

**FEES (ALTERNATIVE DISPUTE RESOLUTION COMPETENT AUTHORITY)
(FINANCIAL OMBUDSMAN SERVICE) INSTRUMENT 2015**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 139A (Power of the FCA to give guidance); and
 - (b) paragraph 23 (Fees) of Schedule 1ZA (The Financial Conduct Authority); and
 - (2) regulation 15A of the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (SI 2015/542) which applies (with modifications) paragraph 23 (Fees) of Schedule 1ZA to the Act.
- B. The rule making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 25 September 2015.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Fees manual (FEES) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Fees (Alternative Dispute Resolution Competent Authority) (Financial Ombudsman Service) Instrument 2015.

By order of the Board
24 September 2015

Annex A

Amendments to the Glossary of definitions

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

FOS ADR levy the amount payable to the *FCA* by *FOS Ltd* to which *FEES 12* (FOS ADR levy) applies.

Annex B

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 Fees Manual

1.1 Application and Purpose

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1.1.1E G FEES 12 (FOS ADR Levy) relates to the FOS ADR levy.

...

2 General Provisions

2.1 Introduction

...

2.1.1A R This chapter does not apply in relation to:

...

(6) *the pensions guidance providers' levy; or*

(7) the FOS ADR levy.

...

After FEES 11 insert the following new chapter. The text is not underlined.

12 FOS ADR levy

12.1 Application and purpose

Application

12.1.1 R This chapter applies to *FOS Ltd.*

Purpose

12.1.2 G (1) This chapter sets out *rules* governing the amounts payable by *FOS Ltd* to the *FCA* to fund the *FCA's* functions under the *ADR*

Regulations.

- (2) These *rules* are made using the rule-making power in paragraph 23 (Fees) Schedule 1ZA of the Act, as applied with modifications by Regulation 15A of the *ADR Regulations*.

12.2 FOS ADR levy

Obligation to pay FOS ADR levy

12.2.1 R *FOS Ltd* must pay the *FOS ADR levy*:

- (1) in full and without deduction; and
- (2) in accordance with this chapter.

Time of invoice and payment

- 12.2.2 R (1) The *FCA* will raise the *FOS ADR levy* annually in arrears.
- (2) The *FCA* will invoice *FOS Ltd* in April for the *FOS ADR levy* relating to the previous *fee year*.
- (3) *FOS Ltd* must pay the *FOS ADR levy* within 30 days of the date of the invoice.

Calculation of FOS ADR levy

- 12.2.3 R The *FOS ADR levy* is calculated as follows:
- (1) Determine the number of hours, or part of an hour, taken by the *FCA*, in performing functions under the *ADR Regulations*.
 - (2) Using the table at *FEES 3 Annex 9R(11)*, determine the relevant pay grades of those employed by the *FCA* to perform the functions under the *ADR Regulations*.
 - (3) Next, multiply the applicable rate in the table at *FEES 3 Annex 9R(11)* by the number of hours or part hours obtained under (1).
 - (4) Then add any fees and disbursements invoiced to the *FCA* by any *person* in respect of services performed by that *person* for the *FCA* to assist the *FCA* in performing its functions under the *ADR Regulations*.
 - (5) The resulting figure is the *FOS ADR levy*.
- 12.2.4 G (1) The hourly rates chargeable for *FCA* employees are set out in the table at *FEES 3 Annex 9R(11)* for Special Project Fee for Restructuring.

- (2) *FCA* board members are treated as “Any other person employed by the *FCA*” for this purpose.

12.2.5 G The obligation to pay the *FOS ADR levy* is ongoing.

Value-added tax (VAT)

12.2.6 R (1) All levies payable under *FEES 12* are stated net of VAT.

- (2) Where VAT is applicable, this must also be included.

12.3 Late payments and recovery of unpaid levies

Late payments

12.3.1 R If *FOS Ltd* does not pay the total amount of the *FOS ADR levy* before the end of the date on which it is due, it must pay:

- (1) an administrative fee of £250; and
- (2) interest on any unpaid part of the levy at an annual rate of 5% above the Official Bank Rate from time to time in force, accruing daily from the date on which the amount concerned became due.

Recovery of levies

12.3.2 G (1) The *FCA* may recover the *FOS ADR levy* as a debt owed to the *FCA* under paragraphs 23(8) of Schedule 1ZA of the *Act*.

- (2) The *FCA* will consider taking action for recovery (including interest) through the civil courts.

12.4 Relieving provisions

Reductions, remission or repayment of levy

12.4.1 G The *FCA* may reduce or remit all or part of the *FOS ADR levy* applicable to *FOS Ltd* if it appears to the *FCA* that in the exceptional circumstances of a particular case paying all or part of it would be inequitable.

12.4.2 G The *FCA* may refund all or part of the *FOS ADR levy* applicable to *FOS Ltd* if it appears to the *FCA* that in the exceptional circumstances of a particular case retaining all or part of the *FOS ADR levy* applicable to *FOS Ltd* would be inequitable.