

## FINANCIAL OMBUDSMAN SERVICE (AWARD LIMIT) INSTRUMENT 2019

### **Powers exercised by the Financial Ombudsman Service**

- A. The Financial Ombudsman Service Limited makes and amends the Voluntary Jurisdiction rules and guidance, and fixes and varies the standard terms for Voluntary Jurisdiction participants as set out in the Annex to this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 227 (Voluntary Jurisdiction);
  - (2) paragraph 8 (Guidance) of Schedule 17;
  - (3) paragraph 18 (Terms of reference to the scheme) of Schedule 17; and
  - (4) paragraph 22 (Consultation) of Schedule 17.
- B. The Financial Ombudsman Service Limited notes that, for the avoidance of doubt, the Transitional Provisions at TP 1.1 in the Annex below apply equally to the Voluntary Jurisdiction of the Financial Ombudsman Service Limited and the Compulsory Jurisdiction.
- C. The making and amendment of the Voluntary Jurisdiction rules and guidance and the fixing and varying of the standard terms for Voluntary Jurisdiction participants by the Financial Ombudsman Service Limited is subject to the approval of the Financial Conduct Authority.

### **Powers exercised by the Financial Conduct Authority**

- D. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions of the Act:
- (1) section 137T (General supplementary powers); and
  - (2) section 229 (Awards).
- E. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.
- F. The Financial Conduct Authority approves the Voluntary Jurisdiction rules and guidance to be made and amended and the standard terms for Voluntary Jurisdiction participants to be fixed and varied by the Financial Ombudsman Service Limited under this instrument.

### **Commencement**

- G. This instrument comes into force on 1 April 2019, immediately after those changes made by the Small Business (Eligible Complainant) Instrument 2018 (FCA 2018/61) (FOS 2018/7) come into force.

**Amendments to the Handbook**

- H. The Dispute Resolution: Complaints sourcebook (DISP) is amended in accordance with the Annex to this instrument.

**Notes**

- I. In the Annex to this instrument, the “note” (indicated by “**Note:**”) is included for the convenience of readers but does not form part of the legislative text.

**Citation**

- J. This instrument may be cited as the Financial Ombudsman Service (Award Limit) Instrument 2019.

By order of the Board of the Financial Conduct Authority  
28 February 2019

By order of the Board of the Financial Ombudsman Service Limited  
6 March 2019

**Annex**

**Amendments to the Dispute Resolution: Complaints sourcebook (DISP)**

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

**3 Complaint handling procedures of the Financial Ombudsman Service**

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**3.7 Awards by the Ombudsman**

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Money awards

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- 3.7.4 R (1) The maximum money award which the *Ombudsman* may make is; ~~£150,000.~~
- (a) £350,000 for a *complaint* concerning an act or omission which occurred on or after 1 April 2019; and
- (b) £160,000 for a *complaint* concerning an act or omission which occurred before 1 April 2019.
- (2) On 1 April each year, for *complaints* referred to the *Financial Ombudsman Service* on or after this date up to and including 31 March in the following year, the amounts in (1)(a) and (b) are adjusted by:
- (a) applying the percentage increase in *CPI* between January 2019 and January of that year; and
- (b) rounding down to the nearest £5,000.

[Note: The maximum money award which the *Ombudsman* may make is set out in the table below. This Note will be updated before any new limit takes effect.]

date of act or omission \ date complaint referred	before 1 April 2019	on or after 1 April 2019
	before 1 January 2012	£100,000
before 1 April 2019 but on or after 1 January 2012	£150,000	n/a
on or after 1 April 2019	£160,000	£350,000

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**TP 1 Transitional provisions**

1.1 Transitional Provisions table

(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
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<u>52A</u>	<u>DISP 3.7.4</u>	<u>R</u>	For a <i>complaint</i> referred to the <i>Financial Ombudsman Service</i> before 1 April 2019 but on or after 1 January 2012 the maximum money award which the <i>Ombudsman</i> may make is £150,000.	From 1 April 2019	1 April 2019

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