

the young ones



I tend to assume that most of the readers of *ombudsman news* are over 18 – and probably well over that age. But if Ed Balls, the new Minister for *Children, Schools and the Family*, has his way, children in schools will soon be learning about personal finance – and, I hope, how their confidence in financial products and services can be underpinned by the ombudsman service. So maybe our readership profile will soon be changing.

Of the people who brought complaints to the ombudsman last year, only 10% were under 35. This hardly corresponds to the ownership of financial products in the community. And our consumer research suggests that people under 25 have a significantly lower level of general awareness of *how* to complain – and of their right to come to the ombudsman – than is the case with those in older age groups. Of the small proportion of younger people who said they *had* actually complained to a financial services company – and remained unhappy with how the company had handled their complaint – most *didn't* then refer the dispute to us.

This was largely because they thought there was '*no point*', it was '*too much hassle*' or they '*couldn't be bothered*'. Businesses often tell us that complaints represent one of the best sources of customer feedback, so this sceptical indifference to poor service ought to be worrying for them. ❖

❖ We are currently running a pilot youth awareness campaign, with the aid of some attention-catching posters and postcards we have designed. These will be used at specific events aimed at increasing younger people's awareness of the ombudsman's impartial role in settling financial disputes.

The first of these events has already taken place at the Trading Standards' 'Young Consumers of the Year' event – and by all accounts it was very

successful. I hope this project will give us more insight into the attitudes of younger people towards consumer rights, complaining when things go wrong, and the role of the ombudsman. And hopefully it will go some way towards demonstrating there is always a 'point' when you are asserting your rights.



Walter Merricks chief ombudsman



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

switchboard
website
consumer enquiries
technical advice desk

020 7964 1000

www.financial-ombudsman.org.uk

0845 080 1800

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

banking, insurance and investment cases involving young consumers

Younger people are just as likely to have bank accounts and some types of insurance – such as motor and travel policies – as other age groups. Yet our research into the types of consumers who use the ombudsman service shows that younger people are proportionally less likely to bring disputes to us than those from older age groups.

This can be explained to a certain extent by the fact that young people are less likely to have a wide range of savings, investments and pensions – and the products they do have are generally quite straight-forward. The investment and pensions disputes we handle are generally from people aged over 50, and the mortgage-related complaints we see are mostly from those over 35. In part, this probably reflects the fact that first-time home-buyers are now older than they once were, as a result of house-price increases over the last decade and other socio-economic reasons.

This selection of case studies shows that problems relating to financial services can produce difficulties that have a particular impact on young people, given that young people frequently have more fluid lifestyles and are generally more likely to be less financially stable than older consumers.

case studies

banking, insurance and investment cases involving young consumers

■ 63/1

bank failed to keep customer properly informed about her overdraft

Ms W, a 21 year old language student, had held a student account with her bank since she started at university. As an important part of her course, she went to study in Germany for several months. Before she left, she made sure the bank had details of where she would be staying while she was abroad.

When she returned to the UK, Ms W was very distressed to find that the bank had called in her overdraft. It had also registered her with credit reference agencies as a ‘defaulting customer’. She complained to us that the bank had acted unreasonably by failing to warn her and give her a chance to remedy matters.

complaint upheld

Ms W’s account had already been overdrawn when she left the country and she did not pay any money into it while she was away. We were satisfied that the bank had attempted to contact her on a number of occasions, asking her to reduce her overdraft. However, the bank had mistakenly sent the letters to her university address in the UK.

We did not feel the bank had given Ms W a reasonable chance to respond to, or act upon, its request to reduce her overdraft.



So we did not think it reasonable of the bank to have transferred Ms W’s account to its debt collections department or to have registered her as a defaulter with credit reference agencies.

Luckily, Ms W had not been relying on the account while she was abroad. However, the default was shown in her credit history. This was potentially very damaging, since she was applying for research funding for her post-graduate studies.

The bank agreed to our suggestion that it should take her account back from its debt collections department, stop the recovery action and remove the adverse credit data it had registered in Ms W’s name. We also asked it to reduce Ms W’s debt by £250 to reflect the distress and inconvenience she had suffered.

Once she had checked that her research funding would not be affected, Ms W confirmed that she was satisfied with the proposed settlement. She then arranged to make regular payments over the next few months to clear her remaining overdraft.

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... the card issuer had no duty to monitor what he spent the money on.

■ **63/2**
student customer gets into debt after using his new credit card for on-line gambling

Mr D was a 20-year old computer studies student, living at home with his parents and working part-time at a local supermarket. He applied successfully for a credit card and was given a credit facility of £1,000.

Mr D started using the card for on-line gambling and quickly spent up to his credit limit. He soon found it impossible to reduce the size of his debt on the card. He then complained to the card issuer, saying it should take full responsibility for the debt. He said it had acted irresponsibly by giving him a credit limit so large that he had been tempted to pursue on-line gambling.

complaint not upheld

We looked at the evidence Mr D had provided about his income and outgoings. Although his income was not large, we felt that – when considered alongside his low outgoings – he earned enough to justify the credit limit set by the card issuer. We noted that, once Mr D had reached his card’s limit, the card issuer had acted quickly to prevent any further borrowing.

We did not consider it was the card issuer’s fault that Mr D had spent up to his credit card limit so quickly. And we pointed out to Mr D that the card issuer had no duty to monitor what he spent the



money on. The card issuer had offered Mr D a generous interest rate concession to help him repay the debt. We thought that, in the circumstances, this was a very reasonable offer and we recommended Mr D to accept it.

■ **63/3**
young customer on limited income given successive consolidation loans

Miss E was in her early 20s and working part-time while she was studying to be a beauty therapist. In September 2005 she contacted the bank where she had a current account and asked if she could borrow £6,650.

The bank agreed to this and within the next six months she applied successfully for two further loans, one of £8,500 and one of £10,500. Each new loan consolidated the previous one.

By May 2006, Miss E found herself with a debt that she had no realistic means of repaying. She complained to the bank, saying she took a responsible attitude to her finances and wanted to repay the money, but could see no way forward with a debt so large. She felt the bank should have considered her ability to repay before lending her such a large sum, and she said the bank was responsible for her present predicament.

complaint upheld

First appearances suggested that Miss E was earning enough to support her borrowing. The loans all appeared to

have been sufficiently 'serviced' (that is, the repayments had all been made in full and on time). However, a closer look at the accounts showed that the only reason for this was that the repayments were creating an overdraft on Miss E's current account.



Each time the size of the overdraft became a worry, Miss E had taken out a new loan to clear the overdraft and repay the old loan. She had been sold payment protection insurance with each new loan. This made her situation worse, as the premium added a significant lump sum to the agreed debt. This pattern of borrowing meant that Miss E had ended up with a very large loan and could not reasonably afford the repayments.

We thought it should have been clear to the bank that Miss E was having difficulty affording the loan repayments, since it also held her current account. We took this into account when looking at Miss E's



situation. We suggested the bank should write off all the money it had lent to Miss E over and above her original request – including the interest and the insurance premiums. The bank agreed to this, which meant that, in total, the borrowing was reduced by almost £4,000. The loan was now affordable, and Miss E was happy, as it meant she would retain her good credit history.

■ **63/4**
bank did not keep to the agreed ‘repayment holiday’ on a graduate loan

Mr C had taken out a graduate loan with his bank while he was training to be a primary school teacher. He had recently finished his course and was planning to spend a year travelling before he started work. He therefore arranged a 12-month ‘repayment holiday’. This meant that he would not have to worry about making loan repayments while he was out of the country.

Unfortunately, the bank ignored the agreement it had made with him and it continued to take the monthly loan repayments from his current account. Mr C only discovered what had happened after he tried to draw money from his current account when abroad and found that the bank had ‘frozen’ the account. It took him almost a week to sort things out, during which time he had no access to any money. And when he returned home a few months later, he discovered that his credit history had been adversely affected.

complaint upheld

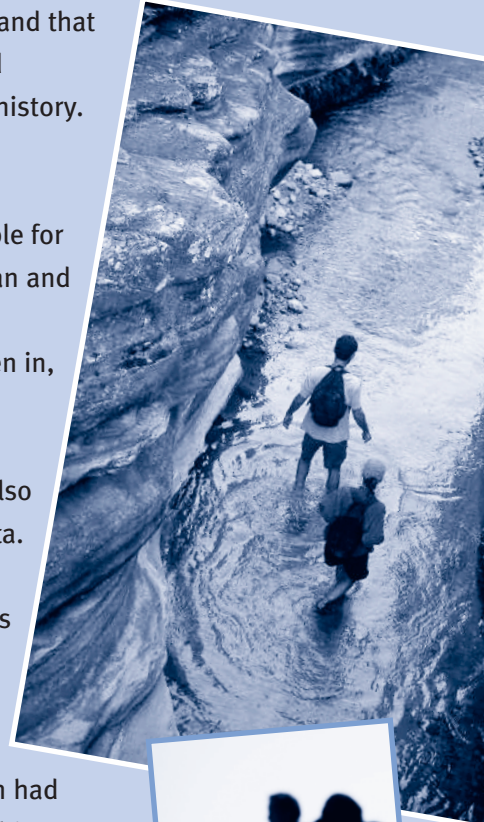
The bank readily accepted that it should not have taken the loan repayments from Mr C’s current account, and that it was this mistake which had adversely affected his credit history.

Given the circumstances, we thought it would be reasonable for the bank to restore Mr C’s loan and current account back to the position they would have been in, if it had not taken the loan repayments in error while he was away. We said it should also remove the adverse credit data.

Mr C had suffered the distress and inconvenience of being left for almost a week without any access to his current account. The situation had been particularly difficult for him because he was abroad and it took so long to sort things out. Because of this, we considered £450 to be an appropriate sum for the bank to pay in compensation. The bank agreed that this was a fair settlement, and Mr C was happy to accept it.

■ **63/5**
young customer found herself in difficulty when her financial position changed

Miss M was 20 years old and had recently left college, where she had been studying to become a fitness instructor.



After receiving a marketing letter from a loan company, she took up the company's invitation to apply for a loan of £5,000.

Delighted that her application had been successful, Miss M bought a new car with the money. Within a year, however, she had fallen seriously behind with the repayments.

After receiving several letters from the loan company chasing missing payments, Miss M wrote to the company, complaining that it had been in the wrong for lending her the money in the first place. She pointed out that, at the time of her loan application, she had been unemployed and relying on benefits. She had also been expecting a baby.

complaint not upheld

When we looked closely at the information Miss M had given the loan company, we saw that the application form mentioned two incomes – Miss M's benefits and her partner's salary. The form also showed that the car she wished to buy with the money would be used jointly by both her and her partner.

When we questioned Miss M about this, she explained that her relationship had broken down some months after she had taken the loan. It was then that it had become impossible for her to maintain the repayments.

We did not agree with Miss M that her pregnancy and reliance on benefits should have prevented the loan company

from lending to her at all. We would consider it unreasonable for a lender to discriminate against a potential customer on those grounds. And on the basis



of the information Miss M had provided when applying for the loan, the amount she had been lent should have been easily affordable.

We discussed the position with the loan company and it agreed to write-off the balance of Miss M's loan, in recognition of her difficult situation. We thought that was a very generous offer and put it to Miss M. However, she disagreed and thought she should also have a refund of the loan repayments she had already made. We told her that, in the circumstances, the company's offer to set aside almost half the loan was more than enough, and we did not agree that she should press for any more. ❖

... the bank's mistake had adversely affected his credit history.



■ **63/6**
apprentice inappropriately advised to take a with-profits endowment policy as a means of saving

Mr Y had recently started work as a plumber’s apprentice. He was 19 years old and single, with no dependants. He lived with his parents but hoped he might eventually be in a position to buy a flat of his own. He was keen to start saving and visited his bank for advice about this. Mr Y had a relatively low income, no investments or savings plans, and £300 in his current account.

The financial adviser at the bank suggested that Mr Y should start a 10-year with-profits endowment policy, for which he had to pay a premium of £50 per month.

It was several years after he had started paying in to this policy when Mr Y noticed the surrender value of the policy was significantly lower than the premiums that he had contributed. He complained to the bank, saying he had not realised that if he cashed in the plan before the end of the 10 years, it could be worth less than the amount he had paid in. He also queried why he was paying for life cover as he did not think he needed it.

complaint upheld

The illustration that Mr Y had been given at the outset *did* indicate that the policy could be worth less than the amount paid in, if it was cashed in before the end of its term. This was due in part to the charges associated with the plan and the cost of providing life cover. However, Mr Y told

us that the effect of charges and the cost of life cover had not been brought to his attention.

We could not be sure exactly what Mr Y had been told at the time about the details of the policy. However, we were satisfied that he had been financially inexperienced and it was entirely plausible that he had not understood – from the illustration alone – that the policy could be worth less than he had paid in if he cashed it in early.

We noted that Mr Y did not require the life assurance and there was no clear reason why he should have been sold it. We also considered that the policy was too inflexible, given the distinct possibility that his circumstances might change – and that he might need access to his capital at short notice, before the end of the policy term. Mr Y had no definite plans to buy a property. We decided that if he had been properly advised, he would have been more likely to have saved the money in a high-interest deposit account. We told the firm to put Mr Y back into the position that he would have been in, if he had not received the unsuitable advice.

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■ **63/7**
commercial motor insurance policy – keys left in the vehicle – whether the policyholder had taken reasonable care

Soon after starting work as a trainee electrician, Mr A bought a second-hand van. When he returned from work each evening, he parked outside the house

where he lived with his mother. Even though this was in a residential area with a relatively low crime rate, he was always careful not to leave his tools in the van overnight, but to move them into his mother’s garage.



Unfortunately for Mr A, his van was stolen one evening while he was unloading it. There was subsequently some confusion about the exact sequence of events. However, it was generally accepted by both Mr A and the insurer that Mr A had left the keys in the van while he was moving the tools into the garage. While he was in the garage he suddenly heard the van being driven away.

The insurer rejected Mr A’s claim for the stolen van, saying he had not complied with the policy condition to *‘take all precautions to reduce or remove the risk of loss of the insured vehicle’*.

complaint upheld

In rejecting the claim, the insurer was relying on a *‘reasonable care’* condition

in the policy, rather than on a specific exclusion of cover that said the vehicle would not be covered if the keys were left in it.

Our approach in dealing with the complaint closely followed the line taken in the Court of Appeal case of *Sofi v Prudential Assurance (1993) (2 Lloyds Rep.559)*. The test established in this case is relatively simple – in order to show there was a lack of reasonable care, you must first demonstrate *‘recklessness’*. This is generally defined as recognising that a risk exists, but deciding to take it anyway. So we believed that in order to exclude Mr A’s cover, the insurer would need to show he had deliberately courted the risk of having his van stolen.

We accept that the recklessness test is subjective, and that some people might consider Mr A’s actions to be foolhardy. Mr A told us it had not crossed his mind that he was taking a risk, and we were satisfied that this was the case. He had been fully engaged in unloading the tools and happened to leave the van unattended for longer than he had anticipated. We had no reason to believe that Mr A had acted recklessly and we required the insurer to meet the claim in full, adding interest calculated at our normal rate.

... his van was stolen one evening while he was unloading it.

■ **63/8**
travel insurance policy – theft of personal possessions from a camper van while travelling

During her gap year, Miss H went travelling across New Zealand. She had been there for three months when a number of her possessions were stolen from her camper van. She had been careful to take out full travel insurance before she left the UK, so she was very surprised when her claim was refused.

The insurer told her there was an exclusion in her policy that said claims for theft of property would only be covered if the stolen items had been kept in *‘locked accommodation’* or in *‘a locked and covered luggage compartment/boot of a motor vehicle’*.

Miss H challenged the insurer’s decision. She said her camper van *was* her accommodation – and as it had been locked at the time of the theft,



she should be covered by the policy. She also said that the insurer was treating her unfairly because camper vans do not have separate, lockable luggage areas.

After the dispute had been referred to us, Miss H told us that she had kept the possessions in question in nine padlocked

storage boxes in the back of the camper van. This was a significant departure from her original statement on the claim form, where she had said the items had been *‘all over the place’*. It also differed from another statement she had made, in which she had said that she kept the items in a box under the bed in the van.



complaint not upheld

We accepted that Miss H had been sleeping in the camper van and that it was partly designed for this purpose. But we had to consider whether it could reasonably be classified as *‘accommodation’*. We concluded that the most reasonable and appropriate definition of a camper van was as a *‘motor vehicle’* – and this would apply over and above any other definition.

In this situation, we were satisfied that the accommodation exclusion applied, so her possessions should have been placed in a locked boot or locked and covered luggage compartment in order to comply with the policy.

In our view, securing the items out of sight within the camper van could possibly be enough to satisfy a valid claim. However, when the claim had first been presented to us, Miss H said that the items had been *'all over the place...'* within the camper van. Although she later changed her story, we thought it reasonable to conclude that the first report was the most believable. We concluded that, in the circumstances, it was fair and reasonable for the insurer not to accept the claim.

■ **63/9**
motor insurance policy – daughter was 'named driver' on parents' car

Mr J and his wife bought a second family car soon after their daughter passed her driving test. He arranged the car insurance over the phone and – as is standard practice for many insurers – the call was recorded.

When asked if he was the *'owner and keeper'* of the vehicle, Mr J said that he was. He also confirmed that he was the principal driver of the car. The insurer then pointed out that Mr J was the principal driver of another vehicle it insured. Mr J said he had been mistaken and that it was his wife who would be the principal driver of the new car. He asked to add his daughter to the policy as a *'named driver'*.

While driving the new car a couple of months later, Mr J's daughter had a minor road traffic accident, which meant that

the car needed some small repairs. Mr J submitted a claim to his insurer but it was rejected because the insurer believed this was an instance of *'fronting'*. In other words, it thought the car had been insured in the name of an experienced driver – Mr J's wife – because it would be too expensive to insure in the name of the real principal driver – his daughter.

The insurer reached this conclusion after Miss J had given the insurer a statement in which she said, *'It's insured in mum's name I think. Dad did it because it was too expensive to have me named as the main driver...'*

Mr J did not dispute that his daughter had made this statement. The insurer therefore *'avoided'* the policy (treated it as if it had never existed) and declined to deal with the claim. Mr J then referred the matter to us.

complaint not upheld

We considered this to be a prime example of *'fronting'*. Mr J had misrepresented the risk when he took out the policy – as his daughter later confirmed.

As the information on which the insurer had agreed to provide the policy was incorrect, the insurer was entitled to *'avoid'* the policy from the beginning – and to decline to pay any benefit that would otherwise have been due under the policy.

the ombudsman service – an insider’s view

Peter, a senior consumer consultant in our busy customer contact division and **Caroline**, an adjudicator in one of our dedicated complaint-handling teams, tell us about their work at the Ombudsman Service.



Peter, what does your job entail?



Peter

Our customer contact division forms the front-line for all consumer enquiries

to the ombudsman service – whether by phone, letter or email.

In the course of a year we help tens of thousands of people with money-related complaints. Last year, for example, we dealt with over 600,000 initial enquiries and complaints.

There are around 100 of us altogether in the team – and it’s certainly a pretty busy place to work. As well as dealing with enquiries, I act as a mentor for some of my colleagues and help them with the more complex or difficult enquiries.

Because we receive such a wide range of calls, there’s no way

we could operate simply as a processing function or a call centre – where staff follow some kind of standard script. Every call is different, covering many different financial products and a vast range of different situations. And the people who contact us are often in real distress. They may be at the end of their tether, angry or upset – or simply very confused. They’re looking for answers and solutions – not just someone calming them down and taking their details.

We need to establish what’s actually gone wrong, and to assess as quickly as possible whether the problem is one that can be resolved at an early stage, or whether it’s likely to need to go on for further investigation by one of our adjudicators. Getting to the heart of the complaint can sometimes be a real challenge.

When a dispute’s gone on for some time, the consumer may have got so caught up in it all that they’ve rather lost sight of the main issue. Then too we often get people contacting us where a problem’s only just arisen. They feel something’s gone wrong – but they’re not at all sure how or why. And they’re sometimes not even confident they’ve got the right to question the position they’ve ended up in.

are there similarities between your work and the work of the ombudsman’s technical advice desk?

The service we offer consumers is really very similar to that provided by the technical advice desk, which offers help, support and guidance to businesses. Just like the technical advice desk, here in the customer



contact division we aim to be as accessible as possible and to provide useful, practical information to help settle existing disputes or nip potential problems in the bud.

what sort of practical help do you give consumers?

Once we've established what the problem is, there are a number of ways we can help. In some cases, once we've given consumers some basic information – perhaps about how a particular financial product actually works – it becomes clear that what they thought was a problem isn't something to worry about after all. It's always very satisfying when I'm able to put someone's mind at rest – to reassure them with a straightforward explanation. With all the jargon that tends to be used in so many areas of financial services, it's not surprising that quite serious misunderstandings can sometimes arise.

It's also not at all unusual to find that something relatively simple – an administrative error, say or some computer glitch – has led to a problem that's caused the consumer no end of worry.

Maybe the business concerned has promised to sort things out but hasn't done so. Or maybe the consumer felt the business misunderstood their complaint – or brushed it aside. Armed with a bit of information from us about how things could be resolved – together with the confidence of knowing that the business really does have to take the matter seriously – the consumer may then be able to get things settled without any need for our further involvement.

It speeds things up for everyone when we're able to sort things out at this early stage. If we simply referred everything on to the adjudicators, it would create unnecessary and time-consuming delays. In fact, because we are able to sort out so many problems at this initial stage, only one in every six of the initial enquiries we receive goes on to become a 'full-blown' case.

do the consumers who contact you understand that the ombudsman service is independent – and doesn't take sides?

Yes, generally they do, I think. Our role is not to be a consumer

champion or to support one side against the other. We're here to stand back and take a fresh look at what's happened. Then if we think there's a problem, we'll see how things can be put right. If there isn't really a problem – we'll explain why there's no point in pursuing the matter.

you said callers can sometimes be distressed – how do you deal with that?

It's important to remember that if someone's got a problem with – say – their mortgage or bank account, or an insurance claim, it's often a big worry for them. And many people find the prospect of having to make a complaint quite scary. So it's important we're approachable.

Sometimes you find you're dealing with someone who's emotional – pretty angry or upset about what's happened to them. They may be a bit unrealistic, expecting us to provide an instant solution before we even have the facts of the case. But like everyone here I've got pretty strong customer service skills to call on. By remaining friendly and professional, I can usually get

the caller to calm down quickly and to appreciate that – even if I can't make their problem vanish right away – I can offer practical and relevant help.

Most of the people who contact us certainly don't want to make a fuss. They just think something's wrong and want to know how it can be sorted out. They're really thankful for the service we provide. It's often quite demanding – but it's good to have a job where you can put your experience to good use – where you really feel you're making a difference.

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Caroline, you're an adjudicator, working in one of the dedicated complaint-handling teams.

Tell us about your work.

Currently, I specialise in complaints involving smaller businesses. I've worked in a number of other areas here in the past, so I've a pretty broad knowledge base. But like most of my adjudicator colleagues, I've also developed particular expertise in certain topics.

The cases that come through to adjudicators from our consumer front-line are those that are more entrenched or complex and that need careful assessment. In fact, some of them entail a huge amount of detailed study. As well as examining the documents the consumer has sent us to back up their complaint, we need to get all the relevant documents and other records from the business complained about.

We check through them carefully, so we can get a clear view of the situation – and what has led to it. Where the problem has been going on for some while, that adds up to a considerable amount of paperwork to sift through.

I need to be sure I have all the relevant facts, so I can't afford to overlook any detail. Unless things are very clear and straightforward, I'll often need to contact one or both of the parties to the dispute for clarification of certain points – or to obtain more information where there are significant gaps.

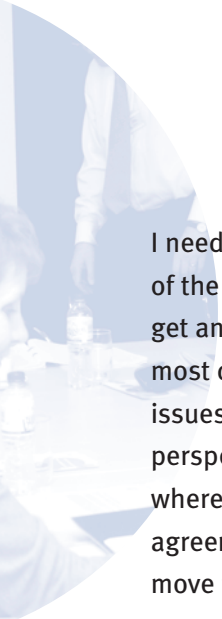
Where it's possible to do that by phone or email – and the business or consumer is happy to be contacted that way – then

it obviously saves time. Where the issues are really complex, though, it can be more helpful to put them in a letter.

remaining totally impartial is a fundamental part of your work, I guess?

Yes, as an adjudicator I have to be totally impartial and objective. That said, I try and avoid appearing too detached as I don't want to come across as being unfriendly or uncaring. I need to help each side understand fully where the other is coming from – to iron out any misunderstandings and help them focus on the important issues.

A colleague once said it's rather like being a marriage guidance counsellor – and I think that's quite apt. Only a few weeks ago I had a case where the relationship between the business and its customer had broken down altogether. The problem had been rumbling on for some time before the complaint was brought to us. Attitudes had become really entrenched – emotions were running high and neither party was willing to see the other's point of view.



I needed to take the steam out of the situation before we could get anywhere. But then, as with most cases, by considering the issues from both parties' perspectives and finding where there was scope for agreement, I was able to move things forward.

I'm pleased to say that – short of finalising a couple of small details – that case is just about resolved now. What's more, both sides have since written to thank me for my help.

Occasionally, despite my best efforts, I'm unable to get the parties to agree – and the matter is then referred on to an ombudsman. I'm pleased to say, though, that in the vast majority of cases I'm able to bring the complaint to a conclusion that both sides are happy to accept.

how do you ensure consistency in your approach to cases?

Every adjudicator has their own caseload – and each case is resolved according to the particular facts of the individual case. That said, we'll follow the same general approach when

dealing with similar types of case. Consistency of overall approach is clearly important – though it doesn't mean a 'one-size fits all' solution. Even the smallest detail can make a difference to the outcome of an individual complaint.

Each team of adjudicators has a casework manager, who monitors the team's work and helps ensure that all of us handling similar types of case are following established guidelines – so that the approach remains consistent even though the details of individual cases will clearly vary.

Very occasionally I come across a particular situation or issue that I've not encountered before – but you can be sure there'll be someone in the team who's dealt with that issue so often they've become the in-house expert in it. So we're constantly sharing experience and further developing our knowledge.

We also benefit from getting together regularly with the ombudsmen. This enables us to keep up-to-date with any policy developments and new issues and it helps deepen our overall understanding. It's also

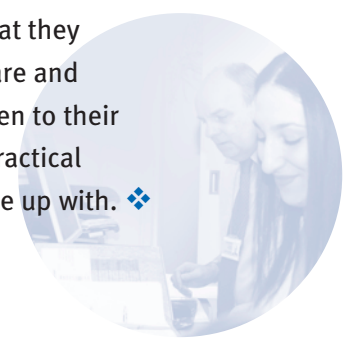
another way of ensuring the approach that each of us is taking is consistent.

is it difficult – knowing that whatever conclusion you reach in a case, you're unlikely to please everyone?

It's in the nature of the job that – ultimately – one side or the other in a dispute will be disappointed with the outcome of a case – when it doesn't go the way they'd hoped it would.

But like all my colleagues I ensure both sides have plenty of opportunity to ask questions and get a clear explanation – so they understand exactly why I've reached whatever conclusion I've come to.

And you'd be surprised how often I'm told – even by businesses and consumers who've not had the outcome they wanted – that they appreciate the care and attention I've given to their case – and the practical solution I've come up with. ❖



bringing a complaint on someone else's behalf

a consumer's representative emails...

Q I have been asked by a friend to act on her behalf on a complaint she has against her bank. The complaint hasn't been resolved to her satisfaction so we're currently in the process of referring the matter on to you. I have printed out the complaint form from your website and see there is a declaration on the last page that needs signing.

Can I just check with you whether my friend needs to sign this declaration, or can I do it on her behalf as her representative?

A A consumer still needs to sign the declaration, even if they have asked someone else to deal with the complaint on their behalf. By signing the declaration, a consumer gives us their consent to obtain and handle personal information about them, as well as showing us that they understand what is involved in raising a complaint – something that only they can do.



ombudsman facts and figures

an MP's research assistant emails...

Q I am trying to find information on which sector of the financial services industry had the most complaints made against it in the past year. I understand these statistics are available to the public and would be most grateful if you could let me know how I could get hold of them.

A We think you will find our *annual review* for 2006/07 helpful. It provides facts and figures about our work – and the types of complaints we receive. The review can be downloaded from the publications section of our website (www.financial-ombudsman.org.uk).

Among other things, the review shows that during the year, the ombudsman service:

- received 94,392 new complaints in total – including 46,134 new mortgage endowment cases (around 175 every working day, compared with 250 cases a day in the previous year);
- saw banking disputes increase by 47% and insurance complaints go up by 10% – with a 21% decrease in cases involving investments; *and*
- settled more than half of all disputes about banking, insurance and investments within three months – and two-thirds of mortgage endowment cases within nine months.

While half of the total number of disputes related to ten of the UK's largest financial groups, over 80% of the businesses covered by the ombudsman service had no complaint referred to the service during the year.

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.