

## CIFO PUBLIC COMPLAINT STATISTICS – Q3 2016

These statistics cover the work of the Channel Islands Financial Ombudsman (CIFO) for the three months ended 30 September 2016 (Q3 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 (collectively the Channel Islands)

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 any 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 (Q3 2016)	
Complaints on hand at the beginning of the period	134
Complaints opened during the period <sup>1</sup>	812
Complaints closed during the period <sup>1</sup>	798
Net change in number of cases on hand	+13
Complaints on hand at the end of the period	148
Cumulative Analysis (Since opening 16 November 2015)	
Total complaints received	1152
Total complaints closed	1004
Complaints on hand at the end of the period	148

### Q3 COMPLAINT HIGHLIGHTS

Of the 798 complaints closed in Q3 2016:

- 92% (736) could not be dealt with as they were outside the scope of CIFO's mandate as set by law<sup>1</sup>;
- 2% (14) were withdrawn by the complainant after coming to CIFO;
- 4% (32) were successfully mediated by case handlers; and
- 2% (16) were determined by the Ombudsman.

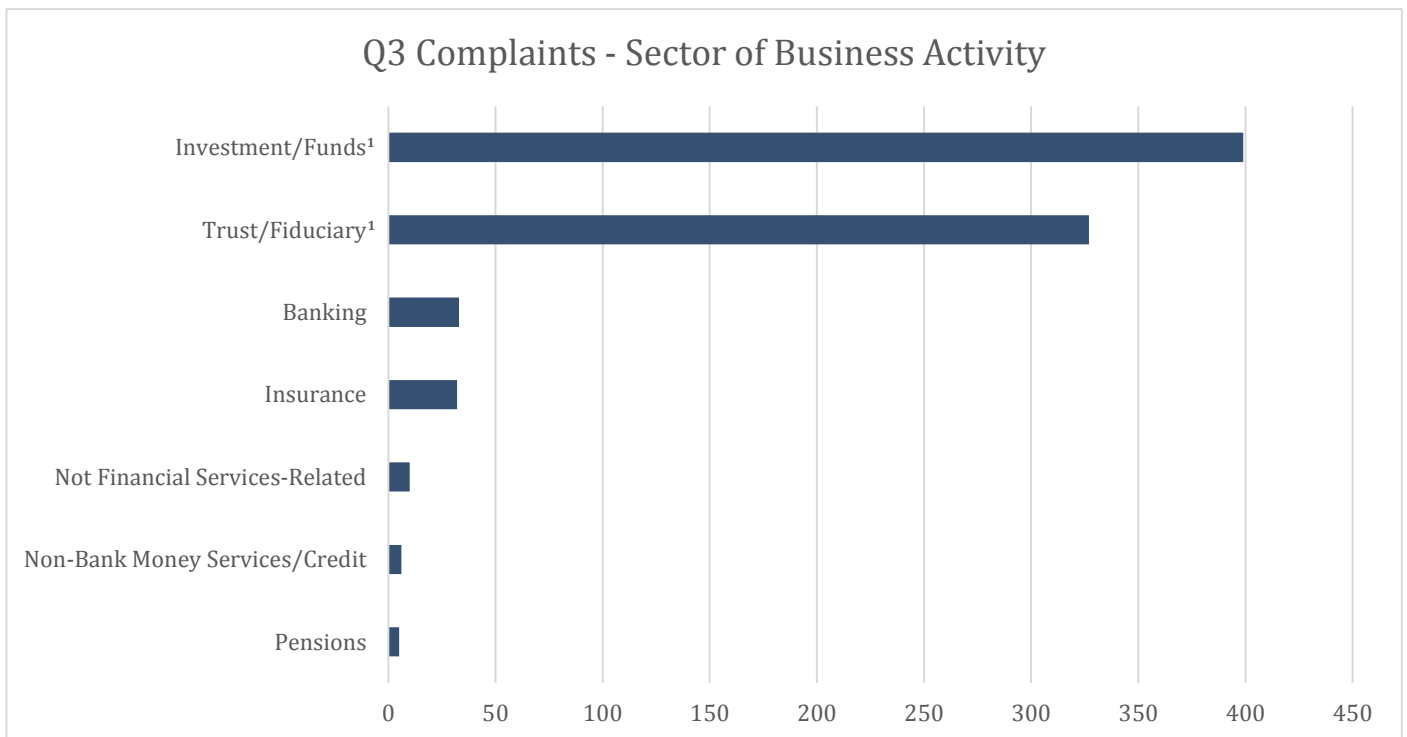
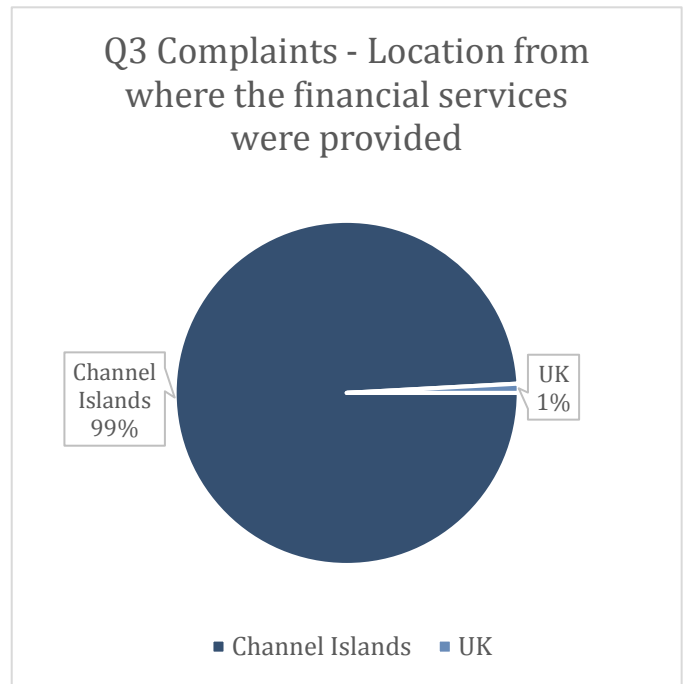
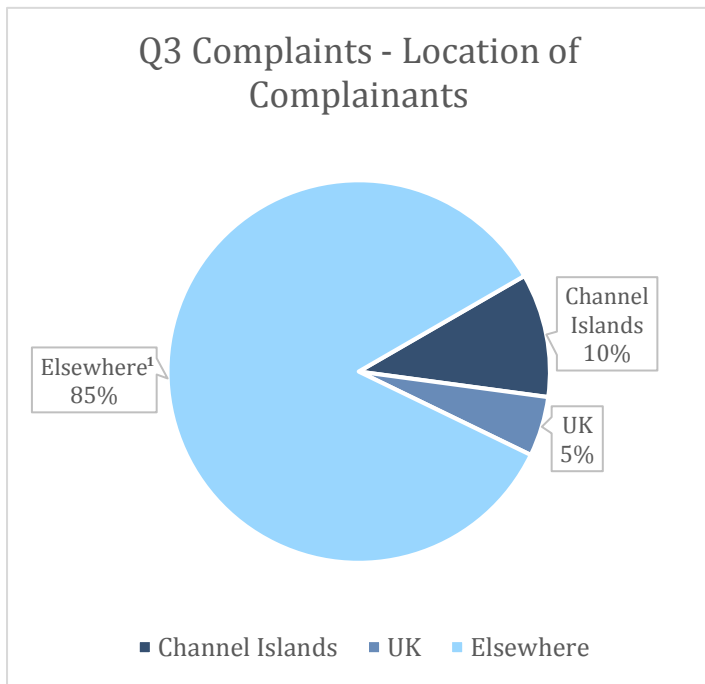
Of the 736 out-of-mandate complaints:

- 4% (28) were about events before the start date set by law (1 January 2010 for Jersey and 2 July 2013 for Guernsey, Alderney and Sark);
- 1% (7) related to financial services that were not provided in or from the Channel Islands;

<sup>1</sup> The large increases in the volume of referred complaints and complaints rejected by CIFO as out of mandate are largely attributable to one mass complaint situation involving two financial service providers.

- 94% (690) related to financial services that are excluded by law from CIFO’s mandate<sup>1</sup>; and
- 1% (11) were brought to CIFO prematurely – before any complaint had been made to the financial services provider (FSP).

323 of the 690 complaints CIFO could not deal with because they related to exempt financial services would also have been out-of-mandate because they arose from an event that occurred CIFO’s statutory start date.



<b>Out of Mandate (OOM) Complaints (Total = 736)</b>		
<b>OOM Reason</b>	<b>Number</b>	<b>% of Total</b>
Complaint about event before CIFO's statutory start date <sup>1</sup>	351	48%
Complaint too old	0	0%
Delay in referral to CIFO	0	0%
Brought to CIFO prematurely	12	12%
Exempt financial services <sup>1</sup>	691	94%
Financial services not provided in or from Channel Islands	7	1%
Ineligible complainant	0	0%
Other	0	0%

<b>Closed Complaints by Outcome</b>		
<b>Complaint out of CIFO's mandate<sup>1</sup></b>	736	92%
<b>Complaint resolved by FSP after coming to CIFO</b>	0	0%
<b>Complaint withdrawn by complainant after coming to CIFO</b>	14	2%
<b>Case Files Mediated in Favour of Complainant</b>	16	2%
<ul style="list-style-type: none"> <li>• Compensation less than FSP offer</li> <li>• Compensation the same as FSP offer</li> <li>• Compensation more than FSP offer</li> </ul>	0 1 15	
<b>Case Files Mediated in Favour of FSP</b>	16	2%
<b>Case Files Determined in Favour of Complainant</b>	6	1%
<ul style="list-style-type: none"> <li>• Compensation less than FSP offer</li> <li>• Compensation the same as FSP offer</li> <li>• Compensation more than FSP offer</li> </ul>	1 2 3	
<b>Case Files Determined in Favour of FSP</b>	10	1%
<b>Total Closed Complaints</b>	<b>798</b>	<b>100%</b>

<b>Type of Complainant – Complaints Opened in Period</b>		
<b>Type</b>	<b>Number</b>	<b>Percentage</b>
Individual (Consumer)	806	99%
Individual (Trustee)	0	0%
Microenterprise	5	1%
Charity	1	0%
<b>Total</b>	<b>812</b>	<b>100%</b>

## II: ANALYSIS OF CASE FILES

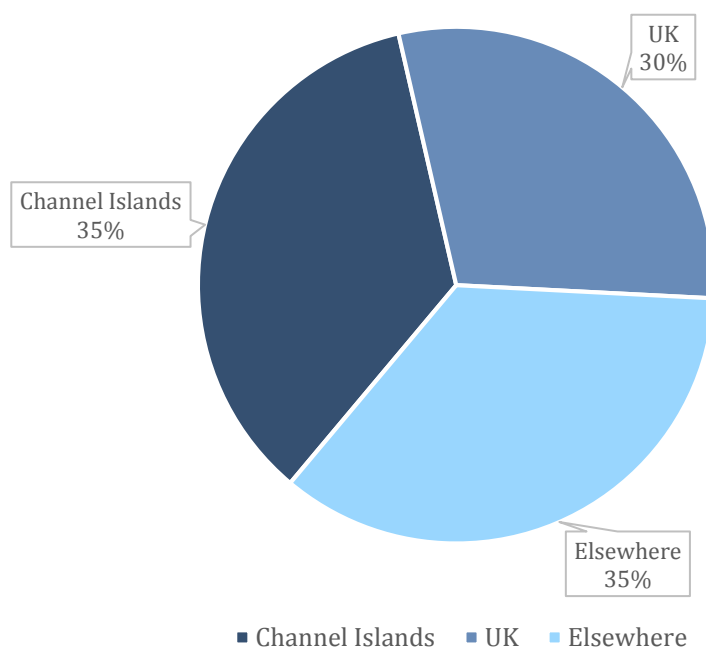
This section provides detailed information concerning case files opened in Q3 2016. A case file is any complaint which has passed the preliminary review against CIFO's mandate and an investigation has commenced.

Period Analysis (Q3 2016)	
Opening Case File Inventory	67
Case Files Opened in Period	34
Case Files Closed in Period	48
Net Period Change in Case File Inventory	-14
End of Period Case File Inventory	53
Cumulative Analysis (Since opening 16 November 2015)	
Total Case Files Opened	141
Total Case Files Closed	88
Current Case File Inventory	53

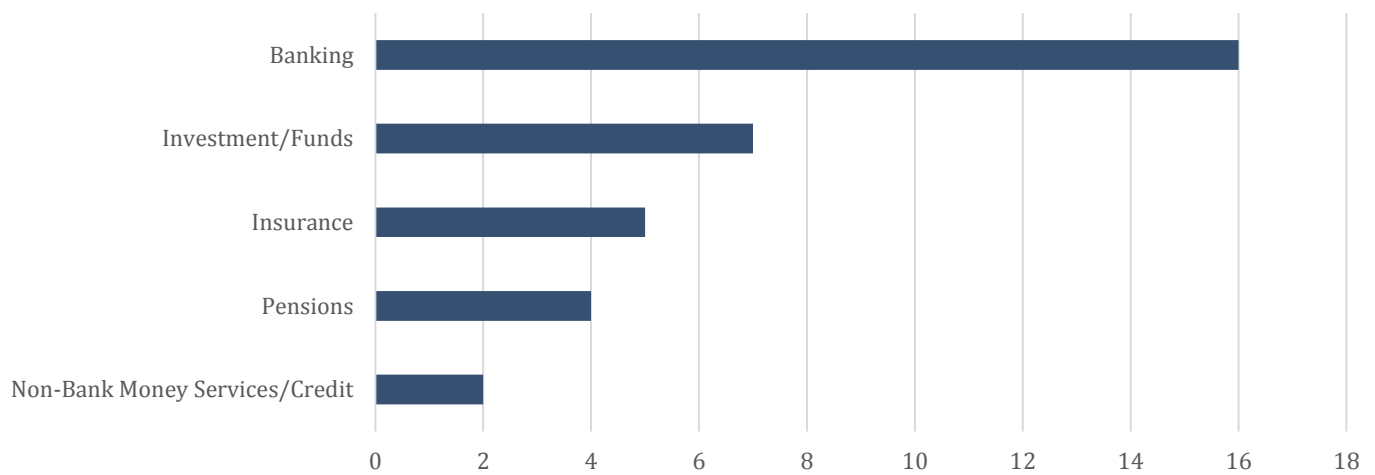
### CASE FILE HIGHLIGHTS

- Of the 32 case files closed by mediation in Q3 2016, 50% (16) were mediated in favour of the complainant, with 94% (15) receiving compensation higher than the FSP's original offer. 50% (16) of case files were mediated in favour of the FSP.
- Of the 16 case files closed by determination in Q3 2016, 62.5% (10) were in favour of the FSP and 37.5% (6) were in favour of the complainant. Compensation was higher than originally offered in 3 cases, the same as offered in 2, and less than offered in 1.
- 35% (12) of case files opened in Q3 2016 involve a Channel Island-based complainant, 30% (10) involve a UK-based complainant, and 35% (12) involve a complainant from elsewhere.

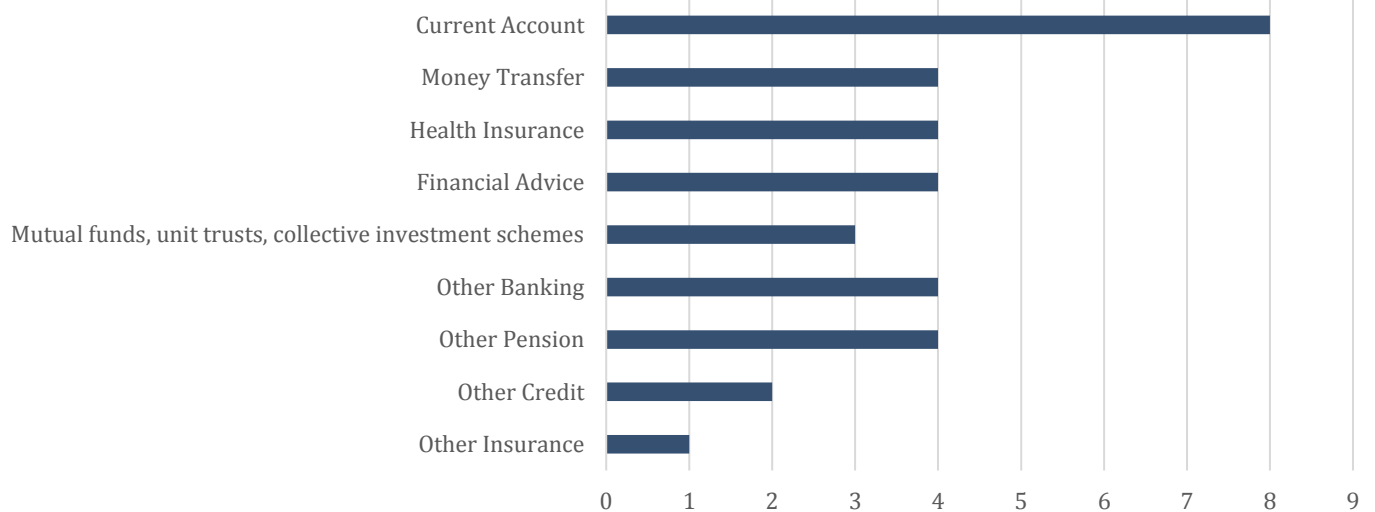
Case Files Opened in Q3 - Complainant Location



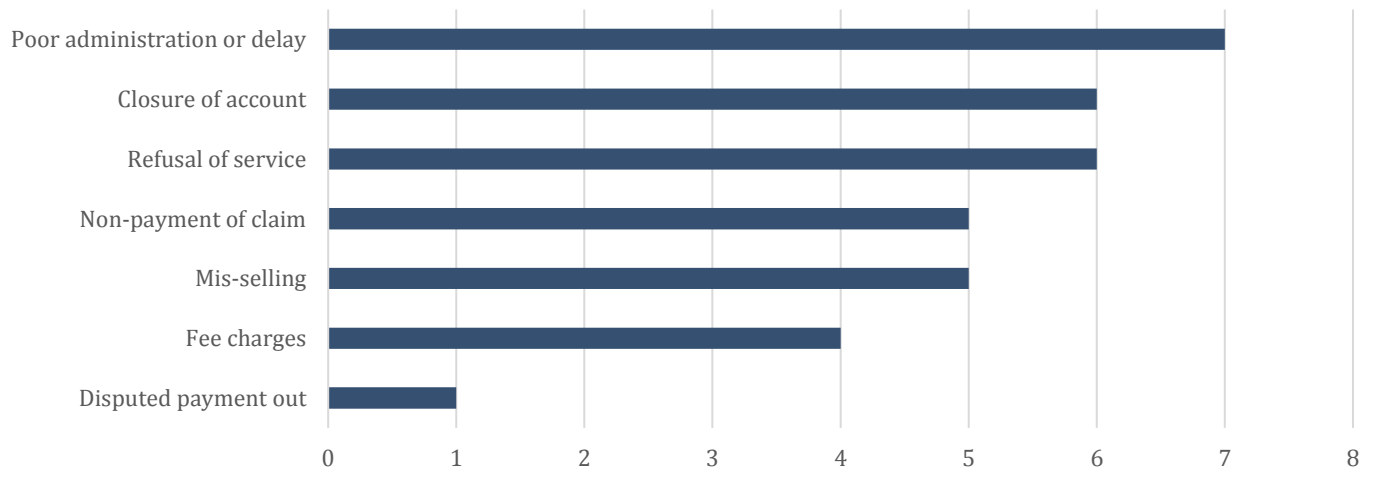
**Case Files Opened in Q3 - Sector of Business Activity**



**Case Files Opened in Q3 - Product Areas**



**Case Files Opened in Q3 - Issue**



## CASE FILE HIGHLIGHTS (CONTINUED)

- Approximately a quarter of case files (24%) opened by CIFO in Q3 2016 related to current accounts. Over a third of case files (36%) related to one of three product areas: health insurance, money transfers, and financial advice.
- Approximately a third of the issues in these cases (31%) related to 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 brokerage accounts.
- Poor administration or delays were the most common case file issue (21%), closely followed by account closures and refusal of service. Refusal of service describes any complaint where a new or existing customer applies for a financial product or service and is declined.

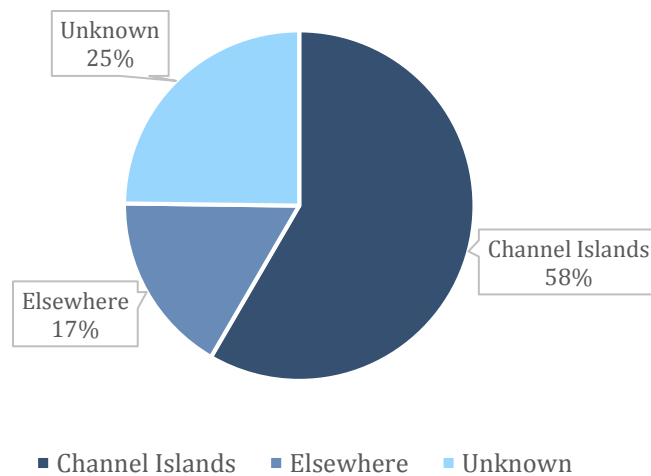
<b>Q3 Case Files - Product Area</b>		
<b>Top Product Areas</b>	<b>Number</b>	<b>Percentage</b>
Current Account	8	24%
Health Insurance	4	12%
Money Transfer	4	12%
Financial Advice	4	12%
Mutual funds, unit trusts, collective investment schemes	3	9%
<b>Q3 Case Files - Type of Issue</b>		
<b>Top Issues</b>	<b>Number</b>	<b>Percentage</b>
Poor administration or delay	7	21%
Closure of account	6	18%
Refusal of service	6	18%
Non-payment of claim	5	15%
Mis-selling	5	15%

### III: ANALYSIS OF ENQUIRIES

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

- CIFO received 125 enquiries in Q3 2016.
- 87% (109) of enquirers were members of the general public and 13% (16) were representatives of financial service providers.
- 58% (73) of enquirers were Channel Island residents, 17% (21) were from elsewhere, and 25% (31) did not disclose their location.

Q3 Enquiries - Location of Enquirer



Q3 Enquiries - Type of Enquirer

