

## Jersey

Financial Services Ombudsman (Jersey) Law 2014 [the Law]<sup>1</sup>

Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 2015 [the Regulations]<sup>2</sup>

### Financial Services Ombudsman Levy Scheme (Jersey) 2017

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- 1 This levy scheme is made:
  - on 29 March 2017;
  - by the Office of the Financial Services Ombudsman [OFSSO] established by the Law; and
  - in accordance with regulation 4 of the Regulations.
  
- 2 This scheme:
  - is for the 2017 year of assessment, which is the spending year ending on 31 December 2017;
  - will be published on 07 April 2017; and
  - will come into effect on 10 April 2017.

It will be published at [www.ci-fo.org](http://www.ci-fo.org) – the website of the Channel Islands Financial Ombudsman (CIFO), which is the joint operation of OFSSO and the equivalent financial services ombudsman in the Bailiwick of Guernsey.
  
- 3 In this scheme:
  - 'levy notice' has the meaning as defined in the Regulations;
  - 'providers' means financial services providers within OFSSO's jurisdiction;
  - 'registered providers' has the same meaning as defined in the Regulations;
  - 'higher case fee' means the higher case fee payable under the fee scheme made by OFSSO under the Regulations;
  - 'relevant financial services business' has the same meaning as defined in the Financial Services Ombudsman (Exempt Business) (Jersey) Order 2014<sup>3</sup>; and
  - 'sector of activity' means the area of activity for which a levy is incurred as shown in paragraph 3 of schedule B.
  
- 4 Any provider that is a registered provider on 3 January 2017 must pay to OFSSO a levy, unless it is entitled to zero-rating under schedule A below.
  
- 5 Any registered provider that claims a zero-rating incorrectly, or fails to inform OFSSO that it is no longer eligible for zero-rating, will be liable to pay the levy retrospectively. OFSSO may add interest at 6% per annum from the original due date of the levy until paid plus any debt-collection costs incurred by OFSSO. An adjustment will be made for any higher case fees already paid.
  
- 6 The total levy will be calculated, and divided among registered providers, as explained in schedule B below.
  
- 7 OFSSO will invoice the levy by issuing a levy notice. The levy is due and payable within 28 days of the date of the notice. If it remains unpaid, OFSSO may add interest at 6% per annum from the due date until paid plus any debt-collection costs incurred by OFSSO.
  
- 8 Starting on 10 April 2017:

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<sup>1</sup> <https://www.jerseylaw.je/laws/enacted/Pages/L-14-2014.aspx>

<sup>2</sup> [www.jerseylaw.je/Law/display.aspx?url=lawsinforce%5chtm%5cROFiles%5cR%26OYear2015%2fR%26O-009-2015.htm](http://www.jerseylaw.je/Law/display.aspx?url=lawsinforce%5chtm%5cROFiles%5cR%26OYear2015%2fR%26O-009-2015.htm)

<sup>3</sup> [www.jerseylaw.je/Law/display.aspx?url=lawsinforce%5chtm%5cROFiles%5cR%26OYear2014%2fR%26O-158-2014.htm](http://www.jerseylaw.je/Law/display.aspx?url=lawsinforce%5chtm%5cROFiles%5cR%26OYear2014%2fR%26O-158-2014.htm)

- OFSO will start the process to send levy notices to registered providers, in the sectors of activity shown in schedule B, paragraph 4, that are not zero-rated. Note that the actual date of the levy notice received may be after 10 April 2017 due to the staged process for mail-out of the levy notices.
  - Ordinarily, the levy notice will include links to further information on the website [www.ciffo.org](http://www.ciffo.org) and details of how to apply for zero-rating. Exceptionally (at OFSO's discretion), OFSO may first send an invitation to consider zero-rating to the registered provider or agent/representative of one or more registered provider(s).
- 9 No adjustment will be made to the levy payable, or to eligibility for zero-rating, for the 2017 year of assessment in respect of any provider that, after 3 January 2017 and before 1 January 2018:
- becomes (or ceases to be) a registered provider; or
  - becomes (or ceases to be) entitled to zero-rating.
- Such changes will only be given effect from the beginning of the subsequent year of assessment.
- 10 If, during or at the end of the assessment year, a levy assessment turns out not to have been accurate a corresponding adjustment may be made to the subsequent year of assessment's levy to recover or reimburse the difference caused by the previous year's inaccuracy.]
- 11 OFSO may serve a levy notice on a registered provider's agent/representative (instead of on the registered provider), or on a registered provider at the address of its agent/representative, if:
- the registered provider has nominated that agent/representative or that address; or
  - OFSO is otherwise satisfied that the agent/representative is the registered provider's agent/representative for this purpose.<sup>4</sup>
- 12 This scheme may be cited as the Financial Services Ombudsman Levy Scheme (Jersey) 2017.

*David Thomas*  
*Chairman of the Board of OFSO*

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### **Schedule A: entitlement to zero-rating**

- 1 Under paragraph 7 of the Regulations, OFSO:
- must zero-rate any description of provider where it appears to OFSO that any complaint could not be, or is sufficiently unlikely to be, eligible; and
  - may zero-rate other descriptions of registered providers.
- 2 OFSO will automatically zero-rate Community Savings Limited in respect of all its activities and other registered providers in respect of:
- all functionaries of non-recognized funds;
  - general insurance mediation business (GIMB) in class S; and
  - insurance business in class A.
- 3 Other registered providers may apply to OFSO for zero-rating in respect of the 2017 levy if they:
- do not do business, or are sufficiently unlikely to do business, with eligible complainants; or
  - do not, and are sufficiently unlikely to, carry on relevant financial services business in or from within Jersey.

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<sup>4</sup> Financial Services Ombudsman (Case-fee and Levy) (Amendment) (Jersey) Regulations 2016  
[www.jerseylaw.ie/laws/enacted/Pages/RO-117-2016.aspx](http://www.jerseylaw.ie/laws/enacted/Pages/RO-117-2016.aspx)

- 4 Zero-rating may be in respect of one or more applicable sectors of activity.
- 5 OFSO will only grant zero-rating under paragraph 3 of this schedule, above, if the registered provider:
- certified its eligibility for zero-rating in respect of the 2015 or 2016 year of assessment; or
  - follows the process set out in the documents accompanying the levy notice and fully completes and submits the website certificate within 28 days of the levy notice; or
  - fully completes and submits the website certificate within 28 days of being invited to do so by OFSO.
- Otherwise, the registered provider will be liable to pay the levy.
- 6 Registered providers that have been granted zero-rating must advise OFSO if they are, or become, no longer eligible for zero-rating.
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### **Schedule B: calculation and division of levy**

- 1 Under the Regulations, the total levy payable by Jersey registered providers is  $(X-Y) / 2$  where:
- $X$  = costs plus contribution to reserves plus any prior-year deficit of OFSO and the equivalent financial services ombudsman in the Bailiwick of Guernsey = £794,168; and
  - $Y$  = income plus any prior-year surplus of OFSO and the equivalent financial services ombudsman in the Bailiwick of Guernsey = £174,551;
- making a total of  $£619,617 / 2 = £ 309,809$  [the total Jersey levy].
- 2 The total Jersey levy is to be divided among registered providers in proportions reflecting the expectation that some are likely to generate more complaints:
- Half is to be divided among bank licensees in respect of their deposit-taking licence. This will amount to £5,342 for each bank licensee.
  - The other half is to be divided equally among registered providers on a per sector of activity basis. This will amount to £794 per activity for each registered provider (including bank licensees for activities other than deposit-taking).
- 3 For the purpose of dividing the total Jersey levy, the sectors of activity are broadly based on the Jersey Financial Services Commission's categories and will comprise:
- banking;
  - functionaries of recognized funds within the meaning of the Collective Investment Funds (Jersey) Law 1988<sup>5</sup>;
  - insurance, including general insurance mediation business;
  - investment business;
  - money service business (MSB); and
  - providers of credit that are required to register with the Jersey Financial Services Commission under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008.
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<sup>5</sup> Chapter 13.100