



An tOmbudsman Seirbhísí  
Airgeadais agus Pinsean

Financial Services and  
Pensions Ombudsman

## **Financial Services and Pensions Ombudsman publishes Overview of 2020 Complaints, highlighting 35% increase in complaints closed on previous year**

Complainants benefitted from compensation, redress and settlements through the FSPO's services to the value of €6.34 million

**30 March 2021:** The Financial Services and Pensions Ombudsman, Ger Deering, has today published an **Overview of Complaints for 2020**, detailing the activities of the Office of the Financial Services and Pensions Ombudsman (FSPO) in 2020. The Overview of Complaints highlights that the FSPO received 5,395 complaints in 2020 and closed 6,193 complaints.

The Overview of Complaints provides a summary of the activities of the FSPO during 2020 and analyses the sectors, financial products and conduct leading to complaints to the FSPO. It provides a summary of the 5,395 complaints made to the FSPO in 2020 and details the individual financial service providers against which three or more complaints were upheld, substantially upheld or partially upheld in 2020. Key statistics in the Overview include:

### **Complaints received**

- 5,395<sup>1</sup> complaints were received in 2020
- 56% of complaints (2,782) related to banking products, with mortgage complaints accounting for 1,389 complaints to the FSPO in 2020
- 32% of complaints (1,579) received related to insurance products
- 6% complaints (278) received related to investment products
- 4% complaints (179) received related to pension schemes
- In 600 of the complaints received, the complainant identified Covid-19 as an element of their complaint.

### **Complaints closed**

- 6,193 complaints were closed in 2020, an increase of 35% on complaints closed by the FSPO in 2019
- A total of 1,897 complaints received compensation and/or redress or a settlement through the services of the FSPO in 2020, an increase of 498 on 2019. The total value of these outcomes amounts to €6.34 million comprising:
  - €3,778,000 agreed through mediation
  - €865,000 directed through legally binding decisions
  - €634,000 agreed in settlements made during investigation
  - €1,060,000 where complaints were not upheld because the provider had made an early offer that the Ombudsman determined was satisfactory to resolve the matter

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<sup>1</sup> When ineligible complaints were identified and referred elsewhere or closed, 4,930 complaints fell to be dealt with by the FSPO.

- 2,960 complaints were closed through the Dispute Resolution Service, which provides complainants and providers with a mediation service to resolve complaints. Of these 1,541 complaints were closed following a settlement in mediation and 1,255 received clarification.
- 494 legally binding decisions were issued following adjudication, compared with 439 in 2019. Of the legally binding decisions issued in 2020, 171 were fully, substantially or partially upheld, while 323 were not upheld. Of those not upheld, 82 of these complaints were not upheld because the provider had made an early offer to the complainant, which remained available, and the Ombudsman determined that the offer was satisfactory to resolve the matter. A further 172 complaints were settled between the parties during the formal investigation process with acceptance by the complainant of an offer of compensation from the provider.
- 1,401 complaints were closed after the Registration and Assessment process. The majority of these closed after the complainant was redirected to the provider. Complaints were also closed where the complainant withdrew or did not pursue their complaint.

On publishing the Overview of Complaints 2020, the Financial Services and Pensions Ombudsman, Ger Deering, said:

*“In 2020, my Office significantly increased the volume of complaints managed and concluded, with an increase of 35% in the number of complaints closed in comparison to 2019. This increase was achieved through the commitment of our staff, an ongoing focus on improving our processes and by increasing our staff numbers. This increase in complaints concluded is particularly notable given the challenges posed in 2020. During the year, in anticipation of the receipt of a considerable number of complaints arising from the Covid-19 pandemic, we put in place a number of measures to ensure the efficient management of these new complaints, as well as ensuring that any increase in complaint volumes would have minimal impact on the management of existing complaints.*

*The beneficial impact of this Office stretches beyond the complaints that we deal with. There is, rightly, a tendency to focus on the mediations and investigations that we conclude in any year. We invest considerable resources in these services and there can be no doubt they produce fair, impartial and beneficial outcomes for our customers. However, this is only part of the story. There are many consumers who do not make a complaint to the FSPO who, nevertheless, benefit from the intervention or work of this Office.*

*This was particularly evident, in 2020, when more than 7,000 consumers received rectification or compensation on foot of a number of decisions I issued. This was because several financial service providers applied the direction given in my decisions to other customers with similar circumstances. This is a practice I particularly welcome. It has been publicly recorded that the value of this redress to such other customers, in such circumstances, exceeded €300 million.”*

Mr. Deering concluded:

*“Of those who did bring complaints to this Office in 2020 I am pleased to report that many had their complaints successfully resolved at various stages throughout the process. The total sum of compensation that complainants to the FSPO received in 2020, through mediation, investigation and offers of compensation or goodwill, at various stages of our process, was €6.34 million. This is in addition to the very significant but unquantifiable benefits, in terms of redress by rectification, also secured by complainants.”*

The FSPO deals with a wide range of complaints relating to insurance, banking, credit facilities and investments as well as pension schemes. The FSPO first deals with complaints using mediation, by listening to both parties and engaging with them to facilitate a resolution that is acceptable to both parties. Complaints not resolved informally are referred for formal investigation. The case studies included in the Overview of Complaints demonstrate the solutions and redress achieved through the services of the FSPO, without the need for a legally binding decision to issue. Examples of settlements reached so that a legally binding decision was not necessary included the following mediated agreements and settlements:

- €15,000 to two brothers, following the sale of a secured property.
- €25,000 paid to a company relating to an application for debt restructuring.
- €20,000 in relation to the sale of a complainant's investment property portfolio.
- An agreement to allow voluntary surrender of a property and to write-off any residual debt following the sale, potentially worth €105,000.
- An additional €15,000 to a couple after their house was destroyed by fire. The €15,000 was for additional unanticipated costs the couple incurred.
- Agreement to pay a claim arising from a critical illness policy amounting to €85,000.
- €15,000 to couple in relation to the time taken to return their title documents.
- A refund of over €7,700 surcharge interest.

In addition to the publication of the Annual Overview of Complaints, the Ombudsman publishes the full text of his legally binding decisions. The Database of Decisions on [www.fspo.ie](http://www.fspo.ie) currently includes over 1,000 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.

## Ends

### For further information, please contact:

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### Notes to Editor

- The FSPO was established by the **Financial Services and Pensions Ombudsman Act 2017** and opened for business on 1 January 2018.
- The services of the FSPO are available to consumers as well as 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. Of the 494 decisions issued in 2020, eight were appealed by the parties to the High Court.
- 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](http://www.fspo.ie/decisions)