

## Chapter 5

# Financial Ombudsman Service Funding

## 5.4 Information requirement

- (1) A *firm* must provide the *FCA* by the end of February each year (or, if the *firm* has become subject to the *Financial Ombudsman Service* part way through the *financial year*, by the date requested by the *FCA*) with a statement of:
- (a) the total amount of *relevant business* (measured in accordance with the appropriate tariff base(s)) which it conducted; or
  - (b) in the case of *firms* in *industry blocks* 2 and 4, the gross written premium for fees purposes as defined in ■ FEES 4 Annex 1AR (unless ■ FEES 5.4.1R(1A) applies),
- as at or in the year to 31 December of the previous year as appropriate, including only business undertaken from a *branch* or establishment in the UK in relation to the tariff base for each of the relevant *industry blocks* set out in ■ FEES 5 Annex 1. *Firms* that do not carry out their business from a *branch* or establishment in the UK will pay the *minimum levy* for each tariff base.
- (1A) A *firm* in *industry blocks* 2 and 4, has notified the *FCA* of the amount of gross written premium for fees purposes, as defined in ■ FEES 4 Annex 1AR, that relates to *relevant business*. The notification must be made by the 30 May each year.
- (2) Paragraph (1) does not apply if the *firm* pays a *general levy* on a flat fee basis only or if it is the Bank of England.
- (3) If a *firm* cannot provide a statement of the total amount of *relevant business* as required by ■ FEES 5.4.1 R, it must provide the best estimate of the amount of *relevant business* that it conducted.
- (4) For the purpose of ■ FEES 5.4.1 R, references to *relevant business* for a *firm* which falls in *industry block* 16 or 17 and which so elects under ■ FEES 5 Annex 1, are references to the *firm's* total amount of annual income reported in accordance with Part 3 of ■ FEES 4 Annex 1A.
- (5) If a *firm* does not submit a complete statement by the date on which it is due in accordance with this *rule* and any prescribed submission procedures:
- (a) the *firm* must pay an administrative fee of 250 (but not if it is already subject to an administrative fee under ■ FEES 4 Annex 2A, Part 1, Part 1 or ■ FEES 6.5.16 R for the same *financial year*); and
  - (b) the *general levy* will be calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10 (or, if a *firm* has become

subject to the *Financial Ombudsman Service* part way through the *financial year*, on the basis of the information provided to the *FCA* for the purposes of ■ FEES 4.4.2 R) or on any other reasonable basis, making such adjustments as seem appropriate in subsequent levies once the true figures are known.

- (6) Where the *FCA* grants a *person's* application for annulment of a cancellation or variation of *Part 4A permission* under Schedule 6A to the *Act* and on the date the annulment takes effect the time for providing information in this *rule* has passed, then that time for compliance does not apply, but a *person* must comply with this *rule* on the date on which the *person's* annulment takes effect.

- 5.4.1-A **R** (1) In the case of *firms* in *industry blocks 2* and *4* the requirements under ■ FEES 5.4.1R apply in relation to the tariff bases(s) and tariff data in ■ FEES 5 Annex 1R.

If a *firm* is a UK Solvency II firm in *industry blocks 2* and *4* in ■ FEES 5 Annex 1R, the *FCA* may use tariff data from the previous reporting period for the periodic fees calculation if the *PRA* or the *FCA* has either:

- (a) not received the necessary tariff data in a timely basis in line with Part 3 and 5 of ■ FEES 4 Annex 1AR; or  
(b) deemed the tariff data received to be incomplete or insufficiently reliable, by reference to a specific *firm* or across all or part of the *industry block*.

- 5.4.1A **D** The information requirement set out under ■ FEES 5.4.1 R is applied under this direction to a *fee-paying payment service provider* and a *fee-paying electronic money issuer*.

- 5.4.1B **R** For *firms* in *industry blocks 2* and *4*, if the data source specified in the applicable tariff base in Part 3 of ■ FEES 4 Annex 1AR is not available to the *PRA* or *FCA* for any reason and the same data is available to the *PRA* or *FCA* from an alternative source, the *FCA* may use that alternative source to calculate the tariff rates under ■ FEES 5 Annex 1R.

- 5.4.2 **G** Failure to submit a statement in accordance with the *rules* in this chapter may also lead to the imposition of a financial penalty and other disciplinary sanctions (see ■ DEPP 6.6.1 G to ■ DEPP 6.6.5 G).

- 5.4.3 **G** ■ SUP 16.3 (General provisions on reporting) contains further *rules* on the method of submission of reports under ■ FEES 5.4.1 R.

- 5.4.4 **G** A *firm* should not provide a statement of *relevant business* if it deals only with *eligible complainants* who are not *consumers*. *Relevant business* is defined in the *Glossary* as business done with *consumers* only. So ■ FEES 5.4.1 R does not apply in relation to business done with other types of *eligible complainant* described in ■ DISP 2.7.3R (2), ■ DISP 2.7.6R (12)(a) and ■ DISP 2.7.6R (12)(a); the funding of *FOS Ltd* in relation to that business is by special case fee only (see ■ FEES 5.5.6 R).