
Consultation Paper 17

2021 Publication of Summary Complaints Statistics

Issued: 16 December 2020

A: This consultation

One of the hallmarks of an independent financial sector Ombudsman is transparency. The Channel Islands Financial Ombudsman (CIFO), since its inception in 2015, has embraced international good practice regarding transparency of its operations and continues to improve in this regard.

In addition to the provision of annual reports and audited financial statements, CIFO publishes a range of information on its website including board minutes, newsletters, and details of CIFO's funding and legislation. CIFO also publishes final Ombudsman decisions and case studies on its website. Published decisions on complaints referred to CIFO on or after 1 January 2018 include the names of the financial services providers (FSPs) involved. Complainants' names are not published.

CIFO also publishes quarterly complaints statistics on its website and via newsletter. With the completion of the required legislative changes in both islands at the end of 2019, CIFO began preparations to publish summary complaints statistics on an FSP-named basis going forward. A pilot project was recently undertaken with several financial services providers to see how the proposed approach will work in practice. As previously committed, CIFO is now consulting with industry stakeholders on how to best operationalise production and verification of this new complaints data to ensure accuracy.

This consultation relates to the implementation of the policy announced previously, including in CIFO's 2019 Annual Report. This consultation is not about whether CIFO will publish summary complaints statistics. Once the consultation process is completed, CIFO will add this new level of statistical reporting to our demonstrated commitment to full transparency in CIFO's operations.

Starting in May 2021 with the publication of CIFO's 2020 Annual Report, CIFO will commence publishing summary complaints statistics broken down by financial services provider (FSP). The 2020 Annual Report will include summary complaints statistics for 2020. CIFO's website will have searchable summary complaints statistics for the years 2018, 2019, and 2020. The proposed FSP-named summary complaints statistics will provide information regarding the number and nature of complaints cases closed and the outcome for complaints cases closed (closed

complaint cases will not include complaints withdrawn or found to be out-of-mandate at the point of initial referral to CIFO).

Interested parties – including representative bodies of FSPs, customers of financial services, and the Financial Services Commissions – are invited to respond on the proposed approach to operationalise production and verification of this new complaints data to ensure accuracy.

- Section B explains how to respond.
- Section C explains the role of CIFO.
- Section D explains the legal background.
- Section E explains the issues covered by this consultation.
- Section F explains next steps.

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, P O Box 114, Jersey, JE4 4QG.

Responses to this consultation may be published. Any portions of their responses that respondents consider to be confidential (for example, because they relate to security systems or include commercially confidential information) should be clearly marked as such, indicating the reason why they are confidential. The reason will be considered by the Principal Ombudsman in deciding what to publish.

Responses must reach us by no later than close of business on Friday, 5 February 2021.

C: The Channel Islands Financial Ombudsman (CIFO)

CIFO is the joint operation of the Office of the Financial Services Ombudsman (Jersey) and the Office of the Financial Services Ombudsman (Guernsey) established by the Financial Services Ombudsman (Jersey) Law 2014 [‘the Jersey Ombudsman Law’]¹ and the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 [‘the Guernsey Ombudsman Law’].²

CIFO is independent of the States of Guernsey and Government of Jersey and also of financial services providers and their customers. It 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. The joint operation – working from a shared office in Jersey, with the same board, principal ombudsman and staff – covers complaints about financial services provided in and from Jersey, Guernsey, Alderney and Sark. CIFO commenced resolving complaints on 16 November 2015.

¹ www.jerseylaw.je/Law/display.aspx?url=lawsinforce%5chtm%5cLawFiles%5c2014%2fL-14-2014.htm

² www.guernseylegalresources.gg/article/115617/Financial-Services-Ombudsman-Bailiwick-of-Guernsey-Law-2014

D: Legal background

The provisions governing CIFO's publication of complaints-related information can be found in Articles 21 and 22 of the Jersey Ombudsman Law and Sections 21 and 22 of the Guernsey Ombudsman Law.

The legislative changes to explicitly enable the publication of summary complaints statistics on an FSP-named basis were approved in 2018 in Jersey and 2019 in Guernsey. Given the timing of the 2019 legislative approval, it was decided to defer the commencement of publication of FSP-named summary complaints statistics until 2021. The relevant new secondary legislation in each jurisdiction is as follows: The Financial Services Ombudsman (Bailiwick of Guernsey) (Amendment) Ordinance, 2019³ and the Financial Services Ombudsman (Disclosure of Information – Amendment of Law) (Jersey) Regulations 2018.⁴

E: Issues covered by this consultation

Publication in CIFO Annual Report

CIFO proposes to publish summary complaints statistics, starting with the CIFO 2020 Annual Report, that will include the following:

- The name of the financial services provider and the jurisdiction it operates from
- The sector the financial services provider operates in
- The number of complaint cases closed and how they were resolved
- The outcome of resolved complaint cases

To illustrate what the proposed published summary complaints statistics will look like when included in CIFO's annual reports, a mock-up is provided as Annex 1 to this consultation.

Publication via searchable page on CIFO website

In the proposed searchable page of CIFO's website dedicated to the summary complaints statistics, searches of complaint cases will be possible using various sorting criteria such as:

Firm name
Firm jurisdiction
Complainant location
Sector
Product
Issue

³ <http://www.quernseylegalresources.gg/article/174537/Financial-Services-Ombudsman-Bailiwick-of-Guernsey-Amendment-Ordinance-2019>

⁴ <https://www.jerseylaw.je/laws/enacted/Pages/RO-029-2018.aspx>

Outcome
Settlement
Compensation
Year closed

To illustrate what the proposed searchable page of CIFO's website dedicated to the summary complaints statistics will look like, a mock-up is provided as Annex 2 to this consultation. It is proposed that the searchable page of CIFO's website would go live to coincide with the publication of CIFO's 2020 Annual Report which, depending upon timing set by the Government of Jersey and States of Guernsey, would likely be in May of 2021.

Verification of complaints data to ensure accuracy prior to publication

CIFO takes various steps to ensure that the data collected in connection with each complaint and stored in CIFO's complaint management system (CMS) is accurate. This currently includes confirmation of initial complaint data with FSPs upon each case file opening and a recently introduced confirmation of final complaint file data with FSPs upon each case file closing as well.

As the publication of summary complaints statistics broken down by FSP will be of significant interest to FSPs and their current and prospective customers, FSPs will wish to ensure that they are aware in advance of the complaints data to be published and are satisfied with its accuracy. To this end, all FSPs listed in the summary complaints statistics for that period will receive 30 days' notice of the summary complaints statistics applicable to them. The summary complaints statistics will be provided via delivery-confirmed email to the designated email address provided to CIFO by each FSP. CIFO will send a final reminder email to the designated email address before the expiry of the 30-day notice period.

In order to minimise the administrative burden on CIFO funded by industry through levies and case fees, CIFO proposes to treat non-response to CIFO's proposed 30-day notice as deemed verification of the enclosed summary complaints data for that FSP. Examples of the proposed notice to FSPs, the proposed form of the data provided to FSPs in the 30-day notice, and a guide to complaint categorisation are provided as Annexes 3, 4 and 5 to this consultation.

Confidentiality of CIFO summary complaints statistics

In order to ensure fairness to all FSPs, CIFO will publish its summary complaint statistics for all FSPs at the same time. FSPs will therefore be expected to refrain from disclosing the summary complaints statistics until CIFO has published the data.

Data contextualisation

The summary complaint statistics to be published are **not** comparative data tables. It is acknowledged that there are numerous factors that can vary the volume and nature of complaints between FSPs and especially across the various sub-sectors of the financial services industry. To assist with the contextualisation of the summary

complaints statistics, CIFO is adding a notice to both the published tables in the annual report and on the relevant page of CIFO's website. The proposed notice will read as follows:

Readers of the following summary complaints statistics should take care in drawing conclusions from the data. There are numerous factors that can influence the volume and nature of complaints made against a particular financial services provider (FSP). These can include:

- *Some sub-sectors within the financial services industry will generate more complaints than others in relation to their number of total customers.*
- *Some sub-sectors have more transactions (or customer interactions) per customer than others which can result in higher complaint volumes.*
- *Some FSPs are larger and can have more customers which can result in more complaints even if the number of complaints as a ratio of its total customer base is lower than other comparable FSPs.*
- *FSPs within the same sub-sector (e.g., retail banking) can have a different mix of products and services with some types of products and services being more likely to generate complaints than others (e.g., different expected volumes from credit card accounts, current accounts with debit cards, and savings accounts).*

It is also important to note that a higher volume of complaints does not necessarily have a negative connotation and may simply result from an FSP's more effective signposting of its customers with unresolved complaints to our office.

FSP identification

While having accurate summary complaints data for publication is what is intended, making the data useful and easily understood to stakeholders is also important. An area of complexity that needs to be addressed involves several distinct circumstances caused by CIFO's reliance upon licensed entity data from the Financial Services Commissions in Jersey and Guernsey when assigning complaint statistics to FSPs. The circumstances and proposed approach to identifying the FSPs associated with summary complaints statistical data are as follows:

1. Where an FSP with a known brand in the market may have several related entities operating under different regulator-issued licences, but all are associated with the same public-facing brand.⁵

Proposed solution: All FSPs will be grouped together (with individual entities shown) for the purposes of the published summary complaints statistics data table and will be grouped together for searches conducted on CIFO's website.

⁵ An example of this is HSBC which, like numerous other FSPs operating in the Channel Islands, has several distinct licensed entities, but all are identified with the HSBC brand.

2. Where an FSP with a known brand in the market operates under a separate and distinct public-facing brand for a broad area of business where the public may be unaware that the FSP and the brand are related to the same regulated entity.⁶

Proposed solution: All FSPs will be grouped together (with individual entities shown) under the brand name used for the purposes of the published summary complaints statistics data table and both the regulated entity and the brand name will be grouped together for searches conducted on CIFO's website.

3. Where an FSP with a known brand in the market may have a related entity FSP that operates under a separate and distinct public-facing brand (regulated or unregulated) in a specific area of financial services business where the public may be unaware that the FSPs are related.⁷

Proposed solution: The related entity FSP will be listed under the brand name used in the market for the purposes of the published summary complaints statistics data table grouped with the FSP and both FSP brand names will be combined for searches conducted on CIFO's website.

4. Where a licence is held by an FSP that operates under a separate and distinct brand name by which it is known in the market.⁸

Proposed solution: The FSP will be listed under the brand name used in the market for the purposes of the published summary complaints statistics data table and both the FSP name and brand name will be combined for searches conducted on CIFO's website.

For each of these four circumstances, the proposed approach is intended to avoid confusion and permit a review and searches of the summary complaints statistical data based on the public-facing brands familiar to stakeholders in the marketplace while still enabling website searches to be performed on regulated entity names where that may differ from the public-facing brand.

Specific questions

While CIFO welcomes any general feedback to this consultation, respondents may wish to respond to the following questions.

Q1: Do you have any comments on the format of the summary complaints statistics that CIFO proposes to publish starting in 2021?

⁶ An example of this is the licensed FSP Royal Bank of Scotland International operating in the market under the brand name NatWest International.

⁷ An example of this is Blackhorse which operates as a separate FSP in the unregulated lending and credit market but is a related entity of Lloyds Bank.

⁸ An example of this is M.J. Touzel (Insurance Brokers) Limited which operates under the public-facing brand name Islands Insurance.

Q2: Do you have any comments on the approach CIFO proposes to enable FSPs to satisfy themselves that the summary complaints statistics to be published are accurate?

Q3: Do you have any comments on the specific summary complaints data elements that CIFO proposes to publish or provide via searchable database in connection with each financial services provider?

Q4: Do you have any comments on CIFO's proposed approach re confidentiality where FSPs will be expected to refrain from disclosing the summary complaints statistics until CIFO has published the data?

Q5: Do you have any comments on CIFO's proposed approach to data contextualisation?

Q6: Do you have any comments on CIFO's proposed approach to FSP identification for each of the circumstances identified?

Q7: Do you have any comments on what CIFO should consider publishing in the future about customer complaints?

F: Next steps

CIFO will review the written responses to this consultation paper and a final publication structure will be developed and approved by CIFO's Board of Directors to take effect upon the publication of the 2020 CIFO Annual Report. A response to the submissions received to this consultation will then be published setting out the approach to be taken.

Annex 1: CIFO Proposed Annual Report Summary Complaints Statistics

CIFO opened [X] complaints this year from a total of [X] financial services providers and closed [X] complaints.

Summary Complaints Statistics for the Period [insert period]

Readers of the following summary complaints statistics should take care in drawing conclusions from the data. There are numerous factors that can influence the volume and nature of complaints made against a particular financial services provider (FSP). These can include:

- Some sub-sectors within the financial services industry will generate more complaints than others in relation to their number of total customers.
- Some sub-sectors have more transactions (or customer interactions) per customer than others which can result in higher complaint volumes.
- Some FSPs are larger and can have more customers which can result in more complaints even if the number of complaints as a ratio of its total customer base is lower than other comparable FSPs.
- FSPs within the same sub-sector (e.g., retail banking) can have a different mix of products and services with some types of products and services being more likely to generate complaints than others (e.g., credit card accounts, current accounts with debit cards, savings accounts).

It is also important to note that a higher volume of complaints does not necessarily have a negative connotation and may simply result from an FSP's more effective signposting of its customers with unresolved complaints to our office.

Firm	Firm Jurisdiction	Sector	Cases Closed	Cases closed by mediation	Cases closed by determination	Outcome in Favour of Complainant (More compensation than originally offered by FSP)	Outcome in Favour of Complainant (Same or less compensation than originally offered by FSP)	Outcome in Favour of FSP
A Bank Plc, Jersey Branch	Jersey	Banking	13	11 (85%)	1 (8%)	4 (33%)	5 (42%)	3 (25%)
A Wealth Management Jersey Limited	Jersey	Investment/Funds	10	8 (80%)	0	5 (63%)	2 (25)	1 (13)
A Bank Plc, Guernsey Branch	Guernsey	Banking	5	4 (80%)	1 (20%)	1 (20%)	3 (60%)	1 (20%)
B Bank Plc, Jersey Branch	Jersey	Banking	22	15 (68%)	7 (32%)	11 (50%)	5 (23%)	6 (27%)
B Asset Management Limited	Jersey	Investment/Funds	1	1 (100%)	0	0	0	1 (100%)
B Bank Plc, Guernsey Branch	Guernsey	Banking	3	1 (33%)	0	1 (33%)	0	0

Note: This is not actual data, for illustration purposes only.

Annex 2: CIFO Website Searchable Complaints Statistics Mock-Up

Complaint Statistics by Financial Services Provider

Here you can find statistics for each financial services provider (FSP) on complaints investigated and closed by the Channel Islands Financial Ombudsman (CIFO).

CIFO's role is to resolve complaints about financial services provided in or from Jersey, Guernsey, Alderney and Sark. Some complaints can be resolved by CIFO case handlers helping the complainant and the financial services provider agree a fair outcome: these are classed as mediated complaints. Others, particularly where the parties cannot agree, will require the Ombudsman to issue a formal decision on the complaint. Where a complaint has been mediated or decided in favour of a complainant these are classed as settled "in favour of complainant". Alternatively, here a complaint has been mediated or decided in favour of an FSP these are classed as settled "in favour of FSP".

We will update this page yearly with new closed complaints to create a comprehensive and searchable record.

You can refine your search as required by using the drop-down lists below. To locate complaints for a specific financial services provider, type the name of the entity in the "Firm Name" search tab or select the name from the list. Once you have refined your search options, click 'Search' to display the total number of closed complaints which match your search criteria.

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- Some FSPs are larger and can have more customers which can result in more complaints even if the number of complaints as a ratio of its total customer base is lower than other comparable FSPs.
- FSPs within the same sub-sector (e.g., retail banking) can have a different mix of products and services with some types of products and services being more likely to generate complaints than others (e.g., credit card accounts, current accounts with debit cards, savings accounts).

It is also important to note that a higher volume of complaints does not necessarily have a negative connotation and may simply result from an FSP's more effective signposting of its customers with unresolved complaints to our office.

Firm Name	<input type="text" value="Any"/>	Free text, or drop-down of all entities
Firm Jurisdiction	<input type="text" value="Any"/>	All; Jersey; Guernsey
Complainant Location	<input type="text" value="Any"/>	Drop-down Country list
Sector	<input type="text" value="Any"/>	All; Banking; Investment/Funds; Insurance; Pension; Non-Bank Money Services and Credit
Product	<input type="text" value="Any"/>	Drop-down of all Products
Issue	<input type="text" value="Any"/>	Drop-down of all Issues
Outcome	<input type="text" value="Any"/>	All; Mediated; Determined
Settlement	<input type="text" value="Any"/>	All; In favour of complainant; In favour of FSP
Compensation	<input type="text" value="Any"/>	All; More than the FSP originally offered; The same as the FSP originally offered; Less than the FSP originally offered
Year Closed	<input type="text" value="Any"/>	All; 2018; 2019; 2020; etc.

	Total complaints fitting criteria	Percentage of complaints investigated and closed	total complaint compensation	complaint compensation	total complaint compensation
Results	<input type="text" value="0"/>	<input type="text" value="0%"/>	<input type="text" value="£"/>	<input type="text" value="£"/>	<input type="text" value="£"/>

Annex 3: CIFO Complaints FSP 30-Day Publication Notice Cover Email

BY RECEIPT-CONFIRMED EMAIL

Dear [FSP designated contact]

30-Day Notice of Publication - CIFO Period Statements of Closed Complaints by FSP

Starting in 2021, the Channel Islands Financial Ombudsman (CIFO) will be publishing summary statistical data on its complaints resolution experience, broken down by financial services provider (FSP). The summary complaints statistics will provide information regarding the number of complaints closed and the outcome for each closed case (this will not include withdrawn or out of mandate complaints).

You are strongly encouraged to satisfy yourselves regarding the accuracy of the attached historical complaints data for the period **[insert period]** that will be published and attributed to your firm. As a first step, you may wish to review the attached spreadsheet, which lists all CIFO's closed complaint files for the period(s) shown. This includes "withdrawn" or "out of mandate" complaints, although these outcome categories will not be published with the summary complaints statistics. By 'case', we mean a complaint brought to CIFO, which is determined at intake to be within CIFO's mandate to review. The attached spreadsheet lists the CIFO case reference number, the respondent FSP name and jurisdiction, the complainant name and residential jurisdiction, sector, product, primary issue, complainant type, and the outcome of the complaint including settlement details. Please see the attached guidance to clarify the categories used by CIFO to describe each complaint. The spreadsheet has been password protected; the password will follow in a separate communication to this same email address.

We require a response from you by **[insert reply deadline date]**, via email to Carol.Rabet@ci-fo.org. **To avoid unnecessary administrative expense, failure to respond to this request for data verification by the deadline will be deemed as verification of your firm's complaints data to be published.**

Alternatively, if you have any queries or wish to discuss any of the above, we will be holding a Zoom session for FSPs on **[insert date and time]** to respond to questions:

[insert Zoom session link]

You are reminded that, in order to ensure fairness to all FSPs, CIFO will publish its summary complaints statistics for all FSPs at the same time. FSPs are therefore asked to refrain from disclosing the summary complaints statistics until CIFO has published the data.

Thank you for your attention to this matter.

Sincerely,

Douglas Melville
Principal Ombudsman & Chief Executive

Annex 4: CIFO Complaints FSP 30-Day Notice List

Example of CIFO Period Complaints Report to be Sent to FSPs for Verification

Case Number	Case Title	Primary Complainant	Firm	Sector	Product 1	Primary Issue	Complainant Type	FSP Country	Complainant Country	Outcome (Closing)	Settlement (Closing)	Final Settlement Amount	Determined Amount
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Terms for settlement/compensation

Settlement (closing) = Determined or mediated

Final settlement amount = if the case is mediated a settlement amount will show here

Determined amount = If a case is determined the amount will show here

Annex 5: CIFO Guidance on Complaint Categorisation

Introduction

The Channel Islands Financial Ombudsman (CIFO) was established by law in Jersey and the Bailiwick of Guernsey to resolve complaints about financial services provided in or from the Channel Islands. CIFO uses a complaint management system (CMS) to log and record the progress to resolution of all complaints received. The information in this document is provided for financial services providers (FSPs) as, during the complaint process, they will be asked to verify that the information recorded against each complaint case against them is correct on CIFO's CMS. The information below explains some of the key information fields that are recorded for each complaint received. Certain information fields are included in statistical data already published by CIFO in quarterly complaint statistics and in the statistical section of CIFO's annual reports. Some may also be published as part of our summary statistical data on complaints that will be broken down by FSP.

The following are descriptions of the relevant information fields to assist FSPs to verify the complaint information collected.

Case Number

CIFO's unique complaint case reference identification number (e.g., 20-000123).

Primary Complainant

This is the name of the individual who has made the complaint, either as an individual or on behalf of a micro-enterprise or a charity. CIFO will never publish this information.

Primary Complainant's Country/Region

This is the jurisdiction in which the complainant is resident at the time the complaint was made.

FSPs

This shows the financial services provider (FSP) that was the subject of the complaint. The legal respondent, and usually the holder of the relevant licence from the local financial sector regulator, that is responsible for what is being complained about.

FSP's Country/Region

This shows the jurisdiction from where the financial services provider (FSP) provided the financial services complained about.

Sector and Product

CIFO uses 5 sectors to describe the broad area of financial services relating to each complaint. These are: Banking, Insurance, Investments, Pensions, and Non-bank money services/credit. Each sector lists the financial product or service to which the event complained about relates to underneath:

Banking

- Business account
- Cash transfer
- Consumer loan
- Credit card account
- Current account
- Financial advice
- Fixed-term deposit account
- Hire purchase agreement
- Money transfer
- Mortgage
- Other investments
- Overdraft facility on current account
- Payment protection insurance
- Safe custody/safety deposit box
- Savings account
- Savings/deposit account

Insurance

- Automobile/vehicle insurance
- Contents insurance
- Current account
- Health insurance
- Home insurance
- Income/profit protection
- Legal insurance
- Life assurance policy
- Payment protection insurance
- Travel insurance
- Whole of life insurance (Investment)

Investment/Funds

- Current account
- Financial advice
- Money transfer
- Mutual funds, unit trusts, collective investment schemes
- Other investments
- Stocks and shares

Non-Bank Money Services/Credit

This sector is for non-banks providing these types of money or credit services:

- Consumer loan
- Debt collection
- Money transfer
- Mortgage
- Payment protection
- Personal loan
- Prepaid Euro card

Pension

- Private pension product
- Employer pension scheme
- Financial advice
- International QROPS

Primary Issue

This shows the issue involved in the complaint. The available options are:

- Closure of account
- Dispute payment out
- Enforcement/collection
- Fees/charges
- Interest charged/paid
- Mis-selling
- Non-payment of claim
- Poor administration or delay
- Refusal of service
- Transaction

Complainant Type

This is the type of complainant, for example: Consumer/individual, Charity, Microenterprise, or Trustee.

Outcome

This shows the outcome of CIFO's complaint resolution process. The available options are:

- Resolved in favour of the FSP
- Resolved in favour of the complainant
- Rejected as out of mandate or for other reasons
- Withdrawn by the complainant

CIFO's Principal Ombudsman will keep this guidance under review in the light of complaint cases received by CIFO and will publish updated guidance if necessary. This version is correct as of 19 November 2020. Any comments or suggestions on this guidance may be sent to consultations@ci-fo.org.