

Chapter 5

Financial Ombudsman Service Funding



5.5B Case fees

Application

- 5.5B.1 **R** ■ FEES 5.5B applies to *respondents*.
- 5.5B.2 **G** *VJ participants* are included as a result of ■ DISP 4.2.6 R.
- 5.5B.3 **R** Any *firm* falling into either *industry block 13* or *industry block 15* in ■ FEES 5 Annex 1 R is not required to pay any case fee in respect of *chargeable cases* relating to those *industry blocks*.
- 5.5B.4 **G** The *firms* in *industry blocks 13* and *15* are cash plan health providers and small *friendly societies*. The case fee exemption takes into account that the amount in issue is likely to be small relative to the case fee. Instead, the full unit cost of handling complaints against these *firms* will be recovered through the setting of the relevant *general levy*.
- 5.5B.5 **R** A *credit union* which is subject to the *minimum levy* in an *industry block* is not required to pay any case fee in respect of *chargeable cases* relating to that *industry block*.
- 5.5B.6 **G** Arrangements similar to those for *firms* in *industry blocks 13* and *15* have been made for small *credit unions* under ■ FEES 5.5B.5 R.
- 5.5B.7 **R**
- (1) Any of the following *persons* which is exempt under ■ DISP 1.1.12R is also exempt from ■ FEES 5.5B:
 - (a) a *firm*;
 - (b) a *payment service provider*;
 - (c) an *electronic money issuer*;
 - (d) a *designated credit reference agency*; and
 - (e) a *designated finance platform*.
 - (2) However, a *person* will only be exempt from ■ FEES 5.5B in any *financial year* if it met the conditions in ■ DISP 1.1.12R on 31 March of the immediately preceding *financial year*.

Purpose

5.5B.8 **R** The purpose of ■ FEES 5.5B is to set out the requirements on *respondents* to pay fees in relation to cases referred to the *Financial Ombudsman Service*.

5.5B.9 **R** These fees are towards funding the *Financial Ombudsman Service*, and are invoiced and collected directly by the *FOS Ltd*.

5.5B.10 **G** In each of the *Financial Ombudsman Service's* jurisdictions, the *annual budget* reflects the total expected to be raised by levies plus the total expected to be raised by case fees for the relevant *financial year*.

5.5B.11 **G** The amount of the case fees will be subject to consultation each year.

Standard case fee

5.5B.12 **R** A *respondent* must pay to the *FOS Ltd* the standard case fee specified in ■ FEES 5 Annex 3R Part 1 in respect of each *chargeable case* relating to that *respondent* which is closed by the *Financial Ombudsman Service*, unless the *respondent* is identified as part of a *charging group* as defined in ■ FEES 5 Annex 3R Part 3.

5.5B.13 **G** The exclusion of *respondents* that are identified as part of a *charging group* as defined in ■ FEES 5 Annex 3R Part 3 applies only from 1 April 2013. Those *respondents* continue to be liable for the standard case fee under ■ FEES 5.5B.12 R in respect of *chargeable cases* closed by the *Financial Ombudsman Service* before 1 April 2013.

5.5B.14 **R** But a *respondent* will only be liable for, and the *FOS Ltd* will only invoice for, the standard case fee in respect of the 26th and subsequent *chargeable cases* in any *financial year*.

5.5B.15 **G** Until 31 March 2004 a standard case fee was payable for every *chargeable case*. From 1 April 2004 to 31 March 2005 the standard case was payable for the third and subsequent *chargeable cases*. From 1 April 2005 to 31 March 2013 the standard case fee was payable for the fourth and subsequent *chargeable cases*. ■ FEES 5.5B.12 R does not apply retrospectively to *financial years* before 1 April 2013.

5.5B.16 **R** A *respondent* must pay to the *FOS Ltd* any standard case fee which it is liable to pay under ■ FEES 5.5B and which is invoiced by the *FOS Ltd* within 30 calendar *days* of the date when the invoice is issued by the *FOS Ltd*.

Supplementary Case fee

5.5B.17 **R** A *respondent* must pay to the *FOS Ltd* the supplementary case fee specified in ■ FEES 5 Annex 3R Part 2 in respect of each *chargeable case (PPI)* relating to that *respondent* which is referred to the *Financial Ombudsman Service*, as well as any standard case fee under ■ FEES 5.5B.12 R, unless the *respondent* is identified as part of a *charging group* as defined in ■ FEES 5 Annex 3R Part 3.

5.5B.18 **G** The exclusion of *respondents* that are identified as part of a *charging group* as defined in ■ FEES 5 Annex 3R Part 3 applies only from 1 April 2013. Those *respondents* continue to be liable for the supplementary case fee under ■ FEES 5.5B.17 R in respect of *chargeable cases (PPI)* referred to the *Financial Ombudsman Service* before 1 April 2013.

5.5B.19 **R** Notwithstanding the above, a *respondent* will only be liable for, and the *FOS Ltd* will only invoice for the supplementary case fee in respect of the 26th and subsequent cases relating to that *respondent* that fall within ■ FEES 5.5B.17 R in any *financial year*.

Special case fee

5.5B.20 **R** If the *respondent* is identified as part of a *charging group* as defined in ■ FEES 5 Annex 3R Part 3, the *charging group* must pay the special case fee calculated under ■ FEES 5 Annex 3R Part 4 (from 1 April 2013) instead of the *respondent* paying the standard case fee or the supplementary case fee.

5.5B.21 **R** The *FOS Ltd*:

- (1) will invoice the special case fee as described in ■ FEES 5 Annex 3R Part 4; and
- (2) may invoice the relevant *charging group* through any of the individual *respondents* in the relevant *charging group*.

5.5B.22 **R** A *charging group* must pay to the *FOS Ltd* any special case fee (including any year-end adjustment) as described in ■ FEES 5 Annex 3R Part 4 within 30 calendar *days* of the date when the invoice is issued by the *FOS Ltd*.

5.5B.23 **R** In respect of the special case fee, individual *respondents* are jointly and individually liable for the obligations of the *charging group* of which they are identified as forming part in ■ FEES 5 Annex 3R Part 3.

Leaving the Financial Ombudsman Service

5.5B.24 **R** Where a *respondent* ceases to be a *firm*, *payment service provider*, *electronic money issuer*, *CBTL firm*, a *designated credit reference agency*, a *designated finance platform*, *VJ participant* or *claims management company* (as the case may be) part way through a *financial year* it will remain liable to pay case fees under ■ FEES 5.5B in respect of cases within the jurisdiction of the *Financial Ombudsman Service*.

Late payment and remission of case fees

5.5B.25 **R** If a *respondent* does not pay a case fee payable under ■ FEES 5.5B in full to the *FOS Ltd* before the end of the date on which it is due, that *respondent* must pay to the *FOS Ltd* in addition:

- (1) an administrative fee of £250; plus

(2) interest on any unpaid amount at the rate of 5% per annum above the Official Bank Rate from time to time, accruing on a daily basis from the date on which the amount concerned became due.

- 5.5B.26** **G** The *FOS Ltd* may take steps to recover any money owed to it (including interest).
- 5.5B.27** **R** If it appears to the *FOS Ltd* that in the exceptional circumstances of a particular case the payment of any case fee under **■ FEES 5.5B** would be inequitable, the *FOS Ltd* may (unless **■ FEES 5.5B.29 R** applies) reduce or remit all or part of the case fee in question which would otherwise be payable.
- 5.5B.28** **R** If it appears to the *FOS Ltd* that in the exceptional circumstances of a particular case to which **■ FEES 5.5B.27 R** does not apply the retention by the *FOS Ltd* of any case fee which has been paid would be inequitable, the *FOS Ltd* may (unless **■ FEES 5.5B.29 R** applies) refund all or part of that case fee.
- 5.5B.29** **R** The *FOS Ltd* may not consider a claim under **■ FEES 5.5B.27 R** and/or **■ FEES 5.5B.28 G** in respect of any amount overpaid due to a mistake of fact or law by the payer, if the claim is made by the payer more than 2 years after the beginning of the *financial year* to which the payment relates.