



An tOmbudsman Seirbhísí  
Airgeadais agus Pinsean  
Financial Services and  
Pensions Ombudsman

## **Presentation to the Joint Committee on Public Petitions**

**By Liam Sloyan**

**Financial Services and Pensions Ombudsman**

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### **Background**

Good afternoon, Chairman, Deputies and Senators. I am pleased to have the opportunity, together with my colleague, Deputy Financial Services and Pensions Ombudsman MaryRose McGovern, to engage with you today on the work of the Office of the Financial Services and Pensions Ombudsman (FSPO).

The FSPO was established in January 2018 by the Financial Services and Pensions Ombudsman Act 2017. The role of the FSPO is to resolve complaints from consumers, including small businesses and other organisations, against financial service providers and pension providers.

The FSPO provides an independent, fair, impartial, confidential and free service to resolve complaints through either informal mediation, leading to a potential settlement agreed between the parties, or formal investigation and adjudication, leading to a legally binding decision. In delivering this important role the FSPO has a real impact on the lives of people who use our services and on the market environment.

When any consumer, whether an individual, a small business or an organisation, is unable to resolve a complaint or dispute with a financial service provider or a pension provider, they can refer their complaint to the FSPO.

Complaints are dealt with by the FSPO informally at first, by listening to both parties and engaging with them to facilitate a resolution that is acceptable to both. Much of this informal engagement takes place by telephone. Where these early interventions do not resolve the dispute, the FSPO formally investigates the complaint and issues a decision that is legally binding on both parties, subject only to a statutory appeal to the High Court.

### **Complaints against Financial Service Providers**

The Oireachtas has given me wide-ranging powers to deal with complaints against financial service providers. I can look beyond the contractual terms and consider the fairness and reasonableness of the conduct complained of. I can direct compensation of up to €500,000

and I can also direct a provider to rectify the conduct that is the subject of the complaint, noting that there is no limit to the value of the rectification.

In addition, every spring, I publish a summary of all complaints received during the previous calendar year, together with trends and statistical analysis, within my statutory Overview of Complaints. My Overview of Complaints 2022 was published on 24 March 2023 setting out these details, together with a breakdown of the methods used to resolve complaints during 2022, and the outcomes achieved. My Overview also included my report on the names of any financial service provider that had at least three complaints against it upheld, substantially upheld, or partially upheld during 2022.

My statutory powers also include the publication of anonymised decisions issued in complaints about the conduct of financial service providers, which I refer to in more detail below.

### **Complaints against Pension Providers**

When dealing with complaints against pension providers, the legislation empowers me to direct redress. However, such redress cannot exceed any actual loss of benefit under the pension scheme concerned. In relation to pension complaints, I can publish anonymised case studies.

### **Delivering for our customers**

The important statutory role of this Office provides consumers, including small businesses, with an avenue of redress, in sometimes challenging and difficult circumstances, where their complaints remain unresolved. Against this background, this Office strives to provide the best possible services to all our customers and to effectively and efficiently manage every complaint we receive. People's experiences are at the core of our service and the hallmark of our success is to manage complaints in line with our values and dedication to public service.

The Overview of Complaints 2022 includes an analysis of all complaints made, a review of trends and patterns in the making of complaints and a breakdown of the method by which complaints were dealt with, during that year. I am attaching some publications to this opening statement, for ease of reference, including the 2022 Overview of Complaints.

During 2022, this Office continued to process high numbers of complaints, with 4,781 complaints received. The FSPO closed 4,647 complaints in the same period and delivered impactful outcomes for our customers including financial outcomes totalling over €5 million for individual complainants.

Of the complaints closed in 2022, 28% included an element of poor customer service from providers. This is a disappointing increase from what was already a significant volume in 2021, at 23% of complaints. Customer service issues can include a provider's failure to provide information, complaint handling issues and accessibility and communication issues. The financial outcomes mentioned above do not include the very significant benefits of

redress by rectification, secured by complainants, through a legally binding direction, examples of which are included in the Overview of Complaints.

Mediation facilitated by the FSPO continues to be an attractive, informal option for our customers, both complainants and providers, so that they themselves can design a suitable resolution to the complaint which is mutually acceptable, without the need for the FSPO to undertake a formal investigation.

It is also clear to me that many complaints could, and indeed should, be resolved without the need for a complainant to engage with my office. During 2022, some 45% of complaints I received were resolved at a very early stage, during the registration and assessment process. Taking those early resolutions and additional mediated settlements together, 82% of complaints resolved during 2022, achieved resolutions without the need for a legal assessment of eligibility, and without the need for a legally binding decision.

## **Annual Report 2021**

The FSPO's 2021 Annual Report reflects the framework of our current Strategic Plan, which covers the period 2021-2024. The Plan builds on the FSPO's delivery in its first three years of operation following its establishment in 2018. Under its Strategic Plans the FSPO has successfully concluded 25,801 complaints over the last five years. The priorities outlined reflect both the FSPO's statutory role and its values and reflect our ambition to evolve and innovate our services and focus on customers, external stakeholders and audiences.

One aspect of our role in this framework is to encourage the resolution of complaints at the earliest and most appropriate stage and to help raise standards in complaints handling and resolution by providers of financial services and pension products, through their internal dispute resolution processes.

In implementing our strategic priority, Sharing and Influencing, the potential to resolve complaints at an earlier stage has been highlighted to our stakeholders and to those working in the industry, to encourage a more responsive service from providers, which could prevent such complaints arising, very much to everyone's benefit.

We are proactive in our commitment to engage with and keep informed, Government, regulators and policy makers, highlighting trends and systemic issues arising from complaint outcomes.

To this end, during 2021, this Office formally referred 13 legally binding decisions in financial service complaints, to the Central Bank of Ireland (CBI) and two complaints to the Pensions Authority, while in 2022, 10 decisions were referred to the CBI. This is an important part of our role, and these referrals, in addition to the ongoing sharing of information with the regulatory authorities on areas of mutual interest, help to ensure that issues and conducts evident in complaints made to this Office, can be considered from a regulatory perspective.

Areas of mutual interest include tracker mortgage interest rate related decisions and business interruption related decisions. To this end, we also shared 134 tracker mortgage related decisions and 19 business interruption related decisions with the CBI, in 2022.

## **Fraud**

During 2021, there was a noticeable increase in the number of complaints made to the FSPO in the area of investment fraud and cryptocurrency and this trend continued into 2022. The Overview contains a number of case studies where the consumer identified what they described as fraudulent activity on their bank account. While the FSPO cannot investigate instances of fraud, as such matters are for An Garda Síochána, or for the Courts, the FSPO can investigate complaints about unauthorised transactions and complaints which relate to service failings of the provider in dealing with a customer who suspects criminal activity on their account. The Overview highlights the varied and challenging circumstances that lead to complaints of this nature.

## **Tracker Mortgages**

In relation to tracker mortgage interest rate related complaints, where the first of such complaints were received by the Financial Services Ombudsman's Bureau in 2008, the number of complaints received is now on a downward trajectory. However, it is notable that 139 new complaints of this nature were made to the FSPO in 2022. Against that, 247 tracker mortgage interest rate complaints were closed in 2022, with a legally binding decision issued in 134 of those complaints, three of which upheld the complaint. In publishing the Overview, I have highlighted the common arguments raised in tracker mortgage interest complaints, which may be of interest to complainants, their representatives and providers.

## **Market Exits**

The departure of two major financial service providers from the Irish market posed the potential for a high volume of complaints to be made to this Office, given the number of impacted customers. During 2022, this Office received around 100 complaints identified as relating to market exit, though not all of these complaints were in relation to the conduct of those providers leaving the market. It is very positive that, to date, for the vast majority of impacted consumers, the departure of two major banks has not given rise to issues leading to a complaint being made to this Office.

The FSPO contributes to this outcome by collaboratively engaging and sharing complaint categorisation information with relevant stakeholders within the Irish banking landscape, including with the providers leaving the market.

## **Publication of decisions**

The Oireachtas has granted this Office the power to publish anonymised legally binding decisions regarding complaints against financial service providers. To date, more than 2,000 such decisions have been published and are available online through the FSPO website, thereby offering an insight into my approach to issues raised by such complaints. The database offers search facilities to select decisions by product, by sector and by outcome.

I periodically publish themed Digests of Decisions, to highlight a particular product or issue to the public, such as the Digest of Travel Insurance Decisions, and the Digest of Health Insurance Decisions, published during 2022. There are now eight Digests of Decisions available on the FSPO website, as a permanent resource to the public.

During 2021, in my February Digest, I highlighted the wide range of banking, insurance and pension related issues giving rise to complaints to the FSPO. In July 2021, I focused on complaints made by businesses, including 12 decisions relating to business interruption insurance. It was clear in these decisions that the circumstances surrounding COVID-19 related business interruption claims, were exceptionally difficult for many of those businesses that brought their complaints to us, with impacts including the loss of the ability to trade, loss of stock and loss of rental income.

The publication of anonymised decisions and of the Digests of Decisions ensure that the legally binding decisions of this Office are accessible to the widest possible audience and that the issues leading to complaints to this Office are highlighted to consumers, financial service providers and policymakers.

## **COVID-19**

As for all organisations, the impact of COVID-19 continued in 2021 and 2022. We were very conscious of the ongoing significant impact of the pandemic for our customers, and where complaints arose as a result of the pandemic, we continued to ensure the efficient management of these new complaints.

In addition to 600 COVID-19 related complaints received in 2020, a further 275 new complaints of this nature were received in 2021 followed by 69 such complaints in 2022.

During 2022, copies of 19 business interruption insurance decisions arising from COVID-19 were shared by the FSPO, with the CBI.

## **Commitment to our customers**

In delivering on our ambitious Strategic Plan, and in particular, with regard to our commitment to continue to adapt and evolve our service to both anticipate and respond to the changing needs and expectations of all our customers, in 2021, we carried out internal and external consultation to develop our Customer Charter and our new Customer Action Plan, shaping the standard of service and behaviour that should underpin the FSPO's interactions with all customers. Our revised Customer Charter and Action plan was published in 2022.

The FSPO recognises that the customer experience of our own service users, is a continuation of a consumer's journey in seeking to resolve their financial service complaint or pension complaint, and that the provision of good customer service is not something that we can only hold financial service providers and pension providers accountable for. This Office continues to work to place consumers and their providers, at the heart of our processes and to contribute to making their complaint journey a fair, efficient and effective one, regardless of the eventual outcome.

### **Connecting and Engaging**

In addition to sharing our insights with the regulatory authorities, providers and their representative bodies, the FSPO recognises the value of our information for consumers. Our Strategic Plan establishes "Connecting and Engaging" as a strategic priority for the FSPO.

We undertook a market research exercise in 2021 to measure public awareness of the FSPO and awareness and understanding of our functions. We developed our first online videos which are accessible to all users through the use of clear, plain English content and voiceover, optional subtitles and the provision of a video transcript on our website, for those who are visually impaired. The objective of these videos is to provide information to our service users about the services we offer and how they work.

In delivering against this strategic priority, the FSPO has continued to use social media as a communications tool, in addition to more traditional communications channels. We have engaged targeted social media campaigns across several digital platforms, including our own Facebook page, which was launched in 2022. This has proved to be an effective and economical method of raising awareness of our services, across a wide demographic.

The increasing use of online services, in all areas of our lives, may well have been accelerated by the pandemic but it appears set to continue. This is reflected in the proportion of complaints received by this Office in 2022 through our website – 80% of complaints received in 2022 used our online complaint form. This represents an increase from 58% in 2020 and 74% in 2021. While the ability to make complaints to this Office online may be the preference for most, we have also ensured that we continue to make alternative methods available, where complainants need or choose non-digital communication methods.

To assist our customers, we have produced 4 information leaflets, which have been disseminated through providers and stakeholder groups, as well as through our own services, at appropriate points in our process. FSPO participated in a large-scale public event in August 2021 to increase our visibility and to connect and engage with potential customers of our service. Additionally, targeting of regional print and broadcast alongside national media has led to a significant increase in coverage, bringing greater awareness of our organisation, its decisions and outcomes.

As a public body, we are committed to ensuring the accessibility of our services, while harnessing the efficiency made possible by digitalisation.

## **Conclusion**

I thank the Committee for the opportunity to engage with it today. The Office of the Financial Services and Pensions Ombudsman plays a vital role in Ireland's consumer protection framework. We are guided by our values of fairness, integrity, independence, accessibility and effectiveness. These values are at the very heart of how we approach our daily work and interactions with our customers. We are committed to improving our services, focussing on engaging with, and influencing, our external environment. I want to thank and commend the staff of the FSPO for their continued commitment, hard work and dedication throughout 2021 and 2022. We will be very happy to answer any questions members may have.