



the role and work of our panel of ombudsmen

This quick guide provides the answers to some of the questions we're most frequently asked about our panel of ombudsmen.

who exactly is 'the ombudsman'?

We have not just one ombudsman but a panel of them. This panel is led by our chief ombudsman. Alongside the chief ombudsman are our most senior ombudsmen and around 200 other ombudsmen.

how does someone get to be an ombudsman?

Appointments to the statutory panel of ombudsmen are made under paragraphs 4 and 5 of schedule 17 of the *Financial Services and Markets Act 2000*. These appointments are made by our board of non-executive directors, who are themselves appointed as public-interest members on terms that ensure their independence from those whose disputes we settle.

The board is required by law to appoint ombudsmen who have appropriate qualifications and experience – and they appoint ombudsman on terms that ensure their independence.

and what sort of experience do ombudsmen need?

Our ombudsmen come from a wide range of backgrounds, as can be seen from their biographical details on our website (in the section "about us").

Some have worked previously as solicitors or barristers – in private practice or for government.

They also include former senior managers in financial services, as well as actuaries, regulators and accountants.

The organisations where individual ombudsmen have worked before joining us are diverse as the Bank of England, the Consumers' Association, Crown Prosecution Service, Electoral Commission, Independent Police Complaints Commission, Insolvency Service, Moorfields Eye Hospital, the Parole Board, the Planning Inspectorate, Shelter and the United Nations.

what's the role of ombudsmen in complaints-handling?

Our process for handling complaints between consumers and businesses providing financial services is designed to ensure that as many as possible of the cases referred to us can be dealt with at an early stage.

The vast majority of these complaints are resolved informally by our adjudicators. But in around one in ten cases, it is not possible to reach an agreement between the consumer and the business. In these cases we appoint one of our ombudsmen to review the complaint and make a final decision.

When an ombudsman becomes directly involved in a dispute at this stage, they will carry out their own independent review of the complaint before issuing a final decision. This is the last 'appeal' stage of a procedure that will have involved a number of reviews – at increasing levels of formality.

It is the end of our process and neither the business nor the consumer can appeal against an ombudsman's decision by going to another ombudsman. Even the chief ombudsman cannot alter an ombudsman's decision once it has been made.

As long as the consumer accepts an ombudsman's final decision – within the timescale set down by the ombudsman dealing with the case – then that decision is binding in law on both the consumer and the business.

If the ombudsman concludes that the business was in the wrong, then the business is required by law to do what the ombudsman has decided is necessary to put things right for the consumer. In the unlikely event that a business fails to comply with the decision, the consumer can go to court to have the decision enforced.

where does the ombudsman get the power to make these decisions?

These powers are set out in the *Financial Services and Markets Act 2000*. They include the power to instruct a business to do what is necessary to put things right for the consumer, where the business is in the wrong.

Depending on the individual case, this could involve anything from telling the business to amend incorrect information on a customer's credit-reference file through to paying a customer compensation.

The ombudsman has the power to require the business to pay up to £150,000 (£100,000 for complaints we received before 1 January 2012) – and the ombudsman can *recommend* that larger sums are paid.

But in most cases where an ombudsman tells a business to pay compensation to its customer, the amount involved is much less than this.

do different ombudsmen have different roles?

All our ombudsmen – whatever their official job titles – are members of the statutory ombudsman panel and have the same powers in handling individual cases. In practice, most of our ombudsmen specialise in deciding cases in a particular area of complaints.

The ombudsmen working in each complaints area meet often to discuss issues that are specific to the sector they cover. And the entire panel meets regularly to enable the ombudsmen to discuss wider issues arising in complaints – to help share knowledge and help ensure consistency of approach.

The chief ombudsman also acts as the chief executive of the Financial Ombudsman Service. The chief ombudsman leads the executive team and is accountable to the board for the performance of the organisation as a whole.

This means the chief ombudsman rarely gets involved in *individual* cases – and then only if they are cases of great significance.

how do ombudsmen and adjudicators work together?

In addition to extensive experience in all aspects of dispute resolution, each of our ombudsmen has specialist subject knowledge, ranging – ombudsman to ombudsman – from medical insurance to consumer credit.

The ombudsmen keep colleagues across the ombudsman service up to date with legal and regulatory developments, to help ensure a consistent approach to the handling of individual cases.

This also gives the ombudsmen the opportunity to learn about any emerging trends in the types of complaint that are just starting to reach us – but that have not yet escalated to a stage requiring an ombudsman's direct involvement.

can I get to meet the ombudsmen personally?

We resolve most disputes between consumers and businesses without the need for face-to-face meetings. But our most senior ombudsmen devote a significant amount of time to meeting external stakeholders in the financial services and consumer-advice sectors – including speaking at seminars, roadshows and conferences, and taking part in a wide variety of media interviews.

www.financial-ombudsman.org.uk

visit our website for:

- news and frequently-asked questions
- information and updates
- technical information for businesses and help for consumers
- *ombudsman news* – our regular newsletter with case studies, features and commentary.

This quick guide gives general information only. It is not a definitive statement of the law, our approach or our procedure.

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