Powers exercised

A. The Financial Ombudsman Service Limited makes in Annex B to this instrument:

(1) the rules and guidance relating to the payment of fees under the Compulsory Jurisdiction;
(2) the rules and guidance for licensees relating to payment of fees under the Consumer Credit Jurisdiction; and
(3) the standard terms for VJ participants relating to the payment of fees under the Voluntary Jurisdiction;

in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):

(a) paragraph 8 (Guidance) of Schedule 17;
(b) paragraph 15 (Fees) of Schedule 17;
(c) paragraph 16C (Fees) of Schedule 17; and
(d) paragraph 18 (Terms of reference to the scheme) of Schedule 17.

B. The making of these rules, standard terms and guidance by the Financial Ombudsman Service Limited is subject to the consent and approval of the Financial Services Authority.

C. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in or under:

(1) the Act:

(a) section 156 (General supplementary powers);
(b) section 157(1) and (4) (Guidance);
(c) section 234 (Industry funding);
(d) paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority); and
(e) paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body);

(2) the following provisions of the Payment Services Regulations 2009 (SI 2009/209):

(a) regulation 82 (Reporting requirements);
(b) regulation 92 (Costs of supervision); and
(c) regulation 93 (Guidance).

D. The rule-making powers listed above are specified for the purposes of section 153(2) (Rule-making instruments) of the Act.
Commencement

E. This instrument comes into force on 17 December 2010.

Amendments to the Handbook

F. The modules of the FSA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glossary of definitions</td>
<td>Annex A</td>
</tr>
<tr>
<td>Fees manual (FEES)</td>
<td>Annex B</td>
</tr>
<tr>
<td>Dispute Resolution: Complaints sourcebook (DISP)</td>
<td>Annex C</td>
</tr>
</tbody>
</table>

Citation

G. This instrument may be cited as the Fees (Miscellaneous Amendments and Financial Ombudsman Service Rules) Instrument 2010.

By order of the Board of the Financial Ombudsman Service Limited
15 December 2010

By order of the Board
16 December 2010
Annex A

Amendments to the Glossary of definitions

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

*International Securities Identification Number (ISIN)*

a 12-character, alphanumeric code which uniquely identifies a *financial instrument* and provides for the uniform identification of *securities* at trading and settlement.
Annex B

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

... Purpose

3.1.3 G The purpose of this chapter is to set out the FSA fee paying requirements on the persons set out in FEES 1.1.2R(1). The FSA's power to charge in respect of guidance regarding the Basel Capital Accord is derived from section 157(4)(c) of the Act.

... Method of payment

3.2.3 R (1) Unless (2) or (3) applies, the sum payable under FEES 3.2.1R must be paid by bankers draft, cheque or other payable order.

... (3) The sum payable under FEES 3.2.1R by a firm applying for a variation of its Part IV permission (FEES 3.2.7R(p)) must be paid by any of the methods described in (1) or by Maestro/Switch or credit card (Visa/Mastercard only). Any payment by a permitted credit card must include an additional 2% of the sum paid.

... 3.2.7 R Table of application, notification and vetting fees

<table>
<thead>
<tr>
<th>(1) Fee payer</th>
<th>(2) Fee payable</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

(q) A super transaction, being one where: (i) the issuer has a market capitalisation in excess of £1.5 billion and it is a new applicant for a primary premium listing under the listing rules, or involved in a reverse or hostile takeover or a significant restructuring; or ...

...
Method of payment

4.2.4 R (1) Unless (2) applies, a periodic fee must be paid using either direct debit, credit transfer (BACS/CHAPS), cheque, switch Maestro or by credit card (Visa/Mastercard only). Any payment by permitted credit card must include an additional 2% of the sum paid.

...

4.2.11 R Table of periodic fees

<table>
<thead>
<tr>
<th>1 Fee payer</th>
<th>2 Fee payable</th>
<th>3 Due date</th>
<th>4 Events occurring during the period leading to modified periodic fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK recognised body</td>
<td>FEES 4 Annex 6 R, Part 1</td>
<td>...</td>
<td>Recognition order is made. The Modified modified periodic fee: (1) for a UK recognised investment exchange, £150,000; (2) for a UK recognised clearing house, £250,000 is specified in FEES 4 Annex 6R, Part 1.</td>
</tr>
<tr>
<td>Overseas recognised body</td>
<td>FEES 4 Annex 6R, part 2</td>
<td>...</td>
<td>Recognition order is made. The Modified modified periodic fee: (1) for an overseas investment exchange, £10,000; (2) for an overseas clearing house, £35,000 is specified in FEES 4 Annex 6R, Part 2.</td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4 Annex 1R Activity groups, tariff bases and valuation dates applicable

<table>
<thead>
<tr>
<th>Part 1</th>
<th>...</th>
</tr>
</thead>
</table>
### Activity group

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payer falls in the activity group if</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
</tr>
<tr>
<td>A.16 Pensions review levy firms</td>
<td>it was liable to pay the Pensions Levy to PIA in 2001/2002. Not applicable.</td>
</tr>
<tr>
<td>...</td>
<td></td>
</tr>
</tbody>
</table>

### Part 2

### Activity group

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Tariff base</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>A.7</td>
<td>...</td>
</tr>
</tbody>
</table>

### Notes on FuM

(a) …

(b) Assets managed by the firm on a discretionary basis exclude the firm’s own assets. Assets managed on a non-discretionary basis, being assets that the firm has a contractual duty to keep under continuous review but in respect of which prior specific consent of the client must be obtained for proposed transactions, are also excluded NOT included as this activity is covered in those charged to fees in activity groups A.12 and A.13. …

### Activity group

<table>
<thead>
<tr>
<th>Activity group</th>
<th>Fee payer falls in the activity group if</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
</tr>
<tr>
<td>...</td>
<td></td>
</tr>
</tbody>
</table>

### 4 Annex 3R Transaction reporting fees

This table shows the fees payable for firms using the FSA’s Transaction Reporting System where firms do not have a written contract with the FSA in relation to their use of the System.

...
4 Annex 9R  Periodic fees in respect of securities derivatives for the period from 1 April 2010 to 31 March 2011

Part 1

<table>
<thead>
<tr>
<th>Fee amount for firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
</tr>
<tr>
<td>Market operators providing facilities for trading in securities derivatives that do not identify those securities derivatives using an International Securities Identity Number</td>
</tr>
<tr>
<td>...</td>
</tr>
</tbody>
</table>

5.2.7 G This chapter sets out the framework for the funding arrangements of the Financial Ombudsman Service, including, where relevant, the method by which fees will be calculated. Details of the actual fees payable will vary from year to year, depending on the annual budget of the Financial Ombudsman Service. These details will be set out in an annex to this chapter (FEES 5 Annex 1R). A new annex will be prepared and consulted on for each financial year.

5.3.1 G Each financial year, the FSA and FOS Ltd will consult on the amount of the annual budget of the Financial Ombudsman Service which is to be raised by the general levy.

5.3.4 G Part 2 of FEES 5 Annex 1R sets out the fee tariffs for each industry block.

5.3.8 R A firm's general levy under the compulsory jurisdiction is calculated as follows:

(1) identify each of the tariff bases set out in Part 2 of FEES 5 Annex 1R which apply to the relevant business of the firm for the relevant year;

5.3.10 R For the purpose of FEES 5.3, references to relevant business for a firm
which falls in *industry block* 16 or 17 and which so elects under *Part 2 of FEES 5 Annex 1R*, are references to the *firm’s* total amount of annual income reported in accordance with Part 2 of *FEES 4*.

... 5.4.1 R (1) *A firm* must provide the *FSA* 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 *FSA*) with a statement of the total amount of *relevant business* (measured in accordance with the appropriate tariff base(s)) which it conducted, as at or in the year to 31 December of the previous year as appropriate, in relation to the tariff base for each of the relevant *industry blocks* set out in *part 2 of FEES 5 Annex 1R*.

... 5.4.1 R (4) For the purpose of *FEES 5.4.1R*, references to *relevant business* for a *firm* which falls in *industry block* 16 or 17 and which so elects under *part 2 of FEES 5 Annex 1R*, are references to the *firm’s* total amount of annual income reported in accordance with Part 2 of *FEES 4 Annex 1R*.

... 5.5 Case fees

Standard case fee

5.5.1 R *A firm or licensee* must pay to *FOS Ltd* the standard case fee specified in *part 3 of FEES 5 Annex 1R 3R* in respect of each *chargeable case* relating to that *firm or licensee* which is closed by the *Financial Ombudsman Service*, unless a special case fee is payable or has been paid in respect of that case under *FEES 5.5.6R to FEES 5.5.12R*.

... 5.5.4 R *Any firm* falling into either *industry block* 13 or *industry block* 15 in *part 2 of FEES 5 Annex 1R* is not required to pay the standard case fee in respect of *chargeable cases* relating to those *industry blocks*.

... Special case fees: complaints from small businesses

5.5.6 R *A firm* must pay to *FOS Ltd* a special case fee, as specified in *part 3 of FEES 5 Annex 1R 3R* in respect of each *chargeable case* relating to that *firm* closed by the *Financial Ombudsman Service* which was referred to the *Financial Ombudsman Service* by *eligible complainants* who fall within *DISP 2.7.3R(2), DISP 2.7.6R(12)(a) and DISP 2.7.6R(12)(a)*.
5.5.7 R A firm which ceases to be authorised must pay to FOS Ltd a special case fee, as specified in part 3 of FEES 5 Annex 3R, in respect of each chargeable case relating to that firm closed by the Financial Ombudsman Service which concerned an act or omission occurring when the firm was authorised and where the complaint was made after its authorisation ceased.

5.5.7A R DISP FEES 5.5.7R applies to persons which cease to be licensees in the same way as it applies to firms which cease to be authorised.

Special case fees: relevant complaints against persons who were subject to a former scheme

5.5.8 R An unauthorised person who is subject to the Compulsory Jurisdiction in relation to a relevant complaint must pay to FOS Ltd a special case fee as specified in part 3 of FEES 5 Annex 3R in respect of each chargeable case relating to that unauthorised person closed by the Financial Ombudsman Service.

5.5.10 R A firm which was a member of PIA before commencement must pay to FOS Ltd a special case fee, as specified in FEES 5 Annex 3R, in respect of each chargeable case relating to that firm received by the Financial Ombudsman Service after commencement and before 31 March 2002.

5.5.12 R A firm which was not a member of a former scheme before the commencement day must pay to FOS Ltd a special case fee, as specified in FEES 5 Annex 3R, in respect of each chargeable case which relates to business conducted by the firm after the commencement day and which is closed by the Financial Ombudsman Service before 31 March 2002.

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. Firms and payment service providers will continue to be liable for any case fees relating to chargeable cases closed by the Financial Ombudsman Service after they cease to be authorised, or cease to be payment service providers. Firms and payment service providers will be charged the standard case fee where the complaint was closed by the Financial Ombudsman Service before the end of the year in which their authorisation ceased or, as the case may be, they ceased to be payment service providers. The special case fee will apply to any complaint closed after the end of that year since the firm or payment
service provider will no longer be contributing to the general levy.

5 Annex 1 R  **Annual Fees Payable in Relation to 2010/11**

**Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2010/11**

Introduction: annual budget

1. The annual budget for 2010/11 approved by the FSA is £113.7m.

Part 1: General levy

2. The total amount expected to be raised through the general levy in 2010/11 will be £17.7m (net of £1.8m to be raised from consumer credit firms).

Part 2: Fee tariffs for general levy

**Compulsory jurisdiction - general levy**

<table>
<thead>
<tr>
<th>Industry block</th>
<th>Tariff base</th>
<th>General levy payable by firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Delete Parts 3, 3A and 4 of FEES 5 Annex 1 and insert the following new Annexes. The new text is not underlined.

5 Annex 2R  **Annual Levy Payable in Relation to the Voluntary Jurisdiction for 2010/11**

**Voluntary jurisdiction – annual levy for VJ participants**

<table>
<thead>
<tr>
<th>Industry block and business activity</th>
<th>Tariff basis</th>
<th>Tariff rate</th>
<th>Minimum levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1V Deposit acceptors, mortgage lenders and mortgage administrators, including debit/credit/charge card issuers and electronic money institutions</td>
<td>number of relevant accounts, adjusted in respect of e-money accounts on the same basis as for industry block 1 in FEES 5 Annex 1R</td>
<td>£0.0278</td>
<td>£100</td>
</tr>
<tr>
<td>2V VJ participants undertaking insurance activities subject only to</td>
<td>per £1,000 of relevant annual gross premium income</td>
<td>£0.103</td>
<td>£100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>prudential regulation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3V</strong></td>
<td><em>VJ participants</em> undertaking insurance activities subject to prudential and conduct of business regulation</td>
<td>Per £1,000 of relevant adjusted annual gross premium income</td>
<td>£0.025</td>
</tr>
<tr>
<td><strong>6V</strong></td>
<td>Intermediaries</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>7V</strong></td>
<td>Freight-forwarding companies</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>8V</strong></td>
<td>National Savings &amp; Investments</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>9V</strong></td>
<td>Post Office Limited</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>10V</strong></td>
<td>Persons not covered by 1V to 9V undertaking activities which would be regulated activities or payment services or consumer credit activities if they were carried on from an establishment in the United Kingdom</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**5 Annex 3R  Case Fees Payable for 2010/11**

<table>
<thead>
<tr>
<th></th>
<th>Standard case fee</th>
<th>Special case fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compulsory jurisdiction</td>
<td>£500</td>
<td>£500</td>
</tr>
<tr>
<td>Voluntary jurisdiction</td>
<td>£500</td>
<td>£500</td>
</tr>
<tr>
<td>Consumer credit jurisdiction</td>
<td>£500</td>
<td>£500</td>
</tr>
</tbody>
</table>

**Notes**

1. The definitions of standard case fee and special case fee are in FEES 5.5 (Case fees).
2. *Firms, licensees and VJ participants* will only be charged for the fourth and subsequent chargeable case in each financial year. The definition of chargeable case is in the Glossary to the Handbook.
Annex C

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

4.2.6  R  The following rules in FEES apply to VJ participants as part of the standard terms, but substituting 'VJ participant' for 'firm':

\[\ldots\]

(5)  \textit{FEES 5.3.8R} (calculation of general levy) but substituting \textit{part 4} \textit{FEES 5 Annex 2R} for \textit{part 2} \textit{FEES 5 Annex 1R};

(6)  \textit{FEES 5.4.1R} (information) but substituting:

(a)  'FOS Ltd' for 'the FSA'; and

(b)  \textit{part 4} \textit{FEES 5 Annex 2R} for \textit{part 2} \textit{FEES 5 Annex 1R};

(7)  \textit{FEES 5.5.1R} (standard case fee) but substituting \textit{part 4} for \textit{part 3};

\[\ldots\]

(12)  \textit{FEES 5 Annex 1R} (fees payable) \textit{FEES 5 Annex 2R} and \textit{FEES 5 Annex 3R}.

\[\ldots\]

Sch 4  Powers Exercised

\[\ldots\]

Sch 4.5  G  The powers to make rules relating to the Ombudsman Scheme are shared between the FSA and the FOS Ltd. FOS Ltd's rules are subject to FSA consent or approval. The rules made exclusively by FOS Ltd are:

\begin{tabular}{|c|c|}
\hline
\textit{FEES 5} & ... \\
\hline
\textit{FEES 5.9.1R} & \\
\hline
\textit{FEES 5 Annex 2R} & \\
\hline
\textit{FEES 5 Annex 3R} & \\
\hline
\textit{FEES 5 Annex 1R parts 3 and 4} & \\
\hline
\end{tabular}

\[\ldots\]