



Financial
Ombudsman
Service

The Financial Ombudsman Service

helping you resolve complaints fairly

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menu for our session today



- **why am I here – and why should you listen to me?**
- **overview of incoming consumer credit work**
- **common misunderstandings in consumer credit complaints**
- **what's helpful in resolving complaints**
- **what's not helpful – and why it matters**

our consumer credit jurisdiction

- **enabled by the Consumer Credit Act 2006 – jurisdiction opened in April 2007**
- **familiar work – but in some novel contexts**
- **many businesses who had never been covered by an independent complaint service before**
- **many consumers who were unfamiliar with what we do and how we do it**
- **the weight of expectations of both sides**

why we matter for you



- **effective – enabled by statute and with real powers**
- **truly independent**
- **everyone is covered – so we have a broad overview of what happens in the real world**
- **the regulator pays attention to our work**
- **so do opinion-formers**
- **a reliable and consistent service in an increasingly challenging complaint landscape**

why we matter for you



- an *independent* service for resolving disputes between consumers and businesses that provide financial services – including all consumer credit activities
- resolving complaints on the basis of what is *fair and reasonable in all the circumstances*, at the earliest appropriate point, in a suitably informal way
- taking account of relevant law, regulation and voluntary codes – then doing justice to the individual case

new consumer-credit cases since 1 April 2009 (top 10 categories)

category	new cases
Point of Sale Loans	646
Hire Purchase	626
Catalogue Shopping	339
Store Card Accounts	301
Debt Collecting	285
Hiring/Leasing/Renting	154
Credit Broking	127
Debt Adjusting	95
Debt Counselling	63
Home Credit	16

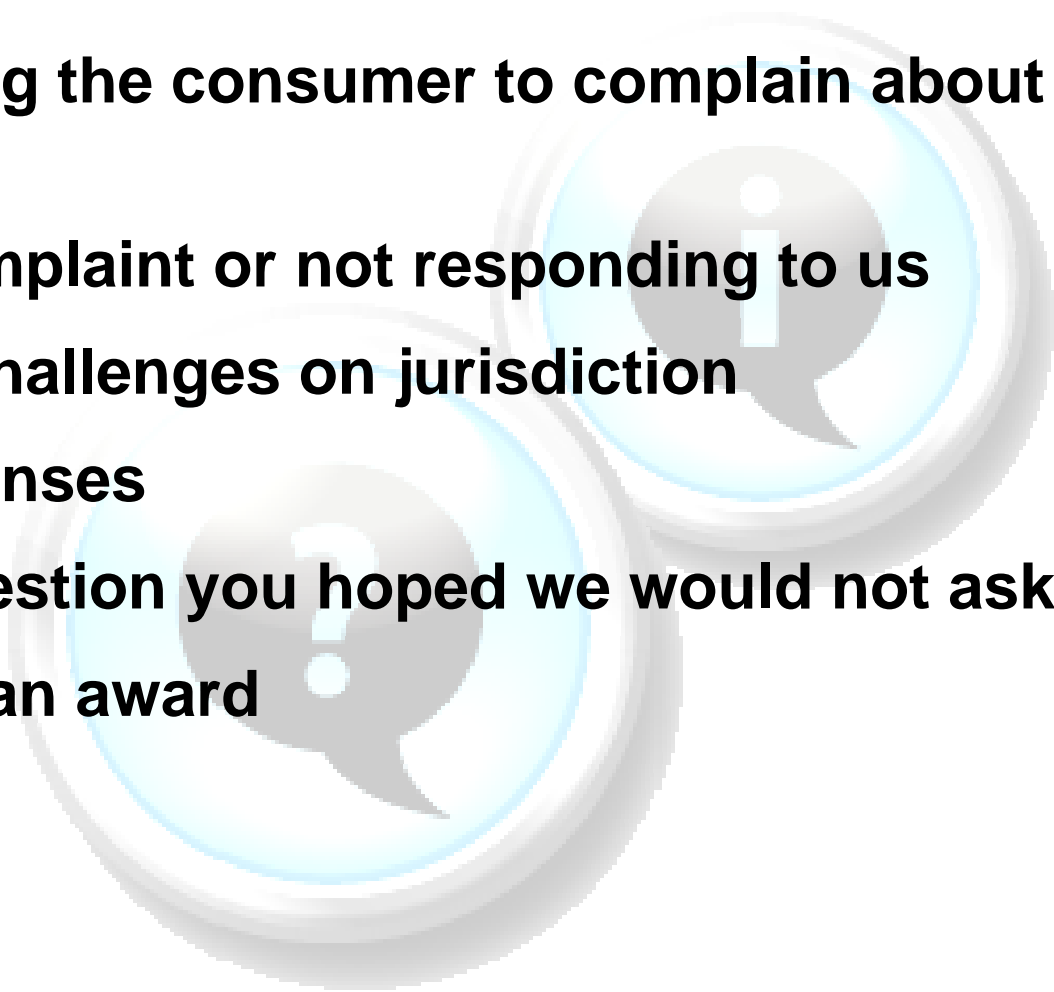
common misunderstandings ...

- **time limits for consumer credit complaints – *the key is when the event complained about happened***
- **complaints about a lender’s commercial judgement – *“yes, we can ...”***
- **Complaints about quality of goods – *“yes, we can ...” in certain circumstances***
- **‘evidence’ – *court rules do not apply, so consumers (and small credit businesses) are not disadvantaged***
- **‘informal’ – *always proportionate, never adversarial***
- **‘mediation’ – *evaluative, not negotiation***

good things businesses do

- **give prompt and appropriate responses – *to consumer, then to ombudsman service***
- **use the final response as a constructive tool – it is usually the first thing the consumer shows us**
- **have relevant records and documents to hand**
- **keep an open mind – and are willing to listen**
- **learn from their interactions with us**

things that don't help

- **wrongly directing the consumer to complain about someone else**
 - **ignoring the complaint or not responding to us**
 - **poorly-judged challenges on jurisdiction**
 - **emotional responses**
 - **avoiding the question you hoped we would not ask ...**
 - **refusing to pay an award**
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why all this matters so much

- **times are hard – and will probably get harder**
- **lessons learned about fair customer service in a tough environment are invaluable**
- **you'll want to attract attention for all the right reasons**
- **it is expensive to get it wrong**
- **it is even more expensive not to learn from your mistake**
- **the ombudsman service can help you get it right**



www.financial-ombudsman.org.uk



technical advice desk

***for informal guidance on our jurisdiction,
practice and procedures***

- **020 7964 1400**
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questions ...

