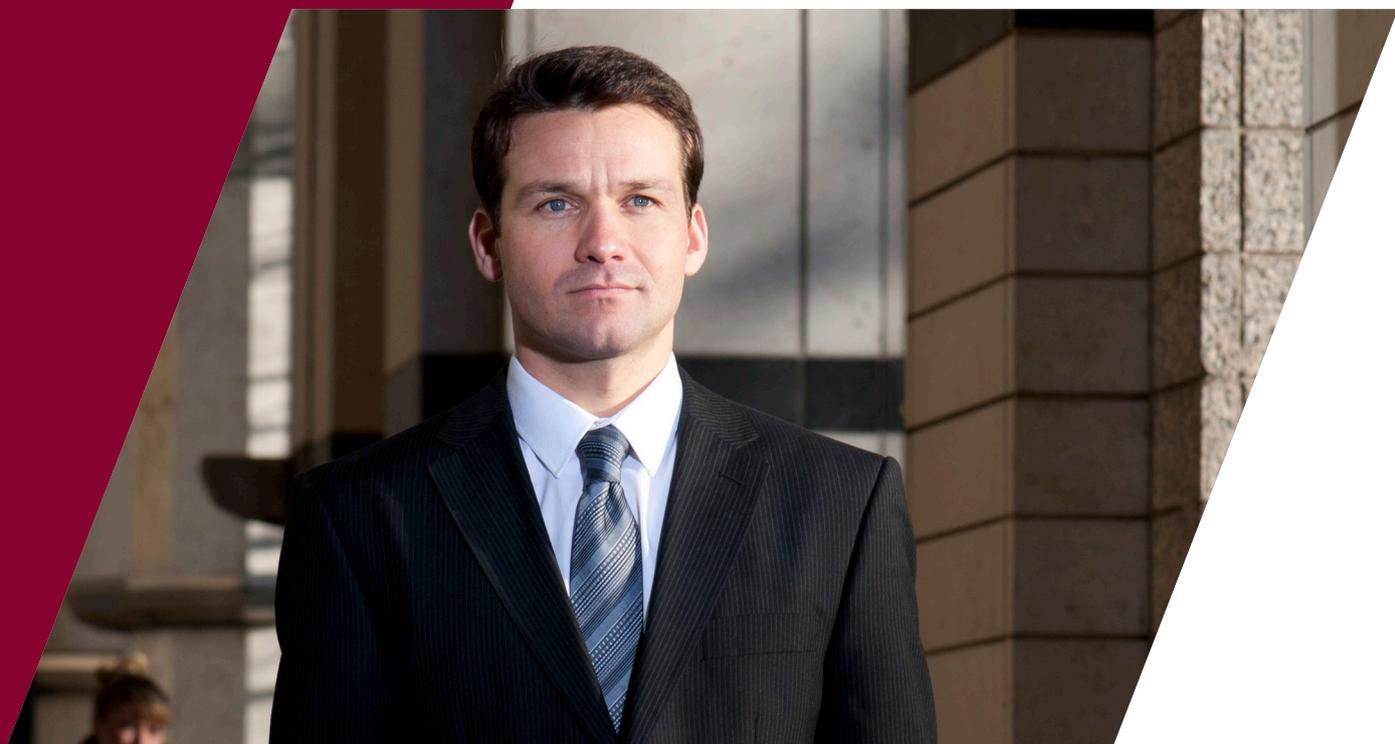


# Improving complaints handling, feedback on CP14/30 and final rules

July 2015





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In this Policy Statement we report on the main issues arising from Consultation Paper 14/30 *Improving complaints handling* and publish the final rules.

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## Abbreviations used in this paper

<b>ADR</b>	Alternative Dispute Resolution
<b>CJ</b>	Compulsory Jurisdiction of the Financial Ombudsman Service
<b>FCA</b>	Financial Conduct Authority
<b>DISP</b>	Dispute Resolution: Complaints Sourcebook
<b>EEA</b>	European Economic Area
<b>GABRIEL</b>	Gathering Better Regulatory Information Electronically
<b>NCF</b>	National Consumer Federation
<b>PCBS</b>	Parliamentary Commission on Banking Standards
<b>VJ</b>	Voluntary Jurisdiction of the Financial Ombudsman Service



# 1. Overview

## Introduction

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- 1.1** In this policy statement we explain our response to the feedback we received to our consultation CP14/30 *Improving complaints handling*, which was published in December 2014.<sup>1</sup> We also explain our new rules on complaints handling for financial services firms, as well as our rules limiting the cost of telephone calls which consumers make to firms.
- 1.2** Our consultation paper also included a chapter on implementing the Alternative Dispute Resolution (ADR) Directive and the Mortgage Credit Directive and our response to this part of the consultation was published separately in our Handbook Notice No. 21, April 2015.<sup>2</sup>
- 1.3** In this policy statement, we confirm the following new requirements for firms:
- a.** extending the 'next business day rule', where firms are permitted to handle complaints less formally, without sending a final response letter, to the close of three business days after the date of receipt
  - b.** reporting all complaints, including those handled by the close of three business days after the firm receives them
  - c.** raising consumer awareness of the ombudsman service, by sending a 'summary resolution communication' following the resolution of complaints handled by the close of the third business day after receipt
  - d.** revised rules limiting the cost of calls consumers make to firms to a maximum 'basic rate', including all post-contractual calls and all complaints calls
  - e.** our new 'complaints return' which requires firms to send us data twice a year on the number of complaints they receive
- 1.4** In Chapter 5, we also discuss further our cost-benefit analysis and equality impact assessment of the proposals.

## Who does this affect?

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- 1.5** Our new rules affect firms across all financial services sectors. All FCA-regulated firms must have complaints-handling processes and follow our rules and guidance on how to respond

<sup>1</sup> [www.fca.org.uk/static/documents/consultation-papers/cp14-30.pdf](http://www.fca.org.uk/static/documents/consultation-papers/cp14-30.pdf)

<sup>2</sup> [www.fca.org.uk/static/documents/handbook-notices/handbook-notice-021.pdf](http://www.fca.org.uk/static/documents/handbook-notices/handbook-notice-021.pdf)

promptly and fairly. These requirements apply to complaints relating to any business that firms carry on within the United Kingdom (as well as by certain branches of UK firms in the EEA and by branches of certain EEA firms in the UK carrying out activities in the UK).

- 1.6** These rules apply to firms within the scope of the Compulsory Jurisdiction (CJ) of the Financial Ombudsman Service (the ombudsman service). We also consulted jointly with the ombudsman service in Chapters 2 and 4 of our consultation paper, on how the proposed changes will affect participants in the Voluntary Jurisdiction (VJ). The ombudsman service has consulted on consequential changes to its scheme rules expects to publish separate rules for VJ participants in July 2015. These will relate to the proposals discussed in the chapter on 'Identifying and Handling Complaints' and the proposals on call charges, where these relate to respondents.

### Is this of interest to consumers?

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- 1.7** These new rules will benefit consumers who wish to complain to a financial services firm by ensuring that complaints are handled more quickly, easily and transparently. They will also benefit any consumers contacting firms by telephone to make a complaint or in relation to contracts already entered into with firms.

### Context

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- 1.8** We consulted on the proposals which led to this policy statement following the conclusion of our Complaints Thematic Review,<sup>3</sup> which we conducted during 2013/2014, with the help of 15 major retail firms and five trade bodies. As part of this review, we asked firms to carry out self-assessments to better understand how complaints are dealt with in practice, as well as providing their documented policies, processes and management information (MI) for our review. We found that firms have taken steps to improve their complaints handling, however they should do more to deliver fair complaint handling and consistent outcomes for all consumers and a number of weaknesses and barriers continue to exist. Our working group of representatives from the participating firms and trade bodies identified and discussed these findings, as well as discussing them with the ombudsman service and consumer groups. The working group made six recommendations for us to consider and to potentially change our rules. The Thematic Review concluded in June 2014.<sup>4</sup>
- 1.9** We also developed these rules in the context of the recommendations made by the Parliamentary Commission on Banking Standards (PCBS). The PCBS recommended that the FCA should take steps to ensure that banks take complaints seriously, as well as recommending increasing transparency to empower consumers.<sup>5</sup>
- 1.10** Before consulting, we conducted research with consumers and consumer groups to develop and test our policy proposals. We held a consumer workshop, with consumers who had made a complaint about a financial services firm, to discuss their experiences of complaining and to find out what they valued most about a good complaints process. We also conducted an online consumer survey. We continued to engage directly with consumer groups and other

<sup>3</sup> The FCA undertakes regular thematic reviews into specific areas of financial services markets

<sup>4</sup> [www.fca.org.uk/news/thematic-reviews/tr14-18-complaint-handling](http://www.fca.org.uk/news/thematic-reviews/tr14-18-complaint-handling)

<sup>5</sup> [www.parliament.uk/bankingstandards](http://www.parliament.uk/bankingstandards)

stakeholders and the feedback we received from them on our proposals contributed to our further analysis and assessment.

### Summary of feedback and our response

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- 1.11** We received 125 responses to the consultation, which closed on 13 March 2015. Respondents included a wide range of firms, including large retail firms and small investment firms, as well as trade associations, consumer groups and charities.
- 1.12** Respondents were generally supportive overall of the package of proposals in the consultation paper and recognised that clear benefits would arise for consumers. However, some raised specific concerns about the extent to which we have considered the impact of the proposals on equalities and on smaller firms. We address these concerns in Chapter 5.
- 1.13** Some respondents raised concerns about the proposal to require firms to send a summary resolution communication, telling complainants about their rights to refer a complaint to the ombudsman service. We have set out these comments and our response in Chapter 2, but many focused on the proportionality of the requirements, concerns about the impact on consumer behaviour and a possible increase in the number of complaints referred to the ombudsman service. While we recognise these concerns, the arguments against the proposal have not changed our minds. We continue to believe it is an important way to ensure the complaints process is transparent, and accords with what consumers have told us they value.
- 1.14** Respondents were overall very supportive of our proposal to limit the cost of call charges, although some had concerns about the proposed period for implementation. We have listened to these concerns and delayed the implementation date of the relevant rules.
- 1.15** In relation to the revised complaints return, respondents made detailed suggestions for amending the product and cause categories, as well as the measures for the size of a firm ('contextualisation'). We considered these further in light of our supervisory priorities, as well as holding additional discussions with a number of representatives from firms and trade associations. We have set out in Chapter 4 our resulting amendments to the complaints return form.
- 1.16** Some respondents were concerned about the proposal to make firms report to us data on all complaints they receive, not just those handled after the close of the next business day after they receive the complaint, as at present. However, most respondents supported this and we believe it is an important move towards greater transparency.

### Next steps

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- 1.17** The rules set out in Appendix 1, on extending the 'next business day rule', complaints reporting and requiring firms to send a summary resolution communication, which are discussed in Chapters 2 and 4, come into force on 30 June 2016.
- 1.18** The rules on call charges, discussed in Chapter 3, come into force on 26 October 2015.

- 1.19** Parts 4 and 7 of Annex C (DISP) of the instrument come into force on 23 July 2015. The amendment in Part 4 is guidance on the effect of section 234B of the Financial Services and Markets Act 2000 which concerns situations where liabilities have been transferred from one respondent to another. Section 234B came into force on 1 April 2013.
- 1.20** Part 7 contains an amendment to the guidance on notification requirements, which is in Schedule 2 of DISP.

## 2. Identifying and handling complaints

- 2.1** In this chapter we summarise the responses we received to three policy proposals aimed at improving firms' identification and handling of complaints. We proposed:
- extending the 'next business day rule' to three business days, allowing firms a longer time to handle complaints less formally, without sending a final response letter
  - requiring firms to report all complaints, including those handled by the close of three business days after the firm receives them
  - raising consumer awareness of the ombudsman service, by placing a requirement on firms to send a 'summary resolution communication' when a complaint has been resolved within three business days after the date on which the complaint is received

- 2.2** These proposals were developed in light of recommendations made by the Complaints Thematic Review Working Group.

### Complaints handled within three business days

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- 2.3** The current 'next business day rule' has allowed firms to handle complaints less formally, without sending a final response letter or reporting the complaint to us, so long as the complaint is resolved to the complainant's satisfaction by the close of the business day following the day on which a complaint is received by the respondent.
- 2.4** Most respondents agreed with our proposal to increase the time limit in the next business day rule, to the close of three business days following receipt of the complaint. Firms suggested this would help them with their systems and procedures, while recognising that more complaints being handled less formally will benefit consumers.
- 2.5** Some respondents agreed with the Complaints Thematic Review Working Group and said we should extend the timeframe to five business days (or alternatively to a week), rather than three days. The main reasons given for a further extension were:
- to allow more time to operate an effective triage system for channelling complaints
  - an ability to involve technical specialists or third parties
  - to allow enough time to send a summary resolution communication and undertake the additional administration to record the complaint for reporting
  - to ensure fewer complaints will be switched/referred to the formal investigation process

- 2.6** By contrast, some respondents said that extending (further) the timeframe risked causing delays in resolving simple issues and also that more complex complaints may end up being handled by less experienced staff (risks which we acknowledged during consultation). This could worsen the experience of consumers who may have to wait longer for a complaint to be resolved satisfactorily.
- 2.7** One respondent asked whether we propose to address evidence arising in the context of the Thematic Review that frontline staff have a tendency to offer lower levels of redress than 'escalated' complaints teams, and the consequent risk that moving to a three-day period means that more consumers will receive a lower level of redress than is appropriate.

### Our response

We will increase the time limit by which firms can handle complaints less formally, without sending a final response letter, from the close of the next business day to the close of three business days after the firm receives the complaint. However, as discussed below, firms will now have to report to us the number of complaints handled within this shorter timeframe and to send a summary resolution communication.

Amending our rules in this way will allow firms more time to handle less complex complaints. This will help avoid complaints being carried over to the more formal, eight week period simply because the next business day period has elapsed. We believe this will allow easier and speedier resolution for a greater number of complaints, benefiting both consumers and firms. If a complaint has been resolved to the complainant's satisfaction by the close of the third business day, then the firm will not have to send a final response letter, tailored to the specific complaint and individual concerned. Instead, firms will have to send a written, 'summary resolution communication', which is a simpler, template message (discussed further below).

We considered carefully the appropriate timeframe for handling a complaint less formally, including whether we should extend this to five, or more, days. The management information a number of firms gave us suggests there may be an optimum period of around three days by which time most complaints are resolved, although this varies from firm to firm. After this point the benefit of additional time lessens. We also believe that three days strikes the right balance between allowing firms longer to handle a complaint and ensuring consumers receive a timely response.

We continue to expect firms to identify and categorise complaints appropriately, ensuring that frontline staff or specialist complaints staff are engaged at the right stage. We expect all complaints to be handled fairly and will take appropriate action where we see evidence that this is not the case.

By 'close of business day', we mean by the end of the ordinary business hours within which that firm operates, and this is likely to vary depending on the size and resources of the firm. Similarly, we expect firms to follow a common sense interpretation of when a complaint has been received. For example, if a firm operates a 24 hour helpline, then a complaint sent at 10pm would be viewed as having been received during the evening, whereas we would not expect a firm which operates standard business hours to receive or handle complaints outside those hours.

These rules will come into force on 30 June 2016.

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### Reporting all complaints

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- 2.8** Firms have not so far needed to report to us the number of complaints which they receive and resolve to the satisfaction of the complainant by the close of the next business day. We consulted on changing this so that firms will have to send us data on all the complaints they handle, in whatever period.
- 2.9** Respondents were divided on whether or not data on all complaints should be reported to the FCA and published, although most supported the proposal. However, some respondents caveated their support for the proposal on the grounds that:
- all complaints should be reported to the FCA, but suggested statistics about complaints handled within three business days should not be published
  - we should change the definition of 'complaint' to ensure it is applied more evenly across firms, so that the data reported can be compared fairly
  - we should consider changing the 500 complaints limit (the number of complaints received in a reporting period) for a firm to be required to publish data
- 2.10** Of those respondents who did not support the proposal, the primary concern was about the fairness of reporting and publishing data about complaints when there is a wide variation across firms in how they use our definition of a complaint. Related to this concern is the risk that reporting all complaints will drive poor behaviour in some firms, as some staff may use a narrower definition to avoid reporting a complaint, keeping reported numbers down.
- 2.11** Some respondents acknowledged that reporting all complaints would remove the potentially perverse incentive for firms to deal with complaints within one working day when more consideration of the issue is necessary.
- 2.12** Respondents also raised concerns about the cost and feasibility of implementing this proposal. These concerns centred on costs to train frontline staff to be able to recognise what constitutes a complaint for reporting purposes, as well as the costs of changing recording systems and processes.
- 2.13** Many respondents linked this proposal to the Handbook definition of complaint, which we do not propose to change and were not consulting on. There was wide support for the Complaints Thematic Review Working Group's recommendation to widen the definition of complaint to 'any expression of dissatisfaction', on the grounds that this definition accords

better with actual practice, as well as reflecting the fact that many firms want to record all 'feedback' from customers and to use one definition that fits this. Respondents argued that the current definition is ambiguous and the element which refers to whether or not distress or inconvenience suffered by the complainant is 'material' is too subjective. Some respondents said the FCA should produce guidance on the definition.

### Our response

We will require firms to report the number of all complaints received, including those handled by the close of three business days following receipt of the complaint, and to publish this information.

Having considered detailed management information as part of our review and consultation processes, we estimate that most complaints received by all firms currently remain unreported. Furthermore, there may be wide variance among firms in the proportion of complaints handled within the current reportable and non-reportable periods, meaning some firms report a far higher percentage of the complaints they receive. So the information we currently receive on complaints is incomplete and may not allow for a fair comparison between businesses.

Requiring firms to report all complaints will significantly improve the quality and comparability of the data we receive. We acknowledge that some limitations will remain in the comparability of data and some firms may continue to perform better than others in recording and reporting complaints. However, we expect firms to take all measures necessary to comply with our reporting rules and consistently poor practice may be subject to supervisory or enforcement action.

We also believe that it is important in being a transparent regulator that the full information on complaints received from firms is made publicly available. Consumers should be made aware of the volume of overall complaints made to specific firms, set within the context of the size of the business. This information can help inform consumers about the overall conduct and reputation of a firm and the services it provides. We also recognise that for some firms reporting all complaints may mean that the number of published complaints will increase substantially, after the first new reporting period, and that this may carry reputational risks. We will contextualise the publication of the first new reporting period by explaining the data we would have published had the old reporting system still been in place.

We acknowledge that for some firms there may be a significant cost attached to adjusting IT and recording systems, as well as training staff. However, we believe that the majority of these costs should reflect changes which are necessary to meet the requirements of our existing rules. Those rules already require firms to be able to categorise all complaints against our definition of a complaint and to record them effectively (including for the purposes of root cause analysis) and we would expect firms to already have effective training in place to ensure that staff are able to achieve this – hence, we do not expect the changes to result in an incremental cost. These rules will come into force on 30 June 2016, along with the rules amending the complaints return, discussed below.

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## Raising consumer awareness

**2.14** A significant number of respondents disagreed with the proposed introduction of the summary resolution communication. This is a written acknowledgement firms must send to complainants where their complaint has been resolved by the close of the third business day after receiving the complaint, telling the complainant about their right to refer their complaint to the ombudsman service. Respondents raised concerns that:

- the cost of implementation will not be proportionate to the consumer benefit
- it will be difficult to put into practice
- it will have an undesirable effect on consumer behaviour (and will cause complainants to refer complaints to the ombudsman service unnecessarily)
- it will have no desirable effect on firms' behaviour

## Proportionality

**2.15** Some respondents said we have underestimated the cost of implementation. The discussion in the consultation paper estimated the cost of sending a written response by post, noting that in the case of emails or other electronic communication the cost should be negligible and that this is likely to constitute most responses. Some respondents suggested we should take further account of the cost of: training staff; changing systems to allow a communication to be issued once a complaint is resolved; and the consequential cost of a greater number of complaints being referred to the ombudsman service.

**2.16** Some respondents felt that only a small number of consumers would exercise their right to complain to the ombudsman service, having been told they could do so and therefore the cost outweighs the expected benefit. The summary resolution communication would be sent to consumers who have already agreed that their complaint has been resolved to their satisfaction; hence they would not need to refer on their complaint.

**2.17** Some felt that the proposal may have a disproportionate negative impact on smaller firms, which lack the economies of scale from which larger firms benefit. Smaller firms typically do not have specialist complaints staff, so the task of sending a written communication would fall on more senior, or non-specialist staff.

**2.18** Additionally, some respondents said that we need to estimate the added cost of the increased number of cases which they predict would be referred to the ombudsman service.

## Putting into practice

**2.19** Respondents also felt that the summary resolution communication would be difficult to implement in a number of ways. A number of respondents said that certain clients expect communication to be in the form of a letter and that it would not be feasible to send a summary resolution communication by email or text. This would greatly increase the cost, as well as potentially causing irritation or confusion to clients who receive further, arguably unwarranted, post.

**2.20** The insurance sector in particular raised concerns about the need to send a communication in respect of every complaint, when a series of complaints are dealt with as part of one ongoing insurance claim. Customers may then receive a series of written communications which could cause confusion as well as added cost.

- 2.21** Some respondents noted the proposal to allow the summary resolution communication to be in different written forms, but said that communication by text message would be unfeasible, given the length of the prescribed wording. They also said that the form and tone of the communication would not sit well with other text messages which firms send. Some suggested that sending a web-link to further information may be more practical.
- 2.22** A significant number of respondents argued that, given that a large number of complaints are resolved over the phone, there should be an option for the contents of the summary resolution to be communicated orally, rather than in writing. Some acknowledged that this may be hard to police in practice, but that it would be possible to audit levels of compliance through internal controls, as calls are recorded.
- Effect on consumer behaviour**
- 2.23** Some respondents argued that the summary resolution communication would not have the desired effect on consumer behaviour, and some questioned whether we had a clear objective for the proposal. They argued that when a customer receives a summary resolution communication, they would already have agreed that the complaint was resolved by the firm to their satisfaction. So there is no point in providing this further information. Some respondents said that the summary resolution communication would cause confusion and even annoyance, especially where the customer did not think they had complained.
- 2.24** The main concern, however, was that the summary resolution communication will prompt customers to complain to the ombudsman service unnecessarily, or even result in customers believing they were being told they should complain. This would increase the ombudsman service's workload and transfer resources from more substantial complaints to more trivial matters. Furthermore, it would mean that customers go straight to the ombudsman service, rather than going back to the firm if they remain dissatisfied. Some respondents misunderstood the proposal to mean that a customer would be prevented from asking the firm to look further at a complaint.
- Effect on firms' behaviour**
- 2.25** The summary resolution communication is intended to be a template response, which is not tailored to an individual complaint. This distinguishes it from a final response letter which requires significant resource input to respond to the specific complaint and to explain how the firm has assessed it. However, many firms were unclear about the difference between the two types of communication and argued that staff would find this confusing. This may lead them to greater reliance on specialist complaints staff to send a final response letter, or to ensure that, if the complaint were subsequently referred to the ombudsman service, it would set out sufficient detail for the complaint to be assessed. This could dilute the benefits of having a less formal, three business-day process, and cause more complaints to be handled within the eight week process.

### Our response

We will require firms to send a summary resolution communication where a complaint is resolved within three business days, and allow complainants to complain direct to the ombudsman service if they subsequently decide they are dissatisfied. We believe this will have a clear consumer benefit and that any costs will be proportionate.

We intend this rule to provide a strong incentive for firms to ensure that they handle complaints correctly the first time. We expect that this will happen

in the majority of cases. But where a customer may have been pushed into accepting a firm's response, or accepts a response because they are unaware they have any other choice, or subsequently becomes dissatisfied for any other reason, they will now be aware of the further recourse available in the form of the ombudsman service. The summary resolution communication will raise awareness of the right to go to the ombudsman service at the moment when a consumer needs it most, during the course of a complaint. It will help to rebalance the relationship between complainant and respondent, removing 'information asymmetry', where one party knows more than the other and is consequently in a stronger negotiating position. As we discussed in Chapter 2 of our consultation paper, as few as 20% of complainants may know about the ombudsman service without being prompted, and we believe it is important to raise this level of awareness.

Many of the complaints currently handled by firms within the next business day period, and which can be expected to be handled within the new three business days period, are of a similar nature and impact on consumers to those complaints handled over a longer timeframe. As a result, it would be inconsistent to continue with the current situation in which people are informed of their rights with the ombudsman service after the formal period for resolving complaints has ended (at most eight weeks), but not for complaints resolved more quickly.

We acknowledge that firms will need to find appropriate business solutions, which may involve modernising or updating systems. We intend our rules to facilitate this by remaining flexible as to the format in which a summary communication can be sent, and by allowing this to be in template form.

There may be an increase in costs for firms and for the ombudsman service if more consumers refer their complaints as a result of this rule. As discussed in our cost-benefit analysis in the consultation paper, we do not believe it is possible to calculate in advance the increased number of cases, because we cannot know how many consumers remain dissatisfied after firms have finished dealing with a complaint. However, we believe the benefits of informing consumers outweigh the risk of a significant increase in cases at the ombudsman service. The ombudsman service has also been directly involved in the development of this policy.

We do not agree with those respondents who suggest that this rule will encourage consumers to refer their complaints to the ombudsman service unnecessarily. Any complaints procedure remains time consuming and most complainants are unlikely to refer a complaint unless they remain genuinely dissatisfied. The ombudsman service may dismiss a complaint without considering the merits if it considers the complaint to be frivolous or vexatious.

The basic content of the summary resolution communication is prescribed by our rules, but this does not mean that firms cannot add more content. For example, in addition to setting out the possibility of complaining to the ombudsman service, the communication might suggest that a complainant gets back in touch with the firm to consider the issue further, if they consider that their concerns have not been fully addressed, but firms should remember that the summary resolution communication should only be sent when they believe that they have already resolved the complaint to the complainant's

satisfaction. The complainant's right to refer a complaint to the ombudsman service is unaffected by this and firms should ensure that the key message about the availability of the ombudsman service is not undermined. Where a firm chooses to consider a complaint further on this basis, the eight weeks deadline for issuing a formal, final response letter will continue to run (from the date the complaint was originally received).

Where a complaint is resolved over the phone or in person, we would ordinarily expect staff to confirm orally that a written acknowledgement will be sent, including information about the ombudsman service, in the form of the summary resolution communication.

We also considered whether firms should take account of specific complainant's needs, for example if they have a particular protected characteristic under equalities legislation, or may otherwise be vulnerable. In response to feedback on this, we have introduced further guidance (DISP 1.5.6G) which makes clear that firms may also use other methods to communicate the information in the summary resolution communication if they think doing so may better meet the complainant's needs. For example, if the complainant is visually impaired or if the firm and complainant have been in touch about the complaint via another format.

We expect firms to apply the definition of complaint in the FCA Handbook, which will remain unchanged, and to have in place effective complaints triage systems, identifying when an issue is – or is not – a complaint. A summary resolution communication will only need to be sent in response to a complaint which meets our definition. Firms can handle less substantive issues, which do not amount to complaints, without sending a summary resolution communication.

Smaller firms receive a relatively low number of complaints and we believe that the additional cost of sending a summary resolution is likely to be correspondingly low, although there may be some additional training costs and changes to systems and processes.

These rules will come into force on 30 June 2016.

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## 3. Call charges

- 3.1** This chapter discusses responses we received to our proposal to limit the cost of calls consumers make to firms to a maximum 'basic rate'. It sets out further details about the proposals and the timing for implementation.

### Post-contractual calls

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- 3.2** Most respondents supported our proposal to reduce the cost to consumers of calling financial firms about contracts already entered into with the firm, including complaints calls. They recognised there is a clear benefit to consumers and many respondent firms said they had already made changes in line with these proposals. Some respondents asked us to be clearer on the details of the proposals, and what they would mean in practice for existing and new numbers and the timing for implementation.
- 3.3** Some respondents noted that 0845 numbers are widely used across the financial services industry, but that not all firms using these numbers share in a payment from the cost of the call. Some firms may use 0845 numbers because they are cost-efficient, but without receiving payment from the cost of the call. One respondent suggested we could make rules to prevent firms from receiving revenue.
- 3.4** We consulted on the basis that mobile numbers would be included with the definition of 'basic rate'. One respondent noted that calls to mobiles from landlines are more expensive than national geographic rate (i.e. 01 or 02 numbers) and are usually not included in call packages. This can be problematic for advice centre clients, who may have access to only one phone and are unable to take advantage of differences in rates.
- 3.5** In the consultation paper, we asked for views on whether there should be any specific types of number which should not be subject to the proposed 'basic rate' requirements, or otherwise treated differently. Respondents did not identify any specific numbers for which there may be reasons to charge at a higher rate and no numbers were identified where the service is paid for by the cost of a call. However, one respondent suggested that our rules should make a further requirement for numbers provided for consumers to discuss their debt with a credit provider or debt collection agency, to be provided only on a Freephone basis. Firms which have a dedicated service for vulnerable consumers should also be required to provide those services via a Freephone number.
- 3.6** Several respondents said the suggested implementation date in the consultation paper of summer 2015 does not give firms enough time to make the necessary changes to systems, including to literature and websites, especially for those with a wide variety of numbers such as insurance firms. One option might be to phase in the proposals over a certain period, to allow firms to make changes.

## Our response

We will introduce rules to ensure that firms must provide only telephone numbers which costs consumers no more than the 'basic rate' when calling about a contract already entered into with that firm (for example to make changes to a policy or account), as well as to complain.

These rules will make it cheaper for consumers when they need to speak to a firm and will help prevent consumers being discouraged by the cost of a call from addressing an issue or complaining. The rules will also bring financial services in line with businesses in other sectors that are subject to the communications provisions in the Consumer Rights Directive (Directive 2011/83/EU).

Our rules will also complement changes to call charges made by Ofcom, which came into effect on 2 July 2015.<sup>6</sup> These changes make clearer to consumers the price of calls on telephone bills, in marketing materials and in advertising. Additionally, Freephone numbers, which begin 0800 or 0808, are now free for consumers to call from all phones, including from mobile phones.

Charges for service numbers to firms are now made up of an 'access charge' to the phone company, plus a 'service charge' set by the firm being called. In practice, this means that firms will need to specify the service charge wherever they advertise or communicate a phone number.

The consultation did not identify any specific types of numbers to which the basic rate requirement should not apply, for example where the cost of the call constitutes a fair charge for a specific service, such as a technical helpline. We also considered whether to take a more prescriptive approach for particular types of numbers, such as debt advice numbers, or whether to require firms to provide Freephone numbers. However, we believe it is important to have as consistent approach as possible for all post-contractual calls and to have a single requirement for all such numbers, which is easier to implement. We would, though, encourage firms to consider the needs of their customers and whether services such as Freephone numbers would be appropriate in particular circumstances.

We will keep the meaning of what constitutes a 'basic rate' call that we consulted on, namely that it constitutes 'the simple cost of connection and must not provide a firm with a contribution to its costs or revenues'. Examples of numbers which would meet this requirement are:

- geographic numbers or numbers which are always set at the same rate, which usually begin with the prefix 01, 02 or 03
- calls which can be free of charge to call, for example 0800 and 0808 numbers and
- standard mobile numbers, which usually begin with the prefix 07, provided that the firm ordinarily uses a mobile number to receive telephone calls

<sup>6</sup> For further details see [www.ukcalling.info/](http://www.ukcalling.info/)

Numbers which would not meet the definition of basic rate are:

- premium rate numbers that begin with the prefix 09
- other revenue sharing numbers in which a portion of the call charge can be used to either provide a service or make a small payment to the firm, such as telephone numbers that begin with the prefix 084 or 0871, 0872 or 0873 and
- numbers that begin with the prefix 0870 as the cost can be higher than a geographic cost and will vary depending on the consumer's telephone tariff

In terms of implementation, the rules require firms to ensure that the numbers they provide meet the basic rate requirement. They do not require firms to update numbers which are advertised, on literature and websites, and we recognise that it may take time for some firms to achieve this. Where there are 'legacy numbers' listed, for example on cards issued to customers, we would expect firms to find solutions to ensure that consumers calling those numbers are redirected to new numbers which comply with our rules.

Nevertheless, we recognise the concerns raised by some respondents about the timescale we proposed in the consultation paper to implement these changes and have decided to allow firms more time. Accordingly, we will now bring these rules into force on 26 October 2015.

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## 4. Complaints data

- 4.1** This chapter discusses responses we received to our proposal to improve the quality and transparency of the data on complaints which we require firms to provide to us. We proposed in the consultation to amend the 'complaints return', where firms use an electronic reporting system to send us the numbers of complaints they receive, on a twice yearly basis. We also included proposals to improve the 'contextualization' of the data that we publish by introducing metrics to describe the size of an individual firm, in order to provide better comparisons between firms.
- 4.2** The consultation paper annexed a draft complaints return and we invited views on this. Given the technical nature of the complaints return, we held a series of meetings with stakeholders during the consultation period to take specific views or suggested amendments and our response below also reflects comments received in those meetings.

### The complaints return

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- 4.3** Most respondents supported our proposals to amend the complaints return, agreeing with the greater transparency this would provide for consumers and the higher quality of data for our supervisory purposes.
- 4.4** We received specific suggestions for amending the product categories in the complaints return, to better fit the products and services provided by industry. These included a number of suggestions to amend our list of insurance and pure protection products; to clarify and amend decumulation and pensions products and to add further investment products. We considered these suggested amendments further, in light of our supervisory priorities and note below the changes we have made.
- 4.5** We also received comments on the 'cause categories' for complaints. In particular, some respondents felt that the cause categories relating to advice and guidance were too similar and would be hard for firms to distinguish in practice. Some respondents also commented on the large proportion of insurance complaints which relate to claims and suggested this should be a separate category.
- 4.6** Respondents were generally very receptive to our proposal to introduce new contextualization metrics, indicating the size of a firm. However, some suggested amendments to better capture the nature of products or transactions. These are noted below.
- 4.7** Many respondents also asked for further guidance, both on the product categories and the contextualization metrics.
- 4.8** Some respondents were concerned about the administrative burden placed on firms in having to complete a complaints return twice a year. In particular, some respondents questioned the

need for smaller firms to supply this data and some suggested either relieving small firms from this requirement or further simplifying the form. Given these concerns we discussed the proposals further with a number of representatives of smaller firms.

- 4.9** Lastly, respondents were also concerned about the proposed timescales for implementation. In many cases, firms will need to change their systems and complaints recording processes, sometimes making significant changes to IT systems.

### Our response

We will introduce a new complaints return in 2016. We will continue to collect complaints data from firms twice a year and will ask firms to provide data on all complaints received, not just those handled after the close of the next business day after receipt of the complaints (as at present). We will continue to use the GABRIEL electronic reporting system. The new complaints return is annexed to this paper.

We have considered carefully the comments we received and suggested amendments to the draft form which we consulted on. Inevitably, we have had to make a judgement about what to include and what not to include. This judgement has taken account of our anticipated supervisory priorities, our aim of limiting the burden on firms and reducing the possibility that we will need to ask individual firms for additional data on an ad hoc basis.

In terms of amendments to the product categories on the forms, we have made the following substantive amendments:

- for insurance and pure protection: adding 'Pet', 'Warranty', 'Assistance', 'General insurance packaged multi products' and 'Protection packaged multi products'
- replacing 'Motor' with 'Motor and transport' and replacing 'Whole of life/term assurance' with 'Whole of life/term assurance/critical illness'
- for decumulation and pensions: replacing 'Personal pensions/ SHPs/ SPPs' and 'Workplace personal pensions' with: 'Workplace personal pensions (e.g. SPPs, SHPs, PPPs)', 'Non-workplace personal pensions (e.g. SPPs, SHPs, PPPs)', 'Trust based pensions (e.g. Occupational and DB)', 'Pensions packaged multi products'
- replacing 'Annuities (inc. impaired)' with 'Annuities (including enhanced and impaired)'
- replacing 'Drawdown' with 'Drawdown and UFPLS'
- replacing 'Third way products' with 'Third way products (e.g. investment linked, variable, fixed term)'
- adding 'Decumulation packaged multi products'
- for Investments: adding 'Non-discretionary management services', 'UCITS', 'Investment packaged multi products'

For complaints causes:

- replacing 'Misleading advice/guidance', 'Arranging', 'Inappropriate sales technique' with 'Unsuitable advice' and 'Unclear guidance/arrangement'
- replacing 'Product information' with 'Product disclosure information'
- adding 'Of which claims' purely for insurance products

In relation to the contextualization metrics, we have made the following amendments in response to comments received:

- for home finance, replacing 'Number of loans outstanding' with 'Number of balances outstanding'
- for investments, replacing 'Number of sales' with 'Number of sales or equivalent transactions'

Given concerns raised by respondents about the ability of firms to interpret certain parts of the complaints return, we have also written further guidance which clarifies the following issues:

- how many products to include in 'Other' (up to five)
- how to report packaged multi product complaints
- that 'Of which claims' relates to insurance products
- including any relevant past policies in insurance contextualisation
- how to report wrapper, platform or packaged multi product contextualisation
- that policies sold should also cover renewals

We considered carefully whether we should amend our approach for smaller firms. But we have decided that the administrative burden on smaller firms is not significantly greater than the current return and that returning complaints data twice yearly is proportionate to our objective. We have, however, also introduced a shortened complaints form for those firms which receive fewer than 500 complaints within a given reporting period, with simplified complaints categories. We are also aware that a significant number of smaller firms receive no complaints and are able to send us a 'nil return'.

In relation to implementation of the new complaints return, we have considered concerns raised by respondents. We have decided to bring the rules into force on 30 June 2016. This means that firms will need to report complaints data using the new complaints return for any reporting period ending on or after 30 June 2016 and will need to have systems in place to record and report data in line with this.

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## 5. Cost benefit analysis and equality impact assessment

- 5.1** This chapter discusses comments we received in relation to our cost benefit analysis and equality impact assessment of the proposals.
- 5.2** The consultation paper included a full cost benefit analysis and we believe that this still applies because, although we have made some drafting changes to the rules on which we consulted, the resulting instrument does not differ significantly from those rules. In light of concerns raised by respondents, however, we sought further evidence and views from individual firms and representative bodies, and conducted further analysis about the impact of the proposals on smaller firms. These concerns and our analysis are set out below. However, we did not obtain new evidence which was significant enough to lead us to revise our assessment of the impact of our proposals. We have also considered further the possible impact of the new right for complainants to refer a complaint straight to the ombudsman service after receiving a summary resolution communication.
- 5.3** In relation to the equalities impact of the proposals, respondents were generally supportive of the proposals and said that they would have an overall positive impact on consumers. However, we received one response, from the National Consumer Federation (NCF), which raised concerns about the extent to which we had due regard for equalities issues in formulating and consulting on the policy, as well as some specific concerns about the proposals.
- 5.4** In developing the policy proposals, we undertook consumer research, via an online survey and through direct discussion with consumers at a workshop. We also presented our proposals to the FCA's Consumer Panel and also our Consumer Network, composed of representatives from consumer organisation, and held specific discussions with Toynbee Hall, a charity which has a particular interest in financial services advice and complaints.

### Cost benefit analysis

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- 5.5** Some respondents were concerned that we had insufficiently taken account of the needs of smaller firms in conducting our cost benefit analysis and developing our proposals. In particular, these concerns centred on the cost of:
- sending a summary resolution communication (especially where business practices mean that this has to be sent by post), and
  - recording complaints and completing the new complaints return
- 5.6** We held a series of meetings with representatives from a number of membership bodies, during the consultation period, specifically to discuss the impact on smaller firms. Additionally,

we circulated further specific questions on the potential costs of the proposals for smaller firms, to a number of membership associations. We also held a series of detailed discussions with representatives from smaller firms following the consultation period. In light of these further discussions, we concluded the following:

- smaller firms receive comparatively few complaints
- queries and less serious complaints are handled by frontline staff (e.g. relationship managers or by a client services team); if an issue has a more significant impact it will be escalated up to staff responsible for general compliance (small firms tend not to have specialist complaints teams)
- given the relatively small number of complaints received, firms did not think the cost of sending a summary resolution communication would be significant; however, they thought this would prompt clients to complain to the ombudsman service, and there could be resulting costs attached to that (discussed further below)
- the anticipated systems changes are relatively limited and focus on changes to existing recording systems – one larger stockbroking firm estimated this would cost £10,000 to implement
- staff would need training on the recording/reporting of complaints and sending a summary resolution communication
- the call charges proposals were of little or no concern because smaller firms already tend to have fully compliant numbers

**5.7** We also received comments about the impact on the number of complaints being referred to the ombudsman service as a result of the new right for complainants to refer their complaint straight to the ombudsman service, following receipt of a summary resolution communication from the firm. Some respondents estimated a significant increase in the number of complaints, which would increase operating costs at the ombudsman service as well as for respondent firms. They also questioned whether this expected increase would be in proportion to the anticipated benefits. (We respond to this below.)

### **Equality impact assessment**

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**5.8** In the consultation paper we asked for comments about the potential impact on vulnerable groups of consumers of the call charges proposal. This was in light of our initial equality impact assessment, which identified that the call charges proposal was the main proposal that may have a specific impact on particular groups, whereas the other proposals were likely to benefit consumers more broadly. As part of our policy analysis, we considered which numbers were more likely to be used by consumers belonging to vulnerable groups. Respondents were generally supportive of these proposals as they confer a clear benefit to consumers in reducing the cost of calls. Other than the NCF, respondents did not raise concerns about equalities, relating to the other policy proposals.

- 5.9** In relation to the 'summary resolution communication' the NCF suggested that that the proposal did not take into account the specific needs of complainants with a particular protected characteristic, for example those with a visual impairment (disability) or for whom English is a second language (race).
- 5.10** In relation to the complaints return, including our proposed approach to data contextualization and the new complaints data publication report, the NCF was concerned that we have not had sufficient regard for equalities and that, as well as contextualisation metrics measuring the size of a firm, we should collect data from firms relating to protected characteristics, such as age. This might enable consumers to be able to compare products and firms on the basis of this information, determining the proportion of complaints received from (for example, older) consumers and drawing possible conclusions about the services provided.
- 5.11** The NCF also raised a number of broader concerns about our approach to complaints handling policy, as well as providing some suggestions. They felt that we have not done enough to understand the needs of the population of consumers who do not complain to firms, although they may have a valid complaint. Some of that population may be more likely to have protected characteristics, which could mean they are less likely to find it easy to complain. The NCF felt that we had not sufficiently taken account of consumers' individual needs and had treated consumers as a matching group, including when conducting our pre-consultation consumer research.

### Our response

Cost-benefit analysis for smaller firms:

Before developing the policy proposals and consulting, we considered the potential impact on smaller firms and we made some amendments to our policy proposals in light of this. Specifically, we:

- made the requirement to send a summary resolution communication as flexible as possible to allow firms to find an appropriate business solution
- analysed a cross-section of complaints returns from smaller firms to determine what data was being collected and, in light of this, we decided to introduce a shortened complaints form, for those firms reporting fewer than 500 complaints within a reporting period
- included mobile telephone numbers within the definition of 'basic rate' to ensure that some of the smallest firms which operate only one mobile number are able to comply

We have concluded that the proposals are likely to have a limited cost impact on smaller firms, and that impact is proportionate to the expected benefits to consumers. This is because:

- the proposals are unlikely to require significant or costly systems changes for smaller firms
- there will be a cost impact on training, but this is likely to be marginal in the context of training that is already required to comply with the current definition of 'complaint'

- small firms tend to be already compliant with the requirements of the call charges proposal
- the proposed new complaints return has been simplified for smaller firms (with fewer than 500 complaints)

We considered further the possible impact of the new right for complainants to refer their complaints to the ombudsman service, after receiving a summary resolution communication. We also discussed this with the ombudsman service. We have concluded that, while there is a risk that complaints numbers at the ombudsman service may rise, as more complainants are made aware of the ombudsman service, this is unlikely to be a very significant increase. We believe that complainants are likely to refer only those complaints about matters which have a significant impact for them and about which they remain dissatisfied with a firm's response – where firms are resolving complaints well, the number of referrals will be limited. Only a small percentage (about 5-10%) of complainants refer their complaint to the ombudsman under current arrangements and this is unlikely to change.

We continue to believe, therefore, that this rule is proportionate. Its impact on firms and on the ombudsman is balanced by the expected benefits of improving the knowledge of complainants about the complaints process. It also incentivises firms to get it right first time and ensure they respond appropriately (because they know that complainants will now be made aware of the availability of the ombudsman service).

#### **Equality impact assessment:**

In addition to the steps we undertook to assess the impact of the proposals, following the close of the consultation period we revisited all of the policy proposals with specific regard to equalities.

In relation to the call charges proposal, we decided to make no further changes, on the grounds that we had already given appropriate consideration to how telephone numbers are used by vulnerable groups in formulating the policy.

In relation to the summary resolution communication, we have considered further the NCF's concerns and decided to include guidance relating to this rule. This amendment is set out in Chapter 2.

In relation to the NCF's concerns about the complaints return and data contextualization, we do not consider that it would be feasible or proportionate at the current time to include further data fields relating to protected characteristics on the complaints return, for firms to complete. However, this is something that we expect to consider as an option when we next need to amend the return.

We have also considered the broader concerns raised by the NCF in relation to the population of consumers who do not complain. The scope of our proposals are mainly aimed at improving the complaints process for those consumers who have already made a complaint, with the exception of the call charges proposal which should make it cheaper to complain by telephone and hence may encourage consumers to complain where they may otherwise have been discouraged by the cost.

The consumer research we undertook to help develop our proposals was drawn from populations of consumers who had already made a complaint to a financial services firm. In designing this research these populations were screened to ensure diversity. We also actively sought the views on the proposals of organisations representing more vulnerable consumers, who may be less likely to complain.

Nevertheless, we recognise the importance of understanding the wider context of complaints and we encourage firms to consider the needs of all consumers, including vulnerable consumers, when handling complaints.

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# Annex 1

## List of non-confidential respondents

1st Credit Ltd

ABI

ACE European Group

Aegon

AFEP

Ageas UK

AIG Europe Limited (UK)

Allianz Global Assistance

Allianz Insurance plc

AMI

AMPS

APCC

APFA

Arrow Global Group

Ask Money

Association of British Credit Unions Limited

Avantia Insurance Limited

Aviva

Barclays

BGL Group

BIBA

BlackRock

Bluefin Group

Brewin Dolphin Ltd

British Bankers' Association

British Gas Insurance Ltd and British Gas Services Ltd

BSA

BSI Group

BVRLA

Callcredit Information Group

Capita

Capital Credit Union

Cash Converters (UK) Ltd

CCA (UK)

Citizens Advice

Close Brothers

Clydesdale and Yorkshire Bank

Congruent Financial Partners

Consumer Council

Consumer Finance Association

Co-operative Insurance

Council of Mortgage Lenders

Direct Line Group

Electronic Money Association

Equity Release Council

esure Insurance Limited

Experian Ltd

F&C Management Limited

FCA Smaller Business Panel

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Fidelity Worldwide Investment  
Financial Services Consumer Panel  
FLA  
Friends Life  
GPC Pensions  
Grainger Equity Release Management Ltd  
Granite Financial Services  
Grove & Dean Limited  
GVS Pre Paid  
Henderson Global Investors Limited  
HomeServe  
HSBC  
Invesco Perpetual  
Investment & Life Assurance Group  
Irish League of Credit Unions  
Kenmar Associates  
Killik & Co  
Leeds Building Society  
Legal & General Group plc  
Lloyd's  
Lloyds Banking Group plc  
LMA  
LV  
M&G Retail  
Managing General Agencies' Association  
MBNA  
Money Advice Trust

National Consumer Federation  
National House Building Council  
Old Mutual Wealth  
OneSavings Bank plc  
Pendragon PLC  
Penrith Building Society  
Pepper, Anthony  
Phoenix Group  
Practitioner Panel  
Prepaid International Forum  
Principality Building Society  
Prudential  
Royal Bank of Scotland Group  
Royal London Group  
RSA Insurance Group  
Santander UK  
Scottish Friendly Assurance Society Limited  
SmartMoneyPeople  
Society of Pension Professionals  
St. James's Place Wealth Management  
Standard Life PLC  
Step Change  
Sun Life Financial of Canada  
T H March & Co Ltd  
Tenet Group  
The Compliance Factory  
The fair telecoms campaign

The Investment Association

The Warranty Group

Threesixty services LLP

Toynbee Hall

Transact

TSB

UK Cards Association

UK Credit Unions Ltd

Wealth Management Association

Wescot Credit Services Ltd

Wesleyan Assurance Society

West Bromwich Building Society

Westfield Contributory Health Scheme Ltd

WH Ireland Limited

Which?

Woking Citizen's Advice Bureau

World First UK Ltd

World Pay

Zurich

# Appendix 1

## Made rules (legal instrument)

## COMPLAINTS HANDLING AND CALL CHARGES INSTRUMENT 2015

### Powers exercised by the Financial Conduct Authority

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Act:
- (1) section 137A (FCA’s general rule-making power);
  - (2) section 137T (General supplementary powers);
  - (3) section 139A (Power of the FCA to give guidance);
  - (4) section 226 (Compulsory jurisdiction);
  - (5) paragraph 7 (Annual reports) of Schedule 17 (The Ombudsman Scheme); and
  - (6) paragraph 13(1), (3) and (4) (FCA’s rules) of Schedule 17.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

### Commencement

- C. (1) Parts 4 and 7 of Annex C (DISP) of this instrument come into force on 23 July 2015.
- (2) Part 1 of Annex C (DISP) of this instruments comes into force on 1 October 2015.
- (3) Part 1 of Annex A (Glossary), Annex B (GEN), Part 2 of Annex C (DISP) and Annex D (CONC) of this instrument come into force on 26 October 2015.
- (4) Part 2 of Annex A (Glossary) and Parts 3, 5 and 6 of Annex C (DISP) of this instrument come into force on 30 June 2016.

### Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
General Provisions (GEN)	Annex B
Dispute Resolution: Complaints sourcebook (DISP)	Annex C
Consumer Credit sourcebook (CONC)	Annex D

### Notes

- E. In Annexes C and D to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

**Citation**

- F. This instrument may be cited as the Complaints Handling and Call Charges Instrument 2015.

By order of the Board of the Financial Conduct Authority  
2 July 2015

## Annex A

### Amendments to the Glossary of definitions

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

#### Part 1: comes into force on 26 October 2015

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

*call charges rule*      *GEN 7.2.1R.*

Amend the following as shown.

*respondent*            (1)      (in *DISP*, *FEES 5* ~~and~~, *CREDS 9* and *GEN 7*) a firm (except a *UCITS* qualifier), payment service provider, electronic money issuer or *VJ* participant covered by the *Compulsory Jurisdiction*, or *Voluntary Jurisdiction* of the *Financial Ombudsman Service*.

...

#### Part 2: comes into force on 30 June 2016

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

*summary resolution communication*      has the meaning given in *DISP 1.5.4R*.

## Annex B

### Amendments to the General Provisions (GEN)

After GEN 6 insert the following new chapter. All of the text is new and is not underlined.

#### 7 **Charging consumers for telephone calls**

##### 7.1 **Application**

Who? Where?

- 7.1.1 R This chapter applies to a *firm* carrying on activities from an establishment in the *United Kingdom*.

What?

- 7.1.2 R This chapter applies where a *firm* operates a telephone line for the purpose of enabling a *consumer* to contact the *firm* in relation to a contract that has been entered into with the *firm* in the course of, or in connection with:

- (1) *regulated activities*; or
- (2) *payment services*.

MiFID firm exception

- 7.1.3 R This chapter does not apply for telephone lines provided in respect of contracts relating to the *MiFID business* of a *firm*.

Payment services exception

- 7.1.4 R This chapter does not apply for telephone lines which:
- (1) enable *payment service users* to request information to which paragraph (2) of regulation 48 of the *Payment Services Regulations* applies; or
  - (2) relate to the termination of a *framework contract*, unless:
    - (a) the *framework contract* was concluded either for a fixed period of more than 12 *months* or for an indefinite period; and
    - (b) at least 12 *months* of the *framework contract* have expired.

Complaints exception

- 7.1.5 R This chapter does not apply for telephone lines provided by a *respondent* for the purpose of enabling an *eligible complainant* to submit a *complaint*.

- 7.1.6 G *DISP* 1.3 contains rules that apply for telephone lines provided by *respondents* for the purpose of enabling *eligible complainants* to submit *complaints* to a *respondent*.

#### Application to firms carrying on credit-related regulated activities

- 7.1.7 G An effect of *GEN* 7.1.1R and *GEN* 7.2.1R is that this chapter applies for contracts by which a *firm* provides, or agrees to provide, *credit broking* services. In particular, this chapter applies where a telephone line is operated by a *credit broker* so that following the entry into a contract for the provision of *credit broking* services, a *customer* is able to contact the *firm* with a view to entering into a *credit agreement* or a *consumer hire agreement*.

#### Related consumer credit rules

- 7.1.8 G The following provisions of *CONC* continue to apply where a *firm* operates a telephone line in respect of the relevant *credit-related regulated activities* but the *call charges rule* does not apply (for example, where a telephone line is operated for the purpose of enabling a *consumer* to contact the *firm* before a contract has been entered into):
- (1) *CONC* 2.5.8R and *CONC* 2.5.9G (unfair business practices: credit broking);
  - (2) *CONC* 2.6.3R and *CONC* 2.6.4G (unfair business practices: debt counselling, debt adjusting and providing credit information services);
  - (3) *CONC* 3.3.9G (financial promotions and communications);
  - (4) *CONC* 3.9.5R and *CONC* 3.9.6G (financial promotions and communications in relation to debt counselling and debt adjusting);
  - (5) *CONC* 7.9.5R (arrears, default and recovery); and
  - (6) *CONC* 8.7.6R (charging for debt counselling, debt advice and related services).

## 7.2 Call charges

### Call charges rule

- 7.2.1 R A *firm* which operates a telephone line for the purpose of enabling a *consumer* to contact the *firm* in relation to a contract that has been entered into with the *firm*, must not bind the *consumer* to pay more than the basic rate for the telephone call.
- 7.2.2 G The contract entered into with the *firm* may be in writing or otherwise.

## Meaning of basic rate

- 7.2.3 R For the purposes of the *call charges rule*, the basic rate is the simple cost of connection and must not provide the *firm* with a contribution to its costs or revenues.
- 7.2.4 R The following numbers, if used by *firms*, would comply with the *call charges rule*:
- (1) geographic numbers or numbers which are always set at the same rate, which usually begin with the prefix 01, 02 or 03;
  - (2) calls which can be free of charge to call, for example 0800 and 0808 numbers; and
  - (3) standard mobile numbers, which usually begin with the prefix 07, provided that the firm ordinarily uses a mobile number to receive telephone calls.
- 7.2.5 R The following numbers, if used by *firms*, would not comply with the *call charges rule*:
- (1) premium rate numbers that begin with the prefix 09;
  - (2) other revenue sharing numbers in which a portion of the call charge can be used to either provide a service or make a small payment to the *firm*, such as telephone numbers that begin with the prefix 084 or 0871, 0872 or 0873; and
  - (3) telephone numbers that begin with the prefix 0870 as the cost of making a telephone call on such numbers can be higher than a geographic cost and will vary depending on the *consumer's* telephone tariff.

## Annex C

## Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

## Part 1: comes into force on 1 October 2015

## 1 Treating complainants fairly

...

## 1.2 Consumer awareness rules

Publishing and providing summary details, and information about the Financial Ombudsman Service

- 1.2.1 R To aid consumer awareness of the protections offered by the provisions in this chapter, *respondents* must:

...

[**Note:** article 15 of the *UCITS Directive*, article 13(2) of the *ADR Directive*, ~~and~~ article 14(1) of the *ODR Regulation*, and regulation 19 of the *ADR Regulations*.]

...

## Part 2: comes into force on 26 October 2015

## 1.3 Complaints handling rules

...

- 1.3.1AA R Where a *respondent* operates a telephone line for the purpose of enabling an *eligible complainant* to submit a *complaint*, the complainant must not be bound to pay more than the basic rate when contacting the *respondent* by telephone.

- 1.3.1AB R For the purposes of *DISP* 1.3.1AAR the basic rate is the simple cost of connection and must not provide the *respondent* with a contribution to its costs or revenues.

- 1.3.1AC R The following numbers, if used by a *respondent*, would comply with *DISP* 1.3.1ABR:

- (1) geographic numbers or numbers which are always set at the same rate, which usually begin with the prefix 01, 02 or 03;
- (2) calls which can be free of charge to call, for example 0800 and 0808 numbers; and
- (3) standard mobile numbers, which usually begin with the prefix 07, provided that the *respondent* ordinarily uses a mobile number to receive telephone calls.

1.3.1AD R The following numbers, if used by a *respondent*, would not comply with *DISP* 1.3.1ABR:

- (1) premium rate numbers that begin with the prefix 09;
- (2) other revenue sharing numbers in which a portion of the call charge can be used to either provide a service or make a small payment to the *respondent*, such as telephone numbers that begin with the prefix 084 or 0871, 0872 or 0873; and
- (3) telephone numbers that begin with the prefix 0870, as the cost of making a telephone call on such numbers can be higher than a geographic cost and will vary depending on the *eligible complainant's* telephone tariff.

...

### Part 3: comes into force on 30 June 2016

## 1.5 Complaints resolved by close of the ~~next~~ third business day

- 1.5.1 R The following *rules* do not apply to a *complaint* that is resolved by a *respondent* by close of business on the third business day following ~~its receipt~~ the day on which it is received:
- (1) the *complaints time limit rules* (except *DISP* 1.6.1R(1) (Keeping the complainant informed)); and
  - (2) the complaints forwarding *rules*;
  - (3) the *complaints reporting rules*;
  - (4) the *complaints record rule*, if the *complaint* does not relate to *MiFID business* or *collective portfolio management services* for a *UCITS scheme* or an *EEA UCITS scheme*; and
  - (5) the *complaints data publication rules*.

- 1.5.2 G *Complaints* falling within this section are still subject to the *complaint complaints resolution rules*.

When a complaint is resolved

- 1.5.2A R A *complaint* is resolved where the complainant has indicated acceptance of a response from the *respondent*, with neither the response nor acceptance having to be in writing.

- 1.5.3 G ~~For the purposes of this section:~~
- ~~(1) a *complaint* received on any day other than a *business day*, or after close of business on a *business day*, may be treated as received on the next *business day*; and~~
  - ~~(2) a *complaint* is resolved where the complainant has indicated acceptance of a response from the *respondent*, with neither the response nor acceptance having to be in writing [deleted]~~

Summary resolution communication

- 1.5.4 R Where the *respondent* considers a *complaint* to be resolved under this section, the *respondent* must send the complainant a ‘summary resolution communication’, being a written communication from the *respondent* which:
- (1) refers to the fact that the complainant has made a *complaint* and informs the complainant that the *respondent* now considers the *complaint* to have been resolved;
  - (2) tells the complainant that if he subsequently decides that he is dissatisfied with the resolution of the *complaint* he may be able to refer the *complaint* to the *Financial Ombudsman Service*;
  - (3) indicates whether or not the *respondent* consents to waive the relevant time limits in *DISP* 2.8.2R or *DISP* 2.8.7R (Was the complaint referred to the Financial Ombudsman Service in time?) by including the appropriate wording set out in *DISP* 1 Annex 3R;
  - (4) provides the website address of the *Financial Ombudsman Service*; and
  - (5) refers to the availability of further information on the website of the *Financial Ombudsman Service*.

[Note: article 13 of the *ADR Directive*]

- 1.5.5      G      The information regarding the *Financial Ombudsman Service* required to be provided in a *summary resolution communication* should be set out clearly, comprehensibly, in an easily accessible way and prominently, within the text of those responses.
- 1.5.6      G      In addition to sending a complainant a *summary resolution communication*, a *respondent* may also use other methods to communicate the information referred to in *DISP* 1.5.4R(1) to (5) where–
- (1)   the *respondent* considers that doing so may better meet the complainant’s needs; or
- (2)   the complainant and *respondent* have already been using another method to communicate about the *complaint*.
- 1.5.7      G      An example of *DISP* 1.5.6G(1) may be where a *respondent* is aware that a complainant is visually impaired. An example of *DISP* 1.5.6G(2) may be where a *respondent* has been communicating with a complainant about a *complaint* by telephone.

...

## 1.10      **Complaints reporting rules**

...

### Information requirements

- 1.10.2      R      ~~Part A of *DISP 1 Annex 1* requires (for the relevant reporting period) information about:~~
- (1)   ~~the total number of *complaints* received by the *firm*;~~
- (2)   ~~the total number of *complaints* closed by the *firm*:~~
- (a)   ~~within four weeks or less of receipt;~~
- (b)   ~~more than four weeks and up to eight weeks of receipt; and~~
- (c)   ~~more than eight weeks after receipt;~~
- (3)   ~~the total number of *complaints*:~~
- (a)   ~~upheld by the *firm* in the reporting period; and~~
- (b)   ~~outstanding at the beginning of the reporting period; and~~

- (4) ~~the total amount of redress paid in respect of *complaints* during the reporting period.~~
- (1) Where a *firm* receives less than 500 *complaints* in a reporting period, Part A-1 of *DISP* 1 Annex 1 requires, for the relevant reporting period and in respect of particular categories of products:
- (a) in Table 1, information about the total number of *complaints* received by the *firm* and the cause of the *complaint*;
- (b) in Table 2, information about the number of *complaints* that were:
- (i) closed or upheld within different periods of time; and
- (ii) the total amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period; and
- (c) in Table 3, information providing context about the *complaints* received.
- (2) Where a *firm* receives 500 or more *complaints* in a reporting period, Part A-2 of *DISP* 1 Annex 1 requires, for the relevant reporting period and in respect of particular categories of products:
- (a) in Table 4, information about the total number of *complaints* received by the *firm* and the cause of the *complaint*;
- (b) in Table 5, information about the number of *complaints* that were:
- (i) closed or upheld within different periods of time; and
- (ii) the amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period; and
- (c) in Table 6, information providing context about the *complaints* received.

...

1.10.3 G ...

- (2) Under ~~*DISP* 1.10.2R(3)(a)~~ *DISP* 1.10.2R(1)(b)(i), *DISP* 1.10.2R(2)(b)(i) or *DISP* 1.10.2-AR, a *firm* should report any *complaint* to which it has given a response which upholds the *complaint*, even if any redress offered is disputed by the complainant.

For this purpose, 'response' includes a response under the complainant's written acceptance rule (*DISP* 1.6.4R), ~~and a final response and a summary resolution communication~~. Where a *complaint* is upheld in part or where the *firm* does not have enough information to make a decision yet chooses to make a goodwill payment to the complainant, a *firm* should treat the *complaint* as upheld for reporting purposes. However, where a *firm* rejects a *complaint*, yet chooses to make a goodwill payment to the complainant, the *complaint* should be recorded as 'rejected'.

- (3) If a *firm* reports on the amount of redress paid under ~~*DISP* 1.10.2R(4), *DISP* 1.10.2R(1)(b)(ii), *DISP* 1.10.2R(2)(b)(ii), *DISP* 1.10.2-AR(4) or *DISP* 1.10.2AR~~, redress should be interpreted to include an amount paid, or cost borne, by the *firm*, where a cash value can be readily identified, and should include:

...

- (4) If a *firm* reports on the amount of redress paid under ~~*DISP* 1.10.2R(4), *DISP* 1.10.2R(1)(b)(ii), *DISP* 1.10.2R(2)(b)(ii), *DISP* 1.10.2-AR(4) or *DISP* 1.10.2AR~~, the redress should not, however, include repayments or refunds of premiums which had been taken in error (for example where a *firm* had been taking, by direct debit, twice the actual premium amount due under a policy). The refund of the overcharge would not count as redress.

...

## 1.10A Complaints data publication rules

...

### Mode and content of publication

...

- 1.10A.8 G (1) ~~The *FCA* recommends that *firms* should publish additional information alongside their *complaints* data summaries or total number of *complaints* (as appropriate) in order to relate the number of *complaints* to the scale of the *firm's* relevant business. *Firms* are recommended to publish the relevant standard metrics set out in the table at *DISP 1 Annex 1A G* with the summaries. Where the *complaints* data summary or total number of *complaints* (as appropriate) relates to a joint report the metrics should cover all the *firms* included in the joint report.~~
- (2) ~~If the recommended metrics do not accurately reflect the scale of the *firm's* relevant business, the *FCA* recommends that the *firm* should publish metrics which best reflect the scale of its business based on the~~

~~number of its customers or accounts or policies. *Firms* may also publish other metrics where they consider that these would better reflect the scale of their business.~~

- ~~(3) *Firms* may also publish other information to aid understanding, for example details of their internal processes for dealing with complaints. [deleted]~~

...

#### Publication of complaints data by the FCA

- 1.10A.10 G (1) To improve *consumer* awareness and to help *firms* compare their performance against their peers, the *FCA* publishes:
- (a) *complaints* data about the financial services industry as a whole; and
- (b) *firm-level complaints* data for those *firms* that are required to publish a *complaints* data summary or the total number of *complaints* (as appropriate) under *DISP* 1.10A.1R.
- (2) The *FCA* also publishes *firm-level* information giving context to the *complaints* data reported to it for those *firms* that are required to publish that information under *DISP* 1.10A.1R.
- 1.10A.11 G For *firms* reporting 500 or more *complaints* under *DISP* 1.10.1R(1) or 1000 or more *complaints* under *DISP* 1.10.1R(2) in the relevant reporting period, the *FCA* will publish the *firm-level complaints* data and information providing context to the *complaints* data reported to it either:
- (1) after the *firm* provides the appropriate consent in the *complaints* data report and confirms that the reported data accurately reflects the data which it will publish under *DISP* 1.10A.1R; or
- (2) after the *FCA* receives an email from the *firm* under *DISP* 1.10A.4R confirming that the *complaints* data summary accurately reflects the report submitted to the *FCA*, that the summary has been published and where it has been published.
- 1.10A.12 G For *firms* with only a *limited permission* that report *complaints* to the *FCA* under the reporting requirements in *SUP*16.12, the *FCA* will publish the *firm-level complaints* data reported to it after the *FCA* receives an email from the *firm* under *DISP* 1.10A.4R. That email should confirm that the total number of *complaints* accurately reflects the report submitted to the *FCA* under *SUP*16.12, that the total number of *complaints* has been published and where the information has been published.

...

## 1 Annex 1R Complaints return form

Illustration of the reporting requirements, referred to in *DISP* 1.10.1R

### Complaints Return (DISP 1 Ann 1R)

#### **GROUP REPORTING / ~~NIL RETURN DECLARATION~~**

- |    |   |          |
|----|---|----------|
| 1  | Does the data reported in this return cover <del>complaints</del> <u>complaints</u> relating to more than one entity? <del>If 'Yes', then list the firm reference numbers (FRNs) of all the entities included in this return.</del> | Yes / No |
| 34 | <u>If 'Yes' then list the firm reference numbers (FRNs) of all of the additional entities included in this return. Use the 'add' button to add additional FRNs.</u>   | 111111   |

#### **NIL RETURN DECLARATION**

- |   |   |          |
|---|---|----------|
| 2 | We wish to declare a nil return<br>(If 'Yes', leave all tables blank, including the contextualisation metrics in tables 3 and 6). | Yes / No |
|---|---|----------|

#### **RETURN DETAILS REQUIRED**

- |    |  |     |
|----|--|-----|
| 3  | Total <del>complaints</del> <u>complaints</u> outstanding at reporting period start date | 100 |
| 49 | <u>Total number of complaints opened during the reporting period</u>                     | 100 |

#### **COMPLAINTS DATA PUBLICATION BY FCA AND FIRMS**

- |    |   |        |
|----|---|--------|
| 47 | <u>If you are reporting 500 or more complaints under DISP 1.10.1R(1) or 1000 or more complaints under DISP 1.10.1R(2), do you consent to the FCA publishing the complaints data and information on context contained in this report and due to be published under DISP 1.10A in advance of the firm publishing the data itself?</u> | Yes/No |
| 48 | <u>If 'Yes', does the firm confirm that the complaints data and information on context contained in this report accurately reflects the information to be published by the reporting firm under DISP 1.10A?</u>   | Yes/No |

**PART A**

**Complaints closed and total redress paid during the reporting period**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
Product/service grouping	Complaints closed within 4 weeks	Complaints closed > 4 but within 8 weeks	Complaints closed > 8 weeks	Total complaints upheld by firm	Total redress paid
4 Banking and credit cards					
5 Home finance					
6 General insurance and pure protection					
7 Decumulation, life and pensions					
8 Investments					

**Complaints opened**

Product/service grouping	Product/service	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
		Advising, selling and arranging	Terms and disputed sums/charges	General admin/ customer service	Arrears related	Other
9	Current accounts					
10	Credit cards					
46	Overdrafts					
11						
12	Savings (inc. Cash ISA) and other banking					
13	Equity release products					
14	Impaired credit mortgages					
15	Other regulated home finance products (including second and subsequent charge mortgages)					
16	Other unregulated home finance products					
17	Payment protection insurance					
18	Other general insurance					
19	Critical illness					

20		Income protection					
21		Other pure protection					
22	Decumulation, life and pensions	Personal pensions and FSAVCs					
23		Investment linked annuities					
24		Income drawdown products					
25		Endowments					
26		Other decumulation, life and pensions					
27	Investments	Investment bonds					
28		PEPs/ISAs (exc. cash ISAs)					
29		Investment trusts					
30		Unit trusts/OEICs					
31		Structured products					
32		Other investment products/funds					
33		Investment management/services (inc. platforms)					

**Part A-1, DISP Annex 1R**

**For firms receiving less than 500 complaints in the reporting period**

**Table 1**

**Complaints opened when fewer than 500 total opened**

		<u>A</u>	<u>D</u>	<u>H</u>	<u>L</u>	<u>N</u>	<u>N</u>
		<b><u>Total</u></b>	<b><u>Advising, selling and arranging</u></b>	<b><u>Information, sums/charges or product performance</u></b>	<b><u>General admin/customer service</u></b>	<b><u>Arrears related</u></b>	<b><u>Other</u></b>
<u>50</u>	<u>Current accounts</u>						
<u>51</u>	<u>Credit cards</u>						
<u>52</u>	<u>Overdrafts</u>						
<u>53</u>	<u>Packaged accounts</u>						
<u>54</u>	<u>Savings (including ISAs)</u>						
<u>55</u>	<u>Other banking - Please provide details below</u>						
	<u>55 X</u>						
<u>56</u>	<b><u>Total banking and credit cards</u></b>						
<u>57</u>	<u>Equity release</u>						
<u>58</u>	<u>Impaired credit</u>						
<u>59</u>	<u>Second and subsequent charge</u>						
<u>60</u>	<u>Other regulated home finance products - Please provide details below</u>						
	<u>60 X</u>						

61		<u>Other unregulated home finance products - Please provide details below</u>							
		61 X							
62		<b><u>Total home finance</u></b>							
63	<u>Insurance &amp; pure protection</u>	<u>Property</u>							
64		<u>Motor &amp; Transport</u>							
65		<u>Travel</u>							
66		<u>Pet</u>							
67		<u>Warranty</u>							
68		<u>Assistance</u>							
69		<u>Medical/health</u>							
70		<u>General insurance packaged multi products</u>							
71		<u>Other general insurance - Please provide details below</u>							
			71 X						
72		<u>Payment protection insurance</u>							
73		<u>Income protection and other accident, sickness and unemployment</u>							
74		<u>Whole of life/term assurance/critical illness</u>							
75	<u>Protection packaged multi products</u>								
76	<u>Other pure protection - Please provide details below</u>								
		76 X							
77		<b><u>Total insurance &amp; pure protection</u></b>							
78	<u>Decumulation &amp; pensions</u>	<u>Workplace personal pensions (e.g. SIPP's, SHP's, PPP's)</u>							
79		<u>Non-workplace personal pensions (e.g. SIPP's, SHP's, PPP's)</u>							
80		<u>Trust based pensions (e.g. Occupational and DB)</u>							
81		<u>Pensions packaged multi products</u>							

82		<u>Other pensions - Please provide details below</u>					
		82X					
83		<u>Annuities (including enhanced and impaired)</u>					
84		<u>Drawdown and UFPLS</u>					
85		<u>Third way products (e.g. investment linked, variable, fixed term)</u>					
86		<u>Decumulation packaged multi products</u>					
87		<u>Other decumulation - Please provide details below</u>					
		87X					
88		<b><u>Total decumulation &amp; pensions</u></b>					
89	Investments	<u>Investment bonds</u>					
90		<u>Endowments</u>					
91		<u>ISAs (where investment held)</u>					
92		<u>Investment trusts</u>					
93		<u>Unit trusts/OEICs</u>					
94		<u>Structured products</u>					
95		<u>ETPs</u>					
96		<u>Discretionary management services</u>					
97		<u>Non-discretionary management services</u>					
98		<u>Platforms</u>					
99		<u>Crowdfunding / Peer to Peer</u>					
100		<u>FX/CFD/Spreadbetting</u>					
101		<u>UCITS</u>					
102	<u>Investment packaged multi products</u>						

103	<u>Other investment products/funds - Please provide details below</u>						
	103X						
104	<b><u>Total Investments</u></b>						

**Table 2**

**Complaints closed, upheld and redress when fewer than 500 opened complaints**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
	<u>Complaints closed within 3 days</u>	<u>Complaints closed &gt; 3 days but within 8 weeks</u>	<u>Complaints closed &gt; 8 weeks</u>	<u>Total complaints closed</u>	<u>Total complaints upheld</u>	<u>Total redress paid for upheld complaints</u>	<u>Total redress paid for complaints not upheld</u>	<u>Total redress paid</u>
<u>Product/service grouping</u>								
<u>111</u> <u>Total banking and credit cards</u>								
<u>117</u> <u>Total home finance</u>								
<u>132</u> <u>Total insurance &amp; pure protection</u>								
<u>143</u> <u>Total decumulation &amp; pensions</u>								
<u>159</u> <u>Total investments</u>								

**Table 3**

**Contextualisation metrics when fewer than 500 total opened complaints**

<u>Product/service grouping:</u>	<u>A</u>	<u>B</u>
	<u>Provision (at reporting period end date)</u>	<u>Intermediation (within the reporting period)</u>
<u>164 Banking and credit cards</u>	<input type="text"/> <u>Number of accounts</u>	
<u>173 Home finance</u>	<input type="text"/> <u>Number of balances outstanding</u>	<input type="text"/> <u>Number of sales</u>
<u>190 Insurance &amp; pure protection</u>	<input type="text"/> <u>Number of policies in force</u>	<input type="text"/> <u>Number of policies sold</u>
<u>203 Decumulation &amp; pensions</u>	<input type="text"/> <u>Number of policies in force</u>	<input type="text"/> <u>Number of policies sold</u>
<u>218 Investments</u>	<input type="text"/> <u>Number of distinct funds or investments accounts</u>	<input type="text"/> <u>Number of sales or equivalent transactions</u>

**Part A-2, DISP Annex 1R**

**For firms receiving more than 500 complaints in the reporting period**

**Table 4**

**Complaints opened when greater than or equal to 500 opened complaints**

		<u>A</u>	<u>B</u>	<u>C</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>M</u>	<u>N</u>	<u>O</u>
		<b>Total</b>	<u>Advising, selling and arranging</u>	<u>Information, sums/charges or product performance</u>			<u>General admin/customer service</u>			<u>Arrears Related</u>	<u>Other</u>	<u>Claims</u>	
<u>Product/service grouping</u>	<u>Product/service</u>	<b>Total</b>	<u>Unsuitable advice</u>	<u>Unclear guidance/arrangement</u>	<u>Disputes over sums/charges</u>	<u>Product performance/features</u>	<u>Product disclosure information</u>	<u>Errors / not following instructions</u>	<u>Delays / timescales</u>	<u>Other general admin/customer service</u>	<u>Arrears related</u>	<u>Other</u>	<u>Of which claims related</u>
50	<u>Current accounts</u>												
51	<u>Credit cards</u>												
52	<u>Overdrafts</u>												
53	<u>Packaged accounts</u>												
54	<u>Savings (including ISAs)</u>												

55		<u>Other banking - Please provide details below</u>																	
		55 X																	
56		<b>Total banking and credit cards</b>																	
57	<u>Home finance</u>	<u>Equity release</u>																	
58		<u>Impaired credit</u>																	
59		<u>Second and subsequent charge</u>																	
60		<u>Other regulated home finance products - Please provide details below</u>																	
		60 X																	
61		<u>Other unregulated home finance products - Please provide details below</u>																	
		61 X																	
62			<b>Total home finance</b>																
63	<u>Insurance &amp; pure protection</u>	<u>Property</u>																	
64		<u>Motor &amp; Transport</u>																	
65		<u>Travel</u>																	
66		<u>Pet</u>																	
67		<u>Warranty</u>																	
68		<u>Assistance</u>																	
69		<u>Medical/health</u>																	
70		<u>General insurance packaged multi products</u>																	
71		<u>Other general insurance - Please provide details below</u>																	
		71 X																	
72		<u>Payment protection insurance</u>																	
73		<u>Income protection and other accident, sickness and unemployment</u>																	
74		<u>Whole of life/term assurance/critical illness</u>																	
75	<u>Protection packaged multi products</u>																		
76	<u>Other pure protection - Please provide</u>																		

		details below																		
		76 X																		
77		<b>Total insurance &amp; pure protection</b>																		
78		Workplace personal pensions (e.g. SIPP's, SHP's, PPP's)																		
79		Non-workplace personal pensions (e.g. SIPP's, SHP's, PPP's)																		
80		Trust based pensions (e.g. Occupational and DB)																		
81		Pensions packaged multi products																		
82		Other pensions - Please provide details below																		
		82X																		
83	Decumulation & pensions	Annuities (including enhanced and impaired)																		
84		Drawdown and UFPLS																		
85		Third way products (e.g. investment linked, variable, fixed term)																		
86		Decumulation packaged multi products																		
87		Other decumulation - Please provide details below																		
		87 X																		
88		<b>Total decumulation &amp; pensions</b>																		
89		Investment bonds																		
90		Endowments																		
91		ISAs (where investment held)																		
92		Investment trusts																		
93		Unit trusts/OEICs																		
94	Investments	Structured products																		
95		ETPs																		
96		Discretionary management services																		
97		Non-discretionary management services																		
98		Platforms																		
99		Crowdfunding / Peer to Peer																		

100	<u>FX/CFD/Spreadbetting</u>												
101	<u>UCITS</u>												
102	<u>Investment packaged multi products</u>												
103	<u>Other investment products/funds - Please provide details below</u>												
	103 X												
104	<b><u>Total Investments</u></b>												

**Table 5**

**Complaints closed, upheld and redress when greater than or equal to 500 opened complaints**

*Redress paid reported in single units*

		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
		<u>Complaints closed within 3 days</u>	<u>Complaints closed &gt; 3 days but within 8 weeks</u>	<u>Complaints closed &gt; 8 weeks</u>	<b><u>Total complaints closed</u></b>	<b><u>Total complaints upheld</u></b>	<u>Total redress paid for upheld complaints</u>	<u>Total redress paid for complaints not upheld</u>	<b><u>Total redress paid</u></b>
	<u>Product/service grouping</u>	<u>Product/service</u>							
105	<u>Banking and credit cards</u>	<u>Current accounts</u>							
106		<u>Credit cards</u>							
107		<u>Overdrafts</u>							
108		<u>Packaged accounts</u>							
109		<u>Savings (including ISAs)</u>							
110		<u>Other banking</u>							
111		<b><u>Total banking and credit cards</u></b>							
112	<u>Home finance</u>	<u>Equity release</u>							
113		<u>Impaired credit</u>							
114		<u>Second and subsequent charge</u>							
115		<u>Other regulated home finance products</u>							
116		<u>Other unregulated home finance products</u>							
117		<b><u>Total home finance</u></b>							
118	<u>Insurance &amp; pure protection</u>	<u>Property</u>							
119		<u>Motor &amp; Transport</u>							
120		<u>Travel</u>							
121		<u>Pet</u>							
122		<u>Warranty</u>							

123		<u>Assistance</u>							
124		<u>Medical/health</u>							
125		<u>General insurance packaged multi products</u>							
126		<u>Other general insurance</u>							
127		<u>Payment protection insurance</u>							
128		<u>Income protection and other accident, sickness and unemployment</u>							
129		<u>Whole of life/term assurance/critical illness</u>							
130		<u>Protection packaged multi products</u>							
131		<u>Other pure protection</u>							
132		<b><u>Total insurance &amp; pure protection</u></b>							
133	<u>Decumulation &amp; pensions</u>	<u>Workplace personal pensions (e.g. SIPP's, SHP's, PPP's)</u>							
134		<u>Non-workplace personal pensions (e.g. SIPP's, SHP's, PPP's)</u>							
135		<u>Trust based pensions (e.g. Occupational and DB)</u>							
136		<u>Pensions packaged multi products</u>							
137		<u>Other pensions</u>							
138		<u>Annuities (including enhanced and impaired)</u>							
139		<u>Drawdown and UFPLS</u>							
140		<u>Third way products (e.g. investment linked, variable, fixed term)</u>							
141		<u>Decumulation packaged multi products</u>							
142		<u>Other decumulation</u>							
143		<b><u>Total decumulation &amp; pensions</u></b>							
144	<u>Investments</u>	<u>Investment bonds</u>							
145		<u>Endowments</u>							
146		<u>ISAs (where investment held)</u>							
147		<u>Investment trusts</u>							

148	<u>Unit trusts/OEICs</u>								
149	<u>Structured products</u>								
150	<u>ETPs</u>								
151	<u>Discretionary management services</u>								
152	<u>Non-discretionary management services</u>								
153	<u>Platforms</u>								
154	<u>Crowdfunding / Peer to Peer</u>								
155	<u>FX/CFD/Spreadbetting</u>								
156	<u>UCITS</u>								
157	<u>Investment packaged multi products</u>								
158	<u>Other investment products/funds</u>								
159	<b><u>Total Investments</u></b>								

**Table 6**

*Reported in single units*

**Contextualisation metrics when greater than or equal to 500 opened complaints**

**A**  
**Provision (at reporting period end date)**

**B**  
**Intermediation (within reporting period)**

**Product/service grouping**

**Product/service**

**Number of accounts:**

160	<b><u>Banking and credit cards</u></b>	<u>Current accounts</u>	
161		<u>Credit cards</u>	
162		<u>Savings (inc. ISAs)</u>	
163		<u>Other banking</u>	
164		<b><u>Total banking and credit cards</u></b>	
165		<u>of which have overdraft facility</u>	
166		<u>of which are packaged accounts</u>	

167 **Banking contextualised**

Number of complaints opened per 1000 accounts

--

**Number of balances outstanding:**

**Number of sales**

168	<b><u>Home finance</u></b>	<u>Equity release</u>		
169		<u>Impaired credit</u>		
170		<u>Second and subsequent charge</u>		
171		<u>Other regulated home finance products</u>		
172		<u>Other unregulated home finance products</u>		
173		<b><u>Total home finance</u></b>		

174

Number of complaints opened per 1000 balances outstanding

**Home finance contextualised**

175

Number of complaints opened per 1000 sales

		<b><u>Number of policies in force</u></b>	<b><u>Number of policies sold</u></b>
176	<u>Property</u>		
177	<u>Motor &amp; Transport</u>		
178	<u>Travel</u>		
179	<u>Pet</u>		
180	<u>Warranty</u>		
181	<u>Assistance</u>		
182	<u>Medical/health</u>		
183	<u>General insurance packaged multi products</u>		
184	<u>Other general insurance</u>		
185	<u>Payment protection insurance</u>		
186	<u>Income protection and other accident, sickness and unemployment</u>		
187	<u>Whole of life/term assurance/critical illness</u>		
188	<u>Protection packaged multi products</u>		
189	<u>Other pure protection</u>		
190	<b><u>Total insurance &amp; pure protection</u></b>		

191	<b><u>Insurance &amp; pure protection contextualised</u></b>	Number of complaints opened per 1000 policies in force	
192		Number of complaints opened per 1000 policies sold	

		<b><u>Number of policies in force</u></b>	<b><u>Number of policies sold</u></b>
193	<b><u>Decumulation &amp; pensions</u></b>	Workplace personal pensions (e.g. SIPP's, SHP's, PPP's)	
194		Non-workplace personal pensions (e.g. SIPP's, SHP's, PPP's)	
195		Trust based pensions (e.g. Occupational and DB)	
196		Pensions packaged multi products	
197		Other pensions	
198		Annuities (including enhanced and impaired)	
199		Drawdown and UFPLS	
200		Third way products (e.g. investment linked, variable, fixed term)	
201		Decumulation packaged multi products	
202		Other decumulation	
203	<b><u>Total decumulation &amp; pensions</u></b>		

204	<b><u>Decumulation &amp; pensions contextualised</u></b>	Number of complaints opened per 1000 policies in force	
-----	--	--	--

205

Number of complaints opened per 1000 policies sold

		<u>Number of distinct funds or investment accounts</u>	<u>Number of sales or equivalent transactions</u>
206	<u>Investments</u>	<u>Investment bonds</u>	
207		<u>Endowments</u>	
208		<u>ISAs (where investment held)</u>	
209		<u>Investment trusts</u>	
210		<u>Unit trusts/OEICs</u>	
211		<u>Structured products</u>	
212		<u>ETPs</u>	
213		<u>Crowdfunding / Peer to Peer</u>	
214		<u>FX/CFD/Spreadbetting</u>	
215		<u>UCITS</u>	
216		<u>Investment packaged multi products</u>	
217		<u>Other investment products/funds</u>	
218		<b><u>Total Investments</u></b>	
219		<u>of which have discretionary management services</u>	
220	<u>of which have non-discretionary management services</u>		
221	<u>of which sold through a platform</u>		

222

Number of complaints opened per 1000 distinct funds or investment accounts

**Investments contextualised**

223

Number of complaints opened per 1000 sales or equivalent transactions

## PART B

...

## NOTES ON THE COMPLETION OF THIS RETURN

## Nil returns

...

Valuing data to be reported

Firms should report the actual data requested in this complaints return, using single units. When reporting information on context in Table 6 of Part A-2, lines 167, 174, 175, 191, 192, 204, 205, 222 and 223 firms may use decimals.

## Product/service groupings

...

## Product and cause categories

...

A *complaint* should be reported against the product/service element complained about; this may be different to the main policy itself. For example, for a term assurance policy with an attaching critical illness option, where the *complaint* relates to the term assurance element, it should be reported under ~~'other pure protection'~~ 'whole of life/term assurance' but where the *complaint* relates to the critical illness element, it should be reported under ~~'critical illness'~~ 'income protection and other accident, sickness and unemployment'.

In Table 1 of Part A-1 and Table 4 of Part A-2, in relation to *complaints* about platforms in the investments product/service grouping, firms should include *complaints* about the platform rather than the underlying funds or investments.

A *complaint* should only be reported in Part B if it is not covered by a specific category in Part A. A lender should report *complaints* about the way in which it collects debts due under loans where it is the lender in the relevant lending category.

Where Table 1 of Part A-1 and Table 4 of Part A-2 refer to 'Other' products or services (for example, 'Other banking' or 'Other regulated home finance products'), a firm should provide information for up to a maximum of five products or services.

In Table 1 of Part A-1, and Tables 4 and 5 of Part A-2, a *complaint* should only be reported in a 'packaged multi product' category (for example, 'General insurance packaged multi products' or 'Pensions packaged multi products'), if it is not apparent to which underlying product the *complaint* relates. For insurance purposes, this may cover both households or small businesses.

In Table 6 of Part A-2, a product should only be included in a 'packaged multi product' category if it is not apparent to which underlying category the policy, pension, investment or account relates.

In Table 4 of Part A-1, a *complaint* should only be reported in the 'of which claims related' category if the *complaint* relates to an insurance product.

~~A *complaint* should only be reported in Part B if it is not covered by a specific category in Part A.~~

~~A lender should report *complaints* about the way in which it collects debts due under loans where it is the lender in the relevant lending category.~~

## Contextualisation

When providing information giving context to its *complaints* data, a *firm* should choose the metric which best reflects whether the majority of business undertaken by the *firm* involves the provision of products or services by the *firm* itself or intermediation. A *firm* should only provide information on context for either provision or intermediation, not both activities.

For provision, information on context should indicate the total volume of a *firm's* relevant business at the end date of the reporting period; this is likely to include accounts opened, loans provided, policies sold and funds and investments provided, and still in force, before the commencement of the relevant reporting period.

For intermediation, information on context provided by a *firm* should indicate the number of sales within the relevant reporting period only.

In Table 3 of Part A-1 or Table 6 of Part A-2:

- (1) when reporting information about the 'number of balances outstanding' in the 'Home Finance' product category, *firms* should report the total number of balances outstanding (all loans) as reported by the *firm* at row E.45 or E.53 of E(2) in SUP 16 Annex 19A (Mortgage Lenders and Administrators Return) on the *firm's* most recent return; and
- (2) when reporting information about intermediation sales in the 'Crowdfunding / peer to peer' product category, *firms* should provide the number of funded pitches within the reporting period.
- (3) When reporting information about the 'number of policies in force' or the 'number of distinct funds or investment accounts', the reported information should cover the number of existing accounts or policies or any relevant past policies that relate to the *complaint(s)* being reported. For example, in relation to payment protection insurance, a *firm* may no longer have any current policies in force and the *firm* may wish to include the total number of past policies issued/sold by the *firm*.
- (4) Where reporting information about a product which is contained within a wrapper, platform or packaged multi product, only the wrapper, platform or packaged multi product should be counted rather than all of the underlying policies, funds or investments. However, for insurance purposes where there are packages of underlying and identifiable separate policies these should be counted separately.
- (5) When reporting the number of policies sold/number of sales or equivalent transactions, this should also cover renewals.

## Transparency

To improve *consumer* awareness and to help *firms* compare their performance against their peers, the FCA publishes:

- (1) *complaints* data about the financial services industry as a whole; and
- (2) *firm*-level data for *firms* required to publish their data under DISP 1.10A.1R.

The FCA also publishes *firm*-level information giving context to the *complaints* data reported where *firms* are due to publish that information under DISP 1.10A.1R. This will be the data set out in Table 6 of Part A-2, lines 167, 174, 175, 191, 192, 204, 205, 222 and 223.

For *firms* reporting 500 or more *complaints* under DISP 1.10.1R(1) or 1000 or more *complaints* under DISP 1.10.1R(2) in the relevant reporting period, the FCA will publish the *complaints* data of the *firm* either:

- (1) after the *firm* provides consent in the report; or

(2) (if the *firm* does not provide consent) after the *FCA* receives an email from the *firm* confirming that the *complaints* data summary accurately reflects the report submitted to the *FCA*, that the summary has been published and where it has been published as required by *DISP* 1.10A.4R.

If the *firm* ticks the “Yes” box in this report consenting to the *FCA* publishing the *firm’s complaints* data, it must also confirm that the data contained in the report accurately reflects the information to be published by the reporting *firm*.

If the *firm* has submitted a joint report on behalf of a *group*, the *firm* should only tick the “Yes” box consenting to the *FCA* publishing the *complaints* data if the *firm* is authorised to do so by those *firms* on whose behalf it is submitting this report.

A *firm* which does not provide consent in this report must still ensure that the *complaints* data contained in this report accurately reflects the data which the *firm* is required to publish under *DISP* 1.10A.1R and confirm this to the *FCA* under *DISP* 1.10A.4R.

*DISP* 1 Annex 1A is deleted in its entirety. The deleted text is not shown.

## 1 Annex 1BR Complaints publication report

This table belongs to *DISP* 1.10A.2R.

### Complaints publication report

Firm name: .....

Group: (if applicable): .....

Other firms included in this report (if any): .....

Period covered in this report: [e.g. 1 January – 30 June 2015 or 1 January – 31 December 2015]

Brands/trading names covered: .....

	Number of complaints opened	Number of complaints closed	Complaints closed within 8 weeks (%)	Closed complaints upheld by firm (%)
Banking and credit cards				
Home finance				
General insurance and pure protection				
Decumulation, life and pensions				
Investments				
Credit related			Not applicable	

<u>Product / service grouping</u>	<u>Number of complaints opened by volume of business</u>		<u>Number of complaints opened</u>	<u>Number of complaints closed</u>	<u>Percentage closed within 3 days</u>	<u>Percentage closed after 3 days but within 8 weeks</u>	<u>Percentage upheld</u>	<u>Main cause of complaints opened</u>
	<u>Provision (at reporting period end date)</u>	<u>Intermediation (within the reporting period)</u>						
<u>Banking and credit cards</u>	per 1000 accounts	N/A						
<u>Home finance</u>	per 1000 balances outstanding	per 1000 sales						
<u>Insurance and pure protection</u>	per 1000 policies in force	per 1000 policies sold						
<u>Decumulation and pensions</u>	per 1000 policies in force	per 1000 policies sold						
<u>Investments</u>	per 1000 distinct funds or investment accounts	per 1000 sales or equivalent transactions						
<u>Credit related</u>	<i>(Recommended only)</i> per 1000 accounts / loans	<i>(Recommended only)</i> per 1000 sales			N/A	N/A		N/A

Note 1: When providing the appropriate information on the context of complaints, a *firm* should choose the metric which best reflects whether the majority of business undertaken by the *firm* involves the provision of products or services by the *firm* itself or intermediation. A *firm* should only provide information on context in respect of either provision or intermediation, not both activities.

Note 2: For provision, information on context should relate the number of complaints opened within the reporting period to the total volume of a *firm's* relevant business at the end date of the reporting period. This is likely to include accounts opened, loans provided, policies sold and funds and investments provided before the commencement of the relevant reporting period.

Note 3: For intermediation, information on context published by a *firm* should relate the number of complaints opened within the reporting period to the number of sales within the relevant reporting period only.

Note 4: It is recommended that *firms* publish appropriate information on context in respect of credit-related complaints. However, publication of this data is not mandatory.

Note 5: When a *firm* publishes the “main cause of complaints opened”, this should be the cause category prompting the largest number of complaints for the relevant product/service grouping in Table 4 of Part A-2, *DISP* 1 Annex 1.

## Part 4: comes into force on 23 July 2015

### 2 Jurisdiction of the Financial Ombudsman Service

...

#### 2.2 Which complaints can be dealt with under the Financial Ombudsman Service?

...

- 2.2.2 G The effect of section 234B of the *Act* is that where a *person* (a “successor”) has assumed a liability (including a contingent one) of another *person* who was, or would have been the *respondent* in respect of a *complaint*, the *complaint* may be dealt with by the *Ombudsman* as if the successor were the *respondent*.

...

## Part 5: comes into force on 30 June 2016

### 2.8 Was the complaint referred to the Financial Ombudsman Service in time?

- 2.8.1 R The *Ombudsman* can only consider a *complaint* if:

- (1) the *respondent* has already sent the *complainant* its *final response* or *summary resolution communication*; or

...

- 2.8.2 R The *Ombudsman* cannot consider a *complaint* if the complainant refers it to the *Financial Ombudsman Service*:
- (1) more than six *months* after the date on which the *respondent* sent the complainant its *final response*, ~~or~~ *redress determination* or *summary resolution communication*; or
- ...
- unless:
- ...
- (5) the *respondent* has consented to the *Ombudsman* considering the *complaint* where the time limits in *DISP 2.8.2R* or *DISP 2.8.7R* have expired (but this does not apply to a “relevant complaint” within the meaning of section 404B(3) of *FSMA* the Act).
- 2.8.3 G The six-month time limit is only triggered by a response which is a *final response*, ~~or~~ *redress determination* or *summary resolution communication*. The response must tell the complainant about the six-month time limit that the complainant has to refer a *complaint* to the *Financial Ombudsman Service*.
- ...

## TP 1 Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provisions	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
...					
39	<u><i>DISP 1.10</i></u> and <u><i>1.10A</i></u> , <u><i>DISP 1 Annex 1R</i></u> , <u><i>DISP 1 Annex 1BR</i></u>	<u>R</u>	<u><i>DISP 1.10</i>, <i>DISP 1.10A</i>, <i>DISP 1 Annex 1R</i> and <i>DISP 1 Annex 1BR</i> as they stand on 30 June 2016 apply to a <i>firm</i> in relation to relevant reporting periods ending on or after 30 June 2016.</u>  <u>For relevant reporting periods ending on or before 29 June 2016, <i>DISP 1.10</i>, <i>DISP 1.10A</i>, <i>DISP 1</i></u>	<u>From 30 June 2016</u>	<u>From 30 June 2016</u>

			<u>Annex 1R and DISP 1 Annex 1BR apply as they stood on 29 June 2016.</u>		
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**Part 6: comes into force on 30 June 2016**

**Sch 1 Record keeping requirements**

...

Sch 1.2 G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
<i>DISP</i> 1.9.1R	<i>Complaints</i> subject to <i>DISP</i> 1.3 - <i>DISP</i> 1.8 ( <del>other than <i>DISP</i> 1.5</del> ).	Each <i>complaint</i> received and the measures taken for its resolution	On receipt	5 years for <i>complaints</i> relating to <i>MiFID business</i> or <i>collective portfolio management services</i> and 3 years for all other <i>complaints</i>

**Part 7: comes into force on 23 July 2015**

**Sch 2 Notification requirements**

2

...

Sch 2.1 G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
<del><i>DISP</i> 1.10.8G</del> <u><i>DISP</i> 1.10.9R</u>	Single contact point	Details	At the time of authorisation or on subsequent change	Not specified
...				

<i>DISP</i> 1.11.5R(2)	End of exemption for <i>member</i> of Lloyd's	Confirmation by the <i>Society</i> of Lloyd's that the condition in <del><i>DISP</i> 1.1.7</del> <i>DISP</i> 1.1.12R no longer apply to a specified <i>member</i> of Lloyd's	Conditions in <del><i>DISP</i> 1.1.7</del> <u><i>DISP</i> 1.1.12R</u> no longer apply	Not specified
...				

## Annex D

### Amendments to the Consumer Credit sourcebook (CONC)

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

## 2            **Conduct of business standards: general**

...

## 2.5          **Conduct of business: credit broking**

...

Guidance on unfair business practices

### 2.5.9        G    ...

(9)    Firms should note the effect of the *call charges rule* in GEN 7.

...

## 2.6          **Conduct of business: debt counselling, debt adjusting and providing credit information services**

...

Guidance on unfair business practices

### 2.6.4        G    ...

(5)    Firms should note the effect of the *call charges rule* in GEN 7.

...

## 3.3          **The clear fair and not misleading rule and general requirements**

...

Guidance on clear, fair and not misleading

...

### 3.3.9        G    A *firm* should in a *financial promotion* or other communication which includes a premium rate telephone number indicate in a prominent way the likely total cost of a premium rate call including the price per minute of a call, the likely duration of calls and the total cost a *customer* would incur if

the *customer* calls for the full estimated duration. Firms should note the effect of the *call charges rule* in GEN 7.

[Note: paragraphs 3.9h of *CBG* and 3.18x (box) of *DMG*]

...

### **3.9 Financial promotions and communications: debt counsellors and debt adjusters**

...

Contents of financial promotions and communications

...

3.9.6A G Firms should note the effect of the *call charges rule* in GEN 7.

...

### **7.9 Contact with customers**

Contacting customers

...

7.9.5A G Firms should note the effect of the *call charges rule* in GEN 7.

...

### **8.7 Charging for debt counselling, debt advice and related services**

...

8.7.7 G Firms should note the effect of the *call charges rule* in GEN 7.

Financial Conduct Authority



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