

Jersey

Financial Services Ombudsman (Jersey) Law 2014 [the Law]¹ as amended

Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 2015 [the Regulations]² as amended

Financial Services Ombudsman Levy Scheme (Jersey) 2020

- 1 This levy scheme is made:
 - on 27 February 2020;
 - 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 2020 year of assessment, which is the spending year ending on 31 December 2020;
 - will be published on 27 February 2020; and,
 - will come into effect on 28 February 2020.

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 2014³; 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 2020 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 levy by issuing a levy notice. 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.

¹ <https://www.jerseylaw.ie/laws/enacted/Pages/L-14-2014.aspx>

² <https://www.jerseylaw.ie/laws/revised/Pages/13.255.20.aspx>

³ <https://www.jerseylaw.ie/laws/revised/Pages/13.255.30.aspx>

- 8 Starting on 1 March 2020:
- 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 1 March 2020 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 2020 year of assessment in respect of any provider that, after 8 January 2020 and before 7 January 2021:
- 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 the 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 year's 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.⁴
- 13 This scheme may be cited as the Financial Services Ombudsman Levy Scheme (Jersey) 2020.

David Thomas
Chairman 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.

⁴ Financial Services Ombudsman (Case-fee and Levy) (Amendment) (Jersey) Regulations 2016
www.jerseylaw.ie/laws/enacted/Pages/RO-117-2016.aspx

- 3 Other registered providers may apply to OFSO for zero-rating in respect of the 2020 levy if, throughout 2020, 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 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 = £1,041,968; and,
 - Y = income plus any prior-year surplus of OFSO and the equivalent financial services ombudsman in the Bailiwick of Guernsey = £69,600;
- making a total of £972,368 [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 £11,307 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 £1,256 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 1988⁵;
 - 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.
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⁵ Chapter 13.100