. He was a member of the Mortgage Code Compliance Board from 1997 to 2004 and is currently a council member of Energywatch. He is also a qualified solicitor.



Elaine Kempson CBE
Professor and director of the Personal Finance Research Centre at the University of Bristol – and an acknowledged expert

on retail financial services. She has twice been an independent reviewer of the *Banking Code* and an adviser, or member, of a wide range of bodies covering financial inclusion, over-indebtedness and access to financial services.

Maeve Sherlock OBE

Currently studying for a PhD at Durham University. From 2003 to 2006 she was chief executive of the Refugee Council, and before



that she was a member of the Council of Economic Advisers in the Treasury. She was also chief executive of the National Council for One Parent Families from 1997 to 2000 and has held a range of non-executive appointments. ▶

These new board members will join the following members of the current board, whose terms of office are continuing.



Sir Christopher Kelly KCB (chair)
Recently appointed the chairman of the Committee on Standards in Public Life, he is also chairman of the NSPCC and a board member of the National Consumer Council.

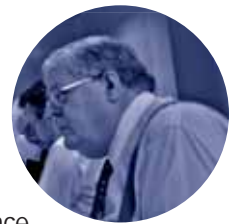
He was formerly permanent secretary at the Department of Health; head of policy at the Department of Social Security; and director of monetary & fiscal policy *and* director of the budget & public finances at HM Treasury.



Kate Lampard
(chair of the audit committee)
An associate of Verita Ltd and a trustee of the Esmee Fairbairn Foundation, one of the largest independent grant-making foundations in the UK.

A former barrister, she was also chair of Kent and Medway Strategic Health Authority; chair of the Independent Housing Ombudsman Limited; and chair of the Invicta Community Care NHS Trust.

Julian Lee
(chair of the quality committee)
A crisis & change management consultant, he is currently chairman of Brighton & Hove City Teaching PCT; a non-executive director of the Maritime and Coastguard Agency; and Justice of the Peace to the North Sussex Bench.



In the past he has been a non-executive director of the South East Coast Ambulance Trust; chairman, then chief executive, of the Allied Carpets Group and chief executive of the Bricom Group.

Roger Sanders OBE
He is currently the deputy chairman of Helm Godfrey Partners Ltd and a director of Helm Godfrey Benefits (incorporating Roger Sanders Associates).



Before this he was 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; and a PIA board member. ★

case studies illustrating recent investment-related complaints, including stockbroking and spread-betting

■ 67/7

stockbroker recommends penny shares to client seeking medium-risk investments

Mr K, who was 74 years old and retired, was contacted by a firm of stockbrokers that specialised in higher-risk investments. He agreed to become an 'advisory-managed' client of the firm. This meant that the firm would advise him about what investments it thought he should consider buying or selling. However, it would not buy or sell on his behalf.

At the time, Mr K had £120,000 in his building society account, £50,000 in shares, and a modest amount in PEPs and ISAs. After noting that Mr K wanted to invest for capital growth, and recording his attitude to risk as '*medium*', the firm recommended that he should buy penny shares in three companies. The shares sold to Mr K were among a large number of penny shares that the firm had already bought, and had on its books.

... the shares represented a higher level of risk than he had wanted to take.

Penny shares are shares in small companies and – typically – the individual shares have a low market value. The shares are considered to be speculative. This is because although they offer the prospect of sizable returns – over and above those generally available from 'blue chip' shares – the companies issuing the shares tend to have limited assets and a short operating history, so performance is likely to be volatile.

After a while, Mr K grew concerned about the declining value of his investment in these shares. He complained to the firm, saying he felt he had been badly advised because the shares represented a higher level of risk than he had wanted to take.

The firm accepted that the shares it had recommended to Mr K were high-risk investments. However, it argued that its advice had been appropriate, when viewed in the context of Mr K's overall financial position. Unhappy with the firm's stance, Mr K then came to us.

complaint upheld

We noted that the firm's terms and conditions stated that it would advise ▶



clients on individual investments – not on their entire investment portfolios. And it stressed that it took no responsibility for constructing or monitoring the performance of clients’ portfolios. As a general point, we normally accept that a medium-risk portfolio may reasonably include an appropriate balance of medium-, high- and low-risk investments.

However, in this case the firm was not advising Mr K about a portfolio. All it was doing was recommending an individual investment. And having established that Mr K required an investment that carried only a medium level of risk, it had recommended that he should buy shares that carried a high risk.

We therefore agreed with Mr K that the advice he had been given was inappropriate. We directed the firm to compensate Mr K for the difference between the value of the shares and the value his investments *would have* had, if he had invested the same amount in line with the FTSE All Share Index.

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■ 67/8

stockbroking firm led client to believe it would actively manage his investments but failed to do so

Mr W said that a stockbroking firm persuaded him to invest in some high-risk shares, on the basis that it would monitor his investments and trade them on his behalf, to maximise his returns and minimise any losses. He said he was attracted to this type of service because his work entailed a large amount of overseas travel and left him little time to look after his investments.

Around eighteen months later, after returning home from a lengthier than usual trip, Mr W was concerned to find that the value of his investments had fallen very considerably. Noting that the firm had not made any change to his portfolio of shares since he had bought them, he decided to complain. He said he had been led to believe his shares would be actively managed and he thought that if the firm had done what it had promised, he would not have lost so much money.

The firm referred Mr W to the terms and conditions he had signed. These stated that the firm was under no obligation to monitor his investments or provide ongoing advice. Mr W then brought his complaint to us.

complaint upheld

Mr W said he felt the firm had misled him. He told us that its representative had stressed that his investments would be actively managed – and it was this that had persuaded him to use the firm. He accepted that he had signed the terms and conditions. But he said the representative had told him the paperwork was ‘*merely a formality*’ and that there was no need to read it before signing.

In view of the extent of Mr W’s overseas travel, we thought it was certainly plausible that he would have been attracted by the prospect of having his shares actively managed.

And after considering all the evidence, we concluded that it was more likely than not that Mr W had only invested in the shares because of misleading information given to him by the firm’s representative at the time of the sale. We therefore upheld the complaint.

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- 67/9 after incurring a substantial loss, customer says spread-betting business misled him

Mr G often took part in spread-betting. Essentially, this involves taking a bet on future events, such as the movement of financial indices (the FTSE, NASDAQ *etc*) or – as in this case – on the outcome of

sporting fixtures. It is a high-risk activity in which, unlike conventional gambling, you can lose more than your original stake. And you are legally obliged to pay up, no matter how much you lose.

Towards the end of a Premier League season, Mr G decided to make a bet on which group of teams would finish in the top six. He bet that only one of the teams that was outside the top six when the bet was made would finish there at the end of the season, and that this particular team would finish fourth.

It turned out that Mr G had not fully calculated all of the possible bet outcomes. His exposure to risk was therefore greater than he thought. After suffering heavy losses, he complained to the business that had taken his bet. He said it had misled him about the details of the bet and he would never have made the bet if he had understood the risks involved.

complaint not upheld

We listened to the recording the business had made of Mr G’s phone call to place the bet. It was clear from this that Mr G understood the overall mechanics of the bet. However, it was apparent from parts of the dialogue that he had made a miscalculation about the possible outcomes. Mr G did not question this point with the business and it did not correct him. ▶

Mr G was experienced in spread-betting and there was no doubt that he was fully aware of the high risks involved.

We decided, in the circumstance of this case, that there was no onus on the business to point out Mr G's misunderstandings of some aspects of the bet details. We did not uphold the complaint, so Mr G remained liable for his losses.

... the representative had told him the paperwork was *'merely a formality'*

The firm also denied having given Mr D any advice. It said he had decided for himself on the content of his portfolio – and how it should be managed.

Mr D then brought his complaint to us. He said the firm had promised him at the outset that it would keep an eye on his investments and advise him to buy when the market was low and sell when it was high. He felt it was clear from the diminished value of his portfolio that the firm had not done what it had promised.

■ 67/10

'advisory managed' client blames stockbroker for poor performance of his portfolio

Mr D was contacted by a firm of stockbrokers that recommended a variety of investments, most of which were considered to carry a high level of risk.

After a couple of years, the value of Mr D's portfolio of investments had fallen to a significantly lower level than the sum he had originally invested. Mr D complained to the firm that his investments had fallen in value as a result of the firm's poor advice.

The firm refuted Mr D's claims, insisting that the poor performance resulted purely from unfavourable market conditions – which were beyond its control.

complaint not upheld

We noted that Mr D was an 'advisory managed' client of the firm. This meant that the firm would not actively trade investments on his behalf. Instead, it would make recommendations to him on how he should manage his portfolio.

We looked closely at the transactions that had been carried out since Mr D had become a client of the firm. From this, it was clear that the firm had been making regular recommendations, which we considered to be entirely appropriate.

Mr D had been making up his own mind on how to manage his portfolio and, on a number of occasions, had taken decisions which deviated considerably from the firm's recommendations. We did not uphold Mr D's complaint.

meet the ombudsman service



Throughout 2008 we'll be out and about at exhibitions and events in different areas of the UK, sharing our complaints-handling knowledge and listening to the experiences and views of consumers, businesses and consumer advisers.

We'll be running our popular series of *workingtogether* events, giving front-line consumer advisers – including trading standards officers, money advisers and citizens advice workers – the opportunity to learn more about the ombudsman service and how we work.

workingtogether events planned for the next few weeks include:

- Newcastle Upon Tyne – Thursday 12 February 2008
- Bristol – Wednesday 27 February 2008
- Stoke-on-Trent – Thursday 13 March 2008

other forthcoming events include:



- 28 February to 1 March 2008
The Education Show
The National Exhibition Centre, Birmingham
- 6 March 2008
Adviser 2008 (trade show for people working in financial services)
SECC, Glasgow

For more details about these and other events, visit our website www.financial-ombudsman.org.uk/news/out-and-about.htm or call our events coordinator, Kerrie Coughlin, on 020 7964 0130.

we don't agree with adjudicator – can we appeal?

a consumer credit business emails ...

Q For the first time, we have had a customer's complaint referred to the ombudsman service. The adjudicator dealing with it has now said that, in her opinion, we should waive some of our customer's debts. We disagree and want to appeal – could you tell us what options we have?

A If you disagree with the adjudicator's view, get in touch with her. Set out your reasons, including any new facts and arguments that you've not already provided. Don't hold important points back for later – raise them with the adjudicator as soon as possible.

Most complaints can be resolved informally, without the need for a final decision from an ombudsman. The adjudicator will have seen many similar cases before and will have a good idea of how the ombudsman would be likely to view your case. But if, once the adjudicator has responded to your concerns, you still disagree with her view, you can 'appeal' by asking for a review and a final decision by an ombudsman. This is the final stage of our process, and a final decision from the ombudsman is binding on you, if the consumer accepts it.

There's more information about our process – and what to do if you disagree with an adjudicator's view – in our factsheet, *how we handle disputes between businesses and their customers*. You should already have received a copy, as we send the factsheet out automatically when we receive a complaint about a business that has complaints referred to us only very infrequently. However, it is also available in the publications section of our website (www.financial-ombudsman.org.uk).

does the ombudsman service live in the real world?

a sole trader writes ...

Q I can't help thinking the ombudsman service is out-of-touch with the real world. How can you have any idea of what life is like for small businesses like mine?

A The practicalities of our day-to-day work give us a unique insight – not only into the issues of concern to consumers but also into the commercial realities facing businesses of all sizes and profiles. Every year we handle complaints from tens of thousands of consumers, touching on all aspects of their lives. These complaints involve thousands of different businesses – from some of the largest financial services providers in the world to small partnerships, sole traders, and businesses such as motor dealers, where financial services are secondary to their main trade.

And our *technical advice desk* (phone 020 7964 1400) takes thousands of calls each year from businesses wanting to discuss a wide variety of complaints-related issues with us – on an informal basis.

We are always keen to meet as many of our customers and stakeholders as possible, and we regularly travel around the UK taking part in trade and industry events. These events – from roadshows and seminars to conferences and exhibitions – enable us to meet a wide variety of people face-to-face, listen to their views and answer their questions. For details, see the inside back cover of this issue, or the events page of our website.

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