

Chapter 3

Complaint handling procedures of the Financial Ombudsman Service

3.7 Awards by the Ombudsman

- 3.7.1 R Where a *complaint* is determined in favour of the complainant, the *Ombudsman's* determination may include one or more of the following:
 - (1) a money award against the *respondent*; or
 - (2) an interest award against the *respondent*; or
 - (3) a costs award against the *respondent*; or
 - (4) a direction to the *respondent*.
- 3.7.2 R Money awards.....

Except in relation to a “relevant complaint” within the meaning of section 404B(3) of the *Act*, a money award may be such amount as the *Ombudsman* considers to be fair compensation for one or more of the following:

 - (1) financial loss (including consequential or prospective loss); or
 - (2) pain and suffering; or
 - (3) damage to reputation; or
 - (4) distress or inconvenience;

whether or not a court would award compensation.
- 3.7.2A G In relation to a “relevant complaint” within the meaning of section 404B(3) of the *Act*, a money award is a payment of such amount as the *Ombudsman* determines that a *respondent* should make (or should have made) to a complainant under the scheme.
- 3.7.2B G A money award under ■ DISP 3.7.2A G may specify the date by which the amount awarded is to be paid.
- 3.7.3 G
 - (1) Where the *Ombudsman* is determining what amount (if any) constitutes fair compensation as a money award in relation to a *relevant new complaint*, a *relevant transitional complaint*, or a *relevant new claims management complaint*, the *Ombudsman Transitional Order*, the *Mortgages and General Insurance Complaints Transitional Order*, and the *Claims Management Order* make provision

for the *Ombudsman* to take into account what amount (if any) might have been expected to be awarded by way of compensation in relation to an equivalent complaint dealt with under the *former scheme* in question immediately before the relevant order came into effect.

- (2) Where the *Ombudsman* is determining what amount (if any) constitutes fair compensation as a money award in relation to a *relevant transitional funeral plan complaint*, the *Funeral Plans Order* makes provision for the *Ombudsman* to take into account what amount, if any, the *Funeral Planning Authority* might have been expected to award by way of compensation in relation to an equivalent complaint dealt with under the *former scheme*.

3.7.4 R

- (1) The maximum money award which the *Ombudsman* may make is:
- (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 complaint referred	date of act or omission	
	before 1 April 2019	on or after 1 April 2019
before 1 January 2012	£100,000	n/a
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
on or after 1 April 2020	£160,000	£355,000
on or after 1 April 2022	£170,000	£375,000
on or after 1 April 2023	£190,000	£415,000
on or after 1 April 2024	£195,000	£430,000

]

3.7.4A G

The effect of section 404B(5) of the *Act* is that the maximum award which the *Ombudsman* may make also applies in relation to a “relevant complaint” within the meaning of section 404B(3) of the *Act*.

3.7.5 G

For the purpose of calculating the maximum money award, the following are excluded:

		<ul style="list-style-type: none"> (1) any interest awarded on the amount payable under a money award; (2) any costs awarded; and (3) any interest awarded on costs.
3.7.6	G	If the <i>Ombudsman</i> considers that fair compensation requires payment of a larger amount, he may recommend that the <i>respondent</i> pays the complainant the balance. The effect of section 404B(6) of the <i>Act</i> is that this is also the case in relation to a "relevant complaint" within the meaning of section 404B(3) of the <i>Act</i> .
3.7.7	R	The <i>Ombudsman</i> will maintain a register of each money award.
3.7.8	R	Interest awards <p>Except in relation to a "relevant complaint" within the meaning of section 404B(3) of the <i>Act</i>, an interest award may provide for the amount payable under the money award to bear interest at a rate and as from a date specified in the award.</p>
3.7.8A	G	A money award under ■ DISP 3.7.2A G may provide for interest to be payable, at a rate specified in the award, on any amount which is not paid by the date specified in the award.
3.7.9	R	Costs awards <p>A costs award may:</p> <ul style="list-style-type: none"> (1) be such amount as the Ombudsman considers to be fair, to cover some or all of the costs which were reasonably incurred by the complainant in respect of the complaint; and (2) include interest on that amount at a rate and as from a date specified in the award.
3.7.10	G	In most cases complainants should not need to have professional advisers to bring <i>complaints</i> to the <i>Financial Ombudsman Service</i> , so awards of costs are unlikely to be common.
3.7.11	R	Directions <p>Except in relation to a "relevant complaint" within the meaning of section 404B(3) of the <i>Act</i>, a direction may require the <i>respondent</i> to take such steps in relation to the complainant as the <i>Ombudsman</i> considers just and appropriate (whether or not a court could order those steps to be taken).</p>
3.7.11A	G	In relation to a "relevant complaint" within the meaning of section 404B(3) of the <i>Act</i> , a direction may require the <i>respondent</i> to take such action as the <i>Ombudsman</i> determines the <i>respondent</i> should take (or should have taken) under the scheme.

Complying with awards and settlements

3.7.12

R

A respondent must comply promptly with:

- (1) any award or direction made by the *Ombudsman*; and
- (2) any settlement which it agrees at an earlier stage of the procedures.

3.7.13

G

Under the *Act*, a complainant can enforce through the courts a money award registered by the *Ombudsman* or a direction made by the *Ombudsman*.

3