

**FEES MANUAL (FINANCIAL OMBUDSMAN SERVICE CASE FEES 2013/2014)
INSTRUMENT 2013**

Powers exercised by the Financial Ombudsman Service

- A. The Financial Ombudsman Service Limited makes this Instrument making and amending:
- (1) the rules and guidance relating to the payment of fees under the Compulsory Jurisdiction;
 - (2) the rules and guidance for licensees relating to the 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 (and amendment) of rules and standard terms by the Financial Ombudsman Service Limited is subject to the consent and approval of the Financial Conduct Authority.

Powers exercised by the Financial Conduct Authority

- C. The Authority has, in accordance with Article 5 of the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161) (the “Designation Order”), appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include functions of the Financial Conduct Authority exercisable before 1 April 2013.
- D. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- E. Section 39 of the Financial Services Act 2012 has been commenced for the purpose of, amongst other things, making (and amending) rules and standard terms.
- F. The persons appointed pursuant to Article 5 of the Designation Order approve and consent to the making and amendment of the rules and standard terms that are made and amended by the Financial Ombudsman Service Limited under this Instrument pursuant to the following powers of the Act:
- (a) section 226A (Consumer credit jurisdiction);

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

Commencement

G. This Instrument comes into force on 1 April 2013.

Amendments to the Handbook

- H The Glossary of definitions is amended by the Board of the Financial Ombudsman Service in accordance with Annex A to this Instrument.
- I The Fees manual (FEES) is amended by the Board of the Financial Ombudsman Service in accordance with Annex B to this Instrument.
- J The Dispute Resolution: Complaints sourcebook (DISP) is amended by the Board of the Financial Ombudsman Service in accordance with Annex C to this Instrument.

Citation

- K. This Instrument may be cited as the Fees Manual (Financial Ombudsman Service Case Fees 2013/2014) Instrument 2013.

By order of the Board of the Financial Ombudsman Service Limited

20 March 2013

Approved and consented to by the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body

19 March 2013

Annex A

Amendments to the Glossary of definitions

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

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

<i>chargeable case (general)</i>	a <i>chargeable case</i> that is not a <i>chargeable case (PPI)</i> .
<i>chargeable case (PPI)</i>	a <i>chargeable case</i> that, in the <i>Ombudsman's</i> opinion, falls wholly or partly within the scope of <i>DISP</i> App 3 (Handling Payment Protection Insurance Complaints).
<i>charging group</i>	as defined in <i>FEES 5</i> Annex 3R Part 3.
<i>group respondents</i>	all <i>respondents</i> identified as part of the relevant <i>charging group</i> as defined in <i>FEES 5</i> Annex 3R Part 3.

Amend the following as shown.

<i>financial year</i>	(1)	(in <i>DISP</i> and <u><i>FEES 5</i></u>) the 12 months ending with 31 March.
		...
<i>respondent</i>	(1)	(in <i>DISP</i> , <u><i>FEES 5</i></u> and <i>CREDS 9</i>) a <i>firm</i> (except a <i>UCITS qualifier</i>), <i>payment service provider</i> , <i>electronic money issuer</i> , <i>licensee</i> or <i>VJ participant</i> covered by the <i>Compulsory Jurisdiction</i> , <i>Consumer Credit Jurisdiction</i> or <i>Voluntary Jurisdiction</i> of the <i>Financial Ombudsman Service</i> .
	(2)	(in <i>DISP 2</i> and <i>3</i> and <u><i>FEES 5</i></u>) includes, as a result of sections 226 and 226A of the <i>Act</i> :
	(a)	an <i>unauthorised person</i> who was formerly a <i>firm</i> in respect of a <i>complaint</i> about an act or omission which occurred at the time when the <i>firm</i> was <i>authorised</i> , provided that the compulsory jurisdiction rules were in force in relation to the activity in question;
	(b)	a <i>person</i> who was formerly a <i>licensee</i> in respect of a <i>complaint</i> about an act or omission which occurred at the time when it was a <i>licensee</i> , provided the <i>complaint</i> falls

within a description specified in the consumer credit rules in force at the time of the act or omission;

- (c) a *person* who was formerly a *payment service provider* in respect of a *complaint* about an act or omission which occurred at the time when it was a *payment service provider*, provided that the compulsory jurisdiction rules were in force in relation to the activity in question; and
 - (d) a *person* who was formerly an *electronic money issuer* in respect of a *complaint* about an act or omission which occurred at the time when it was an *electronic money issuer*, provided that the compulsory jurisdiction rules were in force in relation to the activity in question.
- (3) (in *DISP 2 and 3 and FEES 5*) includes, in accordance with the *Ombudsman Transitional Order*, an *unauthorised person* subject to the *Compulsory Jurisdiction* in relation to *relevant existing complaints* and *relevant new complaints*.
- (4) (in *DISP 2 and 3 and FEES 5*) includes, in accordance with the *Mortgage and General Insurance Complaints Transitional Order*, a former *firm* subject to the *Compulsory Jurisdiction* in relation to *relevant transitional complaints*.

Annex B

Amendments to the Fees manual (FEES)

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

FEES 5.5A (Case fees) is deleted and replaced by the following new section. The deleted text is not shown, and the new section is not underlined.

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 4.2.6R*.
- 5.5B.3 R Any *firm* falling into either *industry block 13* or *industry block 15* in *FEES 5 Annex 1R* 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.5R*.
- 5.5B.7 R A *firm, payment service provider* or *electronic money issuer* which is exempt under *DISP 1.1.12R* is also exempt from *FEES 5.5B*, save that it 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 *DISP 5.5B.12R* 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.12R* 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.12R*, 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 *DISP 5.5B.17R* in respect of *chargeable cases (PPI)* referred to the *Financial Ombudsman Service* before 1 April 2013.
- 5.5A.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.16R 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*, *licensee* or *VJ participant* (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.29R* 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.27R* 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.29R* 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.27R* and/or *FEES 5.5B.28R* 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.

Amend the following as shown.

5 Annex 2R Annual Levy Payable in Relation to the Voluntary Jurisdiction for ~~2012/13~~ 2013/14

Voluntary jurisdiction – annual levy for VJ participants				
Industry block and business activity		Tariff basis	Tariff rate	Minimum levy
1V	Deposit acceptors, <u>mortgage lenders</u> mortgage lenders and <u>mortgage administrators</u> mortgage administrators and debit/credit/charge card issuers and merchant acquirers	number of accounts relevant to the activities in <i>DISP 2.5.1R</i>	£0.0278	£100
2V	<i>VJ participants</i> undertaking general insurance activities	per £1,000 of relevant annual gross premium income	£0.103	£100
3V	<i>VJ participants</i> undertaking life insurance activities	Per £1,000 of relevant adjusted annual gross premium income	£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> or (c) <i>consumer credit activities</i> ; or 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 activity which is the issuance of electronic money or would be if carried on from an establishment in the <i>United Kingdom</i>	Average outstanding electronic money as described in <i>FEES</i> 4 Annex 11R Part 3	£0.15 per £1,000	£75

5 Annex 3R Case Fees Payable for ~~2012/13~~ 2013/14

Part 1 – Standard case fees		
	Standard case fee	Special case fee
In the: Compulsory jurisdiction; Consumer credit jurisdiction; and Voluntary jurisdiction	£500 [£550]	500

Notes	
1	The definitions <u>definition</u> of standard case fee and special case fee <u>are</u> is in <i>FEES</i> 5.5A <u>5.5B</u> (Case fees). The definition of <i>chargeable case</i> is in the Glossary to the <i>Handbook</i> .
2	The standard case fee or special case fee will be invoiced by the <i>FOS Ltd</i> on or after the date the case is closed.

3	A firm, licensee or VJ participant <u>respondent</u> will only be invoiced a case fee for the fourth <u>26th</u> and subsequent chargeable case in each <i>financial year</i> .
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Part 2 – Supplementary case fees			
		Standard Supplementary case fee	Special case fee
In the: Compulsory jurisdiction; Consumer credit jurisdiction; and Voluntary jurisdiction	For the 26th and subsequent PPI mis- sale cases <u>chargeable cases (PPI)</u>	£350	350

Notes	
1	The definition of supplementary case fee is in FEES 5.5A <u>5.5B</u> (Case fees). The definition of chargeable case <u>chargeable case (PPI)</u> is in the Glossary to the <i>Handbook</i> .
2	‘PPI mis sale cases’ means any case where, in the Ombudsman’s opinion, the complaint fell wholly or partly within the scope of DISP App 3 (Handling Payment Protection Insurance Complaints).
23	The supplementary case fee 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> .
34	The supplementary case fee will be invoiced for the 26th and subsequent PPI mis sale chargeable cases <u>chargeable cases (PPI)</u> against any firm, licensee or VJ participant respondent referred to the <i>Financial Ombudsman Service</i> in each <i>financial year</i> .

In FEES 5 Annex 3R insert the following new Parts after Part 2. The text is not underlined.

Part 3 – Charging groups	
The four <i>charging groups</i> , and their constituent <i>group respondents</i> , are listed below. They are based on the position at 31 December immediately preceding the <i>financial year</i> . 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> : ABSA Bank Limited Barclays Assurance (Dublin) Limited Barclays Bank Ireland Plc Barclays Bank Plc

	<p>Barclays Bank S.A.</p> <p>Barclays Bank Trust Company Limited</p> <p>Barclays Capital Securities Limited</p> <p>Barclays Capital Strategic Advisers Limited</p> <p>Barclays Courtage</p> <p>Barclays Infrastructure Funds Management Limited</p> <p>Barclays Insurance (Dublin) Limited</p> <p>Barclays Insurance Services Company Limited</p> <p>Barclays Mediador Operador de Banca Seguros Vinculado, S.A.</p> <p>Barclays Mercantile Business Finance Limited</p> <p>Barclays Patrimoine</p> <p>Barclays Private Clients International Limited</p> <p>Barclays Sharedealing</p> <p>Barclays Stockbrokers Limited</p> <p>Barclays Wealth Funds Ltd</p> <p>Clydesdale Financial Services Limited</p> <p>CNP Barclays Vida y Pensiones Compania de Seguros S.A.</p> <p>Firstplus Financial Group Plc</p> <p>Gerrard Financial Planning Ltd</p> <p>Gerrard Investment Management Limited</p> <p>Home Retail Group Personal Finance Ltd</p> <p>Intelenet Global Services Private Limited</p> <p>Solution Personal Finance Limited</p> <p>Standard Life Bank Plc</p> <p>Thomas Cook Personal Finance Ltd</p> <p>Woolwich Plan Managers Limited</p>
2	<p>HSBC Group, comprising the following <i>firms</i>:</p> <p>Catalina Insurance Ireland Limited</p> <p>CL Residential Limited</p> <p>Halbis Capital Management (UK) Limited</p> <p>HFC Bank Limited</p> <p>HSBC Alternative Investments Limited</p> <p>HSBC Bank Malta plc</p> <p>HSBC Bank plc</p> <p>HSBC Bank USA NA, London Branch</p>

	<p>HSBC de Baecque Beau</p> <p>HSBC Financial Products (France)</p> <p>HSBC France</p> <p>HSBC General Insurance Services (UK) Limited</p> <p>HSBC Global Asset Management FCP (France)</p> <p>HSBC Global Asset Management (UK) Limited</p> <p>HSBC Hervet</p> <p>HSBC Index Tracker Investment Funds</p> <p>HSBC International Financial Advisers (UK) Limited</p> <p>HSBC Investment Funds</p> <p>HSBC Life (Europe) Limited</p> <p>HSBC Life (UK) Limited</p> <p>HSBC Picardie</p> <p>HSBC Private Bank (Luxembourg) S.A.</p> <p>HSBC Private Bank (UK) Limited</p> <p>HSBC Securities (France)</p> <p>HSBC Securities SA</p> <p>HSBC Securities (USA) Inc</p> <p>HSBC Specialist Investment Funds Ltd</p> <p>HSBC Trinkaus & Burkhardt AG</p> <p>HSBC Trust Company (UK) Ltd</p> <p>HSBC UBP</p> <p>HSBC Van Meer James Capel NV</p> <p>InfraRed Capital Partners Limited</p> <p>InfraRed (Infrastructure) Capital Partners Limited</p> <p>Marks and Spencer Life Assurance Limited</p> <p>Marks & Spencer Financial Services plc</p> <p>Marks & Spencer Savings and Investments Ltd</p> <p>Marks & Spencer Unit Trust Management Limited</p> <p>Sinopia Asset Management (UK) Limited</p> <p>The Hongkong and Shanghai Banking Corporation Limited</p>
3	<p>Lloyds Banking Group, comprising the following <i>firms</i>:</p> <p>AMC Bank Ltd</p> <p>Bank of Scotland (Ireland) Limited</p> <p>Bank of Scotland Plc</p>

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

	<p>Scottish Widows Fund Management Limited</p> <p>Scottish Widows Investment Partnership Investment</p> <p>Scottish Widows Investment Partnership Limited</p> <p>Scottish Widows plc</p> <p>Scottish Widows Tracker and Specialist Investment Funds ICVC</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>SWIP Fund Management Limited</p> <p>SWIP Multi-Manager Funds Limited</p> <p>The Mortgage Business Plc</p> <p>Uberior Fund Manager Ltd</p>
4	<p>RBS/NatWest Group, comprising the following <i>firms</i>:</p> <p>Adam & Company Investment Management Ltd</p> <p>Adam & Company Plc</p> <p>Coutts & Company</p> <p>Coutts Finance Company</p> <p>First Active plc</p> <p>National Westminster Bank Plc</p> <p>National Westminster Home Loans Limited</p> <p>NatWest Stockbrokers Ltd</p> <p>RBEF Limited</p> <p>RBS Asset Management (ACD) Ltd</p> <p>RBS Asset Management Ltd</p> <p>RBS Collective Investment Funds Limited</p> <p>RBS Corporate Finance Limited</p> <p>RBS Equities (UK) Limited</p> <p>RBS Index Tracker Funds ICVC</p> <p>RBS Investment Executive Limited</p> <p>Star Capital Partners Limited</p> <p>The Royal Bank of Scotland (Gibraltar) Ltd</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>

Topaz Finance PLC
Ulster Bank Ireland Limited
Ulster Bank Ltd

Part 4 – Special case fees

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

1	Proportions:
	<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 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> – $\{£350 \times [250,000] \times \text{the ‘proportion X’}\} - \{£350 \times 125\}$
	(2) in respect of closed <i>chargeable cases (PPI)</i> – $£550 \times [245,000] \times \text{the ‘proportion Y’}$
	(3) In respect of closed <i>chargeable cases (general)</i> – $\{£550 \times [140,000] \times \text{the ‘proportion Z’}\} - \{£550 \times 125\}$
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);
	(2) 1 July;

	<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 115% of {[250,000] 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 {[140,000] 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) new <i>chargeable cases (PPI)</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 {[140,000] 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>

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*':
- (1) *FEES* 2.2.1R (late payment) but substituting '*FOS Ltd*' for 'the *FCA*';
 - (2) *FEES* 2.3.1R and 2.3.2R (remission of fees);
 - (3) *FEES* 4.2.6R(1)(b) (periodic fees);
 - (4) *FEES* 5.3.6R (general levy) but substituting:
 - (a) '*Voluntary Jurisdiction*' for '*Compulsory Jurisdiction*'; and
 - (b) '*FOS Ltd*' for 'the *FCA*';
 - (5) *FEES* 5.3.8R (calculation of general levy) but substituting '*FEES* 5 Annex 2R' for '*FEES* 5 Annex 1R';
 - (6) *FEES* 5.4.1R (information) but substituting:
 - (a) '*FOS Ltd*' for 'the *FCA*'; and
 - (b) '*FEES* 5 Annex 2R' for '*FEES* 5 Annex 1R';
 - (7) ~~*FEES* 5.5A.6R (standard case fee)~~ *FEES* 5.5B (case fees);
 - (8) ~~*FEES* 5.5A.13R (special case fee)~~; [deleted]
 - (9) ~~*FEES* 5.5A.24 R (case fee exemption)~~; [deleted]
 - (10) *FEES* 5.7.1R and 5.7.4R; ~~*FEES* 5.5A.28R and *FEES* 5.5A.30R (payment)~~ but substituting, in *FEES* 5.7.1R, 'the *FOS Ltd*' for 'the *FCA*' and 'annual levy specified in *FEES* 5 Annex 2R' for '*general levy*';
 - (11) *FEES* 5.8.1R (joining the Financial Ombudsman Service); and
 - (12) *FEES* 5 Annex 2R and *FEES* 5 Annex 3R.

...

Schedule 4 Powers Exercised

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Sch 4.5G

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

...	
<i>FEES 5</i>	<i>FEES 5.5A</i> <u><i>5.5B</i></u> (all rules) <i>FEES 5 Annex 2R</i> <i>FEES 5 Annex 3R</i>