

Chapter 5

Financial Ombudsman Service Funding

Case Fees Payable for 2018/19

Part 1 - Standard case fees

In the:	Standard case fee
Compulsory jurisdiction and Voluntary jurisdiction	[£550] unless it is a <i>not-for-profit debt advice body with limited permission</i> in which case the amount payable is £0

Notes

1	The definition of standard case fee is in FEES 5.5B (Case fees). The definition of <i>chargeable case</i> is in the Glossary to the <i>Handbook</i> .
2	The standard case fee will be invoiced by the <i>FOS Ltd</i> on or after the date the case is closed.
3	A <i>respondent</i> will only be invoiced a case fee for the 26th and subsequent <i>chargeable case</i> in each <i>financial year</i> .
4	The definition of <i>not-for-profit debt advice body</i> is in the Glossary to the <i>Handbook</i> .
5	The definition of <i>limited permission</i> is in the Glossary to the <i>Handbook</i> .

Part 2 - Supplementary case fees

In the:	Supplementary case fee
Compulsory jurisdiction and Voluntary jurisdiction	For the 26th and subsequent <i>chargeable cases (PPI)</i> £0

Notes

1	The definition of supplementary case fee is in FEES 5.5B (Case fees). The definition of <i>chargeable case (PPI)</i> is in the Glossary to the <i>Handbook</i> .
2	The supplementary case fee when payable will be invoiced by the <i>FOS Ltd</i> on or after the date the case is referred to the <i>Financial Ombudsman Service</i> .
3	The supplementary case fee when payable will be invoiced for the 26th and subsequent <i>chargeable cases (PPI)</i> against any <i>respondent</i> referred to the <i>Financial Ombudsman Service</i> in each <i>financial year</i> .

Part 3 - Charging groups

The *charging groups*, and their constituent *group respondents*, are listed below. They are based on the position at 31 December immediately preceding the *financial year*. For the purposes of calculating, charging, paying and collecting the special case fee, they are not affected by any subsequent change of ownership.

1	Barclays Group, comprising the following <i>firms</i> : 3i BIFM Investments Limited Oak Pension Asset Management Limited
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Barclays Asset Management Limited
Barclays Bank Plc
Barclays Bank Trust Company Limited
Barclays Capital Securities Limited
Barclays Insurance (Dublin) Designated Activity Company
Barclays Insurance (Dublin) Limited
Barclays Insurance Services Company Limited
Barclays Mercantile Business Finance Limited
Barclays Private Clients International Limited
Barclays Sharedealing
Barclays Stockbrokers Limited
Barclays Trust Company Limited
Clydesdale Financial Services Limited
Firstplus Financial Group Plc
Gerrard Financial Planning Ltd
Gerrard Investment Management Limited
Solution Personal Finance Limited
Standard Life Bank Plc
Woolwich Plan Managers Limited

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HSBC Group, comprising the following *firms*:
CL Residential Limited
HFC Bank Limited
HSBC Alternative Investments Limited
HSBC Bank Malta plc
HSBC Bank plc
HSBC France
HSBC Global Asset Management FCP (France)
HSBC Global Asset Management (France)
HSBC Global Asset Management (UK) Limited
HSBC Hervet
HSBC International Financial Advisers (UK) Limited
HSBC Investment Funds
HSBC Life (Europe) Limited
HSBC Life (UK) Limited
HSBC Private Bank (Luxembourg) S.A.
HSBC Private Bank (UK) Limited
HSBC Securities (USA) Inc
HSBC SPECIALIST INVESTMENT FUNDS
HSBC Trinkaus & Burkhardt AG
HSBC Trust Company (UK) Ltd
HSBC UK Bank plc
John Lewis Financial Services Limited
Marks & Spencer Financial Services plc

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Marks & Spencer Savings and Investments Ltd
Marks & Spencer Unit Trust Management Limited
The Hongkong and Shanghai Banking Corporation Limited
Lloyds Banking Group, comprising the following *firms*:
Aberdeen Investment Solutions Limited
AMC Bank Ltd
Bank of Scotland (Ireland) Limited
Bank of Scotland Plc
Black Horse Limited
Cheltenham & Gloucester plc
Clerical Medical Financial Services Limited
Clerical Medical Investment Fund Managers Ltd
Clerical Medical Investment Group Limited
Clerical Medical Managed Funds Limited
CLERICAL MEDICAL OPEN ENDED INVESTMENT COMPANY
Halifax Assurance (Ireland) Limited
Halifax Assurance Ireland Ltd
Halifax Financial Brokers Limited
Halifax General Insurance Services Limited
Halifax Insurance (Ireland) Limited
Halifax Insurance Ireland Ltd
Halifax Investment Services Ltd
Halifax Life Limited
Halifax Share Dealing Limited
HBOS Investment Fund Managers Limited
Insight Investment Global Investment Funds

Invista Real Estate Investment Management Ltd
IWeb (UK) Limited
LDC (Managers) Limited
Legacy Renewal Company Limited
Lex Autolease Ltd
Lex Vehicle Leasing Ltd
Lloyds Development Capital (Holdings) Limited
Lloyds Bank Plc
Lloyds TSB Financial Advisers Limited
Lloyds Bank General Insurance Limited
Lloyds Bank Insurance Services Limited
Lloyds TSB Investments Limited
Lloyds Bank Private Banking Limited
Pensions Management (SWF) Limited
Scottish Widows Administration Services Limited
Scottish Widows Annuities Limited
Scottish Widows Bank Plc

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	<p>Scottish Widows Fund Management Limited</p> <p>Scottish Widows Limited</p> <p>Scottish Widows plc</p> <p>Scottish Widows Unit Funds Limited</p> <p>Scottish Widows Unit Trust Managers Limited</p> <p>St Andrew's Insurance plc</p> <p>St Andrew's Life Assurance Plc</p> <p>SW Funding plc</p> <p>The Elms Financial Services Ltd</p> <p>The Mortgage Business Plc</p> <p>Uberior Fund Manager Ltd</p> <p>MBNA Limited</p>
4	<p>RBS/NatWest Group, comprising the following <i>firms</i>:</p> <p>Aberdeen Infrastructure Asset Managers Limited</p> <p>Adam & Company Investment Management Ltd</p> <p>Adam & Company Plc</p> <p>Coutts & Company</p> <p>Coutts Finance Company</p> <p>Lombard Finance Ltd</p> <p>Lombard North Central Plc</p> <p>National Westminster Bank Plc</p> <p>National Westminster Home Loans Limited</p> <p>RBOS (UK) Limited</p> <p>RBS Asset Management (ACD) Ltd</p> <p>RBS Asset Management Ltd</p> <p>RBS Collective Investment Funds Limited</p> <p>RBS Equities (UK) Limited</p> <p>RBS Investment Executive Limited</p> <p>The Royal Bank of Scotland Group Independent Financial Services Limited</p> <p>The Royal Bank of Scotland N.V.</p> <p>The Royal Bank of Scotland Plc</p> <p>Topaz Finance Limited</p> <p>Ulster Bank Ireland Designated Activity Company</p> <p>Ulster Bank Ireland Limited</p> <p>Ulster Bank Ltd</p>
5	<p>Aviva Group, comprising the following <i>firms</i>:</p> <p>Aviva (Peak No. 1) UK Limited</p> <p>Aviva Annuity UK Limited</p> <p>Aviva Equity Release UK Limited</p> <p>Aviva Health UK Limited</p> <p>Aviva Insurance Limited</p> <p>Aviva Insurance Services UK Limited</p> <p>Aviva Insurance UK Limited</p>

Aviva International Insurance Limited
Aviva Investors Global Services Limited
Aviva Investors London Limited
Aviva Investors Pensions Limited
Aviva Investors UK Fund Services Limited
Aviva Investors UK Funds Limited
Aviva Life & Pensions UK Limited
Aviva Life Services UK Limited
Aviva Pension Trustees UK Limited
Aviva Wrap UK Limited
CGU Bonus Limited
CGU Underwriting Limited
Commercial Union Life Assurance Company Limited
Gresham Insurance Company Limited
Hamilton Life Assurance Company Limited
Hamilton Insurance Company Limited
Norwich Union Life (RBS) Limited
Orn Capital LLP
Scottish Boiler and General Insurance Company Ltd
The Ocean Marine Insurance Company Limited
World Auxiliary Insurance Corporation Limited
Friends Annuities Limited
Friends Life and Pensions Limited
Friends Life FPLMA Limited
Friends Life Investment Solutions Limited
Friends Life Limited
Friends Life Marketing Limited
Friends Life Services Limited
Friends Provident International Limited
Optimum Investment Management Limited
Sesame Limited

6 Direct Line Group, comprising the following *firms*:

Churchill Insurance Company Limited
UK Insurance Limited
UK Insurance Business Solutions Limited

7 Nationwide Building Society Group comprising the following *firms*:

Cheshire Building Society
Derbyshire Building Society
Derbyshire Home Loans Ltd
Dunfermline Building Society (in building society special administration)
E-Mex Home Funding Limited
Nationwide Building Society
Nationwide Independent Financial Services Limited

8	<p>Portman Building Society The Mortgage Works (UK) Plc UCB Home Loans Corporation Ltd Santander Group, comprising the following <i>firms</i>: Abbey National Treasury Services Plc Abbey Stockbrokers Limited Cater Allen Limited Santander Cards UK Limited Santander Consumer (UK) Plc Santander UK Plc Santander ISA Managers Limited Hyundai Capital UK Limited</p>
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Part 4 - Special case fees

The special case fee shall be calculated and paid as follows:

- 1 Proportions:
- (1) In the calculations that follow in (2), (3) and (4):
- new chargeable cases (PPI) for group respondents -*
- A = twice the number of new chargeable cases (PPI) that were referred to the Financial Ombudsman Service in respect of group respondents from 1 July to 31 December (both dates inclusive) in the immediately preceding financial year.*
- new chargeable cases (PPI) for all firms -*
- B = twice the number of new chargeable cases (PPI) that were referred to the Financial Ombudsman Service in respect of all firms (whether or not they are part of a charging group) from 1 July to 31 December (both dates inclusive) in the immediately preceding financial year.*
- open chargeable cases (PPI) for group respondents -*
- C = the number of chargeable cases (PPI) referred to the Financial Ombudsman Service in respect of group respondents before 1 January in the immediately preceding financial year which had not been closed before 1 January in the immediately preceding financial year.*
- open chargeable cases (PPI) for all firms -*
- D = the number of chargeable cases (PPI) referred to the Financial Ombudsman Service in respect of all firms (whether or not they are part of a charging group) before 1 January in the immediately preceding financial year which had not been closed before 1 January in the immediately preceding financial year.*
- new chargeable cases (general) for group respondents -*
- E = twice the number of new chargeable cases (general) that were referred to the Financial Ombudsman Service in respect of group respondents from 1 July to 31 December (both dates inclusive) in the immediately preceding financial year.*
- new chargeable cases (general) for all firms -*

F = twice the number of *chargeable cases (general)* referred to the *Financial Ombudsman Service* in respect of all *firms* (whether or not they are part of a *charging group*) from 1 July to 31 December (both dates inclusive) in the immediately preceding *financial year*.

open *chargeable cases (general)* for *group respondents* -

G = the number of *chargeable cases (general)* that were referred to the *Financial Ombudsman Service* in respect of *group respondents* before 1 January in the immediately preceding *financial year* which had not been closed before 1 January in the immediately preceding *financial year*.

open *chargeable cases (general)* for all *firms* -

H = the number of *chargeable cases (general)* referred to the *Financial Ombudsman Service* in respect of all *firms* (whether or not they are part of a *charging group*) before 1 January in the immediately preceding *financial year* which had not been closed before 1 January in the immediately preceding *financial year*.

(2) 'Proportion X' for each *charging group* is a percentage calculated as follows -
 $A / B \times 100$

(3) 'Proportion Y' for each *charging group* is a percentage calculated as follows -
 $\{A + C\} / \{B + D\} \times 100$

(4) 'Proportion Z' for each *charging group* is a percentage calculated as follows -
 $\{E + G\} / \{F + H\} \times 100$

2 The special case fee is intended to broadly reflect the budgeted workload capacity of the *Financial Ombudsman Service* and comprises elements in respect of:

- (1) new *chargeable cases (PPI)*;
 - (2) closed *chargeable cases (PPI)*; and
 - (3) closed *chargeable cases (general)*;
- with a free-case allowance of:
- (4) 125 new *chargeable cases (PPI)*; and
 - (5) 125 closed *chargeable cases (general)*.

3 The special case fee for each *charging group* is a total amount calculated as follows:

- (1) in respect of new *chargeable cases (PPI)* - $\{£0 \times [220,000] \times \text{the 'proportion X'}\} - \{£0 \times 125\}$
- (2) in respect of closed *chargeable cases (PPI)* - $£550 \times [250,000] \times \text{the 'proportion Y'}$
- (3) in respect of closed *chargeable cases (general)* - $£550 \times [160,000] \times \text{the 'proportion Z'}\} - \{£550 \times 125\}$

4 The *FOS Ltd* will invoice each *charging group* for the special case fee (calculated as above) in four equal instalments, payable in advance on the following dates during the *financial year*:

- (1) 1 April (or, if later, when *FOS Ltd* has sent the invoice);
- (2) 1 July;
- (3) 1 October; and
- (4) 1 January.

5 Year-end adjustment:

- (1) If the actual number of new *chargeable cases (PPI)* referred to the *Financial*

Ombudsman Service in respect of *group respondents* during the *financial year* is more than 10,000 and is more than [115%] of {[220,000] x the 'proportion X'}:

(a) the *FOS Ltd* will invoice the relevant charging group; and

(b) the relevant *charging group* will pay to *FOS Ltd*; an additional £35,000 for each block of 100 (or part thereof) new *chargeable cases (PPI)* in excess of the [115%].

(2) If the actual number of *chargeable cases (general)* closed by the *Financial Ombudsman Service* in respect of *group respondents* during the *financial year* is more than [115%] of {[160,000] x the 'proportion Z'}:

(a) the *FOS Ltd* will invoice the relevant charging group; and

(b) the relevant *charging group* will pay to *FOS Ltd*; an additional £55,000 for each block of 100 (or part thereof) closed *chargeable cases (general)* over the [115%].

(3) If the actual number of *chargeable cases (general)* closed by the *Financial Ombudsman Service* in respect of *group respondents* during the *financial year* is less than [85%] of {[160,000] x the 'proportion Z'}, the *FOS Ltd* will promptly re-pay to the relevant *charging group* £55,000 for each block of 100 (or part thereof) closed *chargeable cases (general)* under the [85%].