

CIFO COMPLAINT STATISTICS – Q2 2016

These statistics cover the work of the Channel Islands Financial Ombudsman (CIFO) for the three months ended 30 June 2016 (Q2 2016).

CIFO is the joint operation of two statutory ombudsman roles, established in law by the Financial Services Ombudsman (Jersey) Law 2014 and the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014. The primary role of CIFO is to resolve complaints about financial services provided in or from Jersey, Guernsey, Alderney and Sark.

The legislation sets out CIFO's 'mandate' – in particular, 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. Complaints may also be outside of CIFO's mandate for reasons that include if the matter has already or is being considered in another forum such as a court or if the complainant has not suffered compensatable loss.

I: ANALYSIS OF COMPLAINTS

This section provides information concerning complaints, which are all complaints which have been received whether they are ultimately deemed within CIFO's mandate or not.

Period Analysis (Q2 2016)	
Complaints on hand at the beginning of the period	124
Complaints received during the period	118
Complaints closed during the period	108
Net change in number of cases on hand	+10
Complaints on hand at the end of the period	134
Cumulative Analysis (Since opening 16 November 2015)	
Total complaints received	340
Total complaints closed	206
Complaints on hand at the end of the period	134

Q2 COMPLAINT HIGHLIGHTS

Of the 108 complaints closed in Q2 2016:

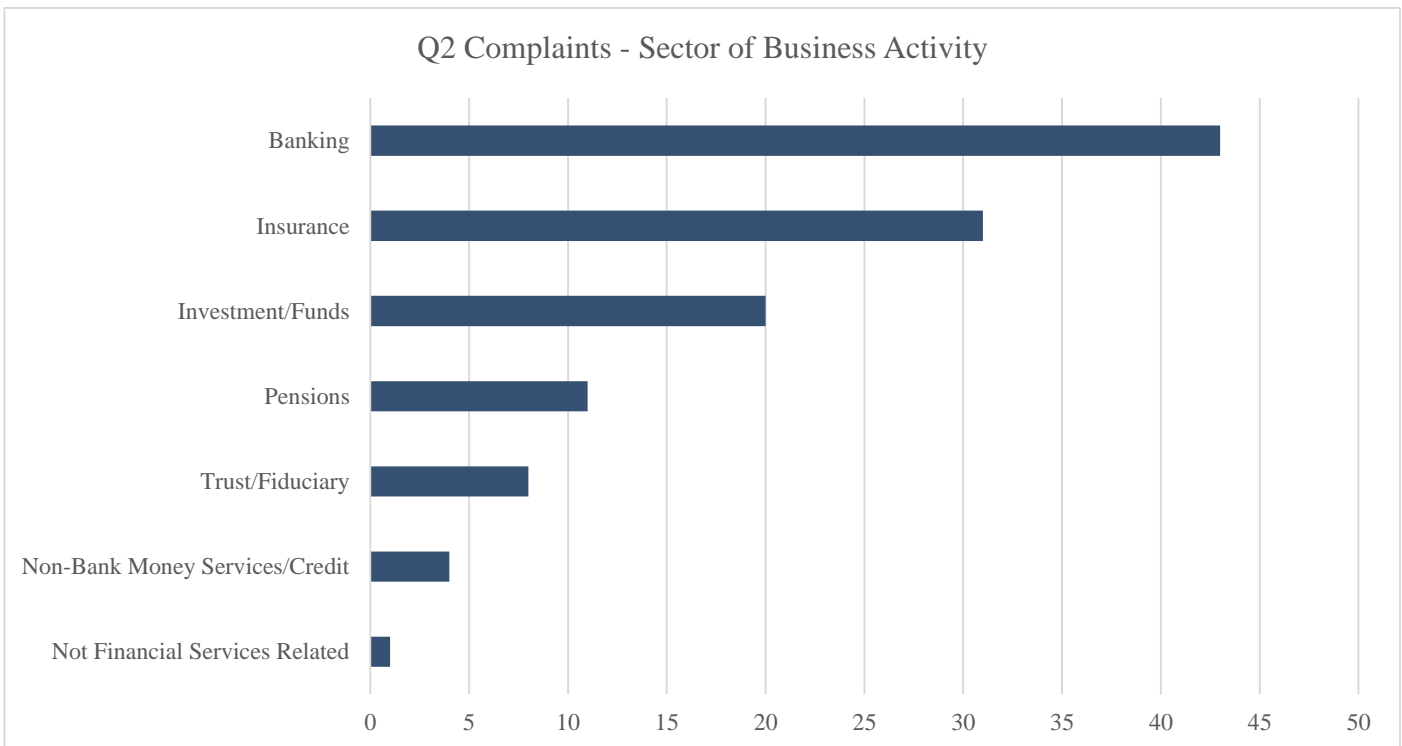
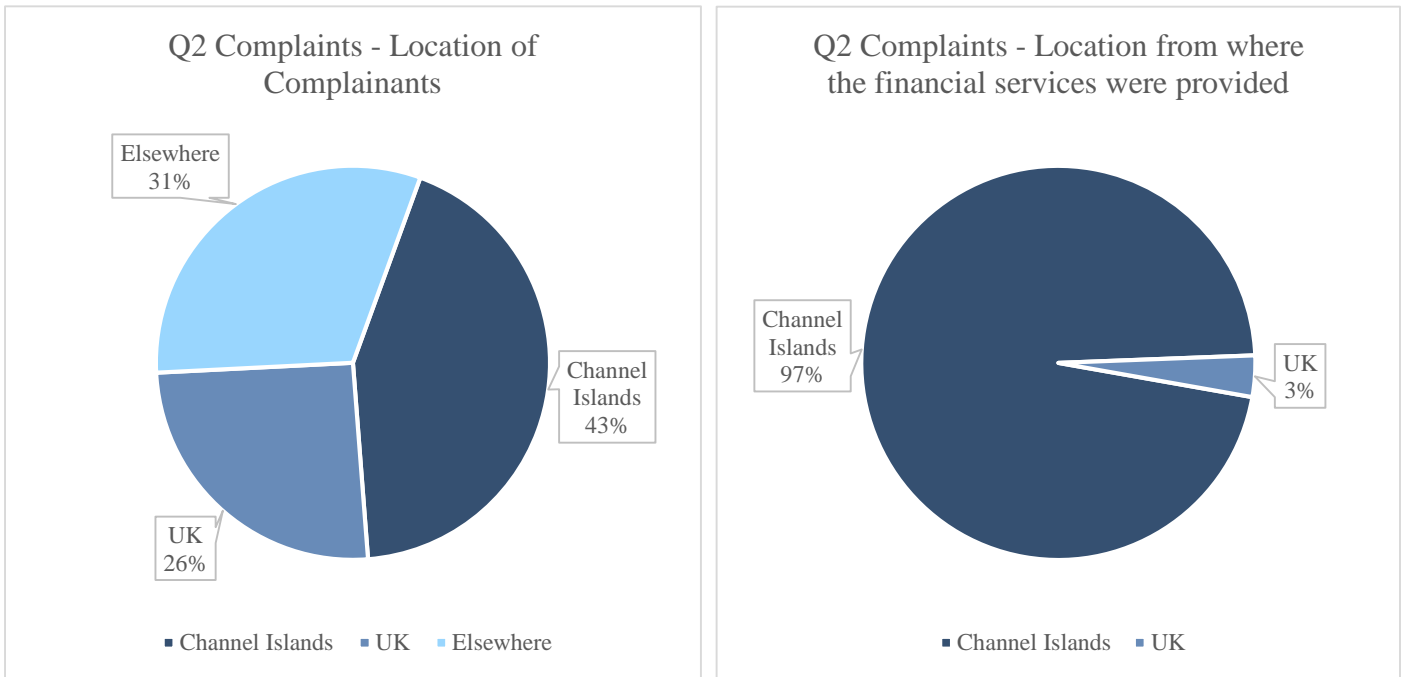
- 62% (67) could not be dealt with as they were outside the scope of CIFO's mandate as set by law;
- 8% (9) were withdrawn by the complainant after coming to CIFO;
- 23% (25) were resolved by mediation; and
- 7% (7) were determined by the Ombudsman.

Of the 67 out-of-mandate complaints:

- 57% (38) were about events before the start date (1 January 2010 for Jersey and 2 July 2013 for Guernsey, Alderney and Sark);
- 15% (10) related to financial services that were not provided in or from the Channel Islands;
- 10% (7) related to financial services that are excluded from CIFO's mandate;
- 9% (6) were brought to CIFO prematurely – before any complaint had been made to the financial services provider (FSP);

- 6% (4) were brought by ineligible complainants who are excluded from CIFO’s mandate; and
- 3% (2) could not be dealt with by CIFO because they were inappropriate to review. 1 related solely to investment performance, and 1 related to employment matters.

2 of the 38 complaints CIFO could not deal with because they arose from an event before CIFO’s statutory start date, would also have been out-of-mandate because they related to exempt financial services.



Out of Mandate (OOM) Complaints		
OOM Reason	Number	Percentage
Complaint about event before CIFO's statutory start date	38	57%
Complaint too old	0	0%
Delay in referral to CIFO	0	0%
Brought to CIFO prematurely	6	9%
Exempt financial services	7	10%
Financial services not provided in or from Channel Islands	10	15%
Ineligible complainant	4	6%
Other	2	3%
Total	67	100%

Closed Complaints by Outcome		
Complaint out of CIFO's mandate	67	62%
Complaint resolved by FSP after coming to CIFO	0	0%
Complaint withdrawn by complainant after coming to CIFO	9	8%
Case Files Mediated in Favour of Complainant	18	17%
<ul style="list-style-type: none"> • Compensation less than FSP offer • Compensation the same as FSP offer • Compensation more than FSP offer 	0 11 7	
Case File Mediated in Favour of FSP	7	6%
Case Files Determined in Favour of Complainant	1	1%
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Case File Determined in Favour of FSP	6	6%
Total Closed Complaints	108	100%

Type of Complainant – Complaints Opened in Period		
Type	Number	Percentage
Individual (Consumer)	109	92%
Individual (Trustee)	0	0%
Microenterprise	9	8%
Charity	0	0%
Total	118	100%

II: ANALYSIS OF CASE FILES

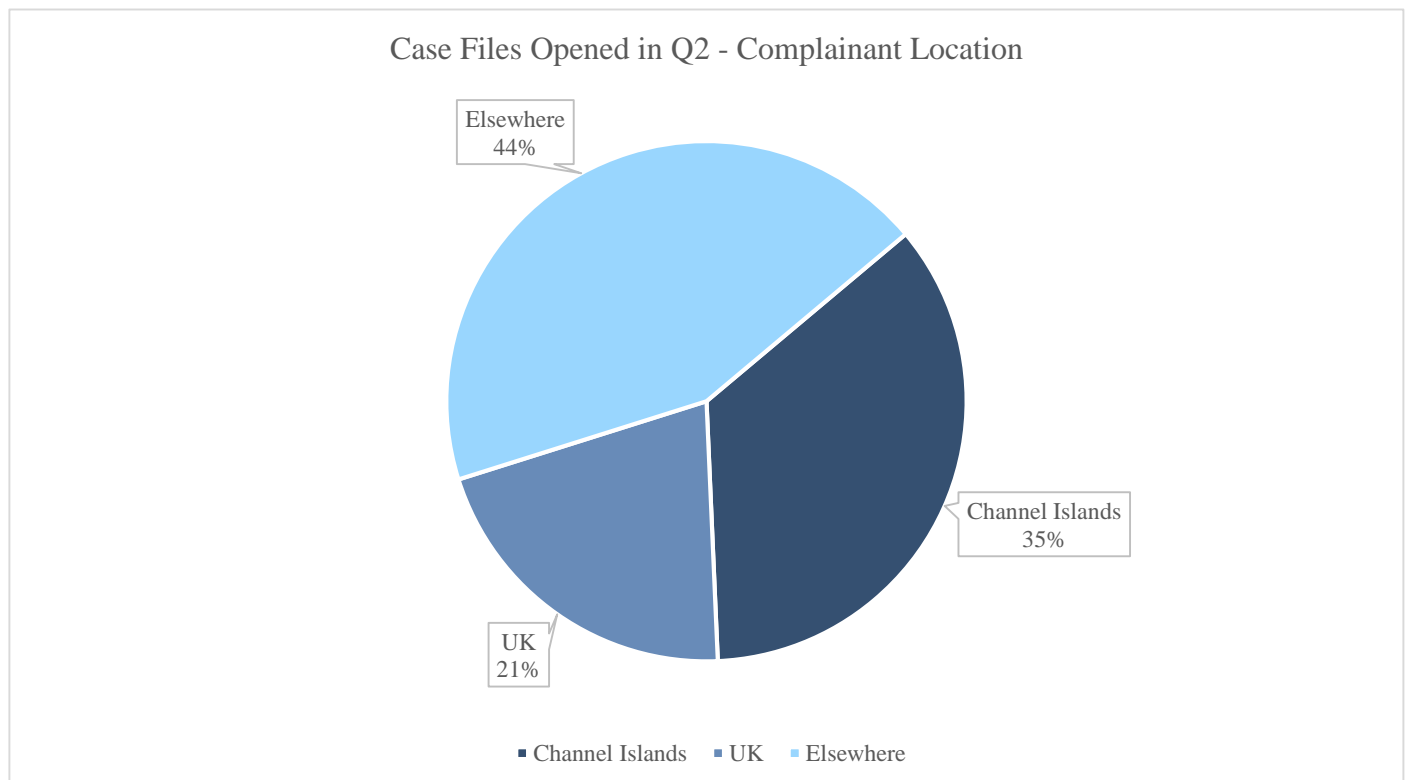
This section provides detailed information concerning case files opened in Q2 2016. A case file is any complaint which has passed the preliminary review against CIFO's mandate and an investigation has commenced.

Please note we have improved the categories of product areas and issues in cases since the last quarterly report. The 2016 annual report will give a review of the full year's cases. Where the number of cases are low we may consolidate categories in these quarterly reports.

Period Analysis (Q2 2016)	
Opening Case File Inventory	51
Case Files Opened in Period	48
Case Files Closed in Period	32
Net Period Change in Case File Inventory	+16
End of Period Case File Inventory	67
Cumulative Analysis (Since opening 16 November 2015)	
Total Case Files Opened	107
Total Case Files Closed	40
Current Case File Inventory	67

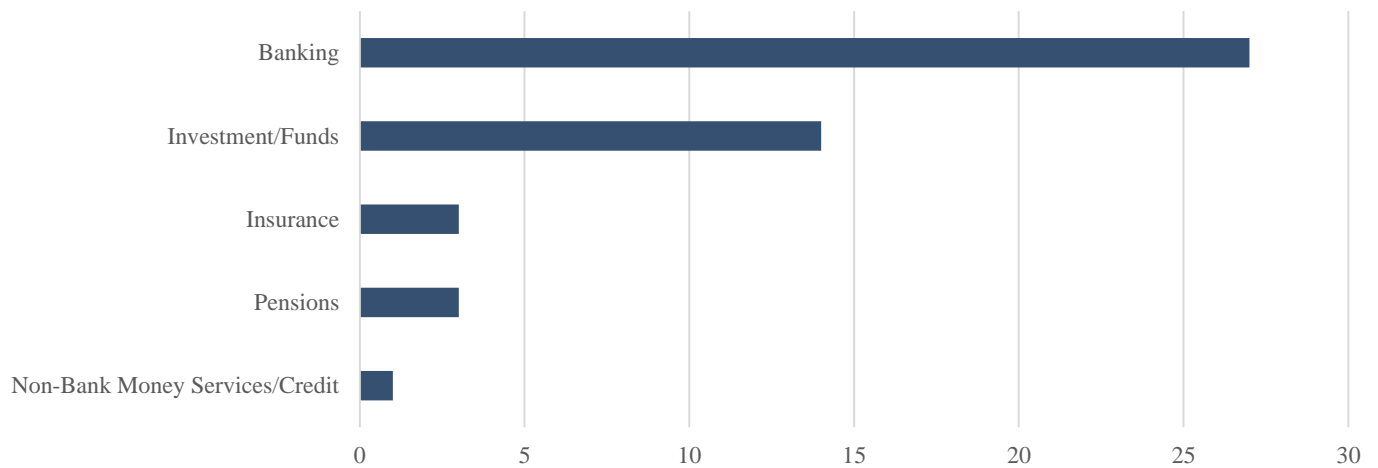
CASE FILE HIGHLIGHTS

- Of the 25 case files closed by mediation in Q2 2016, 72% (18) were mediated in favour of the complainant, with 28% (7) receiving compensation higher than the FSP's original offer. 28% (7) of case files were mediated in favour of the FSP.
- Of the 7 case files closed by determination in Q2 2016, 86% (6) were in favour of the FSP and 14% (1) was in favour of the complainant with compensation the same as the FSP's original offer.
- 35% (17) of case files opened in Q2 2016 involve a Channel Island-based complainant, 21% (10) involve a UK-based complainant, and 44% (21) involve a complainant from elsewhere.

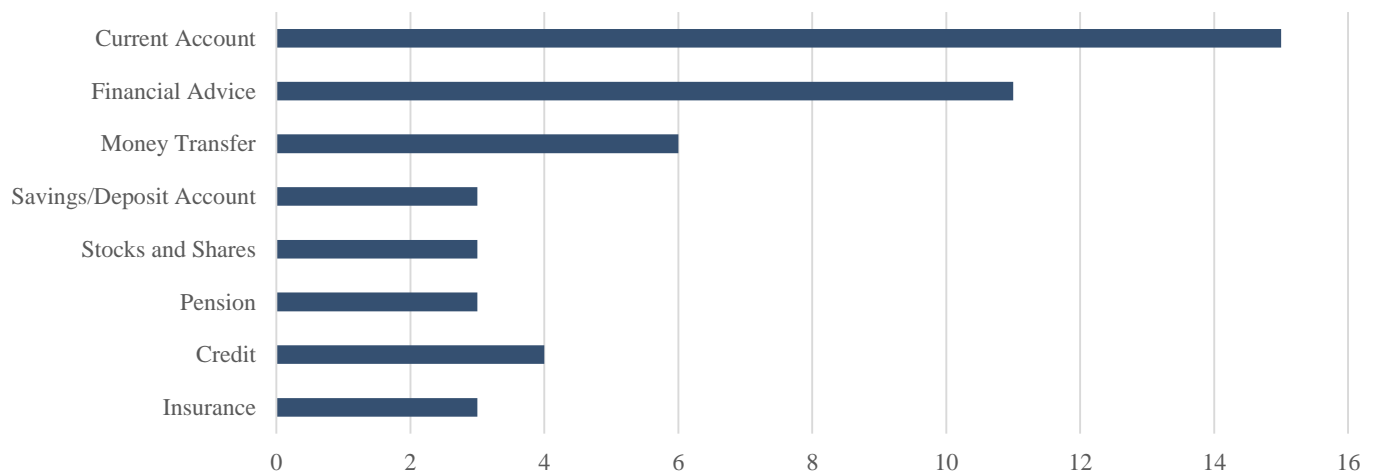


CASE FILE DATA

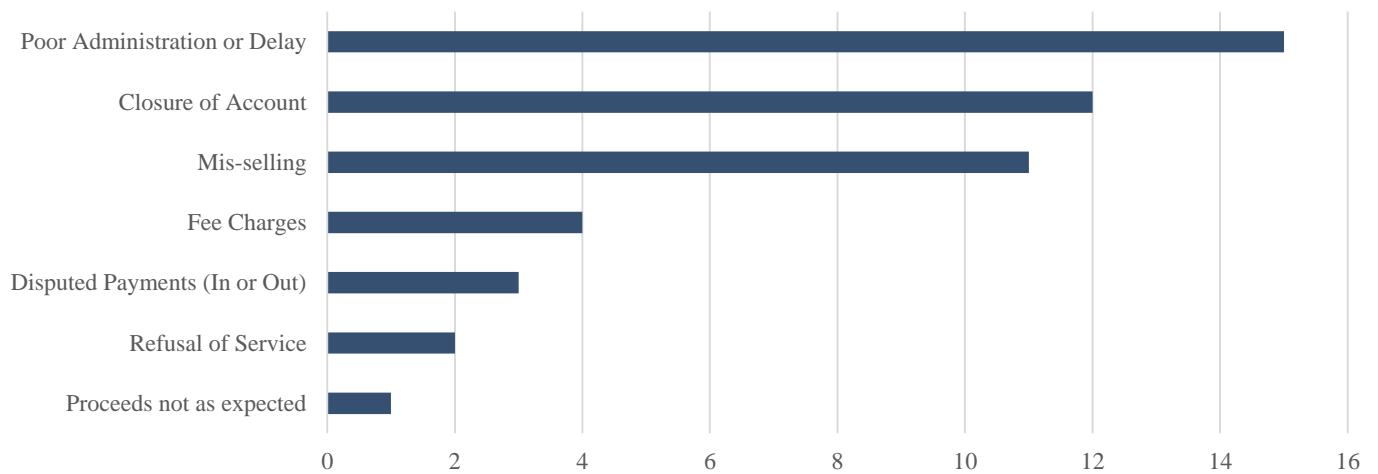
Case Files Opened in Q2 - Sector of Business Activity



Case Files Opened in Q2 - Product Areas



Case Files Opened in Q2 - Issue¹



¹ The issues shown are those complained of and under investigation by CIFO.

CASE FILE HIGHLIGHTS (CONTINUED)

- Approximately a third of case files (31%) opened by CIFO in Q2 2016 related to current accounts. The second most common product area was the provision of financial advice, with 23% of case files relating to this service.
- Approximately a third of case files (31%) concerned issues raised about poor administration by the FSP, or an undue delay.
- 25% of case files related to the closure of an account, which includes the closure of current accounts, savings/deposit accounts, and investment brokerage accounts.
- Concerns about mis-selling of various financial products and services was the third most common issue raised, at 23% of cases.

Case Files Opened in Q2 - Product Areas		
Top Product Areas	Number	Percentage
Current Accounts	15	31%
Financial Advice	11	23%
Money Transfer	6	13%

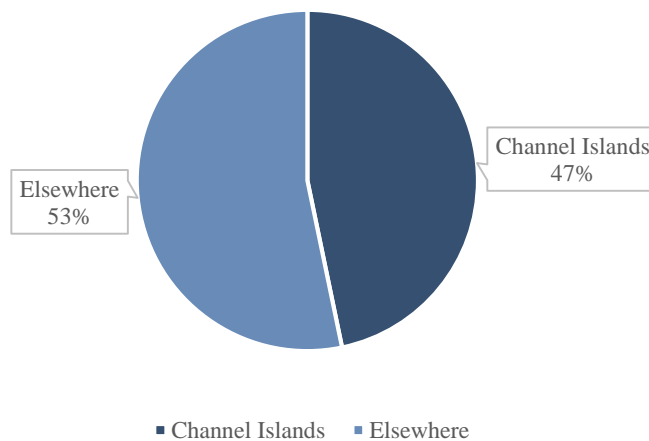
Case Files Opened in Q2 - Type of Issue		
Top Issues	Number	Percentage
Poor Administration or Delay	15	31%
Closure of Account	12	25%
Mis-selling	11	23%

III: ANALYSIS OF ENQUIRIES

This section provides information concerning complaint-related enquiries (initial client contacts which are handled by CIFO).

- CIFO received 92 enquiries in Q2 2016.
- 93% (86) of enquiries were from the general public and 7% (6) were from representatives of financial service providers.
- 47% (43) of enquiries came from Channel Island residents, and 53% (49) came from elsewhere.

Q2 Enquiries - Location of Enquirer



Q2 Enquiries - Type of Enquirer

