



Feedback on Consultation Paper 3 **Model complaint-handling procedure for financial services providers**

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A: Summary

Under the relevant laws¹, the Channel Islands Financial Ombudsman [‘CIFO’] may publish a model complaint-handling procedure. While CIFO was not required under the relevant laws to consult with stakeholders concerning the model complaint-handling procedure, it was felt that the importance of this proposed model procedure to effective financial consumer protection in the Channel Islands and to the effective and efficient functioning of CIFO’s mandate warranted an opportunity for broad input.

In Consultation Paper 3: Model complaint-handling procedures for financial services providers [‘CP3’], the Channel Islands Financial Ombudsman [‘CIFO’] proposed a model complaint-handling procedure which set out how financial services providers should deal with internal complaints and set out CIFO’s expectations of how financial services providers will work with CIFO to ensure effective and efficient handling of unresolved complaints referred to CIFO.

Responses to the consultation were generally supportive of the guidelines with some clarifications requested and some changes sought. Having considered the responses received, CIFO made a number of minor changes to the model complaint-handling procedure and adopted it effective 16 November 2015. CIFO will keep the model procedure under review in the light of cases received by CIFO.

¹ Section 11(7) of the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 and article 11(7) of the Financial Services Ombudsman (Jersey) Law 2014

B: Consultation overview

In CP3, it was noted that the Principal Ombudsman was minded to issue the draft model procedure in the form set out in Part D of the consultation. Stakeholders were asked to provide their input to the draft model procedure.

C: Summary of responses

14 responses were received. The vast majority of responses were broadly supportive and provided a number of recommendations to clarify or enhance the model procedure. In particular, suggestions were made to:

- Incorporate the words “prominent” and “plain English” into sections 5, 6, and 7 for information provided to consumers and sections 9, 10, 11, 12, and 14 for financial service provider correspondence with consumers [Adopted];
- Include a pro forma information disclosure for referrals to CIFO by financial services providers [Already included in section 16];
- Provide more flexibility in terms of when and how a customer can be made aware of the ability to refer a complaint to CIFO [Not adopted. CIFO considers consumer awareness of the ability to refer an unresolved complaint to CIFO as critically important to the integrity of the “system” of complaint handling from financial services provider through to CIFO, as required. This is dependent upon consistent process and consumer experience.];
- Make reference to local voluntary codes of conduct [Agreed. Incorporated in section 9.];
- Delete references to a financial services provider owing a “duty of care” as in section 4 and limit references to those consistent with CIFO’s guidelines on sufficiently-close relationships [Not adopted. Considered too limiting as CIFO’s mandate of fairness may require consideration of circumstances that are not clearly contemplated by the current policies established on the commencement of the mandate.].

Other responses provided comments on other aspects of CIFO’s mandate or sought to clarify whether proposed internal complaint handling approaches would be considered compliant with the model procedure.

D: Next steps

Having considered the responses received, and having made a number of minor recommended changes, the principal ombudsman determined that the model procedure was suitable and it was adopted effective 16 November 2016 (see <https://www.ci-fo.org/wp-content/uploads/2015/11/151116-CIFO-model-complaint-procedure.pdf>). The principal ombudsman intends to keep the model procedure under review in the light of cases received by CIFO, and will consult on proposed changes to the model procedure where appropriate.

Appendix 1: responses received

1	Trading Standards Service – States of Guernsey
2	Lloyd’s Bank International [content confidential]
3	Guernsey Association of Pension Providers (GAPP)
4	Bank [confidential]
5	Bank [confidential]
6	Jersey Consumer Council joint submission with Citizens Advice Bureau
7	Insurance company [confidential]
8	Bank [confidential]
9	Bank [confidential]
10	Bank [confidential]
11	Investment firm [confidential]
12	Investment firm [confidential]
13	Bank [confidential]
14	Bank [confidential]
