
Consultation Paper 25 **2026 Levy Schemes**

Issued: 5 January 2026

A: This consultation

CIFO is consulting now on the 2026 levies.

The Channel Islands Financial Ombudsman ['CIFO'] is funded by a system of case fees and levies payable by financial services providers ['FSPs'].

CIFO's total budget for 2026 has been approved by Guernsey's Committee for Economic Development and Jersey's Minister for Sustainable Economic Development.

Interested parties – including FSPs and their representative bodies – are invited to respond to the proposed levy schemes for 2026, which are in the Annex on page 6.

B: How to respond

Please send any response in writing by email to consultations@ci-fo.org or by post to Channel Islands Financial Ombudsman, PO Box 114, Jersey, JE4 9QG.

Responses may be published. Any sections that respondents consider to be confidential (for example, because they relate to security systems or provide commercially confidential data) should be clearly marked as such, indicating the reason they are considered to be confidential. The reason will be considered by the Principal Ombudsman in deciding what to publish.

Responses must reach us by no later than 30 January 2026.

C: Channel Islands Financial Ombudsman

CIFO is the joint operation of the statutory bodies established by the Financial Services Ombudsman (Jersey) Law 2014 [‘the Jersey Ombudsman Law’] and the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 [‘the Guernsey Ombudsman Law’].

CIFO is independent of the States of Guernsey and Government of Jersey. The joint operation – working from a shared office in Jersey, with the same board, ombuds and staff – covers complaints about financial services provided in or from Jersey, Guernsey, Alderney and Sark. CIFO opened for business on 16 November 2015.

CIFO resolves complaints against financial services providers – independently, fairly, effectively, promptly, with minimum formality and so as to offer a more accessible alternative to court proceedings.

D: Legal background

The current funding structure for CIFO is set out in various pieces of legislation in each Bailiwick, including:

- The Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 2015 as amended by the Financial Services Ombudsman (Case-Fee and Levy) (Amendment) (Jersey) Regulations 2016 [‘the Jersey Funding Regulations’]; and,
- the Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) Order 2015 as amended by the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014 (Amendment) Ordinance, 2016 and the Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) (Amendment) Order, 2016 [‘the Guernsey Funding Order’].

These provide for CIFO to prescribe schemes for case fees and levies to be paid by certain financial services providers in respect of the expenses of CIFO. The detail of the funding mechanism for CIFO in the form of case fees and levies payable by financial services providers is available on our website at:

[Funding - Channel Islands Financial Ombudsman \(ci-fo.org\)](https://www.ci-fo.org)

E: Budget and reserves

In preparing the budget for 2026, the Board sought to achieve the following objectives:

- a. To enable CIFO to discharge its statutory duties against a background of increased Data Protection and Freedom of Information requirements and compliance;
- b. To ensure pay equity in line with employment legislation and competitiveness to safeguard CIFO's human resources.
- c. To provide reserves covering 6 months' expenditure to go towards unanticipated costs arising from complaint volumes or legal challenges.

In line with the objectives, the Board set an overall budget increase of 9%. However, CIFO has been able to limit the increase in the total amount to be raised by levies to 2.8%, Jersey's September 2025 RPI.

The total amount to be raised by levies in 2026 includes a planned increase in reserves of £40,000 to achieve the 6 months' expenditure level noted above.

F: Issues covered by this consultation

The cost of CIFO's operations is met by financial services providers falling within CIFO's statutory scope, through annual levies and case fees.

Levies are payable per sector of activity for which a financial services provider is registered with or holds a licence, permit or certificate from the Financial Services Commissions in Jersey and Guernsey.

Levies

1: Total 2026 levy

CIFO estimates receiving case fees of £406,350 in 2026, leaving £1,269,637 to be raised through levies – which is 2.8% higher than the total required in 2025.

CIFO total levy amounts	Banking sector	Banking sector	Other sectors	Other sectors
	2025	2026 (proposed)	2025	2026 (proposed)
Guernsey	£325,993	£335,043	£338,562	£358,884
Jersey	£291,678	£299,775	£279,108	£275,934

2: Individual 2026 levies

As before, half of the total amount to be raised by levy is allocated to the banking sector in respect of deposit-taking licences. The balance is divided equally among the total registered providers in Guernsey and Jersey in respect of the other sectors on a per sector of activity basis.

The levy amounts in the following table have been calculated using data on registered providers provided by the regulators as at the end of Quarter 3 of 2025. Information is also being gathered from new registered providers as to whether they are eligible for zero-rating. This will be used to refine the predicted number of levy-payers for 2026 and may result in slight changes to the individual levy amounts.

CIFO individual levy amounts	Banking sector	Proposed banking sector	Other sectors	Proposed other sectors
	2025	2026	2025	2026
	£17,158	£17,634	£1,638	£1,693

3: Entitlement to zero-rating

Providers that are registered providers on 8 January 2026 in the relevant sectors must pay a levy, unless they are entitled to zero-rating on that date. The proposed 2026 levy schemes continue the automatic zero-ratings from the 2025 levy schemes for certain registered providers.

CIFO will also grant zero-rating to registered providers that, throughout 2026, are sufficiently unlikely to generate eligible complaints and that have certified as such in accordance with schedule A of the proposed 2026 schemes.

Because of the way in which the data is classified by the Financial Services Commissions, it is not consistently apparent whether or not a particular provider is entitled to zero-rating – so CIFO needs to seek such information from some providers themselves.

CIFO will carry forward the status of registered providers that have previously certified their eligibility for zero-rating. Other registered providers will be sent levy notices, which will include an option to certify as zero-rated within 28 days of the levy notice.

4: Changes to entitlement to zero rating

Registered providers that have ceased to be entitled to zero-rating are required to inform CIFO. Existing registered providers that have become entitled to zero-rating will be able to certify their eligibility via CIFO's website either before the publication of the 2026 levy schemes or in response to a levy notice.

5: Planned timing

CIFO is planning to publish the levy schemes in February and start issuing the levy notices in March 2026. As in previous years the levy notices will be issued in tranches, first to the banking sector and subsequently to other sectors. The proposed timetable is:

- February 2026: Prescribe 2026 Guernsey Levy Scheme and 2026 Jersey Levy Scheme.
- March 2026: Start issuing levy notices to banking sector.
- July 2026: Start issuing levy notices to other sectors.

6: Responses

Stakeholders are invited to comment on the proposed 2026 Levy Schemes; see Annex A.

Annex A: Draft levy schemes

Bailiwick of Guernsey

Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 [the Law] as amended
Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) Order 2015 [the Order] as amended

Financial Services Ombudsman ***Draft Levy Scheme (Bailiwick of Guernsey) 2026***

- 1 This levy scheme is made:
 - On 27 February 2026;
 - by the Office of the Financial Services Ombudsman [OFSO] established by the Law; and,
 - in accordance with articles 3 and 8 of the Order.
- 2 This scheme:
 - is for the 2026 year of assessment, which is the spending year ending on 31 December 2026;
 - will be published on 27 February 2026; and,
 - will come into effect on 2 March 2026.

It will be published at www.ci-fo.org – the website of the Channel Islands Financial Ombudsman (CIFO), which is the joint operation of OFSO and the equivalent financial services ombudsman in Jersey.
- 3 In this scheme:
 - 'levy notice' has the same meaning as defined in the Order;
 - 'providers' means financial services providers within OFSO's jurisdiction;
 - 'registered providers' has the same meaning as defined in the Order;
 - 'higher case fee' means the higher case fee payable under the fee scheme made by OFSO under the Order;
 - 'relevant financial services business' has the same meaning as defined in the Financial Services Ombudsman (Exempt Business) (Bailiwick of Guernsey) Order, 2015; and,
 - 'sector of activity' means the area of activity for which a levy is incurred as shown in paragraph 3 of schedule B.
- 4 Any provider that is a registered provider on 8 January 2026 must pay to OFSO a levy, unless it is entitled to zero-rating under schedule A below.
- 5 Any registered provider that claims a zero-rating incorrectly or fails to inform OFSO that it is no longer eligible for zero-rating, will be liable to pay the levy retrospectively. OFSO may add interest at 6% per annum from the original due date of the levy until paid plus any debt-collection costs incurred by OFSO. An adjustment will be made for any higher case fees already paid.
- 6 The total amount to be raised by levy will be calculated, and divided among registered providers, as explained in schedule B below.
- 7 OFSO will invoice the individual levies by issuing a levy notice to each registered provider. The levy is due and payable within 28 days of the date of the notice. If it remains unpaid, OFSO may add interest at 6% per annum from the due date until paid plus any debt-collection costs incurred by OFSO.

- 8 Starting on 2 March 2026:
- OFSO will start the process to send levy notices to registered providers, in the sectors of activity shown in schedule B, paragraph 3, that are not zero-rated. Note that the actual date of the levy notice received may be after 2 March 2026 due to the staged process for mail-out of the levy notices.
 - Ordinarily, the levy notice will include links to further information on the website www.ciffo.org and details of how to apply for zero-rating. Exceptionally (at OFSO's discretion), OFSO may first send an invitation to consider zero-rating to the registered provider or agent/representative of one or more registered provider(s).
- 9 No adjustment will be made to the levy payable, or to eligibility for zero-rating, for the 2026 year of assessment in respect of any provider that, after 8 January 2026 and before 7 January 2027:
- becomes (or ceases to be) a registered provider; or,
 - becomes (or ceases to be) entitled to zero-rating.
- Such changes will only be given effect from the beginning of the subsequent year of assessment.
- 10 If, during, at the end of, or following any assessment year, a levy assessment turns out not to have been accurate, a corresponding adjustment may be made to the subsequent year of assessment's levy to recover or reimburse the difference caused by the previous inaccuracy.
- 11 If in the opinion of OFSO's Board there are exceptional circumstances making it fair to do so, OFSO's Board may waive or vary the application of any provision of this levy scheme to a registered provider.
- 12 OFSO may serve a levy notice on a registered provider's agent/representative (instead of on the registered provider), or on a registered provider at the address of its agent/representative, if:
- the registered provider has nominated that agent/representative or that address; or,
 - OFSO is otherwise satisfied that the agent/representative is the registered provider's agent/representative for this purpose.
- 13 This scheme may be cited as the Financial Services Ombudsman Levy Scheme (Bailiwick of Guernsey) 2026.

Antony Townsend
Chair of the Board of OFSO

Schedule A: entitlement to zero-rating

- 1 Under article 6 of the Order, OFSO:
 - must zero-rate any description of provider where it appears to OFSO that any complaint could not be, or is sufficiently unlikely to be, eligible; and,
 - may zero-rate other descriptions of registered providers.
- 2 OFSO will automatically zero-rate Guernsey Community Savings LBG in respect of all its activities and other¹ registered providers in respect of:
 - General Partners carrying on the restricted activities of advising, managing or dealing in connection with a category 2 controlled investment under the Protection of Investors (Bailiwick of Guernsey) Law, 1987;
 - Category 5 and 6 insurers under the Insurance Business (Solvency) Rules, 2015; and,
 - Insurance managers.

But registered providers involved in category 2 investment activities as General Partners will need to identify themselves to OFSO and be granted zero-rating as set out in paragraph 5 of this schedule. That is because – unlike the other automatically zero-rated categories – they cannot be identified from the data held by the Guernsey Financial Services Commission and provided to OFSO.
- 3 Other registered providers may apply to OFSO for zero-rating in respect of the 2026 levy if, throughout 2026, they:
 - will not do business, or are sufficiently unlikely to do business, with eligible complainants; or,
 - will not, or are sufficiently unlikely to, carry on relevant financial services business in or from Guernsey.
- 4 Zero-rating may be in respect of one or more applicable sectors of activity.
- 5 OFSO will only grant zero-rating under paragraph 3 of this schedule if the registered provider:
 - certified its eligibility for zero-rating in respect of a preceding year of assessment; or,
 - follows the process set out in the documents accompanying the levy notice and fully completes and submits the website certificate within 28 days of the levy notice; or,
 - fully completes and submits the website certificate within 28 days of being invited to do so by OFSO.

Otherwise, the registered provider will be liable to pay the levy.
- 6 Registered providers that have been granted zero-rating must advise OFSO if they are, or become, no longer eligible for zero-rating.

¹ Please note that the following fall outside OFSO's jurisdiction and do not have to pay the levy: service providers of funds other than class A funds; and category 2 and 4 insurers

Schedule B: calculation and division of levy

- 1 Under the Order, the total amount to be raised by levy payable by Guernsey and Jersey registered providers is (X-Y) where:
 - X = costs plus reserves plus any prior-year deficit of OFSO and the equivalent financial services ombudsman in Jersey = £1,675,987;
 - Y = income plus any prior-year surplus of OFSO and the equivalent financial services ombudsman in Jersey = £406,350;making a total of £1,269,637 [the total levy];
- 2 The total levy is to be divided among Guernsey and Jersey registered providers in proportions reflecting the expectation that some are likely to generate more complaints:
 - Half is to be divided equally among bank licensees in respect of their deposit-taking licence. This will amount to £17,634 for each bank licence.
 - The balance is to be divided equally among Guernsey and Jersey registered providers on a per sector of activity basis. This will amount to £1,693 per activity for each registered provider (including bank licensees for activities other than deposit-taking).
- 3 For the purpose of dividing the total levy in Guernsey, the sectors of activity are broadly based on the Guernsey Financial Services Commission's categories and will comprise:
 - banking;
 - insurance including intermediation;
 - investment, specifically those entities licensed to carry on the restricted activities of advising, managing or dealing in connection with a category 2 controlled investment under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and fund services providers of Class A funds);
 - money service; and,
 - credit providers that are required to register with the Guernsey Financial Services Commission under the Registration of Non-Regulated Financial Services Business (Bailiwick of Guernsey) Law 2008.

Jersey

Financial Services Ombudsman (Jersey) Law 2014 [the Law] as amended
Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 2015 [the Regulations] as amended

Financial Services Ombudsman Levy Scheme (Jersey) 2026

- 1 This levy scheme is made:
 - on 27 February 2026;
 - by the Office of the Financial Services Ombudsman [OFSO] established by the Law; and,
 - in accordance with regulation 4 of the Regulations.
- 2 This scheme:
 - is for the 2026 year of assessment, which is the spending year ending on 31 December 2026;
 - will be published on 27 February 2026; and,
 - will come into effect on 2 March 2026.

It will be published at www.ci-fo.org – the website of the Channel Islands Financial Ombudsman (CIFO), which is the joint operation of OFSO and the equivalent financial services ombudsman in the Bailiwick of Guernsey.
- 3 In this scheme:
 - 'levy notice' has the meaning as defined in the Regulations;
 - 'providers' means financial services providers within OFSO's jurisdiction;
 - 'registered providers' has the same meaning as defined in the Regulations;
 - 'higher case fee' means the higher case fee payable under the fee scheme made by OFSO under the Regulations;
 - 'relevant financial services business' has the same meaning as defined in the Financial Services Ombudsman (Exempt Business) (Jersey) Order 2014; and,
 - 'sector of activity' means the area of activity for which a levy is incurred as shown in paragraph 3 of schedule B.
- 4 Any provider that is a registered provider on 8 January 2026 must pay to OFSO a levy, unless it is entitled to zero-rating under schedule A below.
- 5 Any registered provider that claims a zero-rating incorrectly or fails to inform OFSO that it is no longer eligible for zero-rating, will be liable to pay the levy retrospectively. OFSO may add interest at 6% per annum from the original due date of the levy until paid plus any debt-collection costs incurred by OFSO. An adjustment will be made for any higher case fees already paid.
- 6 The total levy will be calculated, and divided among registered providers, as explained in schedule B below.
- 7 OFSO will invoice the individual levies by issuing a levy notice to each registered provider. The levy is due and payable within 28 days of the date of the notice. If it remains unpaid, OFSO may add interest at 6% per annum from the due date until paid plus any debt-collection costs incurred by OFSO.

- 8 Starting on 2 March 2026:
- OFSO will start the process to send levy notices to registered providers, in the sectors of activity shown in schedule B, paragraph 4, that are not zero-rated. Note that the actual date of the levy notice received may be after 2 March 2026 due to the staged process for mail-out of the levy notices.
 - Ordinarily, the levy notice will include links to further information on the website www.ciffo.org and details of how to apply for zero-rating. Exceptionally (at OFSO's discretion), OFSO may first send an invitation to consider zero-rating to the registered provider or agent/representative of one or more registered provider(s).
- 9 No adjustment will be made to the levy payable, or to eligibility for zero-rating, for the 2026 year of assessment in respect of any provider that, after 8 January 2026 and before 7 January 2027:
- becomes (or ceases to be) a registered provider; or,
 - becomes (or ceases to be) entitled to zero-rating.
- Such changes will only be given effect from the beginning of the subsequent year of assessment.
- 10 If, during or at the end of, or following any assessment year, a levy assessment turns out not to have been accurate, a corresponding adjustment may be made to the subsequent year of assessment's levy to recover or reimburse the difference caused by the previous inaccuracy.
- 11 If in the opinion of OFSO's Board there are exceptional circumstances making it fair to do so, OFSO's Board may waive or vary the application of any provision of this levy scheme to a registered provider.
- 12 OFSO may serve a levy notice on a registered provider's agent/representative (instead of on the registered provider), or on a registered provider at the address of its agent/representative, if:
- the registered provider has nominated that agent/representative or that address; or,
 - OFSO is otherwise satisfied that the agent/representative is the registered provider's agent/representative for this purpose.
- 13 This scheme may be cited as the Financial Services Ombudsman Levy Scheme (Jersey) 2026.

Antony Townsend
Chair of the Board of OFSO

Schedule A: entitlement to zero-rating

- 1 Under paragraph 7 of the Regulations, OFSO:
 - must zero-rate any description of provider where it appears to OFSO that any complaint could not be, or is sufficiently unlikely to be, eligible; and,
 - may zero-rate other descriptions of registered providers.
 - 2 OFSO will automatically zero-rate Community Savings Limited in respect of all its activities and other registered providers in respect of:
 - all functionaries of non-recognized funds;
 - general insurance mediation business (GIMB) in class S; and,
 - insurance business in class A.
 - 3 Other registered providers may apply to OFSO for zero-rating in respect of the 2026 levy if, throughout 2026, they:
 - will not do business, or are sufficiently unlikely to do business, with eligible complainants; or,
 - will not, or are sufficiently unlikely to, carry on relevant financial services business in or from within Jersey.
 - 4 Zero-rating may be in respect of one or more applicable sectors of activity.
 - 5 OFSO will only grant zero-rating under paragraph 3 of this schedule, above, if the registered provider:
 - certified its eligibility for zero-rating in respect of a preceding year of assessment; or,
 - follows the process set out in the documents accompanying the levy notice and fully completes and submits the website certificate within 28 days of the levy notice; or,
 - fully completes and submits the website certificate within 28 days of being invited to do so by OFSO.

Otherwise, the registered provider will be liable to pay the levy.
 - 6 Registered providers that have been granted zero-rating must advise OFSO if they are, or become, no longer eligible for zero-rating.
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Schedule B: calculation and division of levy

- 1 Under the Regulations, the total amount to be raised by levy payable by Jersey and Guernsey registered providers is (X-Y) where:
 - X = costs plus contribution to reserves plus any prior-year deficit of OFSO and the equivalent financial services ombudsman in the Bailiwick of Guernsey = £1,675,987;
 - Y = income plus any prior-year surplus of OFSO and the equivalent financial services ombudsman in the Bailiwick of Guernsey = £406,350;making a total of £1,269,637 [the total levy];
- 2 The total levy is to be divided among registered providers in proportions reflecting the expectation that some are likely to generate more complaints:
 - Half is to be divided equally among bank licensees in respect of their deposit-taking licence. This will amount to £17,634 for each bank licensee.
 - The balance is to be divided equally among Guernsey and Jersey registered providers on a per sector of activity basis. This will amount to £1,693 per activity for each registered provider (including bank licensees for activities other than deposit-taking).
- 3 For the purpose of dividing the total levy in Jersey, the sectors of activity are broadly based on the Jersey Financial Services Commission's categories and will comprise:
 - banking;
 - insurance, including general insurance mediation business;
 - investment, which includes investment business and functionaries of recognized funds within the meaning of the Collective Investment Funds (Jersey) Law 1988;
 - money service business (MSB); and,
 - providers of credit that are required to register with the Jersey Financial Services Commission under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008.