



An tOmbudsman Seirbhísí
Airgeadais agus Pinsean
Financial Services and
Pensions Ombudsman

Financial Services and Pensions Ombudsman publishes Overview of 2021 Complaints

Ombudsman highlights importance of consumers being aware of who they are dealing with and the risk of investment fraud

Overview details financial service providers against which three or more complaints were upheld in 2021

28 March 2022: The Financial Services and Pensions Ombudsman (Acting), MaryRose McGovern, has today published an [Overview of Complaints for 2021](#), detailing the activities of the Office of the Financial Services and Pensions Ombudsman (FSPO) in 2021. The Overview details the trends in the 4,658 complaints received by the FSPO in 2021 and details the value of more than €7m in complaint outcomes during 2021, including:

- €4.6m in mediated settlements in 1,153 complaints in the FSPO's Dispute Resolution Service.
- €941,328 in compensation to complainants directed in the Ombudsman's legally binding decisions following the formal investigation process.
- €944,167 paid to complainants by providers to resolve complaints during the FSPO's formal investigation process.
- A further €667,993 in redress from providers, available for acceptance by complainants. 91 complaints were not upheld because the offer in question was reasonable and adequate to redress the conduct leading to the complaint, and no formal direction by the Ombudsman was required.

In total, the FSPO closed 5,010 complaints in 2021, and the Overview details the manner in which these complaints were closed and the outcome of complaints. In accordance with the FSPO's governing legislation, the Overview identifies those financial service providers against which three or more complaints were upheld, during 2021.

Key statistics in the Overview include:

- 4,658 complaints were received in 2021 and 5,010 complaints were closed through the FSPO's various processes.
- 23% of complaints concerned an issue of customer service.
- Banking complaints represented 57% of all complaints received, and the conduct most complained of for those banking complaints was customer service.
- Complaints concerning mortgages accounted for 23% of all complaints received in 2021. This includes 250 new tracker mortgage complaints during 2021, twelve years after the first tracker mortgage complaints were received in 2009 by the FSPO's predecessor, the Financial Services Ombudsman's Bureau.
- 27% of complaints (1,257) received related to insurance products, with complaints most commonly concerning claim handling or rejection of an insurance claim.
- 8% of complaints (352) received related to investment products, an increase on the previous year. Maladministration and customer service issues were the conducts most complained of,

but an emerging theme is one of online investment fraud, and risks from online engagement.

- 4% of complaints (186) received related to pension schemes, with maladministration accounting for 30% of the complaints received.
- In addition to 600 COVID-19 related complaints received in 2020, a further 275 new complaints were received in 2021 where the complainant introduced COVID-19 as an element of their complaint.

On publishing the Overview of Complaints 2021, the Financial Services and Pensions Ombudsman (Acting), MaryRose McGovern said: *"In 2021, the FSPO delivered significant outcomes for complainants with €4.6m in mediated settlements achieved through our Dispute Resolution Service and €941,328 in compensation directed in legally binding decisions. In addition, over €944,000 was paid to complainants by providers to resolve complaints during the formal investigation process. 91 complaints were not upheld due to a reasonable and adequate offer of redress being available for acceptance by the complainant and these offers totalled €667,993. These outcomes demonstrate the monetary value of the services provided by the FSPO during 2021. What is less quantifiable is the importance of having an avenue of redress in sometimes challenging and difficult circumstances where complaints against financial service providers or pension providers remain unresolved."*

Ms. McGovern continued, *"It is notable that 23% of the complaints made to this Office in 2021 were complaints about poor customer service from financial service providers. It is clear that many customers experience frustration with the level of customer service available from their provider when the customer is seeking to engage, and it seems that a more responsive service from providers could avoid many such complaints arising. The FSPO's current Strategic Plan outlines that we will play our full part in helping to raise standards in complaints handling and resolution so that where possible, customer complaints are prevented from arising, and where such complaints arise, fairer outcomes are achieved. In this regard, I hope that the publication of this Overview, in addition to our regular publication of legally binding decisions and Digests of Decisions, will help to influence how financial service providers deal with complaints from their customers and promote the adequate resourcing of complaints-handling."*

The Overview of Complaints contains numerous case studies of complaints concluded in 2021, across the FSPO's services. These case studies highlight trends, including a noticeable increase in the number of complaints made to the FSPO in the area of investment fraud and cryptocurrency where the financial and personal impact of these fraud incidents was very significant.

For example:

- Philippa borrowed €20,000 to make a further investment in what she believed was cryptocurrency and later discovered it was a scam.
- Pavel borrowed €20,000 through an overdraft and an online loan, after a fraudulent investment company told him his investment had grown to €5,000, and he needed to lodge €20,000 to retrieve it.
- Cathal invested up to €20,000 with a fraudulent cryptocurrency investment.
- Tom lost €60,000 over a period of 3 months, when he instructed his bank to transfer funds to what he believed was an investment platform, but which transpired to be a fraudulent company.
- Noah lost €29,000 when he was tricked into using an incorrect IBAN, for his transfer of funds.

Commenting on the growth in complaints related to investment fraud, Ms. McGovern commented that *“Global advances in technology across the digital world over the last ten years, have unsurprisingly, left many consumers at a disadvantage in terms of their digital knowledge. Consumers should be mindful of the risks posed by investing in unregulated activities, such as cryptocurrency trading, which very often carries a higher risk and level of volatility, than regulated product offerings. The widespread availability of financial services online creates opportunities for consumers to shop around and gain access to a wide variety of financial products. However, this also carries significant risks, if a consumer is not familiar with the financial service provider they are dealing with, or if the consumer does not understand whether that provider is regulated, and whether the protections afforded by the consumer protection framework, are in place.”*

In addition to the publication of the Annual Overview of Complaints, the Ombudsman publishes the full text of legally binding decisions. The [Database of Decisions](#) on www.fspo.ie currently includes over 1,500 decisions published to date. By proactively publishing decisions and case studies of complaints concluded, the FSPO aims to enhance transparency and understanding of the powers of the Ombudsman and the services the FSPO provides.

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Tá an OSAP ar fáil le hagallaimh a dhéanamh trí mheán na Gaeilge.

Notes to Editor

- In accordance with Section 10(1)(d) of the Financial Services and Pensions Ombudsman Act 2017 (the Act), Ms. MaryRose McGovern was appointed Financial Services and Pensions Ombudsman (Acting), by the Minister for Finance, with effect from 6 February 2022 until such time as the appointment of an Ombudsman is made, under Section 8(1) of the Act, and for not more than 12 months.
- The services of the FSPO are available to consumers including businesses and other entities with a turnover not exceeding €3million.
- The FSPO deals with complaints informally at first, by listening to both parties and engaging with them to facilitate a resolution that is acceptable to both. Informal mediation allows a faster resolution. When these early interventions do not resolve the dispute, the FSPO investigates the complaint and subsequently issues a decision that is legally binding on both parties, subject only to a statutory appeal to the High Court. The FSPO publishes a list of active statutory appeals on its [website](#).
- The Ombudsman can direct a financial service provider to pay compensation of up to €500,000 to a complainant and/or to rectify the conduct that is the subject of the complaint. There is no limit on the value of the rectification that can be directed.
- Decisions are available at www.fspo.ie/decisions