

# **ADR in the UK**

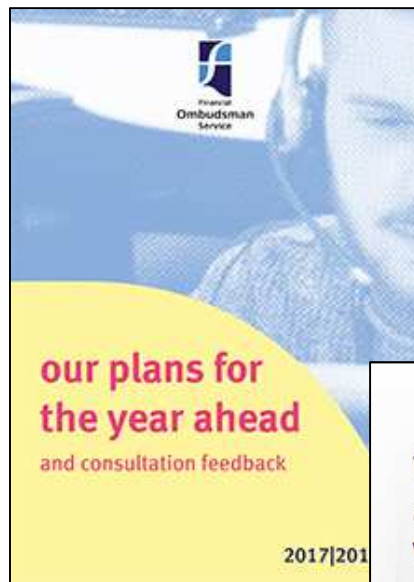
## **the Financial Ombudsman Service**

Caroline Mitchell  
lead ombudsman



Financial  
**Ombudsman**  
Service

# we'll cover



- the ombudsman – who we are
- our impact
- the relationship with the regulator (FCA)
- consistency of outcomes
- stakeholder management

# the ombudsman is ...

... a real 'alternative' to the court

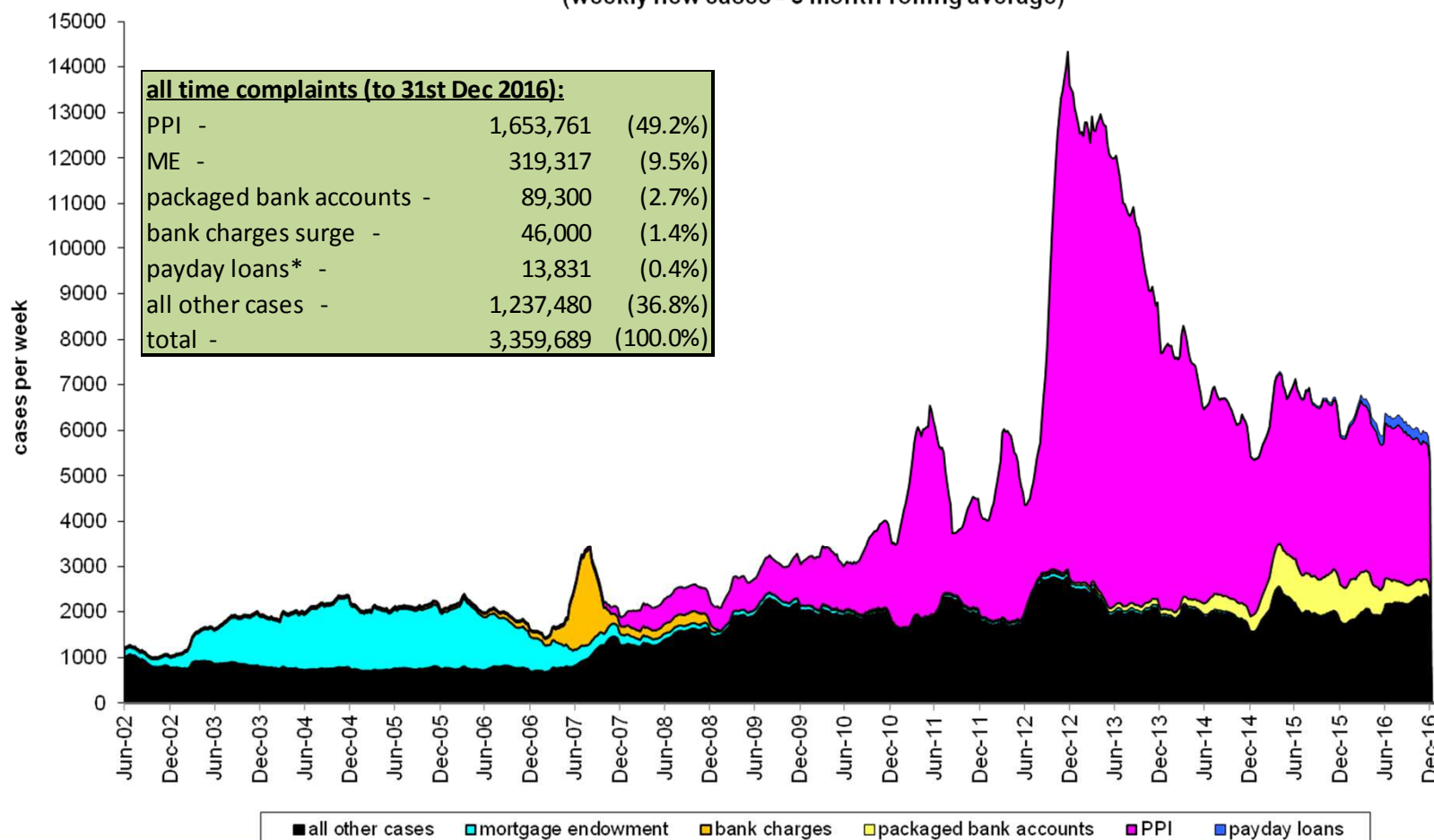
- **fair and reasonable decisions**
  - take account of law but not bound
  - informal, friendly and quick
  - consumer engagement
- **independence guaranteed by parliament**
- **efficient and cost-effective**
- **binding powers to award up to £150,000**
  - plus interest, costs etc
- **... and free to consumers, paid for by industry**



# our experience

## Financial Ombudsman Service case volumes

(weekly new cases - 3 month rolling average)



# the overall picture

## our year at a glance

a total of  
**1,394,379**  
enquiries

we answered...  
**604,278**  
phone calls

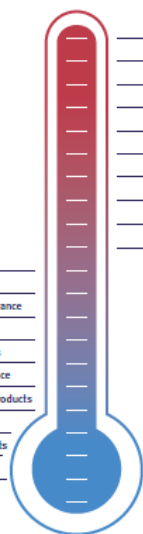
**790,101**  
letters and emails

we received  
**321,283**  
new complaints

**4.5%** were about investments and pensions – 14,471 complaints  
**12%** were about other insurance – 38,155 complaints  
**31%** were about banking and credit – 99,888 complaints  
**52.5%** were about PPI – 168,769 complaints

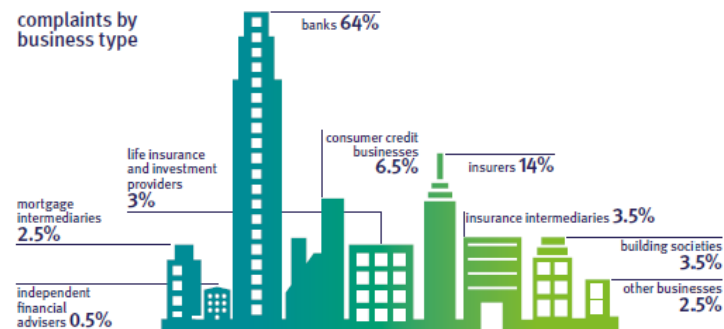
biggest changes in complaints

-16% structured products  
-18% personal accident insurance  
-21% derivatives  
-22% mortgage endowments  
-26% card protection insurance  
-41% interest-rate hedging products  
-49% SERPS  
-54% packaged bank accounts  
-55% film partnerships  
-60% credit broking

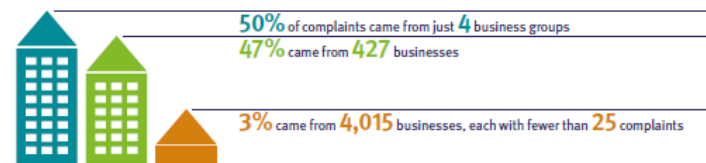


instalment loans +318%  
payday loans +227%  
guarantor loans +182%  
hiring, leasing and renting +81%  
catalogue shopping +75%  
logbook loans +75%  
electronic payment +73%  
building warranty +70%  
credit reference agencies +65%  
hire purchase +64%

complaints by business type



out of the more than 56,000 businesses we cover



resolving complaints



**336,381**  
resolved complaints



**43%**  
complaints upheld



**38,619**  
legally binding final decisions made by ombudsmen



**59%**  
complaints upheld about payday loans



**83%**  
complaints resolved within three months, excluding PPI



**65%**  
complaints resolved within three months, including PPI



Financial  
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[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

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#meettheomb

# our impact in general ...

- part of why we exist is to give public confidence in financial services because someone is there to put things right if they go wrong
- we help businesses avoid complaints
- deal with individual cases but principles apply
  - so many 000s PPI complaints settled
  - or we can determine a test case
- share business specific data
- our decisions affect design and sale of products



# ... and how we do it

we share experience and knowledge with ...

- the regulator
- the industry
- claims managers
- consumers

through ...

- talking to them!
- our publications
- our website
- technical resource
- decisions database
- media/social media





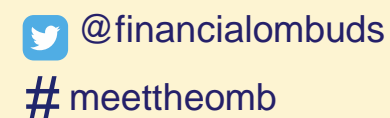
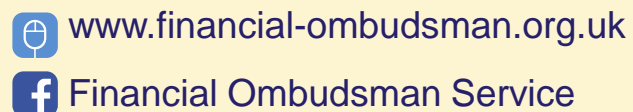
# stakeholder management

- looking outwards:
  - consumer representatives
  - politicians and government
  - regulator
  - individual businesses
    - CEO to day to day
  - outreach events
  - conferences
  - trade bodies
  - media





## relationship with the FCA 'family'



## consistency of outcomes







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