

2025 Explanatory notes for Financial services providers



Summary

The Channel Islands Financial Ombudsman (“CIFO”) is funded by a system of case fees and levies that financial services providers must pay, in accordance with the relevant legislation. This document explains how CIFO is funded, the amount due under the CIFO 2025 levy notice and the process for applying for a zero-rating (see p.3).

Introduction

CIFO is the joint operation of the Office of the Financial Services Ombudsman in Jersey and the Office of the Financial Services Ombudsman in Guernsey, established by the Financial Services Ombudsman (Jersey) Law 2014 (“the Jersey Law”) and the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 (“the Guernsey Law”).

CIFO’s mandate is to resolve complaints independently, quickly, informally and fairly as a more accessible alternative to court proceedings for complainants.

The cost of CIFO is met by the financial services industry falling within its scope, through annual levies and / or case fees. The detail of the funding mechanism for CIFO is set out in the following schemes, all of which are published on [Funding | Channel Islands Financial Ombudsman \(ci-fo.org\)](https://www.ci-fo.org)

- the Financial Services Ombudsman Levy Scheme (Bailiwick of Guernsey) 2025 [the 2025 Guernsey Levy Scheme];
- the Financial Services Ombudsman Levy Scheme (Jersey) 2025 [the 2025 Jersey Levy Scheme];
- the Financial Services Ombudsman Fee Scheme (Bailiwick of Guernsey) 2025 [the 2025 Guernsey Fee Scheme];
- the Financial Services Ombudsman Fee Scheme (Jersey) 2025 [the 2025 Jersey Fee Scheme].

This explanatory document provides further explanation of the levies and the situations in which zero-rating for the levy has been applied by CIFO and the situations in which financial services providers may make an application for zero-rating. It also sets out the current case fees.

Who will pay the levy?

CIFO’s levies are payable by ‘registered providers’, as defined in the Financial Services Ombudsman (Case-Fee and Levy) (Jersey) Regulations 2015 and the Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) Order 2015. Broadly these are providers that, in relation to their carrying out ‘relevant financial services business’¹, are required to register with the Jersey and Guernsey Financial Services Commissions (“the Commissions”) or are licensed or hold a certificate or permit under the regulatory laws as specified. Data on registered providers is provided by the Commissions to CIFO, as set out in the Jersey and Guernsey Laws, and financial services providers are not required to register separately with CIFO, reducing the burden on industry and avoiding duplication of effort.

¹ As defined in article 9 of the Jersey Law and section 9 of the Guernsey Law

The 2025 levy is payable per sector of activity for which, on 8 January 2025, a provider is registered with or holds a licence, permit or certificate from the Commissions. Any such provider must pay to CIFO the levy as specified in the levy notice, unless it applies for zero-rating in accordance with the procedure set out in the levy notice, also see below. The levy notice is comprised of an invoice and covering letter. The sectors of activity are shown below for Jersey and Guernsey.

Jersey sectors:

- banking;
- insurance, including general insurance mediation business;
- investment, which includes investment business and functionaries of recognised funds within the meaning of the Collective Investment Funds (Jersey) Law 1988²;
- 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.

Guernsey sectors:

- banking;
- insurance including intermediation;
- investment (specifically those entities licensed for advising, managing or dealing in connection with a category 2 controlled investment under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 and fund services providers of Class A funds);
- money service; and
- credit providers under the Lending, Credit and Finance (Bailiwick of Guernsey) Law 2022.

Funds, the trust company business sector in Jersey and the fiduciary business sector in Guernsey are not charged a levy. For Guernsey, restricted activity in connection with non-Class A collective investment schemes is not relevant financial services business and fund services providers licensed for this will not be levied for this activity. However, if such a provider is also licensed to carry on the restricted activities of advising, managing or dealing in connection with a category 2 controlled investment under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, these activities do incur a levy.

The providers of credit sector does not include entities registered or licensed as deposit-takers. The money service sector includes deposit-takers notifying or registered for money service business.

How much will it cost?

The 2025 CIFO Levy Scheme raises the funding required for the operation of CIFO in 2025. The total that CIFO requires to be raised from levies in 2025 is £1,235,340 as set out in the 2025 Levy Scheme.

Table 1 below, shows the 2025 levy amounts for Jersey and Guernsey. The calculation of these has taken into account the 2025 data from the Commissions on registered providers and the latest data held by CIFO on zero-rating certifications.

The 2025 levy is calculated so that the banking sector contributes 50 percent of the amount required. The remaining 50 percent is divided equally across registered providers in the other sectors.

² From 2019, there is a single investment sector in Jersey, including both functionaries of recognised funds and financial services providers doing investment business.

Table 1: 2025 Levy amounts

2025	Banking sector levy	Other sector levy
Guernsey	£17,158	£1,638
Jersey	£17,158	£1,638

Payment of the 2025 levy notice

The 2025 levies are due within 28 days of the date on the 2025 levy notice, unless an application for zero-rating has been made within 28 days of the levy notice date.

Entitlement for zero-rating for the 2025 levy

Automatic zero-rating

CIFO has given automatic zero-rating for the 2025 levy to certain activities or categories of providers that could not or are sufficiently unlikely to generate eligible complaints.

In Jersey these are:

- Functionaries/fund services providers for funds other than recognised funds;
- Insurance business in Class A.

In Guernsey these are:

- General Partners carrying on the restricted activities of advising, managing or dealing in connection with a category 2 controlled investment under the Protection of Investors (Bailiwick of Guernsey) Law, 1987;
- Insurance managers.

General Partners involved in category 2 investment activities need to identify themselves to CIFO and be granted zero-rating. That is because – unlike the other automatically zero-rated categories – they cannot be identified from the data held by the Guernsey Financial Services Commission and provided to CIFO.

CIFO has also given automatic zero-ratings to the following providers or categories where eligible complaints may be possible. In Jersey, zero-rating has been given to the following providers or categories due to the particular nature of their business:

- Community Savings Limited;
- Class S General Insurance Mediation Business.

In Guernsey, zero-rating has been given to the following categories of insurance providers after discussion with industry identified that the majority of these insurers do not have policy beneficiaries that included eligible complainants and those that might would have difficulty in identifying whether this is the case:

- Categories 5 & 6 insurers under the Insurance Business (Solvency) Rules, 2015;
- Insurance business carried out by category 2 & 4 insurers under the Insurance Business (Solvency) Rules 2015 falls outside CIFO's jurisdiction and so these insurers are not subject to the levy.

Consideration of eligibility for zero-rating

CIFO has carried forward, for the 2025 levy, the status of registered providers that have previously certified their eligibility for zero-rating.

Registered providers operating in the sectors in which a levy is payable and which have been sent a levy notice can apply for zero-rating if, throughout 2025, they could not give rise to an eligible complaint for the following reasons:

1. They do not carry on relevant financial services business **in or from within** Jersey or the Bailiwick of Guernsey or are sufficiently unlikely to do so; or,
2. They do not do business with **eligible complainants** or are sufficiently unlikely to do so.

In considering whether this is the case for a financial services provider, consideration should be given to the definition of relevant financial services business and to the factors that make a complainant eligible. Providers are recommended to consider, as appropriate, Article 9 of the Jersey Law; Section 9 of the Guernsey Law; the exempt business orders and the eligible complainants orders – the links to these can be found in the legislation sections at <https://www.ci-fo.org/about/primary-legislation/>. See also CIFO's guidelines on sufficiently close relationships at <https://www.ci-fo.org/news-publications/policies/>.

Appendices 1 and 2 show the descriptions of business that are relevant financial services. To summarise Article 8 (2) of the Jersey Law and Section 8(2) of the Guernsey Law, to be eligible a complainant must:

- (a) be an individual, a microenterprise or, a local charity with income under a specified limit; and
- (b) not be a financial service provider currently or at the time of the event complained of; and
- (c) have, at the time of the event complained of, been the customer or prospective customer of or, had a sufficiently close relationship with the relevant financial service provider.

Registered providers that consider they do not do business with eligible complainants should consider the guidelines on sufficiently-close relationships (see www.ci-fo.org/wp-content/uploads/2016/01/151114-Guidelines-on-sufficiently-close-relationships.pdf).

Partial Zero-rating

Some registered providers licensed or registered in more than one sector may consider their activities in only some of these sectors to be eligible for zero rating. These registered providers can certify as eligible for selected sectors using the relevant online form (see next section).

Certification procedure for zero-rating

Registered providers that conclude that they are unable to, or sufficiently unlikely to, generate eligible complaints, can certify their eligibility for zero-rating using the online certification form at www.ci-fo.org/certification-for-zero-rating/ or if only certifying in some of their sectors of activity, at www.ci-fo.org/certification-for-partial-zero-rating/. This must be done by the date specified in the levy notice (28 days from the date of the levy notice) and will exclude them from the obligation to pay the 2025 levy. Please note that information on the regulated providers that certify their entitlement to zero-rating, and their reasons for so doing, may be shared with the appropriate regulators. In fairness to other providers, if a zero-rating is claimed incorrectly, the registered provider will be liable to pay the levy retrospectively, as specified in the 2025 CIFO Levy Schemes. In this situation, CIFO will send a revised levy notice and there is the right to appeal to the Royal Court before the payment due date in the revised levy notice.

The online certification must be submitted by the date specified in the 2025 levy notice.

Financial services providers that consider they are not a registered provider, or the amount demanded has not been correctly calculated should contact CIFO by email at billing@ci-fo.org. They also have the right to appeal to the Royal Court within 28 days of the date of the levy notice.

If, due to exceptional circumstances, a financial services provider is unable to certify its eligibility for zero-rating within the time period or wishes to raise a matter relating to the application of the levy scheme, it should raise this with CIFO's Board via billing@ci-fo.org.

If financial services providers have any questions regarding the levies for 2025 or other funding aspects that are not covered by this explanatory note, please contact CIFO at billing@ci-fo.org.

Changes to status of registered providers after January 2025

If a provider changes its registered provider status or eligibility for zero-rating after 8 January 2025, this will not result in an adjustment of the levy payable for that year. So, if a provider ceases to be licenced in a sector or expands into another sector after 8 January 2025 it will not affect their levy payment for 2025. This is for simplicity and to keep administrative costs low. For example, if a provider was not a registered provider in any of the sectors in which a levy is payable on 8 January 2025 but subsequently became so, no levy for 2025 would be payable but the case fee for any complaints referred to CIFO in 2025 would be at the higher amount (see next section). It would be picked up in the lists of registered providers for the 2026 levy round and become a levy payer for 2026. Conversely, if a provider ceased to be a registered provider in a sector for which a levy is payable after 8 January 2025, no adjustment to the 2025 levy would be made but case fees for any complaints referred to CIFO in 2025 would be at the lower-case fee amount.

Any registered provider that has previously certified as zero-rated and ceases to be eligible must inform CIFO without delay.

Registered providers that have previously certified as eligible for zero-rating and are no longer eligible should complete the online certification form below.

<https://www.ci-fo.org/certification-for-change-in-zero-rating-status/>

Case fees

The case fee amounts were revised in January 2025, after [consultation](#) and the details are set out in the [2025 Guernsey Fee Scheme](#) and the [2025 Jersey Fee Scheme](#). Where complaints are referred to CIFO, the provider the complaint is against must pay a case fee to CIFO unless, in the opinion of the ombudsman, it is apparent on receipt that the complaint is not eligible or should be rejected, or if at any time the complaint is rejected as frivolous or vexatious. Financial services providers that are liable for the CIFO levy will pay a case fee of £1,125 for complaints received by CIFO on or after 1 January 2025; the case fee for complaints received during 2024 is £975. The case fee for non-levy payers is £1,800 for complaints received by CIFO on or after 1 January 2025; the case fee for complaints received during 2024 is £1,550. Non-levy payers could include trust or fiduciary businesses that have generated a complaint regarding a pension trust or Guernsey Category 5 or 6 insurers, see 'Automatic zero-rating', p.3.

Case fees will be collected quarterly in arrears. Quarter 1 will be 1 January 2025 to 31 March 2025 which will be billed at the end of April 2025.

The case fees invoiced are for complaints relating to those registered providers, which were both received and assessed as chargeable by CIFO before 31 December 2025.

Keeping in Touch – Contact Information to Be Provided to CIFO

The distribution of the levy notice for 2025 is achieved using data for financial services providers provided by the Commissions. The data may not contain information such as contact names, telephone numbers and email addresses for those individuals responsible for the providers' dealings with CIFO. Financial services providers are therefore asked, if they have not previously done so, to complete and submit a contact form to ensure that CIFO has up-to-date contact information for the firm. This will enable ease of communication with financial services providers when necessary and avoid unnecessary administrative costs. Financial services providers are asked to provide CIFO with contact information using the on-line form at www.ci-fo.org/cifo-designated-contact-information-form/. We thank all financial services providers in advance for their timely assistance in this regard.

If you are not the main contact for CIFO but would still like to be kept up-to-date with the latest news and publications from CIFO, such as forthcoming consultations reviewing CIFO's future funding, please sign up to our newsletter at www.ci-fo.org.

This is an explanatory guide to the fee and levy schemes. It is not a definitive statement of the legal position.

Appendix 1: Jersey definition of relevant financial services business

Business that falls within these descriptions in the following extract from the Financial Services Ombudsman (Exempt Business) (Jersey) Order 2014 is relevant financial services business for the purpose of an eligible complaint:

Article 2 (2) “Those descriptions are –

- (a) deposit-taking business, within the meaning of the Banking Business (Jersey) Law 1991, for which the person carrying on the business must be registered under that Law;
- (b) business for which the person carrying on the business would be required to be registered under the Banking Business (Jersey) Law 1991, but for the operation of Article 4 of, or Schedule 1 to, the Banking Business (General Provisions) (Jersey) Order 2002;
- (c) money service business, within the meaning of the Financial Services (Jersey) Law 1998, for which the person carrying on the business must be a registered person under that Law;
- (d) business for which the person carrying on the business would be required to be a registered person under the Financial Services (Jersey) Law 1998, but for the operation of either or both of Articles 4 and 5 of the Financial Services (Money Service Business (Exemptions)) (Jersey) Order 2007;
- (e) the business of a functionary of a recognized fund, within the meaning of the Collective Investment Funds (Jersey) Law 1988, for which the functionary must hold a permit under that Law;
- (f) general insurance mediation business, within the meaning of the Financial Services (Jersey) Law 1998, for which the person carrying on the business must be a registered person under that Law;
- (g) insurance business for the purposes of the Insurance Business (Jersey) Law 1996, for which the person carrying on the business must be authorised by a permit under that Law;
- (h) business for which the person carrying on the business would be required to be authorised by a permit under the Insurance Business (Jersey) Law 1996, but for Article 5(5)(d) of that Law;
- (i) investment business, within the meaning of the Financial Services (Jersey) Law 1998, for which the person carrying on the business must be a registered person under that Law;
- (j) subject to Articles 3 and 6, relevant pension business, within the meaning of Schedule 3 to the Law;
- (k) subject to Articles 4, 5 and 6, relevant credit business, within the meaning of Schedule 4 to the Law;
- (l) subject to Article 6, relevant ancillary business, within the meaning of Article 9(2) of the Law, in respect of which the main business falls within any one or more of sub-paragraphs (a) to (k).”

Appendix 2: Guernsey definition of relevant financial services business

Business that falls within these descriptions in the following extract from the Financial Services Ombudsman (Exempt Business) (Bailiwick of Guernsey) Order, 2015 is relevant financial services business for the purpose of an eligible complaint:

Article 1 (2) "Subject to paragraph (3), those descriptions are —

- (a) deposit-taking business, within the meaning of the Banking Supervision (Bailiwick of Guernsey) Law, for which the person carrying on the business is required to have a licence under that Law,
- (b) money service business, within the meaning of paragraph 4 of Schedule 1 to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 for which the person carrying on the business —
 - (i) is required to be licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or
 - (ii) is required to be registered under the Registration of Non-Regulated Financial Services Business (Bailiwick of Guernsey) Law, 2008 or who would be required to register under section 2 of that Law but for a direction given by the Commission under section 44 of that Law,
- (c) the business of being an insurance intermediary, within the meaning of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, for which the person carrying on that business is required to be licensed as an insurance intermediary under that Law,
- (d) insurance business within the meaning of the Insurance Business (Bailiwick of Guernsey) Law, 2002, for which the person carrying on the business is required to have a licence under that Law, except where the person is a person who falls under —
 - (i) Category 2 or 4, or
 - (ii) Category 5 or 6, where the person does not provide insurance business to or for the benefit of eligible complainants, of the Insurance Business (Solvency) Rules, 2015,
- (e) controlled investment business, within the meaning of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, where it involves —
 - (i) any restricted activity in connection with a Class A Collective Investment Scheme, or
 - (ii) the restricted activity of advising, managing or dealing in connection with a category 2 controlled investment within the meaning of that Law,
 - (iii) and for which the person carrying on the business is required to have a licence under that Law,
- (f) the business of carrying out regulated activities, within the meaning of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, in relation to a pension scheme for which the person carrying out the business must have a fiduciary licence under that Law,
- (g) category 1 controlled investments that are authorised as Class A Collective Investment Schemes,
- (h) subject to Articles 2 and 5, relevant pension business, within the meaning of Schedule 3 to the Law,
- (i) subject to Articles 3, 4 and 5, relevant credit business, within the meaning of Schedule 4 to the Law, whether or not the person carrying out the business is registered under the Registration of Non-Regulated Financial Services Business (Bailiwick of Guernsey) Law, 2008³, and
- (j) subject to Article 5, relevant ancillary business, within the meaning of section 9(2) of the Law, in respect of which the main business falls within any one or more of subparagraphs (a) to (h).

³ Now superseded by the Lending, Credit and Finance (Bailiwick of Guernsey) Law 2022.

- (k) Business which falls within any of subparagraphs (a) to (j) of Article 1(2) is nevertheless exempt business where that business is restricted to the provision of services to persons other than those set out in section 8(3) of the Law.”