

## Chapter 5

# Financial Ombudsman Service Funding



5.5B Case fees

Application

- 5.5B.1 **R** ■ FEES 5.5B applies to *respondents*.
- 5.5B.2 **G** *VJ participants* are included as a result of ■ DISP 4.2.6 R.
- 5.5B.3 **R** Any *firm* falling into either *industry block 13* or *industry block 15* in ■ FEES 5 Annex 1 R is not required to pay any case fee in respect of *chargeable cases* relating to those *industry blocks*.
- 5.5B.4 **G** The *firms* in *industry blocks 13* and *15* are cash plan health providers and small *friendly societies*. The case fee exemption takes into account that the amount in issue is likely to be small relative to the case fee.
- 5.5B.5 **R** A *credit union* or a *community finance organisation* which is subject to the *minimum levy* in an *industry block* is not required to pay any case fee in respect of *chargeable cases* relating to that *industry block*.
- 5.5B.6 **G** Arrangements similar to those for *firms* in *industry blocks 13* and *15* have been made for small *credit unions* under ■ FEES 5.5B.5 R.
- 5.5B.7 **R**
- (1) Any of the following *persons* which is exempt under ■ DISP 1.1.12R is also exempt from ■ FEES 5.5B:
    - (a) a *firm*;
    - (b) a *payment service provider*;
    - (c) an *electronic money issuer*;
    - (d) a *designated credit reference agency*; and
    - (e) a *designated finance platform*.
  - (2) However, a *person* will only be exempt from ■ FEES 5.5B in any *financial year* if it met the conditions in ■ DISP 1.1.12R on 31 March of the immediately preceding *financial year*.

**Purpose**

- 5.5B.8 **R** The purpose of **FEES 5.5B** is to set out the requirements on *respondents* to pay fees in relation to cases referred to the *Financial Ombudsman Service*.
- 5.5B.9 **R** These fees are towards funding the *Financial Ombudsman Service*, and are invoiced and collected directly by the *FOS Ltd*.
- 5.5B.10 **G** In each of the *Financial Ombudsman Service's* jurisdictions, the *annual budget* reflects the total expected to be raised by levies plus the total expected to be raised by case fees for the relevant *financial year*.
- 5.5B.11 **G** The amount of the case fees will be subject to consultation each year.

**Standard case fee**

- 5.5B.12 **R** A *respondent* must pay to the *FOS Ltd* the standard case fee specified in **FEES 5 Annex 3R Part 1** in respect of each *chargeable case* relating to that *respondent* which is closed by the *Financial Ombudsman Service* during a *financial year* (regardless of when the *chargeable case* was referred to the *Financial Ombudsman Service*), unless the *respondent* is identified as part of a *charging group* as defined in **FEES 5 Annex 3R Part 3**.
- 5.5B.13 **G** The exclusion of *respondents* that are identified as part of a *charging group* as defined in **FEES 5 Annex 3R Part 3** applies only from 1 April 2013. Those *respondents* continue to be liable for the standard case fee under **FEES 5.5B.12 R** in respect of *chargeable cases* closed by the *Financial Ombudsman Service* before 1 April 2013.
- 5.5B.14 **R** But a *respondent* will only be liable for, and the *FOS Ltd* will only invoice for, the standard case fee in respect of the 4th and subsequent *chargeable cases* which are closed by the *Financial Ombudsman Service* in any *financial year*.

5.5B.15 **G** [deleted]

5.5B.16 **R** A *respondent* must pay to the *FOS Ltd* any standard case fee which it is liable to pay under **FEES 5.5B** and which is invoiced by the *FOS Ltd* within 30 calendar *days* of the date when the invoice is issued by the *FOS Ltd*.

**Supplementary Case fee [deleted]**

5.5B.17 **R** [deleted]

5.5B.18 **G** [deleted]

5.5B.19 **R** [deleted]

**Special case fee**

**5.5B.20** **R** If the *respondent* is identified as part of a *charging group* as defined in ■ FEES 5 Annex 3R Part 3, the *charging group* must pay the special case fee calculated under ■ FEES 5 Annex 3R Part 4 (from 1 April 2013) instead of the *respondent* paying the standard case fee.

**5.5B.21** **R** The *FOS Ltd*:

- (1) will invoice the special case fee as described in ■ FEES 5 Annex 3R Part 4; and
- (2) may invoice the relevant *charging group* through any of the individual *respondents* in the relevant *charging group*.

**5.5B.22** **R** A *charging group* must pay to the *FOS Ltd* any special case fee (including any year-end adjustment) as described in ■ FEES 5 Annex 3R Part 4 within 30 calendar *days* of the date when the invoice is issued by the *FOS Ltd*.

**5.5B.23** **R** In respect of the special case fee, individual *respondents* are jointly and individually liable for the obligations of the *charging group* of which they are identified as forming part in ■ FEES 5 Annex 3R Part 3.

**Leaving the Financial Ombudsman Service**

**5.5B.24** **R** Where a *respondent* ceases to be a *firm*, *payment service provider*, *electronic money issuer*, *CBTL firm*, a *designated credit reference agency*, a *designated finance platform*, *VJ participant* or *claims management company* (as the case may be) part way through a *financial year* it will remain liable to pay case fees under ■ FEES 5.5B in respect of cases within the jurisdiction of the *Financial Ombudsman Service*.

**Late payment of case fees**

**5.5B.25** **R** If a *respondent* does not pay a case fee payable under ■ FEES 5.5B in full to the *FOS Ltd* before the end of the date on which it is due, that *respondent* must pay to the *FOS Ltd* in addition:

- (1) an administrative fee of £250; plus
- (2) interest on any unpaid amount at the rate of 5% per annum above the Official Bank Rate from time to time, accruing on a daily basis from the date on which the amount concerned became due.

**5.5B.26** **G** The *FOS Ltd* may take steps to recover any money owed to it (including interest).

**Time limit for making a claim for the remission or repayment of case fees**

**5.5B.27** **R** In relation to any case fee which was invoiced by *FOS Ltd* under ■ FEES 5.5B on or after 1 April 2023, no claim for the remission or repayment of all or part of the case fee (or any interest or administrative fee due under

■ FEES 5.5B.25R in relation to it) may be made to *FOS Ltd* more than 1 year after the date on which the case fee was invoiced (irrespective of when or whether the amounts in question were paid to *FOS Ltd*).

**5.5B.28** **R** In relation to a case fee which was invoiced by *FOS Ltd* under ■ FEES 5.5B before 1 April 2023, and subject to any rule of law prescribing a shorter time period for making such a claim, no claim for the remission or repayment of all or part of the case fee (or any interest or administrative fee due under ■ FEES 5.5B.25R in relation to it) may be made to *FOS Ltd* on or after 31 March 2024 (irrespective of when or whether the amounts in question were paid to *FOS Ltd*).

**5.5B.29** **R** The *FOS Ltd* may allow a claim to be made outside the time limits prescribed in ■ FEES 5.5B.27R and ■ FEES 5.5B.28R if it is satisfied that the failure to make a claim within the time limits prescribed was as a result of exceptional circumstances.