

# Chapter 1

## Treating complainants fairly

## 1.10 Complaints reporting rules

### 1.10.1

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- (1) Unless (2) applies, twice a year a *firm* must provide the FCA with a complete report concerning *complaints* received from *eligible complainants*.
- (2) If a *firm*:
  - (a) has *permission* to carry on only *credit-related regulated activities* or *operating an electronic system in relation to lending* and has revenue arising from those activities that is less than or equal to £5,000,000 a year; or
  - (b) has permission to carry on only:
    - (i) *regulated claims management activities*; or
    - (ii) *regulated funeral plan activities*,the *firm* must provide the FCA with a complete report concerning *complaints* received from *eligible complainants* once a year.
- (3) The report required by (1) and (2) must be set out in the format in:
  - (a) ■ DISP 1 Annex 1R, in respect of *complaints* which do not relate to *regulated claims management activity* or any activity ancillary to *regulated claims management activity*;
  - (b) ■ DISP 1 Annex 1ABR, in respect of *complaints* relating to *regulated claims management activity* or any activity ancillary to *regulated claims management activity*; and
  - (c) ■ DISP 1 Annex 1ACR, in respect of *complaints* relating to *regulated funeral plan activities*.
- (4) Paragraphs (1) and (2) do not apply to a *firm* with only a *limited permission* unless that *firm* is a *not-for-profit debt advice body* that at any point in the last 12 months has held £1 million or more in *client money* or as the case may be, projects that it will hold £1million or more in *client money* in the next 12 months.

### 1.10.1-A

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A *firm* with only a *limited permission* to whom ■ DISP 1.10.1R(1) and (2) do not apply is required to submit information to the FCA about the number of *complaints* it has received in relation to credit-related activities under the reporting requirements in ■ SUP 16.12 (see, in particular, data item CCR007 in ■ SUP 16.12.29CR). A *firm* with *limited permission* to whom ■ DISP 1.10.1R (1) and (2) do not apply is also subject to the complaints data publication rules in ■ DISP 1.10A.

### Forwarded complaints

- 1.10.1A **R** A *firm* must not include in the report a *complaint* that has been forwarded in its entirety to another *respondent* under the complaints forwarding rules.
- 1.10.1B **G** Where a *firm* has forwarded to another *respondent* only part of a *complaint* or where two *respondents* may be jointly responsible for a *complaint*, then the *complaint* should be reported by both *firms*.

### Joint reports

- 1.10.1C **R** *Firms* that are part of a *group* may submit a joint report to the FCA. The joint report must contain the information required from all *firms* concerned and clearly indicate the *firms* on whose behalf the report is submitted. The requirement to provide a report, and the responsibility for the report, remains with each *firm* in the *group*.
- 1.10.1D **G** Not all the *firms* in the *group* need to submit the report jointly. *Firms* should only consider submitting a joint report if it is logical to do so, for example, where the *firms* have a common central *complaints* handling team, the same *accounting reference date* and are all subject to the same reporting frequencies and submission deadlines.

### Information requirements

- 1.10.2 **R**
- (1) Where a *firm* receives less than 500 *complaints* in a reporting period, Part A-1 of ■ DISP 1 Annex 1 requires, for the relevant reporting period and in respect of particular categories of products:
    - (a) in Table 1, information about the total number of *complaints* received by the *firm* and the cause of the *complaint*;
    - (b) in Table 2, information about the number of *complaints* that were:
      - (i) closed or upheld within different periods of time; and
      - (ii) the total amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period; and
    - (c) in Table 3, information providing context about the *complaints* received.
  - (2) Where a *firm* receives 500 or more *complaints* in a reporting period, Part A-2 of ■ DISP 1 Annex 1 requires, for the relevant reporting period and in respect of particular categories of products:
    - (a) in Table 4, information about the total number of *complaints* received by the *firm* and the cause of the *complaint*;
    - (b) in Table 5, information about the number of *complaints* that were:
      - (i) closed or upheld within different periods of time; and
      - (ii) the amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period; and

1.10.2-A **R**

(c) in Table 6, information providing context about the *complaints* received.

Part B of ■ DISP 1 Annex 1R requires (for the relevant reporting period) information about:

- (1) the total number of *complaints* received by the *firm*;
- (2) the total number of *complaints* closed by the *firm*;
- (3) the total number of *complaints*:
  - (a) upheld by the *firm* in the reporting period; and
  - (b) outstanding at the beginning of the reporting period; and
- (4) the total amount of redress paid in respect of *complaints* during the reporting period.

1.10.2A **R**

(1) Twice a year a *firm* must provide the FCA with a complete report concerning *complaints* received from *eligible complainants* about matters relating to activities carried out by its *employees* when acting as *retail investment advisers*. The report must be set out in the format in ■ DISP 1 Annex 1C R.

(2) ■ DISP 1 Annex 1C R requires (for the relevant reporting period) information about:

- (a) the total number of *complaints* received by the *firm* about matters relating to activities carried out by its *employees* when acting as *retail investment advisers*;
- (b) the total number of *complaints* closed by the *firm* about matters relating to activities carried out by its *employees* when acting as *retail investment advisers*;
- (c) the total number of *complaints* upheld by the *firm* about matters relating to activities carried out by its *employees* when acting as *retail investment advisers*; and
- (d) the total amount of redress paid in respect of *complaints* upheld during the reporting period about matters relating to activities carried out by its *employees* when acting as *retail investment advisers*.

(3) For the purposes of ■ DISP 1 Annex 1C R *retail investment adviser* information must be reported by:

- (a) the *employee's* Individual Reference Number (IRN); or
- (b) in the case of an *employee* of an *SMCR firm* who is performing an *FCA certification function* and has no IRN:
  - (i) the *employee's* National Insurance (NI) number and date of birth; or
  - (ii) if the *employee* has no NI number, the *employee's* date of birth, current passport number and nationality.

- 1.10.2B** **R** ■ DISP 1 Annex 1ABR requires (for the relevant reporting period) information about:
- (1) in Table 1, the total number of *complaints* received by the *firm* and the main focus of the *complaint*;
  - (2) in Table 2:
    - (a) the number of *complaints* that were closed or upheld within different time periods;
    - (b) the total amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period; and
    - (c) redress in relation to the *claims management fee cap*, where this was done at the *firm's* instigation rather than as the result of a *complaint* about the fee.
- 1.10.2C** **R** ■ DISP 1 Annex 1ACR requires (for the relevant reporting period) information about:
- (1) in Table 1, the total number of *complaints* received by the *firm* and the main focus of the *complaints*;
  - (2) in Table 2:
    - (a) the number of *complaints* that were closed or upheld within different time periods; and
    - (b) the total amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period.
- 1.10.3** **G** For the purposes of ■ DISP 1.10.2R, ■ DISP 1.10.2-AR, ■ DISP 1.10.2AR, ■ DISP 1.10.2BR and ■ DISP 1.10.2CR, when completing the return, the *firm* should take into account the following matters.
- (1) If a *complaint* could fall into more than one category, the *complaint* should be recorded in the category which the *firm* considers to form the main part of the *complaint*.
  - (2) Under ■ DISP 1.10.2R(1)(b), ■ DISP 1.10.2R(2)(b), ■ DISP 1.10.2-AR, ■ DISP 1.10.2BR(2) or ■ DISP 1.10.2CR(2), a *firm* should report information relating to all *complaints* which are closed and upheld within the relevant reporting period, including those resolved under ■ DISP 1.5 (Complaints resolved by close of the third business day). Where a *complaint* is upheld in part, or where the *firm* does not have enough information to make a decision yet chooses to make a goodwill payment to the complainant, a *firm* should treat the *complaint* as upheld for reporting purposes. However, where a *firm* rejects a *complaint*, yet chooses to make a goodwill payment to the complainant, the *complaint* should be recorded as 'rejected'.
  - (3) If a *firm* reports on the amount of redress paid under ■ DISP 1.10.2R(1)(b)(ii), ■ DISP 1.10.2R(2)(b)(ii), ■ DISP 1.10.2-AR(4), ■ DISP 1.10.2AR, ■ DISP 1.10.2BR(2)(b) or ■ DISP 1.10.2CR(2)(b), redress should be interpreted to include an amount paid, or cost borne, by

the *firm*, where a cash value can be readily identified, and should include:

- (a) amounts paid for distress and inconvenience;
- (b) a free transfer out to another provider which transfer would normally be paid for;
- (c) goodwill payments and goodwill gestures;
- (d) interest on delayed settlements;
- (e) waiver of an excess on an insurance policy;
- (f) payments to put the consumer back into the position the consumer should have been in had the act or omission not occurred; and
- (g) the refund of fees paid in excess of the *claims management fee cap*, and any amount which the *firm* had attempted to charge but which was written off or waived (before the *customer* paid it) on the basis that it would have exceeded the *claims management fee cap*.

- (4) If a *firm* reports on the amount of redress paid under ■ DISP 1.10.2R(1)(b)(ii), ■ DISP 1.10.2R(2)(b)(ii), ■ DISP 1.10.2-AR(4), ■ DISP 1.10.2AR or ■ DISP 1.10.2CR(2)(b), the redress should not, however, include repayments or refunds of premiums which had been taken in error (for example where a *firm* had been taking, by direct debit, twice the actual premium amount due under a policy). The refund of the overcharge would not count as redress.

[**Note:** See ■ SUP 10A.14.24R for the ongoing duty to notify *complaints* about matters relating to activities carried out by an *employee* when acting as a *retail investment adviser*.]

- 1.10.4** **R** Unless ■ DISP 1.10.4AR applies, the relevant reporting periods are:
- (1) the six *months* immediately following a *firm's accounting reference date*; and
  - (2) the six *months* immediately preceding a *firm's accounting reference date*.
- 1.10.4A** **R** If a *firm* is one to which ■ DISP 1.10.1R(2) applies, the relevant reporting period is the year immediately following the *firm's accounting reference date*.
- 1.10.5** **R** Reports are to be submitted to the *FCA* within 30 *business days* of the end of the relevant reporting periods through, and in the electronic format specified in, the *FCA* Complaints Reporting System or the appropriate section of the *FCA* website.
- 1.10.5A** **R** Where the *FCA* grants a *person's* application for annulment of a cancellation or variation of its *Part 4A permission* under Schedule 6A to the *Act* and on the date of the annulment, the period for reports to be submitted to the *FCA* in accordance with ■ DISP 1.10.5R has passed, the period within which the

reports are to be submitted under ■ DISP 1.10.5R does not apply. The *person* must submit such reports to the *FCA* within 30 *business days* of the date on which the annulment takes effect.

**1.10.6** **R** If a *firm* is unable to submit a report in electronic format because of a systems failure of any kind, the *firm* must notify the *FCA* , in writing and without delay, of that systems failure.

**1.10.6A** **R**

- (1) If a *firm* does not submit a complete report by the date on which it is due, in accordance with ■ DISP 1.10.5 R, the *firm* must pay an administrative fee of £250.
- (2) The administrative fee in (1) does not apply if the *firm* has notified the *FCA* of a systems failure in accordance with ■ DISP 1.10.6 R.

**1.10.7** **R** A closed *complaint* is a *complaint* where:

- (1) the *firm* has sent a *final response*; or
- (2) the complainant has indicated in writing acceptance of the *firm's* earlier response under ■ DISP 1.6.4 R.

**1.10.8** **G** [deleted]

**Notification of contact point for complainants**.....

**1.10.9** **R** For the purpose of inclusion in the public record maintained by the *FCA*, a *firm* must:

- (1) provide the *FCA*, at the time of its *authorisation*, with details of a single contact point within the *firm* for complainants; and
- (2) notify the *FCA* of any subsequent change in those details when convenient and, at the latest, in the *firm's* next report under the *complaints reporting rules*.

**Meaning of revenue**.....

**1.10.10** **G** In ■ DISP 1.10, references to revenue in relation to any *firm* do not include the amount of any repayment of any *credit* provided by that *firm* as *lender*.