

Chapter 5

Financial Ombudsman Service Funding

5.1 Application and Purpose

Application

- 5.1.1 **R** Rules and guidance made by the FCA in this chapter apply to every *firm* which is subject to the *Compulsory Jurisdiction*.
- 5.1.1-A **G** Whilst no *rule* made by the FCA in this chapter applies to *VJ participants*, some of the *guidance* may do. The application of rules made by the FOS Ltd in this chapter is set out in ■ FEES 5.5B and described in ■ FEES 5.1.2 AG.
- 5.1.1A **R** A reference to *firm* in this chapter includes a reference to a *fee-paying payment service provider*, *fee-paying electronic money issuer*, a *CBTL firm*, a *designated finance platform* and a *designated credit reference agency*.
- 5.1.1B **R** ■ FEES 5.1.1A R does not apply to ■ FEES 5.5B or ■ FEES 5 Annex 2R or ■ Annex 3R unless otherwise stated in rules made by the FOS Ltd.
- 5.1.1C **R** This chapter applies to a *TP firm*. This *rule* demonstrates the contrary intention under ■ GEN 2.2.26R.
- 5.1.2 **G** The rules set out in the table under ■ FEES 5.1.2 AG are made by the FOS Ltd. All other ■ FEES 5 rules are made by the FCA.
- 5.1.2A **G** Table of ■ FEES 5 rules made by the FOS Ltd

| FEES 5 rules made by the FOS Ltd | Description |
|----------------------------------|---|
| FEES 5.5B | Rules relating to case fees |
| FEES 5 Annex 2R | Annual Levy Payable in Relation to the Voluntary Jurisdiction |
| FEES 5 Annex 3R | Case Fees Payable |
- 5.1.3 **G** [deleted]
- 5.1.3A **G** [deleted]

Exemption

- 5.1.4 **R** A firm which is exempt under ■ DISP 1.1.12 R is also exempt from ■ FEES 5.1, ■ 5.2, ■ 5.3, ■ 5.4 and ■ 5.6.
- 5.1.4A **R** A firm will only be exempt from ■ FEES 5.7 for any given *financial year* if it met the conditions in ■ DISP 1.1.12 R on 31 March of the immediately preceding *financial year*.
- 5.1.5 **R** A firm which ceases to be exempt under ■ FEES 5.1.4 R is to be treated, for the purposes of its contribution to the *general levy*, as a firm to which ■ FEES 5.8 applies.
- 5.1.6 **R** [deleted]
- 5.1.6A **G** Firms which cease to be *authorised* and therefore subject to the *Compulsory Jurisdiction* part way through the year will not receive a refund of their *general levy* except in exceptional circumstances.
- 5.1.6B **G** If, after the start of the period to which the *general levy* relates, a person's *Part 4A permission* is cancelled under Schedule 6A or the person's *Part 4A permission* is varied reducing its *permission* under Schedule 6A, the person will not receive a refund of their *general levy*, except in exceptional circumstances.

Purpose

- 5.1.7 **G** The purpose of this chapter is to set out the requirements on firms to pay annual fees (through a *general levy* invoiced and collected by the FCA on behalf of FOS Ltd) and case fees (invoiced and collected directly by FOS Ltd) in order to fund the operation of the *Financial Ombudsman Service*. This Chapter also provides for *unauthorised persons* to pay case fees to FOS Ltd in respect of any *relevant complaints* which it handles.

Gibraltar-based firms

- 5.1.8 **R** In accordance with ■ GEN 2.3 (General saving of the Handbook for Gibraltar), provisions in ■ FEES 5 that immediately before *IP completion day* applied in relation to or in connection with Gibraltar will continue to apply after *IP completion day*. The exceptions to this provision are the amount of annual and case fees payable that are set out in ■ FEES 5 Annex 1R, ■ 5 Annex 2R and ■ 5 Annex 3R, which may change each *fee year*.