



Feedback on Consultation Paper 1 **Eligible Complainants: Categories**

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A: Summary

In Consultation Paper 1: Eligible Complainants: Categories [‘CP1’] the Channel Islands Financial Ombudsman [‘CIFO’] stated it was minded to recommend that charities in Jersey and the Bailiwick of Guernsey with an annual income of less than £1 million should be eligible to bring complaints to CIFO. Responses to the consultation were supportive of charities being able to complain and some asked for the income limit to be increased. Having considered the responses received, CIFO concluded that there was significant merit in this point and duly recommended that charities from Channel Islands should be eligible complainants subject to a turnover limit equivalent to that for microenterprises.

B: Consultation overview

Under the relevant laws, consumers and microenterprises will be eligible to refer complaints to the Channel Islands Financial Ombudsman [‘CIFO’] once it is open. CIFO is the joint operation of the Office of the Financial Services Ombudsman established by law in Jersey and the Office of the Financial Services Ombudsman established by law in Guernsey. Consultation Paper 1: Eligible Complainants: Categories [‘CP1’] was about whether small charities should also be eligible. The closing date was 17th August 2015 and 10 responses were received. CIFO is grateful for the contribution made by those respondents.

Under the Jersey and Guernsey Ombudsman Laws [‘the Ombudsman Laws’], a complainant must be in a specified category. The Ombudsman Laws automatically include the categories of consumers and microenterprises and allow the Jersey Minister for Economic Development [‘the Jersey Minister’] and the Guernsey States Commerce and Employment Department

[the Guernsey Department] to make Orders adding any other category that relates to charities, trusts, foundations or other bodies.¹ That power is subject to a number of conditions, one of which is that the Jersey Minister and the Guernsey Department can only make Orders following a recommendation by the CIFO,² which must consult before making a recommendation.³

CP1 stated that CIFO was minded to recommend to the Jersey Minister and the Guernsey Department the following additional categories:

- a charity in Jersey with a gross annual income under £1 million in the previous financial year; and
- a charity in the Bailiwick of Guernsey with a gross annual income under £1 million in the previous financial year.

The income limit proposed was the same as that used for the Financial Ombudsman Service in the UK and in previous consultations on this subject by the States of Guernsey and Jersey. Comments were invited on the proposed recommendations and also on the drafting of the proposed Financial Services Ombudsman (Eligible Complainants) (Jersey) Order 2015 and Financial Services Ombudsman (Eligible Complainants) (Bailiwick of Guernsey) Order 2015.

C: Summary of responses

Ten responses were received. The responses were broadly supportive.

Question 1: Do you have any comments on the categories proposed?

Three of the respondents questioned the fairness of setting a turnover limit for charities (at £1 million) which is less than the turnover limit applicable to microenterprises (2 million Euro).

Question 2: Do you have any comments on the drafting of the proposed Orders?

Some observations were made regarding the definition of charities and removing the definition of pension fund as this is not required.

D: Recommendations and next steps

Having considered the responses received, the board of CIFO concluded that there was significant merit in the points raised regarding turnover limits for charities and microenterprises, which justified going further than the scope of the Financial Ombudsman Service in the UK. Recommendations were duly made to the Jersey Minister and the Guernsey Department that the categories of eligible complainant should be extended to cover charities from any of the Channel Islands but subject to an increased turnover limit in order to be equivalent to that for microenterprises.

The Financial Services Ombudsman (Eligible Complainants) (Bailiwick of Guernsey) Order, 2015 and the Financial Services Ombudsman (Eligible Complainants) (Jersey) Order 2015

¹ Article/section 8(3)(c).

² Article/section 8(3)(c)(iii).

³ Article/section 8(11).

have since been made. These set the turnover limit for charities in pounds sterling at £2 million.

Appendix 1: responses received

1	The Association of Guernsey Charities
2	Black Horse Offshore
3	Guernsey Community Foundation
4	John Pinel
5	Barclays
6	Brighter Futures
7	Lloyds Bank International
8	Jersey Consumer Council
9	Council of the Royal Commonwealth Society (Jersey Branch)
10	Guernsey Association of Pension Providers
