

Chapter 9

Complaints reporting rules for credit unions



9.1 Application and purpose

Application

9.1.1 **R** This chapter applies to all *credit unions*.

Purpose

9.1.2 **G** This chapter sets out *rules and guidance* for *credit unions* on completing reports concerning *complaints* received from *eligible complainants*. It replaces **■ DISP 1.10** (Complaints reporting rules) and **■ DISP 1.10A** (Complaints data publication rules), which do not apply to *credit unions* (**■ DISP 1.1.5A R**).

9.1.3 **G** The other elements of **■ DISP 1** (**■ DISP 1.2** (Consumer awareness rules), **■ DISP 1.3** (Complaints handling rules), **■ DISP 1.4** to **■ DISP 1.8** (Complaints resolution rules etc.) and **■ DISP 1.9** (Complaints record rule)) apply to *credit unions*.

9.1.4 **G** **■ DISP 2** to **■ DISP 4** (which cover jurisdiction and procedures of the *Financial Ombudsman Service*) and **■ FEES 5** (which covers funding of the *Financial Ombudsman Service*) apply to *credit unions*.

9.2 Reporting

9.2.1 **R** A *credit union* must provide the *FCA*, once a year, with a report in the format set out in ■ CREDS 9 Annex 1 R (Credit Union complaints return) which contains (for the relevant reporting period) information about:

- (1) the total number of *complaints* received by the *credit union*;
- (2) (for the product/service groupings within section 5) the number of *complaints* closed by the *credit union*:
 - (a) within eight weeks of receipt; and
 - (b) more than eight weeks after receipt;
- (2A) (for other lending or credit-related activity within section 5A) the number of *complaints* closed by the *credit union*;
- (3) the total number of *complaints*:
 - (a) upheld by the *credit union* in the reporting period;
 - (b) outstanding at the start of the reporting period; and
- (4) the total amount of redress paid in respect of *complaints* during the reporting period.

[**Note:** transitional provisions apply to this *rule*: see ■ CREDS TP 1.16, ■ CREDS TP 1 and ■ CONC 12.1.4 R.]

9.2.2 **R** A *credit union* must not include in the report a *complaint* that has been forwarded in its entirety to another *respondent* under ■ DISP 1.7 (the complaints forwarding rules).

9.2.3 **G** Where a *credit union* 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*.

9.2.4 **R** ■ CREDS 9.2.1 R does not apply to a *complaint* that is resolved by close of business on the *business day* following its receipt.

9.2.5

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For the purposes of ■ CREDS 9.2.4 R:

- (1) a *complaint* received on any day other than a *business day*, or after close of business on a *business day*, may be treated as received on the next *business day*; and
- (2) a *complaint* is resolved where the complainant has indicated acceptance of a response from the *credit union*, with neither the response nor acceptance having to be in writing.

9.2.6

G

For the purpose of ■ CREDS 9.2.1 R, and upon completing the return, the *credit union* should note that:

- (1) where a *complaint* could fall into more than one category, the *complaint* should be recorded against the category that the *credit union* considers to form the main part of the *complaint*;
- (2) where a *complaint* has been upheld under ■ CREDS 9.2.1R (3)(a), a *credit union* should report any *complaints* to which it has given a *final response* which accepts the *complaint* and, where appropriate, offers redress, even if the redress offered is disputed by the complainant. Where a *complaint* is upheld in part, or where the *credit union* does not have enough information to make a decision yet chooses to make a goodwill payment to the complainant, the *credit union* should treat the *complaint* as upheld for reporting purposes. Where a *credit union* rejects a *complaint*, yet chooses to make an ex-gratia payment to the complainant, the *complaint* should be recorded as rejected;
- (3) where a *credit union* reports on the amount of redress paid under ■ CREDS 9.2.1R (4), redress should be interpreted to include any amount paid, or cost borne, by the *credit union*, 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) ex-gratia payments and goodwill gestures;
 - (d) interest on delayed settlements
 - (e) waiver of an excess on an insurance policy; and
 - (f) payments to put the consumer back into the position the consumer should have been in had the act or omission not occurred;
- (4) where a *credit union* reports on the amount of redress paid under ■ CREDS 9.2.1R (4), such redress should not, however, include repayments or refunds of premiums which had been taken in error (for example where a *credit union* 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.

- 9.2.7** **R** For the purposes of **■ CREDS 9.2.1 R**:
- (1) the relevant reporting period is from 1 April to 31 March each year; and
 - (2) reports are to be submitted to the *FCA* within one *month* of the end of the relevant reporting period.
- [**Note**: a transitional provision applies to this *rule*: see **■ CREDS TP 1.16**.]
- 9.2.8** **G** Financial penalties may be imposed for the late submission of the complaints report required by **■ CREDS 9.2.1 R**.
- 9.2.9** **R** For the purposes of making reports under **■ CREDS 9.2.1 R**, a closed *complaint* is a *complaint*:
- (1) where the *credit union* has sent a *final response*; or
 - (2) where the complainant has positively indicated acceptance of the *credit union's* earlier response; or
 - (3) where the complainant has failed to revert to the *credit union* within eight weeks of the *credit union's* most recent letter.
- 9.2.10** **R** A report under this section must be given or addressed, and delivered, in the way set out in **■ SUP 16.3.6 R** to **■ SUP 16.3.16 G** (General provisions on reporting), except that, instead of the *credit union's* usual supervisory contact, the report must be given to or addressed for the attention of the Central Reporting team at the *FCA*.
- 9.2.11** **G** **■ SUP 16.3.14 R** applies to the *credit unions'* complaints returns.
- 9.2.12** **R** [deleted]
- 9.2.12A** **R** **■ SUP 16.10.4R** requires *credit unions* to check the accuracy of *standing data* and to report changes, including any change to the complaints contact or complaints officer, to the *FCA*.
- 9.2.13** **G** The contact point in **■ CREDS 9.2.1 R** can be by name or job title and may include, for example, a telephone number.

Credit union complaints return

This annex consists only of one or more forms.

Credit union complaints return

