

## Chapter 2

# Jurisdiction of the Financial Ombudsman Service

## 2.1 Purpose, interpretation and application

### Purpose

#### 2.1.1

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The purpose of this chapter is to set out *rules* and guidance on the scope of the *Compulsory Jurisdiction* and the *Voluntary Jurisdiction*, which are the *Financial Ombudsman Service's* two jurisdictions:

- (1) the *Compulsory Jurisdiction* is not restricted to *regulated activities, payment services, issuance of electronic money, and CBTL business* and covers:
  - (a) certain *complaints* against *firms* (and businesses which were *firms* at the time of the events complained about);
  - (b) *relevant complaints* against former members of *former schemes* under the *Ombudsman Transitional Order, the Mortgage and General Insurance Complaints Transitional Order, the Claims Management Order* and the *Funeral Plans Order*;
  - (c) *relevant credit-related complaints* against businesses which were, at the time of the events complained about, covered by a standard licence under the Consumer Credit Act 1974, or formerly authorised to carry on an activity by virtue of section 34(A) of that Act, in accordance with article 11 of the *Regulated Activities Amendment Order*;
  - (d) certain *complaints* against *designated credit reference agencies* under the *Small and Medium Sized Business (Credit Information) Regulations*; and
  - (e) certain *complaints* against *designated finance platforms* under the *Small and Medium Sized Business (Finance Platforms) Regulations*;
- (2) [deleted]
- (3) the *Voluntary Jurisdiction* covers certain *complaints* against *VJ participants*, including in relation to events before they joined the *Voluntary Jurisdiction*.

#### 2.1.2

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*Relevant complaints* covered by the *Compulsory Jurisdiction* comprise:

- (1) *relevant existing complaints* referred to a *former scheme* before commencement and inherited by the *Financial Ombudsman Service* under the *Ombudsman Transitional Order*;

- (2) *relevant new complaints* about events before commencement but referred to the *Financial Ombudsman Service* after commencement under the *Ombudsman Transitional Order*;
- (3) *relevant transitional complaints* referred to the *Financial Ombudsman Service* after the *relevant commencement date* under the *Mortgages and General Insurance Complaints Transitional Order*;
- (4) *relevant existing credit-related complaints* referred to the *Financial Ombudsman Service* before 1 April 2014 which were formerly being dealt with under the *Consumer Credit Jurisdiction* and which are to be dealt with under the *Compulsory Jurisdiction* in accordance with article 11 of the *Regulated Activities Amendment Order*;
- (5) *relevant new credit-related complaints* about events which took place before 1 April 2014 but referred to the *Financial Ombudsman Service* on or after 1 April 2014 which are to be dealt with under the *Compulsory Jurisdiction* in accordance with article 11 of the *Regulated Activities Amendment Order*;
- (6) *relevant existing claims management complaints* referred to the *Legal Ombudsman* before 1 April 2019 and inherited by the *Financial Ombudsman Service* under the *Claims Management Order*;
- (7) *relevant new claims management complaints* about events which took place before 1 April 2019 but referred to the *Financial Ombudsman Service* on or after 1 April 2019 under the *Claims Management Order*; and
- (8) *relevant transitional funeral plan complaints* about events which took place before 29 July 2022 but were referred to the *Financial Ombudsman Service* on or after 29 July 2022 in accordance with article 7 of the *Funeral Plans Order*.

**2.1.3**

**G** The *Ombudsman Transitional Order* and the *Claims Management Order* requires the *Financial Ombudsman Service* to complete the handling of *relevant existing complaints* and *relevant existing claims management complaints*, in a significant number of respects, in accordance with the requirements of the relevant *former scheme* rather than in accordance with the requirements of this chapter.

**Interpretation**

**2.1.4**

**G** In this chapter, carrying on an activity includes:

- (1) offering, providing or failing to provide a service in relation to an activity;
- (2) administering or failing to administer a service in relation to an activity; and
- (3) the manner in which a *respondent* has administered its business, provided that the business is an activity subject to the *Financial Ombudsman Service's* jurisdiction.

**Purpose**

- 2.1.5 **G** In this chapter, ancillary banking services include, for example, the provision and operation of cash machines, foreign currency exchange, safe deposit boxes and account aggregation services (services where details of accounts held with different financial service providers can be accessed by a single password).

**Application**

- 2.1.6 **R** This chapter applies to the *Ombudsman* and to *respondents*.
- 2.1.6A **R** This chapter applies to any *TP firm* who is or was, at the time of the act or omission, giving rise to the claim against it, a *TP firm*. This *rule* demonstrates the contrary intention under **■ GEN 2.2.26R**.

**Application to the Ombudsman and respondents in relation to a relevant motor finance discretionary commission arrangement complaint**

- 2.1.6B **R** In relation to a *relevant motor finance DCA complaint*:
- (1) **■ DISP 2.8.1R(2)**;
  - (2) **■ DISP 2.8.1R(4)(a)**; and
  - (3) **■ DISP 2.8.2R(1)**,
- apply as modified by **■ DISP App 5** (Relevant motor finance discretionary commission arrangement complaint handling rules).
- 2.1.6C **G** **■ DISP App 5** contains *complaint handling rules* in respect of a *relevant motor finance DCA complaint*.
- 2.1.7 **D** Part XVI of the *Act* (The Ombudsman Scheme), particularly section 226 (Compulsory jurisdiction), applies to *members* of the *Society of Lloyd's* in respect of the *regulated activities* of *effecting or carrying out contracts of insurance* written at Lloyd's.