

**FEES MANUAL (FINANCIAL OMBUDSMAN SERVICE CASE FEES 2019/2020)
INSTRUMENT 2019**

Powers exercised by the Financial Ombudsman Service

A. The Financial Ombudsman Service Limited:

- (1) makes and amends the scheme rules relating to the payment of fees under the Compulsory Jurisdiction;
- (2) fixes and varies the standard terms for Voluntary Jurisdiction participants relating to the payment of fees under the Voluntary Jurisdiction; and
- (3) fixes and varies the standard terms for the Voluntary Jurisdiction,

as set out in the Annex to this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000:

- (a) section 225 (the scheme and the scheme operator)
- (b) section 227 (Voluntary jurisdiction);
- (c) paragraph 14 (The scheme operator's rules) of Schedule 17;
- (d) paragraph 15 (Fees) of Schedule 17; and
- (e) paragraph 18 (Terms of reference to the scheme) of Schedule 17.

B. The making and amendment of these scheme rules and fixing and variation of these standard terms by the Financial Ombudsman Service Limited is subject to the consent and approval of the Financial Conduct Authority.

Approval by the Financial Conduct Authority

C. The Financial Conduct Authority consents to the making and amendment of the scheme rules and approves the fixing and variation of the standard terms by the Financial Ombudsman Service Limited.

Commencement

D. This instrument comes into force on 1 April 2019, immediately after the Claims Management Instrument 2018 (FCA 2018/56).

Amendments to the Handbook

E. The Fees manual (FEES) is amended by the Board of the Financial Ombudsman Service in accordance with the Annex to this instrument.

Citation

F. This instrument may be cited as the Fees Manual (Financial Ombudsman Service Case Fees 2019/2020) Instrument 2019.

By order of the Board of the Financial Ombudsman Service Limited
6 March 2019

By order of the Board of the Financial Conduct Authority
28 March 2019

Annex

Amendments to the Fees manual (FEES)

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

**5 Annex Annual Levy Payable in Relation to the Voluntary Jurisdiction ~~2018/19~~
2R 2019/20**

Voluntary jurisdiction – annual levy for VJ participants				
Industry block and business activity		Tariff basis	Tariff rate	Minimum levy
1V	Deposit acceptors, mortgage lenders and mortgage administrators and debit/credit/charge card issuers and merchant acquirers	number of accounts relevant to the activities in <i>DISP</i> 2.5.1R	£0.0278	£100
2V	<i>VJ participants</i> undertaking general insurance activities	per £1,000 of gross written premium	£0.103	£100
3V	<i>VJ participants</i> undertaking life insurance activities	per £1,000 of gross written premium	£0.025	£100
6V	Intermediaries	n/a	n/a	£75
7V	Freight-forwarding companies	n/a	n/a	£75
8V	National Savings & Investments	n/a	n/a	£10,000
9V	Post Office Limited	n/a	n/a	£2,000
10V	Persons not covered by 1V to 9V undertaking activities which are: (a) <i>regulated activities</i> ; or (b) <i>payment services</i> ; would be if they were carried on from an establishment in the <i>United Kingdom</i>	n/a	n/a	£75
12V	Persons undertaking the	average outstanding	£0.10 per	£75

	activity which is the issuance of electronic money or would be if carried on from an establishment in the <i>United Kingdom</i>	electronic money as described in <i>FEES 4 Annex 11 Part 3</i>	£1000	
13V	Persons not covered by 1V to 9V undertaking activities which are CBTL activities or would be if they were carried on from an establishment in the <i>United Kingdom</i>	n/a	n/a	£75
14V	Persons not covered by 1V to 9V providing <i>credit information</i> , under the <i>Small and Medium Sized Business (Credit Information) Regulations</i> or providing <i>specified information</i> under the <i>Small and Medium Business (Finance Platforms) Regulations</i> or would be if it was carried on from an establishment in the <i>United Kingdom</i>	n/a	n/a	£75
15V	<u><i>VJ participants</i></u> undertaking activities relating to <u><i>claims management services</i></u>	<u>annual income</u>	<u>£50 plus £3 per £1,000 of annual income</u>	<u>£75</u>

Notes

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(5) For *VJ participants* undertaking activities relating to *claims management services* (fee-block 15V):

Income is defined as turnover.

“Turnover” means the sum of the amounts paid to, or received by, a *VJ participant* in respect of activities relating to *claims management services* carried on from an establishment in the *UK* or elsewhere in the *EEA* which are not *regulated claims management activity*, including:

(a) charges, commission, the share of any compensation, fees and subscriptions;

(b) the monetary value of any services received by the *VJ participant* where it makes no payment for those services or where the payment received is worth less than the monetary

value of the services; and

(c) the monetary value of any advertising in respect of the *VJ participant* that it has not paid for out of funds referred to in sub-paragraphs (a) and (b).

“Annual income” means the *VJ participant*’s annual turnover for the financial year ended in the calendar year ending 31 December.

5 Annex Case Fees Payable for ~~2018/19~~ 2019/20 **3R**

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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	<p>Barclays Group, comprising the following <i>firms</i>:</p> <ul style="list-style-type: none"> 3i BIFM Investments Limited Oak Pension Asset Management Limited 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
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	<p>Gerrard Financial Planning Ltd Gerrard Investment Management Limited Solution Personal Finance Limited Standard Life Bank Plc Woolwich Plan Managers Limited</p>
2	<p>HSBC Group, comprising the following <i>firms</i>: 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 Herveet 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 Marks & Spencer Savings and Investments Ltd Marks & Spencer Unit Trust Management Limited The Hongkong and Shanghai Banking Corporation Limited</p>
3	<p>Lloyds Banking Group, comprising the following <i>firms</i>: Aberdeen Investment Solutions Limited</p>

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

	<p>Scottish Widows Administration Services Limited</p> <p>Scottish Widows Annuities Limited</p> <p>Scottish Widows Bank Plc</p> <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> <p>Aviva International Insurance Limited</p> <p>Aviva Investors Global Services Limited</p> <p>Aviva Investors London Limited</p> <p>Aviva Investors Pensions Limited</p> <p>Aviva Investors UK Fund Services Limited</p> <p>Aviva Investors UK Funds Limited</p> <p>Aviva Life & Pensions UK Limited</p> <p>Aviva Life Services UK Limited</p> <p>Aviva Pension Trustees UK Limited</p> <p>Aviva Wrap UK Limited</p> <p>CGU Bonus Limited</p> <p>CGU Underwriting Limited</p> <p>Commercial Union Life Assurance Company Limited</p> <p>Gresham Insurance Company Limited</p> <p>Hamilton Life Assurance Company Limited</p> <p>Hamilton Insurance Company Limited</p> <p>Norwich Union Life (RBS) Limited</p> <p>Orn Capital LLP</p> <p>Scottish Boiler and General Insurance Company Ltd</p> <p>The Ocean Marine Insurance Company Limited</p> <p>World Auxiliary Insurance Corporation Limited</p> <p>Friends Annuities Limited</p>

	<p>Friends Life and Pensions Limited</p> <p>Friends Life FPLMA Limited</p> <p>Friends Life Investment Solutions Limited</p> <p>Friends Life Limited</p> <p>Friends Life Marketing Limited</p> <p>Friends Life Services Limited</p> <p>Friends Provident International Limited</p> <p>Optimum Investment Management Limited</p> <p>Sesame Limited</p>
6	<p>Direct Line Group, comprising the following <i>firms</i>:</p> <p>Churchill Insurance Company Limited</p> <p>UK Insurance Limited</p> <p>UK Insurance Business Solutions Limited</p>
7	<p>Nationwide Building Society Group comprising the following <i>firms</i>:</p> <p>Cheshire Building Society</p> <p>Derbyshire Building Society</p> <p>Derbyshire Home Loans Ltd</p> <p>Dunfermline Building Society (in building society special administration)</p> <p>E-Mex Home Funding Limited</p> <p>Nationwide Building Society</p> <p>Nationwide Independent Financial Services Limited</p> <p>Portman Building Society</p> <p>The Mortgage Works (UK) Plc</p> <p>UCB Home Loans Corporation Ltd</p>
8	<p>Santander Group, comprising the following <i>firms</i>:</p> <p>Abbey National Treasury Services Plc</p> <p>Abbey Stockbrokers Limited</p> <p>Cater Allen Limited</p> <p>Santander Cards UK Limited</p> <p>Santander Consumer (UK) Plc</p> <p>Santander UK Plc</p> <p>Santander ISA Managers Limited</p> <p>Hyundai Capital UK Limited</p>

Part 4 - Special case fees

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

1	<p>Proportions:</p> <p>(1) In the calculations that follow in (2), (3) and (4):</p> <p>new <i>chargeable cases (PPI)</i> for <i>group respondents</i> –</p> <p>A = twice the number of new <i>chargeable cases (PPI)</i> that were referred to the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> from 1 July to 31 December (both dates inclusive) in the immediately preceding <i>financial year</i>.</p> <p>new <i>chargeable cases (PPI)</i> for all <i>firms</i> –</p> <p>B = twice the number of new <i>chargeable cases (PPI)</i> that were referred to the <i>Financial Ombudsman Service</i> in respect of all <i>firms</i> (whether or not they are part of a <i>charging group</i>) from 1 July to 31 December (both dates inclusive) in the immediately preceding <i>financial year</i>.</p> <p>open <i>chargeable cases (PPI)</i> for <i>group respondents</i> –</p> <p>C = the number of <i>chargeable cases (PPI)</i> referred to the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> before 1 January in the immediately preceding <i>financial year</i> which had not been closed before 1 January in the immediately preceding <i>financial year</i>.</p> <p>open <i>chargeable cases (PPI)</i> for all <i>firms</i> –</p> <p>D = the number of <i>chargeable cases (PPI)</i> referred to the <i>Financial Ombudsman Service</i> in respect of all <i>firms</i> (whether or not they are part of a <i>charging group</i>) before 1 January in the immediately preceding <i>financial year</i> which had not been closed before 1 January in the immediately preceding <i>financial year</i>.</p> <p>new <i>chargeable cases (general)</i> for <i>group respondents</i> –</p> <p>E = twice the number of new <i>chargeable cases (general)</i> that were referred to the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> from 1 July to 31 December (both dates inclusive) in the immediately preceding <i>financial year</i>.</p> <p>new <i>chargeable cases (general)</i> for all <i>firms</i> –</p> <p>F = twice the number of <i>chargeable cases (general)</i> referred to the <i>Financial Ombudsman Service</i> in respect of all <i>firms</i> (whether or not they are part of a <i>charging group</i>) from 1 July to 31 December (both dates inclusive) in the immediately preceding <i>financial year</i>.</p> <p>open <i>chargeable cases (general)</i> for <i>group respondents</i> –</p> <p>G = the number of <i>chargeable cases (general)</i> that were referred to the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> before 1 January in the immediately preceding <i>financial year</i> which had not been</p>
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	<p>closed before 1 January in the immediately preceding <i>financial year</i>.</p> <p>open <i>chargeable cases (general)</i> for all <i>firms</i> –</p> <p>H = the number of <i>chargeable cases (general)</i> referred to the <i>Financial Ombudsman Service</i> in respect of all <i>firms</i> (whether or not they are part of a <i>charging group</i>) before 1 January in the immediately preceding <i>financial year</i> which had not been closed before 1 January in the immediately preceding <i>financial year</i>.</p>
	(2) ‘Proportion X’ for each <i>charging group</i> is a percentage calculated as follows – $A / B \times 100$
	(3) ‘Proportion Y’ for each <i>charging group</i> is a percentage calculated as follows – $\{A + C\} / \{B + D\} \times 100$
	(4) ‘Proportion Z’ for each <i>charging group</i> 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 <i>Financial Ombudsman Service</i> and comprises elements in respect of:
	(1) new <i>chargeable cases (PPI)</i> ;
	(2) closed <i>chargeable cases (PPI)</i> ; and
	(3) closed <i>chargeable cases (general)</i> ;
	with a free-case allowance of:
	(4) 125 new <i>chargeable cases (PPI)</i> ; and
	(5) 125 closed <i>chargeable cases (general)</i> .
3	The special case fee for each <i>charging group</i> is a total amount calculated as follows:
	(1) in respect of new <i>chargeable cases (PPI)</i> – $\{£0 \times [220,000 \ 250,000] \times \text{the ‘proportion X’}\} - \{£0 \times 125\}$
	(2) in respect of closed <i>chargeable cases (PPI)</i> – $£550 \times [250,000 \ 270,000] \times \text{the ‘proportion Y’}$
	(3) in respect of closed <i>chargeable cases (general)</i> – $\{£550 \times [160,000 \ 240,000] \times \text{the ‘proportion Z’}\} - \{£550 \times 125\}$
4	The <i>FOS Ltd</i> will invoice each <i>charging group</i> for the special case fee (calculated as above) in four equal instalments, payable in advance on the following dates during the <i>financial year</i> :
	(1) 1 April (or, if later, when <i>FOS Ltd</i> has sent the invoice);

	<p>(2) 1 July;</p> <p>(3) 1 October; and</p> <p>(4) 1 January.</p>
5	<p>Year-end adjustment:</p> <p>(1) If the actual number of new <i>chargeable cases (PPI)</i> referred to the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> during the <i>financial year</i> is more than 10,000 and is more than [115%] of {[220,000] <u>250,000</u>} x the 'proportion X':</p> <p>(a) the <i>FOS Ltd</i> will invoice the <i>relevant charging group</i>; and</p> <p>(b) the <i>relevant charging group</i> will pay to <i>FOS Ltd</i>;</p> <p>an additional £35,000 for each block of 100 (or part thereof) new <i>chargeable cases (PPI)</i> in excess of the [115%].</p> <p>(2) If the actual number of <i>chargeable cases (general)</i> closed by the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> during the <i>financial year</i> is more than [115%] of {[160,000] <u>240,000</u>} x the 'proportion Z':</p> <p>(a) the <i>FOS Ltd</i> will invoice the <i>relevant charging group</i>; and</p> <p>(b) the <i>relevant charging group</i> will pay to <i>FOS Ltd</i>;</p> <p>an additional £55,000 for each block of 100 (or part thereof) closed <i>chargeable cases (general)</i> over the [115%].</p> <p>(3) If the actual number of <i>chargeable cases (general)</i> closed by the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> during the <i>financial year</i> is less than [85%] of {[160,000] <u>240,000</u>} x the 'proportion Z', the <i>FOS Ltd</i> will promptly repay to the <i>relevant charging group</i> £55,000 for each block of 100 (or part thereof) closed <i>chargeable cases (general)</i> under the [85%].</p>