

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

## Chapter 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)

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- 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

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- 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

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- 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

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- 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.