

News release

13 June 2016 (embargoed until 3.30pm 13 June 2016)

New Financial Ombudsman releases report and complaint numbers

The independent Channel Islands Financial Ombudsman (CIFO) today released its annual report and accounts for 2015 – following their presentation to the Jersey States Assembly and their publication by the Greffier in Guernsey for consideration at a future meeting of the States of Deliberation – as well as a first set of quarterly complaint numbers, for the first quarter of 2016.

David Thomas, Chair of the Board of Directors, said –

“This is the first annual report and accounts of CIFO since we opened for business on 16 November 2015. CIFO was established by law to resolve, fairly and reasonably, complaints about financial services provided in/from the Channel Islands of Jersey, Guernsey, Alderney and Sark. We are pleased to have successfully established this new mandate.

“We are also pleased to be providing a report on complaint numbers for the first quarter of 2016. We will be publishing complaint numbers quarterly, as part of our firm commitment to transparency in the performance of CIFO’s important public interest mandate.”

From 16 November 2015 to 31 March 2016, CIFO received a total of 222 complaints. Of these, 87 complaints were received in 2015 and 135 complaints in the first quarter of 2016.

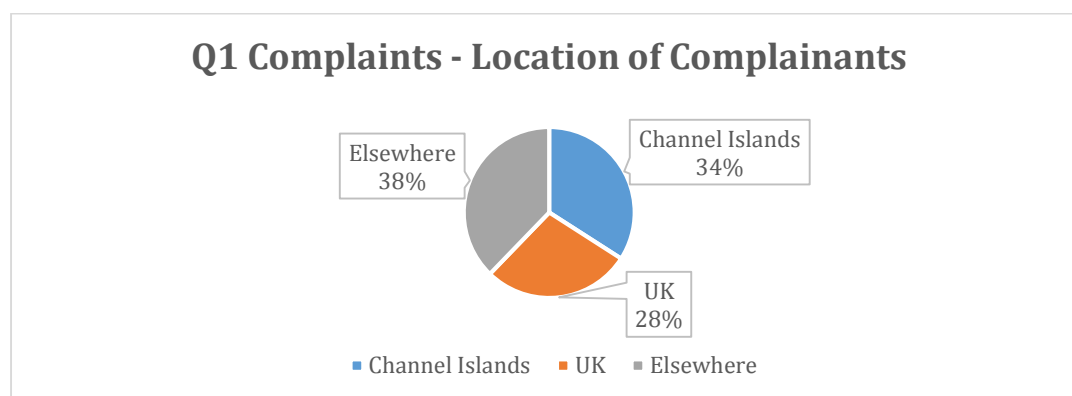
In 2015, 22 complaints were closed as they were out of mandate and the rest were carried forward to 2016. In the first three months of 2016, CIFO closed 76 complaints, leaving 124 under review by the office at the end of the period. Of the 76 closed complaints:

- 62 could not be dealt with as they were outside the scope of CIFO’s mandate;
- 8 were resolved by mediation, all in favour of the complainant; and
- 6 were withdrawn by the complainant.

The mandate or remit of CIFO is set out by law, particularly the types of financial services that can be complained about, the type of complainant that may use the service and the time limits that apply.

Just over half of the complaints that were closed as falling outside of CIFO's mandate were because the event leading to the complaint had taken place before the start date set by law. Other less common reasons were because the complaint concerned financial services that are not within mandate or financial services that were not provided in or from the Channel Islands. Wherever possible in these situations, CIFO staff have guided to other potential sources of assistance.

While the complaint must be about financial services provided in or from the Channel Islands, the complainant can live anywhere. For complaints received in the first quarter of 2016, a third of complainants were Channel Islands residents, just under a third were UK residents and just over a third were based elsewhere.



Douglas Melville, Principal Ombudsman and Chief Executive, said –

“We have published a model complaints procedure which includes guidance on how financial services providers should make their customers aware of CIFO. 222 complainants have already found their way to our office. We hope providers will continue to embrace effective complaint handling and make their customers aware of our service for unresolved complaints. This enhances the financial consumer protection framework and the reputation of the Channel Islands, their financial sectors, and individual financial services providers.”

“We are grateful to the States of Jersey and Guernsey and all stakeholders for their support in getting the office established and their ongoing support of our mandate.”

Mr. Melville, who took up the ombudsman post on 1 June 2015, also said -

“This new service started considering complaints after receiving its full legal powers on 16 November 2015. So looking back on the 2015 year, it was largely a period of extensive preparations for CIFO to open for business. This included consultations on aspects of the supporting legal framework, recruiting staff, establishing the infrastructure, raising income and publishing guidance and policies on our new website at www.ci-fo.org. Our small team is very pleased to be operational and are working each day with complainants and financial service providers to bring fair and reasonable outcomes to unresolved financial sector complaints.”

Notes for editors

The first quarter complaint statistics give a breakdown both of complaints received and those that become 'case files' – these are complaints that are within CIFO's mandate. It is too early to draw inferences or trends so these statistics are published for information and a fuller analysis of the whole year's data will be given in the 2016 annual report.

The Channel Islands Financial Ombudsman (CIFO) resolves complaints about financial services provided in or from the Channel Islands of Jersey, Guernsey, Alderney and Sark. It is the joint operation of the bodies created by the Financial Services Ombudsman (Jersey) Law 2014 and the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 ('the Laws').

The office is independent and provides an informal, speedy, effective and free alternative to going to court for complainants.

CIFO covers complaints about events from 1 January 2010 (if the financial services were provided from Jersey) or 2 July 2013 (if the financial services were provided from Guernsey, Alderney, or Sark).

Complainants need to come to CIFO within 6 years of the event complained of or within 2 years of when the issue became apparent. The financial services provider must have been given a reasonable opportunity to deal with the complaint before it is referred to CIFO. Complaints can be taken to CIFO if the complainant is dissatisfied with the financial services provider's final response to their complaint, or if the financial services provider fails to respond to the complaint within 3 months. The Ombudsman has prepared guidelines for providers on complaint handling which are available on the CIFO website.

Broadly, CIFO can look at complaints – from individual consumers, microenterprises and certain Channel Islands charities – against financial providers involved in banking, lending, money services, insurance, pensions and some types of investments.

CIFO will try to resolve the case by mediation. If mediation does not work, CIFO will investigate the case and issue a determination. If the complainant accepts the determination, it becomes legally binding on both sides. CIFO can require a financial services provider to pay compensation up to a maximum of £150,000.

Information on CIFO is available at www.ci-fo.org.

Contact details:

Phone: 01534 748610 or 01481 722218

Email: enquiries@ci-fo.org

Press contact

Please contact Sophie Watkins on 07700 340280 or sophie.watkins@ci-fo.org.

Ends