

Our plans for the year ahead 2002/2003

28 March 2002

Introduction

1. The Plan & Budget 2002/03 for the Financial Ombudsman Service was published on 11 January, and the consultation period closed on 21 February.
2. This consultation also covered the standard and special case fees, and the extra standard term in DISP 4 needed to implement the relevant funding rules in DISP 5 for Voluntary Jurisdiction participants.

Summary of responses

3. A large majority of respondents were in agreement with the financial aspects of the budget and the case fee. It was clear that respondents derived considerable confidence in our budgetary proposals from the fact that the ombudsman service was in line to meet the forecast closure and unit cost targets for the year 2001/02.
4. Several respondents were supportive of the efforts made to resolve complaints at an early stage before they became chargeable to the firm.
5. There was also support for the work undertaken by the technical Advice Desk, publications such as ombudsman news and the *Plan & Budget* document itself - and the assistance given to firms in the run-up to "N2" on the interaction of the complaints-handling process and the new ombudsman rules.
6. Most respondents accepted the forecast of nil growth in complaints over the coming year. However, their feeling was that this might prove to be optimistic.
7. Respondents were also pleased with the increase in productivity over the past two years with the expectation of further improvement in the year 2002/03.

Conclusion

8. The Board of the FSA approved our budget on 21 March 2002. Accordingly we have decided to confirm the standard case fee and special case fees at £360 and £720 respectively, and the assumptions in our *Plan & Budget* document.
9. Additionally the FSA approved our tariff rates for 2002/03 (appendix 1) and the rule on information requirements.
10. The relevant funding rules in DISP5 and the standard terms in DISP4 have now been made with the approval of the FSA and come into force on 22 March 2002.

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