



MEMORANDUM OF UNDERSTANDING between the:

Guernsey Banking Deposit Compensation Scheme and the Office of the Financial Services Ombudsman,

Introduction

1. The Guernsey Banking Deposit Compensation Scheme (“**the Scheme**”) is a statutory body established by the Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008.
2. The Office of the Financial Services Ombudsman (“**the OFSO**”) is the independent statutory body established under the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014.

Definitions

3. In this memorandum:
 - 3.1 “applicable law” means any law (statutory, common or customary) applicable in Guernsey to a matter covered by this MoU;
 - 3.2 “Banking Law” means the Banking Supervision (Bailiwick of Guernsey) Law, 1994;
 - 3.3 “Bank” means a bank licensed and supervised by the GFSC under the regulatory laws and conducting a category of "relevant financial services business" within the meaning of Section 9 of the Ombudsman Law;
 - 3.4 “Board” means the Board of the Scheme;
 - 3.5 “CIFO” means the Channel Islands Financial Ombudsman which is the joint operation of the Office of the Financial Services Ombudsman for the Bailiwick of Guernsey and the equivalent body for Jersey;
 - 3.6 “GFSC” means the Guernsey Financial Services Commission;
 - 3.7 “MoU” means this memorandum of understanding;
 - 3.8 “OFSO” means the Office of the Financial Services Ombudsman for Guernsey;
 - 3.9 “Ombudsman Law” means the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014;
 - 3.10 “Ordinance” means the Banking Deposit Compensation Scheme (Bailiwick of Guernsey)

Ordinance, 2008 which was established by Section 46 of the Banking Law;

3.11 “receiving party” means either party when receiving information from the other under this MoU;

3.12 “sending party” means either party when sending information to the other under this MoU.

Functions

4. The Scheme was established for the purpose of compensation of depositors in the event that any one or more Bank is unable or likely to become unable to meet claims in connection with their deposit taking activity. The Board is responsible for the administration of the Scheme.

5. OFSO's main function is to resolve complaints about financial services independently, in a fair and reasonable manner, effectively, quickly, with minimum formality, and so as to offer a more accessible alternative to court proceedings.

6. Each of the Scheme and OFSO wish to:

6.1 Take such steps as it considers appropriate to co-operate with the other in the exercise of their functions; and

6.2 Prepare and maintain a memorandum describing how they intend to co-operate.

7. The Scheme and OFSO are independent of each other and have distinct statutory functions but cooperation and exchange of information will benefit both consumers and providers of financial services by contributing to the effective functioning of the statutory systems.

8. This MoU:

8.1 does not create any enforceable rights;

8.2 does not modify or supersede any applicable law;

8.3 applies only so far as it is consistent with the independent roles of the parties;

8.4 takes effect immediately; and

8.5 may be terminated by 30 days' written notice from one party to the other.

9. The Scheme and the OFSO will publish this MoU on their websites and OFSO will ensure that an electronic copy is freely available to the public.

General cooperation

10. The Scheme and OFSO will seek to maintain a strong and constructive relationship. In particular, they will:

10.1 communicate regularly and meet annually to discuss matters of mutual interest;

10.2 consult one another at an early stage about any issue or proposal that might have significant implications for the other party;

10.3 share, for comment, at an early stage any draft consultation or other public document that might have significant implications for the other party;

10.4 provide each other with a list of contacts to whom information exchanged under this MoU should

be directed; and

- 10.5 keep under review the operation of this MoU and consult one another as appropriate on improving its operation and resolving any matters that arise.

Information sharing

11. The Scheme and OFSO may only provide information to the other if permitted, or not prevented, under applicable law. Subject to this, they will seek to share information that will enable or assist them to exercise their respective functions. In particular:
- 11.1 On a quarterly basis, the OFSO will provide the Scheme with a report showing, by each bank:
- how many complaints have been made to the OFSO;
 - the outcomes of cases resolved by OFSO.
- 11.2 OFSO will notify the Scheme where, in the opinion of the OFSO, there are concerns about a Bank relating to its failure to comply with the Ombudsman Law.

Confidentiality

12. All non-public information shared under this MoU will be marked as such by the sending party.
13. In respect of any non-public information supplied under this MoU, the receiving party will:
- 13.1 comply with any restrictions set by the sending party on use of the information that are agreed when the information is provided;
- 13.3 not disclose the information to any third party without the prior consent of the sending party in writing (which includes email) and allowing them adequate time to consider and respond;
- 13.4 notify the sending party if it anticipates a legally-enforceable demand for disclosure of the information;
- 13.5 notify the sending party if any legally-enforceable demand for disclosure of the information is received, unless this is not practicable because of urgency;
- 13.6 if requested by the sending party in relation to a legally-enforceable demand for disclosure of the information, assert any legal exemptions or privileges against disclosure on behalf of the sending party; and
- 13.7 if it is not practicable to notify the sending party of the receipt of a legally-enforceable demand for disclosure of the information, assume the sending party will wish to assert any legal exemptions or privileges against disclosure.
14. Unless OFSO indicates otherwise in a particular instance, information provided to or shared with the Scheme by OFSO pursuant to this MoU shall be treated as strictly confidential and may only be processed for the purposes detailed herein. Pursuant to Section 21 of the Ombudsman Law 'restricted information' (as defined in that Law) shall not be further disclosed save as provided by or in accordance with the provisions of that section.
15. Unless the Scheme or OFSO indicates otherwise in a particular instance, paragraph 11 does not prevent the Scheme or OFSO referring to correspondence between the other and a licensed or registered provider when dealing with the provider concerned.
16. Even if this MoU is terminated, paragraphs 12 and 13 will continue to apply to non-public information supplied under this MoU.

Dated 16-March-2021

Signed for the Scheme

Richard Denton

16-March-2021

Signed for the OFSO

Douglas Melville
