



helping you resolve complaints

This quick guide is for businesses covered by the Financial Ombudsman Service that don't usually have much contact with us. It outlines our role and what you need to do when you receive a complaint from a customer. It also explains the support we offer to help you sort out complaints.

what exactly is the ombudsman service?

The Financial Ombudsman Service was set up by Parliament in 2001 as the independent expert in settling complaints between consumers and businesses providing financial services. We're not a regulator or an industry trade body. Nor are we a consumer champion or a government body. Our job is to settle individual disputes without taking sides.

Our powers are set out in:

- part XVI and schedule 17 of the Financial Services and Markets Act 2000 (as amended)

what does it mean for my business to be “covered by the ombudsman service”?

In simple terms it means that you must have in place – and operate – complaints-handling procedures that comply with the complaints-handling rules. And consumers who have a complaint about your business will generally be able to refer it to the ombudsman service.

In general, we will only get involved in looking at a consumer's complaint against your business if you have already had the opportunity to deal with it yourself – and the consumer remains unhappy with your response.

what are the complaints-handling rules that my business has to follow?

The rules that set out in detail how businesses should handle complaints are published in the Dispute Resolution (“DISP”) section of the FCA Handbook (available online at <http://fshandbook.info/FS/html/FCA/DISP>).

These rules apply to all businesses that are regulated by the FCA. The rules reflect what is widely considered to be good practice.

The rules require each business to have in place – and to operate – an effective and clear complaints-handling procedure. You must use this procedure to deal with any complaint from anyone who is eligible to refer their complaint to the ombudsman service. The rules also set out how the Financial Ombudsman Service handles the complaints that are referred to it.

a consumer has made a complaint about my business – what happens now?

Under the rules you are required to try and resolve any complaints at the earliest opportunity. You have up to eight weeks in which to do this (this is sometimes referred to as the “eight-week rule”).

The eight weeks start from the date a complaint is received anywhere in your business.

A consumer (or someone acting on their behalf) is entitled to inform you of their complaint in a number of ways – for example, by email, phone or in person – as well as by letter. So you must make sure all relevant staff can recognise a complaint and know how the complaints procedure works.

The ombudsman service won't generally consider a complaint against your business until you've first had the opportunity to deal with it yourself. But we can look into any complaint that you have not been able to settle to the consumer's satisfaction – or that you have failed to settle within the required time limits.

However, we can look into complaints *before* the eight weeks are up – or even before the consumer has complained to your business – as long as:

- the consumer wants us to deal with the complaint; *and*
- your business consents to us looking at the complaint; *and*
- we've told the consumer that your business must deal with the complaint within 8 weeks and might resolve it more quickly than the ombudsman.

When handling complaints, your business should:

- send the consumer a prompt written acknowledgement (if you have not been able to resolve the complaint by the end of the third working day after the complaint was received);
- ensure you keep the consumer reasonably informed about the progress of their complaint; and
- send the consumer a "final response" no later than eight weeks after your business received the complaint (if you have not already resolved the complaint within three working days).

what is a "summary resolution communication"?

If your business has been able to resolve the consumer's complaint by the end of the third working day after receiving a complaint, you won't have to issue a final response letter – but you *will* need to issue a summary resolution communication. This is a written communication in which you must:

- refer to the consumer having made a complaint;
- say that you think the complaint has now been resolved;
- tell the consumer that they can refer their complaint to the ombudsman if they then decide they're not satisfied with the outcome;
- indicate whether or not your business consents to waive the relevant time limits (you'll need to do this using the prescribed wording in DISP 1 Annex 3R);
- provide the ombudsman's website address;
- explain how more information is available on our website.

But you don't *have* to explain whether your business accepts or rejects the complaint, or include a copy of our standard leaflet (see "**how do I get copies of the ombudsman's consumer leaflet?**" below).

what is a "final response"?

This is your full response – in writing – to the consumer's complaint. If a consumer remains dissatisfied and brings their complaint to us, we usually use your final response as our starting point when we look at the case. Bear in mind that many complaints arise out of simple misunderstandings that have escalated. So a sensitive reply that shows you are concerned to have an upset customer can often help calm things down – even when the answer is "no".

Your final response should:

- summarise the complaint, setting out the results of your investigation and

your final view on the issue the consumer has raised;

- be open in acknowledging any mistakes that may have happened;
- give details of any offer you have made to settle the complaint, with a clear explanation of how you arrived at that offer;
- tell the consumer they have the right to refer the complaint to the ombudsman service within six months of your final response;
- indicate whether you would consent to us looking into the complaint if it is referred to us outside the relevant time limits (you'll need to do this using the prescribed wording in DISP 1 Annex 3R);
- give a link to our website; and
- include our contact details and a copy of our leaflet, "**your complaint and the ombudsman**".
- if you're corresponding via email you don't need to attach the leaflet – but you will need to link to where it can be found on our site (<http://www.financial-ombudsman.org.uk/publications/consumer-leaflet.htm>). You should still remind the consumer that you can post them a hard copy on request.

how do I get copies of the ombudsman's consumer leaflet?

Under the rules you must send out our consumer leaflet, your complaint and the ombudsman:

- when you send your final response to the complaint; or
- if you run out of time and are not in a position to send your final response.

You can order supplies of the leaflet online at <https://payments.financial-ombudsman.org.uk> or you can download an order form from the publications page of our website and send it to us with your payment.

You must not send consumers photocopies of our consumer leaflet or hard-copy print-outs of it from our website.

If your business requires large numbers of leaflets – and has complex distribution arrangements – you may prefer to print our consumer leaflet yourself under license. For more information please contact stakeholder.enquiries@financial-ombudsman.org.uk

are there any time limits for consumers to refer a complaint to the ombudsman?

The complaints-handling rules set time limits for consumers to bring a complaint to the ombudsman. After these time limits have expired, we will need the business's consent to look into a complaint. Generally, these time limits are:

- six months from your business sending the consumer a final response or summary resolution communication (which must mention the six-month time limit); and
- six years from the event the consumer is complaining about (or – if later – three years from when they knew, or could reasonably have known, they had cause to complain).

In your final response letter (or summary resolution communication) you need to refer to these time limits *and* say whether you will (or won't) consent to the ombudsman looking at the complaint if the consumer is late. And if you agree to waive the time limits, you can't withdraw your consent later on.

how can I get more information about the ombudsman?

Our website contains a wide range of information, including online versions of all our publications, together with factsheets, technical notes and a section with support for businesses (<http://www.financial-ombudsman.org.uk/support-for-businesses/index.html>).

We also publish a regular newsletter, *ombudsman news*, with articles on our approach to different types of complaints – as well as commentary and case studies.

If you're trying to track down how we may have handled a similar type of case in the past, the "search" facility on our website will help you to look through previous issues. If you would prefer to receive the printed version of ombudsman news, just call our publications helpline on 020 7964 0092 and we'll add you to the mailing list – free of charge.

is there someone I can talk to about the ombudsman's general approach?

Our technical advice desk is a free service for businesses. You can contact the advice desk for general information on any complaints-handling matters – including informal advice on what the ombudsman's approach is likely to be on specific issues.

Drawing on our many years of experience settling financial disputes, we can help businesses resolve complaints more effectively themselves at an early stage – often avoiding the need for complaints to be referred formally to the ombudsman service.

The advice desk is open from 9am to 5pm on Monday to Friday – phone 020 7964 1400 or email technical.advice@financial-ombudsman.org.uk .

We also organise and speak at a wide range of industry events – including our own roadshows across the country for smaller businesses.

For more information, you can visit our website (<http://www.financial-ombudsman.org.uk/news/events-industry.htm>) or call the technical advice desk.

This quick guide gives general information only and is correct at the time it was published. It is not a definitive statement of the law, our approach or our procedure.

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