

Complaints Sourcebook (Financial Ombudsman Service Case Fees 2004/05) Instrument 2004

Powers exercised

- A The Financial Ombudsman Service Limited amends the Financial Services Authority's complaints sourcebook (DISP), in the exercise of the following powers in the Financial Services and Markets Act 2000:
- (1) Section 227 (Voluntary Jurisdiction)
 - (2) Schedule 17 paragraph 15 (Fees):
 - (3) Schedule 17 paragraph 18 (Terms of reference to the scheme).

Approval

- B The amendments have not yet been approved by the Financial Services Authority. They are therefore made subject to the approval of the Financial Services Authority.

Commencement

- C This instrument comes into force on 1 April 2004 subject to the approval of the Financial Services Authority having been received before that time.

Amendment of the Complaints sourcebook

- D The Board makes the DISP 4 rules and guidance identified in the Annex to this Instrument and specifies the amounts to be included in Part 3 and Part 4 of DISP 5 Ann 1R as also indicated in the Annex.

By order of the Board of the Financial Ombudsman Service Limited:
4 March 2004

Annex

Proposed amendments to DISP 4 rules

4.2.12 R ...

(1) DISP 5.4.6R (*general levy*) subject to substituting the words '*Voluntary Jurisdiction*' for '*Compulsory Jurisdiction*' and substituting the words 'FOS Ltd' for 'the FSA';

(6) DISP 5.7.5R subject to substituting 'to FOS Ltd' for 'to the FSA' and DISP 5.7.6R (*supplementary levy* for establishment costs) subject to substituting 'Part 4' for 'Part 2'

(7) DISP 5.8.1R subject to substituting 'to FOS Ltd' for 'to the FSA' and 'by FOS Ltd' for 'by the FSA', DISP 5.8.2R to DISP 5.8.4R, DISP 5.8.5G subject to substituting 'FOS Ltd will' for 'FSA will', DISP 5.8.6R, DISP 5.8.8R and DISP 5.8.9 (payment).

After part 2 of DISP 5 Annex 1R insert the following text:

Part 3: Case fees

Table: Standard case fees and special case fees

Governing Provisions	Case Fee	Amount
DISP 5.6.1R	Standard	£360
DISP 5.6.6R	Special case fee: complaints from small businesses	£550
DISP 5.6.7R	Special case fee: firms which cease to be authorised	£550
DISP 5.6.8R	Special case fee: relevant complaints against persons who were subject to a former scheme	£550

Part 4: VJ participants

Table: Fee tariffs and case fees for VJ participants

Voluntary jurisdiction industry block		Tariff base	General levy payable by firm	Minimum general levy per firm	Case fee*
1V	Mortgage lenders and administrators	Number of relevant accounts	£0.069 per relevant account	£200	£360

2V	VJ <i>participants</i> undertaking insurance activities subject only to prudential regulation only	Relevant annual gross premium income	£0.081 per £1000 of relevant annual gross premium income	£200	£360
3V	VJ <i>participants</i> undertaking insurance activities subject to prudential and conduct of business regulation	Relevant adjusted annual gross premium income	£0.093 per £1000 of relevant annual gross premium income	£100	£360
4V	Mortgage intermediaries	N/a	N/a	N/a	£550
5V	Insurance intermediaries	N/a	N/a	N/a	£550
6V	Other intermediaries	Flat fee	£200 flat fee	Not applicable	£360
7v	VJ <i>participants</i> not falling into any of the above categories	Not applicable	N/a	N/a	£550

- 9 The *industry blocks* in the table are based on the equivalent activity groups for authorised firms, as set out in part 1 of *SUP 20 Ann1R*.
- 10 Where the tariff base in the table is defined in similar terms as the tariff base for the equivalent activity group set out in part 2 of *SUP 20 Ann1R*, it must be calculated in the same way as that tariff base except that it takes into account only the *VJ participant's* relevant business.
- 11 'Relevant business' for the purposes of funding the *Voluntary Jurisdiction* means that part of a *VJ participant's* business which it conducts with private individuals and which is subject to the *Voluntary Jurisdiction* of the *Financial Ombudsman Service* as provided for in *DISP 2.6.9R* (The *Voluntary Jurisdiction*), as measured by the appropriate tariff base for each *industry block*.

***note on case fees**

As for the compulsory jurisdiction, firms will only be charged for the third and any subsequent chargeable case in any financial year, subject to the annual levy being invoiced and paid, where applicable