FINANCIAL CONDUCT AUTHORITY

Consultation Paper
CP25/13***

Improving the Complaints Reporting process

May 2025

How to respond

We are asking for comments on this Consultation Paper (CP) by **24 July 2025**.

You can send them to us using the form on our website.

Or in writing to:

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Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Telephone:
0131 301 2155

Email:
cp25-13@fca.org.uk.

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When we make rules, we are required to publish:

- a list of the names of respondents who made representations where those respondents consented to the publication of their names,
- an account of the representations we receive, and
- an account of how we have responded to the representations.

In your response, please indicate:

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Chapter 1

Summary

Why we are consulting

1.1 Our new strategy prioritises us being a smarter regulator, which includes simpler, more efficient and effective data collection from those we regulate. Currently the firms we regulate must report numbers of customer complaints they receive to us. We have not reviewed this data collection since 2015. We want to simplify how firms report complaints to us, make the process more consistent and improve the quality of the data we collect.

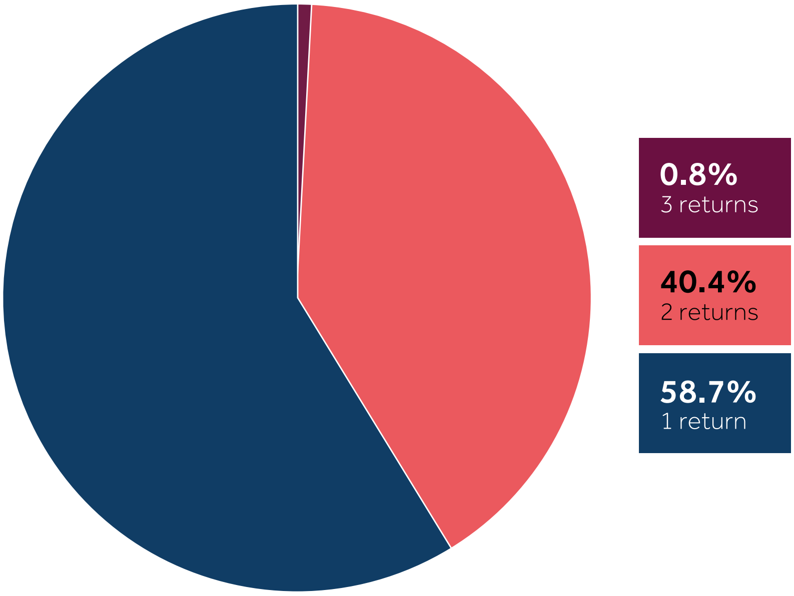
1.2 This consultation paper (CP) explains the improvements we propose to make to our data collection and why. We also discuss how our proposals should improve firms' experience of reporting complaints and the broader benefits to consumers.

1.3 We welcome all views through this consultation. Our proposals have already been informed by early engagement with our Smaller Business Practitioner Panel (SBPP) and Consumer Panel, as well as through direct engagement with some firms and their trade bodies. We are now formally seeking views about these proposals. We will consider all responses and suggestions before confirming our changes.

What we want to change

1.4 We want to consolidate 5 existing returns into a single return. We know that many firms have to complete multiple (and sometimes overlapping) returns, which creates inefficiency and unnecessary burden. This increases the risk of misreporting and makes it difficult for us to meaningfully interpret trends through repeat or overlapping complaints data. Figure 1 below shows how many firms have to submit multiple returns. This is currently 41.3% of relevant firms, or 9,802.

Figure 1: Proportion of firms completing 1 to 3 returns



1.5 In moving to a single return, we also want to improve the consistency of reporting by standardising the reporting frequency for all regulated firms. This will mean we receive data from firms at the same time and can compare it and identify any causes of consumer harm more effectively and quickly.

Outcomes we are seeking

1.6 We want to reduce unnecessary reporting burdens on firms. Additionally, by collecting complaints data over more consistent timeframes, our ability to detect and tackle consumer harm in a timely way will improve.

Who needs to read this document

1.7 This document should be read by:

- Regulated firms that report complaints data.
- Relevant trade bodies and representative groups.
- Consumers and their representatives, who use the complaints data we publish.

Measuring success

1.8 We expect these changes to make it easier for firms to understand and complete the return. This should lead to an improved firm experience and firms having to send fewer queries to us about the return.

1.9 To measure success, we will:

- monitor the feedback (numbers of comments and queries) we receive via RegData from firms about their experiences completing the new data return.
- monitor the number of queries that firms make to our Supervision Hub about the new return. As the return will be new for all reporting firms, we would expect, beyond initial bedding in, any potential initial increase in numbers of queries to level out and fall over time.
- monitor the outcome of cases we raise as a result of the data we collect on firms complaints data.

1.10 We expect our changes will also improve the information consumers can get from our data. We will measure consumer engagement with our data by tracking visits to our data publication websites (number of viewers and users).

Next steps

Considering responses and final proposals

1.11 We welcome responses to this CP by 24 July 2025.

1.12 We will assess all responses received and consider any revisions we need to make to our proposals. We will contact respondents to clarify any issues raised in responses if we need to. We will then consider our final proposals.

1.13 We aim to publish a Policy Statement later in 2025 and to provide firms with a year's implementation period. We would particularly welcome views from the firms who respond about the length of implementation period we propose.

Chapter 2

The wider context

2.1 Since 2002, regulated firms have submitted their complaints data to us (and our predecessor the FSA). Complaints data is useful for helping understand market trends, identifying current or emerging harms to consumers, as well as improving our understanding of the outcomes consumers get after complaining to firms.

2.2 Data from the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS), also reflects potential market trends and where consumer harm may be emerging or occurring. However, these datasets only capture a minority of all complaints consumers make to firms, providing a restricted view of the potential harms to consumers.

2.3 We have not conducted a wholesale review of our complaints data collection since 2015. At that time, we made significant changes to the complaints reporting process for firms. Since then, what we regulate has expanded further to cover new areas of activity such as funeral plan provision. These areas of activity have, in some cases, adopted their own complaints reporting processes, potentially duplicating work and creating inefficiency in the reporting process.

The current complaints reporting process

2.4 The majority of firms report on a 6-monthly basis. However, some firms only report annually. We have highlighted in Table 1a below which returns are within scope of this review:

Table 1a: Returns within scope of this review

Return	Reporting requirement source (FCA Handbook)	Who completes this return?
DISP 1 Annex 1R	DISP 1.10.1	Firms with permissions to carry out regulated activities (subject to some limited exclusions) are required to submit this return.
CCR - Complaints	DISP 1.10.1	Firms who carry out regulated credit-related activities are required to submit this return. It focuses on complaints about consumer credit products.
FPR - Complaints	DISP 1.10B.1	Firms with complaints about regulated funeral plan activities submit this return.

Return	Reporting requirement source (FCA Handbook)	Who completes this return?
PS - Complaints	DISP 1.10B.1	Payment service providers are required to submit this return. It focuses on complaints about payment and e-money products and services.
CMC - Complaints	DISP 1.10.1	Firms with complaints relating to regulated claims management activity or any activity ancillary to regulated claims management activity are required to submit this return.

2.5 In Table 1b below, we have highlighted the returns which we considered for consolidation, but which are not within scope of this review:

Table 1b: Returns not within scope of this review

Return	Reporting requirement source (FCA Handbook)	Who completes this return?
RIA - Complaints	DISP 1.10.2A	Firms with retail investment advisers are required to submit regular data every 6 months on complaints received about advisers.
Form G	SUP 15.12	Firms submitting the RIA return also need to submit data through the Form G Return to notify us where an adviser receives a complaint or complaints which breach certain thresholds, namely, 27. (a) in any 12-month period, a firm has upheld three complaints about matters relating to activities carried out by any one employee when acting as a retail investment adviser; or 28. (b) it has upheld a complaint about matters relating to activities carried out by any one employee when acting as a retail investment adviser, where the redress paid exceeds £50,000.
Credit Unions	CREDS 9.1.1	Credit unions are required to submit this return which is similar to but less detailed than the DISP 1 return.
CCR007	SUP 16.12.29C	Consumer credit firms with limited permissions are required to complete this return, which includes a question on complaint volumes.

2.6 We currently publish complaints data twice a year using two 6-monthly reporting cycles (January to June or July to December). Firms report to us at intervals set by reference to their Accounting Reference Dates (ARDs). We therefore receive data throughout the year, but the data we publish does not always align with the publication period.

2.7 We monitor the following data items:

- The number of complaints that firms receive and how that changes over time.
- Which products and/or services customers have complained about the most.
- Which products complaints are being upheld against and the proportion upheld.
- The value of redress that firms are paying.
- The volume of complaints in the context of the business the firm is writing.

2.8 When we publish firms' complaints data, we do so both at aggregate (market) level and at firm level. Our current approach is to publish firm-specific data only for those firms with:

- 500 or more complaints in a half-year period on a DISP 1 Annex 1 return.
- 1,000 or more complaints for consumer credit firms, if these firms report to us annually.

2.9 Firms exceeding these thresholds must also publish complaints data on their websites.

Problems with the current complaints reporting process

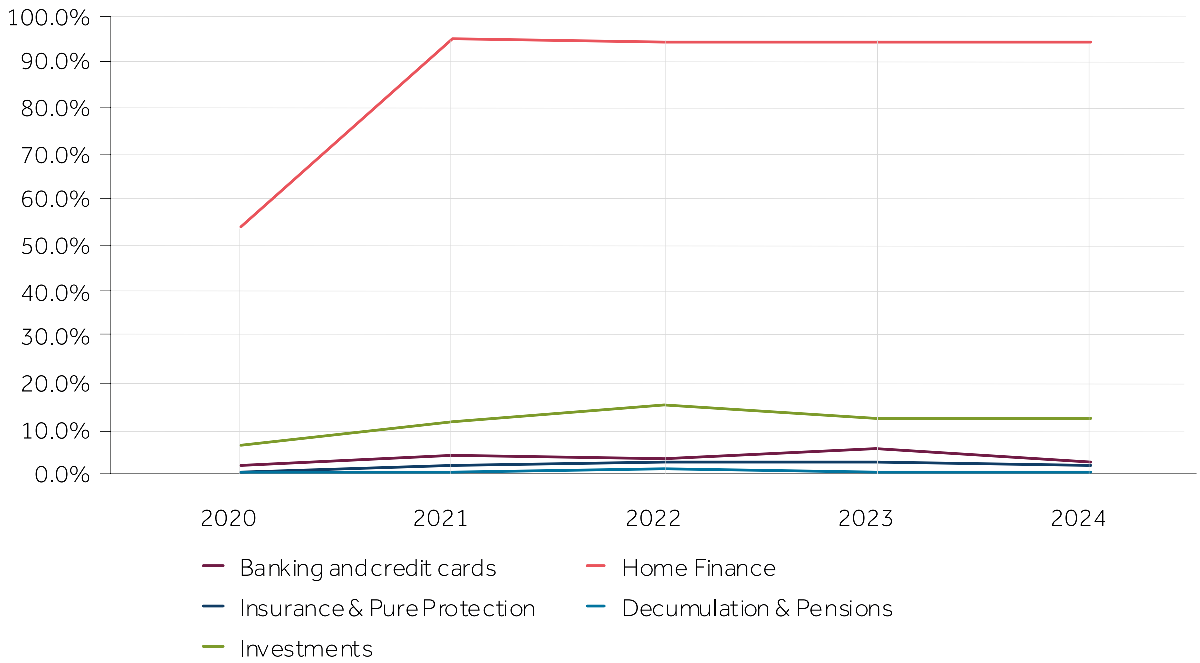
2.10 **Multiple complaints returns** - we have a number of returns that some, especially larger, firms, use to record complaints data. This, however, makes comparative analysis difficult and increases effort for those, often larger, firms. For example, we collect data on credit card complaints in both the DISP 1 and Payment Services complaint returns. This overlap means firms will duplicate effort or not record data consistently because of uncertainty about how to record a single complaint against a field and which return to use.

2.11 **Complaints reporting scheduled by firm ARD** – capturing data based on the firms' ARDs can limit our effective analysis of overall market trends and identification of potential issues on a timely basis. This can also affect the value of our published data which is constrained by firms reporting their data at different times. This data may become skewed or open to misinterpretation due to firms' different reporting periods.

2.12 **Different level of detail in complaints data based on reported complaint numbers** – the majority of firms report fewer than 500 complaints. This affects our ability to spot trends in portfolios predominantly made up of small firms. The current structure also presents challenges for firms with complaints around the 500-complaint threshold. The reporting format differs for those with under or over 500 complaints. It may be difficult for the firm to predict which format to use to report their data at the start of a reporting period and, as a result, to collect the necessary level of detail on complaints as they are received and processed.

2.13 **Categorisation of complaints which is unclear or outdated** – product types and issues affecting consumers have evolved over time. Firms have reported more and more of their complaints against an 'Other' category, using free text boxes, rather than in boxes representing a complaint type. In 2024, complaints categorised as 'Other' in DISP 1 accounted for about 7.03% of all complaints, up from 3.92% in 2020. Figure 2 below illustrates the breakdown of this data by the products and services groups in DISP 1. This creates additional work for firms, who have to manually enter more data. It also limits our ability to analyse the data, because there is a lack of consistency.

Figure 2: Proportion of complaints categorised as 'Other' in DISP 1 from 2020 to 2024



The harm we are seeking to prevent

2.14 First and foremost, complaints data reported by firms is a good source of information we can use to identify potential consumer harm. This data also helps us work with the Financial Ombudsman to spot and respond to situations where firms are getting an increase in complaints. However, this requires the data from firms to be accurate, consistent and have a sufficient level of detail for us to analyse it effectively. Without addressing these key factors in the data, we cannot use it effectively to help us spot consumer harm in a timely way, act swiftly and try to avert further harm in the future.

Engaging with stakeholders

2.15 We presented our proposals to some member firms of some trade bodies who submit complaints data to us. This engagement through trade bodies has provided us with some feedback which we are building on through this consultation.

2.16 We also presented our thinking to two of our independent Panels, the Smaller Business Practitioner Panel (SBPP) and the Consumer Panel, in Autumn 2024. These were useful ways to gather broader industry and consumer feedback about our proposals and gauge the level of support for our approach and any potential concerns. The Panels were generally supportive of our approach in principle and provided feedback. This engagement gave us a helpful steer as we shaped our proposals in more detail.

How it links to our objectives

Consumer protection

2.17 Improving our complaints data collection to increase data quality and standardise reporting frequencies should improve our ability to spot consumer harm early and act to protect consumers. Complaints are one of the best indicators of whether firms are meeting the needs of consumers. Complaints data provides a snapshot of how firms are performing and if they are treating their customers well. In particular, the analysis of data, for example uphold rates, helps us identify where there may be issues with a firm that requires supervisory work or intervention.

2.18 Our complaints data publication is the most viewed of our data publications. Customers can use this data to make informed decisions about which firms they do business with and which products and services they buy from them. Improving the quality and granularity of the complaints data we receive should help improve consumers' understanding of firms' performance.

Market integrity

2.19 It is important that we can identify issues in the market as early as possible to take appropriate action that maintains market integrity.

2.20 The availability of precise, accurate and timely complaints data contributes to our ability to identify consumer harm at an early stage, and more effectively tackle any emerging redress issues. Should we not be able to do so, there is a higher risk that market integrity is compromised and consumers' confidence in financial products and services is weakened.

Competition

2.21 Firms have told us that the complaints data we publish is an important benchmark for them to compare performance, in the market generally and with their competitors specifically.

2.22 The comparisons that firms make with each other's performance need to be meaningful. Customers also need to have the best available data to make informed choices about financial products and services. In both cases, publishing accurate and informative data should result in the operation of a competitive marketplace.

Secondary international competitiveness and growth objective

2.23 The proposals set out in this consultation seek to target changes to provide improvements to the data we collect, while seeking to minimise firm burden.

2.24 Firms have told us they do not expect to need to make significant changes to internal processes to comply with these proposals. We anticipate that our proposals will improve the accuracy and consistency of our current complaints data, benefitting consumers without requiring additional firm resources.

Wider effects of this consultation

2.25 Our proposals aim to address some of our specific concerns with the current complaints reporting process. We want to make sure that future reporting helps achieve better protection for consumers while reducing the burden on firms. We do not expect there to be immediate wider effects of our proposals. As a result of our proposals to simplify the process for nil reporting and consolidate the various returns, there may be longer-term efficiency and effectiveness in complaints-reporting practices.

The Consumer Duty

2.26 Through our engagement, we sought views on whether updates to the taxonomy and the categorisation of complaints should reflect the introduction and implementation of the Consumer Duty.

2.27 Firms were supportive of complaints reporting reflecting the Consumer Duty outcomes. Some firms noted that they already use the Duty outcomes in how they categorise reported complaints through their internal processes. However, firms also wanted us to provide clearer guidance on how to support implementation of the Duty by reporting complaints against the correct categories. Where a consumer has not mentioned the Duty by name, but the complaint would be relevant to a Duty outcome, firms would like us to provide an appropriate steer on our expectations.

2.28 For firms, understanding and monitoring the outcomes customers are experiencing – and acting where there are problems – is an essential part of meeting the requirements of the Duty. Complaints data is one type of data that firms can use to understand the outcomes their customers are experiencing.

2.29 Clearer guidance on how firms record certain complaints in the return would deliver more consistent reporting of complaints that reference the Consumer Duty outcomes. Referencing the Duty outcomes in reported complaints data would be a helpful tool as it would make the reporting more accurate, consistent and relevant. The reported complaints data would support effective supervision of the Duty, helping us to understand how well firms have embedded its requirements and the outcomes that consumers are experiencing. This approach would also support effective implementation of the Duty, allowing us to spot areas where embedding of the Duty could be improved further, and providing a more efficient use of our resources when tackling harm.

2.30 The changes we are proposing to complaints categorisation should help firms to draw insights from complaints and meet their Consumer Duty obligations.

Environmental, social & governance considerations

2.31 We do not consider that these proposals are relevant for ESG consideration or for contributing to the government's net-zero target. We will keep this issue under review during the consultation period and when considering what final rules we make.

Equality and diversity considerations

2.32 We do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010 (in Northern Ireland, the Equality Act is not enacted but other anti-discrimination legislation applies). However, we will continue to consider the equality and diversity implications of the proposals during the consultation period and will revisit them when making the final rules.

Chapter 3

Improving process efficiency

Introduction

3.1 This chapter describes the improvements we want to make to the complaints reporting process to achieve:

- Simplification of the process for reporting.
- Tailoring of complaints reporting towards firms' permissions.
- Provision by firms to us of a richer quality dataset that helps us identify and act on consumer harm in a more timely way.
- Making reporting more relevant to the complaints firms get from their customers.

Consolidating 5 existing returns into a single return

3.2 We want to require regulated firms to complete a single return rather than multiple ones. This should reduce firm burden and increase firm efficiency when completing returns. A simpler approach should benefit firms completing multiple returns. These firms will need to access RegData on fewer occasions. It will also benefit us and users of our published data by improving consistency across the returns.

3.3 There are 5 existing returns we consider are suitable for consolidation into a single return, namely:

- The main Dispute Resolution (DISP) 1 return – completed by firms with permissions to carry out regulated activities (subject to some limited exclusions).
- The main Consumer Credit (CCR) return – completed by firms who carry out regulated credit-related activities, with a focus on complaints about consumer credit products.
- The Payment Services (PS) return – completed by firms that provide payment services, with a focus on complaints about payment and e-money products and services.
- The Claims Management Companies (CMCs) return – completed by firms with complaints relating to regulated claims management activity or any activity ancillary to regulated claims management activity.
- The Funeral Plan (FP) Complaints return – completed by firms regulated for funeral plan activities.

3.4 There are other complaints returns that regulated firms complete based on their permissions. Some may have originated from an extension to the regulatory perimeter and the development of a new regulatory regime. The returns we are not considering for consolidation as part of this review, who completes them, and the reasons why we have ruled them out of scope are:

- Limited Permission Consumer Credit Firms (CCR007 Return) – submitted by consumer credit firms with limited permissions. There is a single complaints question in this return amongst a range of other questions, including about revenue and income. Because of the broader focus of this return, it is simpler to retain it as a separate return and exclude it from this review.
- Credit Unions Complaints Return – submitted by regulated credit unions. Credit unions currently complete paper returns sent by post or email. However, we are adding an online complaints submission option for the submission of complaints data this year. We will monitor the impact of this change and so don't consider it is the right time to include complaints reporting by credit unions within the scope of this review.
- Retail Investment Advisers (RIA) Complaints Returns, namely, the RIA-Complaints return and the Form G return - submitted by authorised retail investment advisers. The RIA-Complaints return asks for details of complaints received against individual advisers every 6 months. Form G is an event-driven notification based on:
  - If an adviser has at least 3 complaints upheld against it in a 12-month period, or
  - Where an upheld complaint involves a redress payment of more than £50,000.

  These returns are driven by complaints at adviser level, not at individual firm level. This means they are not suitable candidates for the scope of this review, where our focus is on returns completed at a firm level. We recently consulted, in CP25/8, on not requiring firms to provide the information in Form G. We are currently reviewing the RIA-Complaints return to decide whether or not to retain or decommission it. We plan to update on our next steps later this calendar year.
- Appointed Representatives (AR) Return (REP025) – submitted by principal firms with ARs or Introducer ARs (IARs) who are not directly authorised by us but whose principal is. Submission of the REP025 return began in December 2023, following introduction of our new rules to improve oversight of ARs. Data on complaints about ARs is only part of the data collected. Due to the relatively recent introduction of this return and the broader data collection, we do not consider it a suitable candidate for inclusion in this review.
- Financial Promotions Return (REP024) – submitted by firms that want to approve financial promotions for unauthorised firms. It allows these firms to report data to us on their financial promotion approval activities. This is a new data collection, introduced by a new gateway in 2023. Data on complaints is only part of the return. Similar to REP025, the relatively recent introduction of this return and the broader data collection means we do not consider it a suitable candidate for inclusion in this review.

Question 1: **Do you agree with our proposals to consolidate the DISP 1 Annex 1, CCR-Complaints, Funeral Plan Complaints, CMC Complaints and Payment Services Complaints returns? Do you agree with us deciding not to consolidate the other returns we have identified? If not, what would you propose?**

Referencing firm permissions to complete the single return

3.5 In consolidating 5 returns into a single return, we aim to help firms complete only those parts of the return relevant to them and aligned to their permissions. We are considering limiting certain questions to only those firms with the permissions to conduct relevant activities. There are some complaint types, which cannot be tied to a specific regulated activity, such as unregulated lending. In these cases, all firms may need to see these questions. Simplifying identification of the relevant parts of the single return should streamline the process for submitting returns, reducing firm burden.

3.6 The benefit to us is that we can process firms' data in a more meaningful way, identify customer harm more effectively by looking at any trends, and tackle harm at both an individual firm and market level.

Question 2: Do you have any views on our proposal to link questions to a firm's permissions?

Completing nil returns

3.7 The majority of firms which report complaints to us have received no complaints in the reporting period. However, they may need to submit multiple nil returns. Consolidating reporting into a single return is simpler for reporting nil complaints, allowing these firms to complete the process quickly and reducing firm burden.

Question 3: Do you agree with our proposal for simplifying nil returns? If not, what would you propose?

Removal of group reporting

3.8 Some regulated firms are required to complete a complaints return(s) for all the firms that are part of their corporate group rather than at individual firm level. This makes it difficult for us to analyse the results from group reporting. Firms could misreport data for individual firms within the group which would not be obvious on the face of the submitted return(s). Group reporting could mask potential consumer harm. We would need to spend time disaggregating data for the group into complaints data at individual firm level to spot areas where harm had occurred. This also involves more resource-intensive follow-up work with the relevant firms.

3.9 The simpler approach we propose is for all regulated firms, including those which are part of a corporate group, to report their complaints data at individual firm level. This would make it easier for us to receive complaints data without the risk of misreporting. We would be able to spot potentially adverse trends in complaints across reporting periods for individual firms, not masked by group reporting.

Question 4: **Do you agree with removing the group reporting option from the complaints return? If not, what would you propose?**

Updating complaints categorisation

3.10 Firms currently report complaints against products and services. This helps us to understand market trends, identify emerging harms and improve consumer outcomes. As markets have evolved over time, some of these products and services are less relevant than they used to be, while other new ones have emerged. Many firms are now reporting complaints as free text in an 'Other' section. This is time-consuming for firms to input and for us to analyse.

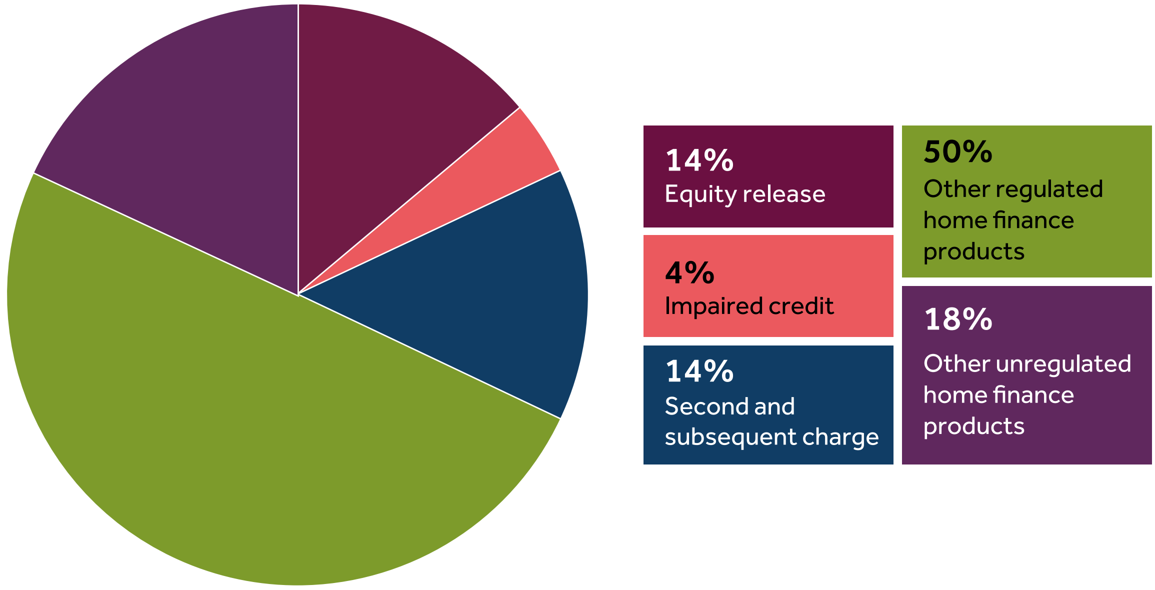
3.11 We have reviewed the taxonomy to identify useful product types complained about that should be reported to us. We propose to update the taxonomy across the complaints return to provide more useful insight. The data we collect may also be useful to consumers and firms through our data publication. Our proposals include the following changes to the taxonomy:

- Providing a revised list of complaint categories.
- Removing product types not regularly used.
- Adding updated product types based on those types frequently inserted into the 'Other' category and other product types identified through our engagement to date.

3.12 Examples of the product and service types we expect to include in the new return can be found in Annex 3. We are also publishing a prototype of the new return alongside this consultation. We will provide a link to this prototype to all firms who hold the relevant permissions and strongly encourage firms to test it.

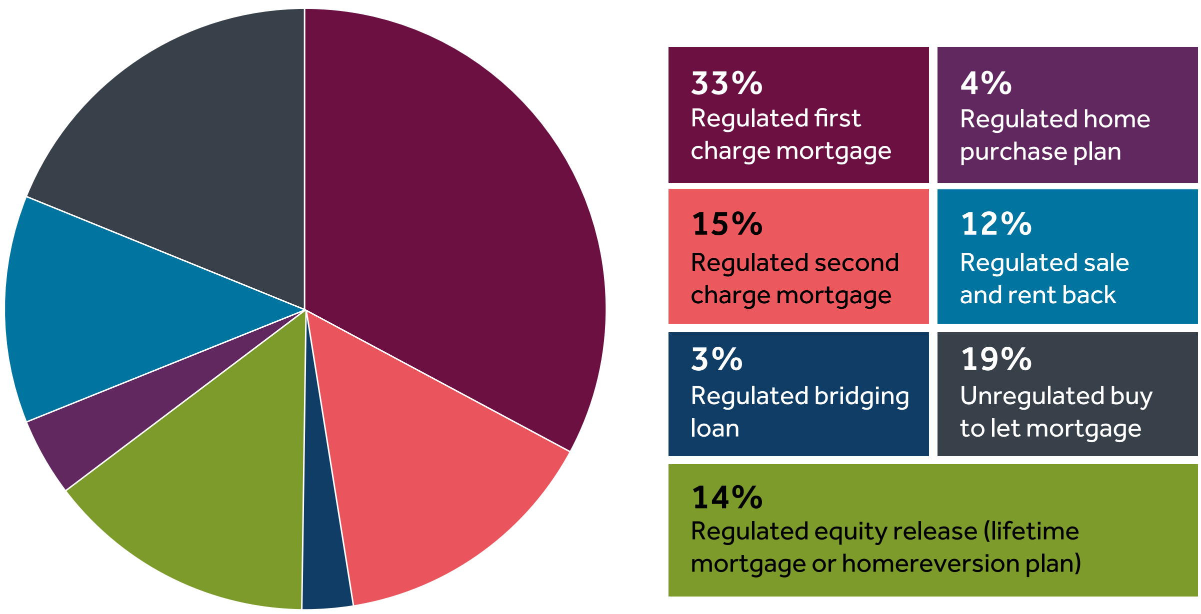
3.13 As an example of how the updated product types can reduce the need for firms to manually add free text to the 'Other' category, Figure 3 below shows the proportion of complaints reported in the DISP 1 'Home Finance' product and services group since 2022. Over 65% of the complaints were reported as either 'Other regulated home finance products' or 'Other unregulated home finance products'.

Figure 3: DISP 1 Home Finance proportion of complaints by product/ service type with current product/ service list



3.14 Figure 4 below illustrates how introducing a wider list of regulated home finance products including 'Regulated first charge mortgage', 'Regulated second charge mortgage' and 'Regulated bridging loan' may provide more meaningful data and reduce the need to use an 'Other' category. We propose to remove product types such as 'Impaired credit', which fewer than 5% of complaints were recorded against.

Figure 4: *DISP 1* Home Finance proportion of complaints by product/ service type with updated product/ service list



3.15 In the current DISP 1 return, the categories for the type of complaint are repeated and used across the different product groups, which may not be appropriate for particular sectors. We have worked to update the complaint types, making them relevant for each sector, for example 'Banking and Credit cards' complaint issues will now include 'Access to Product (including temporary restrictions)' and 'Irresponsibility of Lending and/or Unaffordability of Product', whereas 'Mortgages and Home Finance' will include 'Financial Difficulties'.

3.16 We are also including a category to capture complaints that relate to the outcomes of the Consumer Duty and complaints by consumers identified as vulnerable. The information we capture around complaints closed, upheld and redress will now include the following to help us monitor how firms are managing complaints-handling for customers with characteristics of vulnerability:

- Complaints Opened by Consumer identified as Vulnerable.
- Complaints Closed by Consumer identified as Vulnerable.

3.17 Introducing this will help us better understand outcomes for customers with characteristics of vulnerability so we can ensure they have appropriate protection. It ought not to create additional firm burden. We already expect firms to support their staff to identify signs of vulnerability in customers, for example, by providing them with appropriate training and resources. We also expect firms to have set up their systems and processes to enable customers to disclose their needs if they choose to do so. Firms should be able to capture information about customer needs, such as communication needs or information about customers' characteristics of vulnerability, as a result.

3.18 We want to continue to be able to identify complaints based on the product and service the consumer is complaining about. We will map our new categorisation against the Consumer Duty outcomes. We expect this to increase the insight we can draw from the return, allowing us to track complaints against Consumer Duty outcomes without any increase in firm burden.

3.19 We will also conduct a similar process with customer complaints received by the Financial Ombudsman. We will work together with it to map our categorisation to theirs, for example, for the FOS category 'Claim value', we will map this to the Consumer Duty 'Price and Value' outcome. The aim of this mapping exercise would be to help us draw more insight from the Financial Ombudsman's caseload data. It will also help us to establish which Consumer Duty outcome is most relevant to different categories of case, taking into account how the Financial Ombudsman assesses complaints made to it. It should also enable us to better track the progress of complaints through the redress system.

3.20 We currently ask for the number of products sold or in force so we can understand the volume of complaints relative to a firm's business volumes. We have considered removing existing questions on contextualisation. These are questions firms often find it difficult to answer. The data we collect on contextualisation relies on assumptions that firms must make and depends on firms' individual business models. We discussed these issues with firms who report this data. Many firms told us they find the data useful to help compare themselves against their peers. As a result, we propose to retain contextualisation data. We propose to provide more detailed guidance to help firms in reporting contextualisation data.

Question 5: **Do you agree with our amendments to the product and service categories? If not, what would you propose?**

Question 6: **Do you agree that we should capture details on complaints where the customer is identified as vulnerable?**

Question 7: **Do you agree that contextualisation data should continue to be reported? If yes, what guidance should we provide to help firms report contextualisation data?**

Guidance for firms

3.21 We know firms are sometimes uncertain about how to record certain complaints in the return. We are proposing changes to our published guidance on the products and services we expect firms to report complaints against. Where possible, we propose to link these to existing definitions that we use in our Handbook. We have set out examples of the clarification we can provide on the various sections of the return at Annex 3. We plan to improve our guidance to better help firms' analysis.

Question 8: **Do you agree that the guidance we are providing will help firms report high-quality complaints data? If not, do you have any views on what guidance we should be providing?**

Frequency of return submission

3.22 There are different timings for submitting complaints returns depending on firms' permissions and which returns they complete. Firms which complete the FP, CMC, PS or some consumer credit complaints returns do so annually. Firms that complete the main DISP 1 return, and some consumer finance returns, do so every 6 months.

3.23 It would help our understanding of the data and to identify trends in consumer harm more quickly if all firms complete their returns on the same reporting cycle. We propose to make a 6-monthly cycle the standard frequency for completing the single return.

3.24 This will mean that, for returns in scope of this review, firms will report complaints data every 6 months. Those firms currently reporting annually would need to submit data twice a year. Our view is that firms with annual reporting cycles should already have established processes for collecting their complaints data. Reporting it more frequently should not create a significant additional firm burden.

3.25 We consider that a 6-monthly data collection frequency strikes an appropriate balance. While some firms would need to report more frequently than now, we would be setting a frequency level which would not place additional burden on firms to collect complaints data but would create benefits of improved trend analysis and detection and tackling of consumer harm.

3.26 We know that 6-monthly reporting means there will still be a delay between firms receiving complaints and firms reporting them to us. Our experience is that, where there are significant increases in complaints, we should aim to identify these as early as possible. In our Call for Input (CfI) on Modernising the Redress System, we asked when firms should be expected to notify us of redress events. We are considering the responses to the CfI and will provide an update in Summer 2025.

Question 9: **Do you agree with our proposals for Funeral Plan providers, CMCs, Payment Service providers and some consumer credit firms, which currently report annually, to provide complaints data half-yearly?**

Reporting by calendar year

3.27 Currently, firms report their complaints data in line with their ARDs which is their financial year-end date. This means that reporting submissions can vary across the calendar. This makes it difficult for us to compare trends in data.

3.28 One way to remedy these potential inconsistencies is to introduce a more standard approach which would involve submissions of returns tied to a specific date. In our view, this date would best be set at 31 December and 30 June each year. This would align with our current data publication periods.

3.29 We accept there is a potential challenge for some firms to align to these dates based on the number of complaints they report. For example, smaller firms who report based on their ARDs may need to adjust their processes to report by calendar year. However, smaller firms also tend to report fewer complaints. Our view is that the timing change should have less of an impact on them.

Question 10: **Do you agree with our proposal that firms should submit data for periods ending 31 December and 30 June? If not, how should we set reporting dates?**

Implementation period

3.30 We know firms may need to make process and system changes as a result of our proposals. We propose to allow at least a 12-month implementation period from any policy statement announcement. We are planning to issue a Policy Statement later in 2025. We expect the first collection using the new return will be for the period ending December 2026.

3.31 Some firms do not have ARDs aligned to our June/December period end dates. As a result, we propose to allow them to report on a 'short' period for their first report under the new regime. This short period will run from the end of their previous reporting period to the start of the new regime.

Question 11: Do you have any views on our proposed approach to implementing the new return?

Chapter 4

Improving our data publications

4.1 The complaints data we get from firms can act as a useful reference for both consumers and firms to understand firms' response to complaints made against them. It allows them to see which firms are treating their customers well when compared with others.

4.2 We publish complaints data every 6 months for firm returns with a half-year period ending between 1 January and 30 June (H1) and between 1 July and 31 December (H2). We use this data to assess firms' performance and whether we should act against poorly performing firms.

4.3 This data can also provide consumers with insight into firm behaviour. It may help consumers when considering which firms they trust and want to buy from, based on their complaints record against different product types. We know firms also use the data to inform their root cause analysis and identify harms.

4.4 The Complaints data is our most viewed data publication and is our only publication classified as Official Statistics. We had around 13,000 views of our complaints data in both 2023 and 2024.

4.5 We collect and publish data at an aggregate (market) level and at firm level. We currently only report firms' data for firms reporting:

- 500 or more complaints in a half-year period.
- 1,000 or more complaints for consumer credit firms if these firms report annually to us.

4.6 The firms that meet these thresholds must also publish this data on their own websites.

4.7 Providing transparency by publishing firms' complaints data is an additional source of information for consumers to use when choosing particular firms for specific products and services. Consumers can also compare our published data with data from other sources, such as Financial Ombudsman complaints data, to give them more information about different product markets and firms operating within them.

What consumers may learn from our published data

4.8 There are certain positive indicators of complaints-handling that our data may reveal in the form of good practices by firms, for example:

- Firms that receive a low volume of complaints compared to the amount of business they undertake. Firms may publish their own data setting out useful metrics for consumers to use as a comparison of firm performance, including the number of complaints per account or the number of complaints per policy.
- Firms that close a high proportion of complaints within 8 weeks. If firms are writing with final responses to complainants within 8 weeks and closing complaints as a result, this may be seen as a positive and proactive approach to tackling complaints.
- Firms with a low percentage of complaints upheld by the Financial Ombudsman. This metric could reveal that these firms are willing and able to agree (wholly or partly) with the complainant, accept the complaint and put matters right, either by paying redress or a similar remedy.

Increasing the amount of published complaints data

4.9 In Chapter 3, we set out proposals to increase the quality of data we receive. These proposals will also improve the quality of data we can publish including:

- Improvements to complaints categorisation will enable us to publish more insightful data.
- Aligning the under and over 500 complaints categories will enable us to publish better quality aggregate data.
- Consolidating the complaints returns will enable us to publish data covering a broader range of firms. This will improve the visibility of complaint trends across financial services.

4.10 The complaints data we currently publish is limited to the data reported to us by firms with 500 or more complaints, or 1,000 or more complaints where for consumer finance data reported annually. We have not set a threshold for the publication of funeral plan (FP), claims management companies (CMCs) or payment services (PS) complaints data. This data is published by firms on their websites before we publish their data on ours. We propose to publish individual firm information where the firm has received greater than 500 complaints in a 6-month period.

4.11 This will enable consumers to have better and more comparable information available to them about the firms with the most complaints. We expect this will also benefit firms as it will provide a reference point for firms' root cause analysis of complaints and peer comparison.

What our proposals may achieve for consumers

4.12 Our proposals will potentially increase the amount of complaints data that consumers can access and use. This would help consumers even more than now by breaking data into individual firm performance – by removing group reporting – and through removing the 500-complaint threshold – allowing more firms to be captured in the published data.

4.13 A greater degree of transparency can build trust amongst consumers in validating the robustness of our published complaints data. Consumers will also have a reference point for comparing data from other sources they may use. We are aware of consumers' need to have a trusted source of complaints data.

Question 12: **Do you agree with our proposal to publish firm level data from firms with greater than 500 complaints? If not, do you have any views on what would be an appropriate threshold for firm-level complaints publication?**

Annex 1

Questions in this paper

Question 1: Do you agree with our proposals to consolidate the DISP 1 Annex 1, CCR-Complaints, Funeral Plan Complaints, CMC Complaints and Payment Services Complaints returns? Do you agree with us deciding not to consolidate the other returns we have identified? If not, what would you propose?

Question 2: Do you have any views on our proposal to link questions to a firm's permissions?

Question 3: Do you agree with our proposal for simplifying nil returns? If not, what would you propose?

Question 4: Do you agree with removing the group reporting option from the complaints return? If not, what would you propose?

Question 5: Do you agree with our amendments to the product and service categories? If not, what would you propose?

Question 6: Do you agree that we should capture details on complaints where the customer is identified as vulnerable?

Question 7: Do you agree that contextualisation data should continue to be reported? If yes, what guidance should we provide to help firms report contextualisation data?

Question 8: Do you agree that the guidance we are providing will help firms report high-quality complaints data? If not, do you have any views on what guidance we should be providing?

Question 9: Do you agree with our proposals for Funeral Plan providers, CMCs, Payment Service providers and some consumer credit firms, which currently report annually, to provide complaints data half-yearly?

Question 10: Do you agree with our proposal that firms should submit data for periods ending 31 December and 30 June? If not, how should we set reporting dates?

Question 11: **Do you have any views on our proposed approach to implementing the new return?**

Question 12: **Do you agree with our proposal to publish firm level data from firms with greater than 500 complaints? If not, do you have any views on what would be an appropriate threshold for firm-level complaints publication?**

Annex 2

Cost benefit analysis

Introduction

1. The Financial Services and Markets Act 2000 (FSMA) requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I of FSMA requires us to publish a CBA of proposed rules, defined as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'.

2. Since 2002, regulated firms have submitted data to the FCA on the complaints that they receive from customers. This data has enabled us to identify problem firms and areas of the market that could be investigated further to understand what is driving the complaints. This has also enabled consumers to identify problem firms for themselves and use this information when choosing which firms to give their business to.

3. However, over time, the value of this data submission has declined. It has become fragmented and inconsistent due to the addition of new returns, limiting how useful these returns are.

4. We are proposing to address these problems and make sure we remain able to have data that allows us to effectively supervise, and so customers can make decisions, by updating the system firms report complaints to us by:

- combining 5 of the current returns into a single consolidated return.
- removing group reporting.
- streamlining and homogenising taxonomies.
- aligning reporting periods and frequency.
- making improvements to the complaints data we publish.

5. The following analysis presents estimates of the significant impacts of our proposal. We provide monetary values for the impacts where we believe it is reasonably practicable to do so. In other cases, we provide a qualitative explanation of the impacts. Our proposals are based on weighing up all the impacts we expect and reaching a judgement about the appropriate level of regulatory intervention.

6. The CBA has the following structure:

- The Market
- Problem and reasons for intervention
- Options assessment
- Our proposed intervention
- Baseline and key assumptions
- Summary of impacts
- Benefits

- Costs
- Monitoring and Evaluation

The Market

7. When consumers are unhappy with a financial product or service provided by a firm authorised by the FCA, they can, in the first instance, contact the firm directly and explain the nature of their complaint. In general, firms must respond to consumers in writing letting them know the outcome of their complaint within 8 weeks. Firms must tell consumers whether their complaint has been successful or not, or why they need more time to investigate. Firms then must submit data about these complaints to us.

8. If consumers are unhappy with a firm's response to their complaint, they can refer it to the Financial Ombudsman (FOS), who can then investigate and decide whether to overturn the firm's decision and uphold the complaint.

9. A consumer can also complain to the Financial Services Compensation Scheme (FSCS) if the firm they have a complaint about is insolvent and the subject matter of the complaint is a financial loss covered by the FSCS.

10. The Financial Ombudsman and the FSCS hold data on complaints referred to them, which we can use to understand potential market trends and where consumer harm may be emerging or occurring. However, these datasets can be limited as they may capture only a minority of all complaints that are made by consumers to firms. This means we have a restricted view of the potential harms to consumers.

11. Within the FCA we use complaints data to spot trends in emerging consumer harm that can enable us to focus our supervisory and enforcement action. Complaints data also enables consumers to make choices on what firms to use for financial products based on the number of complaints firms receive.

12. Table 1 below shows data received by the FCA on complaints volumes, those upheld, and redress paid since H2 2022. Our analysis shows complaints volumes concentrated on a small number of firms, as, on average, 54% of firms across the 5 returns in scope submit fewer than 10 complaints annually. Our analysis also shows many firms within our population regularly submit nil returns, i.e. no complaints.

13. Redress can still be paid to consumers even if their complaints are not upheld, usually at the discretion of the firm.

Table 1: Total complaints volumes, total upheld, and redress paid

	2022 H2	2023 H1	2023 H2	2024 H1
Total complaints closed	1.8m	1.9m	1.9m	1.9m
of which:				

	2022 H2	2023 H1	2023 H2	2024 H1
Total upheld	1.1m	1.2m	1.1m	1.1m
% Upheld	60%	61%	57%	57%
Total redress paid	£228.4m	£236.5m	£261.1m	£243.1m
Redress paid for upheld complaints	£198.7m	£210.9m	£221.7m	£213.3m
Redress paid for complaints not upheld	£29.7m	£25.6m	£39.3m	£29.9m
Average redress upheld	£187	£183	£204	£201

Firms

14. Currently, there are 8 different returns firms use to submit complaints data to the FCA depending on their permissions. A number of the product categories that firms report complaints against are unclear. We are seeking to consolidate 5 of these returns, as set out in Table 2 below:

Table 2: Complaints returns and number of firms submitting

Complaints Returns	Reporting Schedule	Number of firms submitting
Consumer Credit (CCR-Complaints Return)	Biannual	13,800
Complaints Return (DISP 1 Ann 1R)	Biannual	17,500
Claims Management (CM Complaints Return)	Annual	500
Funeral Plan Complaints (FPR-Complaints Return)	Annual	30
Payment Services (PS-Complaints Return)	Annual	1,800
Total		**33,600**[1]

15. There are 23,600 firms in scope that report using the 5 complaints returns. Some firms submit complaints using more than one return, meaning the total number of submissions is greater than the total number of firms in scope. As Table 2 shows, 23,600 firms collectively make 33,600 returns annually (approximately 1.4 returns per firm).

16. Across these 23,600 firms, 9,600 firms currently submit 2 returns, and 200 firms submit 3 returns. Some firms are subsidiaries of a parent firm which reports on their behalf. These subsidiaries do not submit returns themselves.

17. The FCA has decided that 3 other returns are currently out of scope:

- **RIA Complaints return and Form G** - the ongoing need for these returns is under separate consideration.
- **Credit Unions return** - it is completely manual and being looked into separately.

1 This total is greater than number of firms in scope due to some firms submitting more than one return

- **Limited Permission Consumer Credit Firms (CCR007 Return)** - because of the broader focus of this return, it is simpler to retain it as a separate return and exclude it from this review.

18. Table 3 below shows the total number of complaints received in 2024 split by return. Despite only 5 of the 8 complaints returns being in scope of this project, we are capturing most of the complaints received.

Table 3: Total complaints by return - 2024

Consumer Credit (CCR-Complaints Return)	Claims Management (CM Complaints Return)	Complaints Return (DISP 1 Ann 1R)	Funeral Plan Complaints (FPR-Complaints Return)	Payment Services complaints	Total
1,200,000	800	2,200,000	2,000	300,000	3,700,000

Problem and reasons for intervention

19. Complaints data is of significant value. It can be used to understand market trends, emerging areas of harm, and consumer outcomes. The FCA can prioritise support in areas where complaints have higher occurrences to mitigate harm.

20. We have undertaken multiple phases of engagement with internal and relevant external stakeholders to gather their views on our proposals to improve the complaints reporting process. From this engagement, we understand the issues surrounding the current processes to include outdated product categorisation, meaning firms are categorising many complaints as "Other". This limits our ability to understand if there are any trends in the complaints firms are receiving. There are also issues surrounding the guidance which results in firms making calls to the FCA's Supervision Hub to get help with their submission, increasing the time which firms must spend completing these returns. There are further issues which we will go into detail throughout the following sections.

21. Such regulatory gaps have led to an inefficient complaints reporting process for firms and for the FCA, leading to untimely and incomplete returns. Firstly, the product categories firms report complaints against are outdated. This means firms take additional time to figure out which category to use, or they report complaints in the "Other" category, which leaves us unable to identify where there are trends in complaints about certain products. Secondly, firms take additional time to complete returns due to ineffective guidance and some firms submitting multiple returns.

22. These issues exacerbate an information asymmetry problem where the FCA does not have the same information as firms on issues arising within markets that may be causing consumer harm. This limits our ability to intervene effectively and can lead to consumer harm going unaddressed.

23. By updating the complaints reporting system, we are seeking to make it easier for firms to provide us with relevant and informative complaints data to enable us, where needed, to take appropriate supervisory or enforcement action.

24. Below we provide more detail on each reason for intervention.

Regulatory Gaps

25. Regulatory gaps in the process of submitting complaints data to the FCA have led to inefficiencies for firms. The main drivers of these are:

- firms submitting multiple returns based on their permissions.
- issues with the taxonomy of the returns.
- post-submission follow-ups due to inaccurate or incomplete returns.

26. It is taking firms longer to complete the returns due to the system being unclear, creating inefficiencies for firms. In a pilot conducted with the FCA which enabled firms to submit comments as part of the returns process, we found that the biggest issue firms face with the current process is how complicated and time consuming it is, as well as how unclear the guidance is.

27. The Supervision Hub is the first port of call for firms that need to contact the FCA. In 2023:

- 30% of calls the Supervision Hub received from firms about completing the returns were due to issues with the guidance or requiring assistance to complete the return.
- 20% of calls the Supervision Hub received were about submission errors, meaning firms are having to spend longer on completing the returns than necessary due to problems within the complaints reporting system.

28. These issues result in the FCA having to spend time on post-submission queries with firms to ensure data is correct. The issues firms face means the quality of data we receive from them is reduced, limiting our ability to spot trends in consumer harm or identify problem areas within a market.

29. The current complaints reporting system requires around 9,800 firms to submit multiple returns to the FCA, focusing on different categories of complaints. Completing multiple returns increases the time firms spend on submission, creating inefficiencies in the reporting process. Inefficiencies also include repeated questions across the current returns, meaning staff are spending time completing the same required fields across different returns. We are seeking to address these inefficiencies with the new condensed reporting system and the revision of taxonomies.

Asymmetric Information

30. A survey with end users within the FCA suggests the data is not collected frequently enough to enable identification of trends in harm occurring in the market. This has led to a situation of asymmetric information, where firms have greater knowledge about complaints and trends within certain markets than we do. This is why we propose

to move to reporting through a single consolidated return on a biannual basis. Our proposed interventions should improve the timeliness and quality of data we receive from firms as the return will be simplified, and firms should be able to more easily and accurately complete it going forward.

31. Problems with the accuracy and usability of data collected, due to firms having issues with completing the current returns, has led to an overreliance on data from other sources such as the Financial Ombudsman and the FSCS. However, not all complaints are escalated to the Financial Ombudsman, and FSCS data is only for firms which have failed. This data reflects only a minority of the whole market making the asymmetric information problem worse.

32. In H1 2024, the FCA received 1.86m complaints, while the Financial Ombudsman received 133,000. As a prerequisite of complaining to the Financial Ombudsman is that a complaint was originally made to the firm, this data will always be a subset. Relying on these sources would mean we never see the whole picture of complaints within a specific market or sector. It can also take up to 12 months for complaints data to make its way into the FCA. This creates significant lags and jeopardises the FCA's ability to act swiftly to prevent consumer harm.

Consumer harm

33. Reporting delays can inhibit the FCA's ability to act quickly to identify or address harms in the market, including market abuse, unreliable performance, and disorderly failure. This could lead to prolonged and avoidable consumer harm as FCA intervention responds to delayed reporting trends. The FCA also cannot make sure that complaints are dealt with effectively, and where there are delays, we are less able to monitor how firm/market performance progresses over time. This limits our ability to monitor both the success of earlier intervention and emerging harms.

34. With early intervention prevented by reporting delays, many more consumers are left vulnerable to the reported harm as it continues without regulatory intervention. The difficulty of identifying emerging harms in the lagged trends means that intervention occurs at a later stage, when the harm may be more severe, meaning more consumers are subjected to a worse degree of harm under the current reporting system.

35. A lack of regulatory intervention caused by poor reporting may mean consumer harms persist without timely action. This reduces consumer confidence in the FCA and the market as the period between when complaints are raised and there is intervention increases. One of the FCA's Topline Outcomes is to maintain and improve consumer confidence as a priority.

Options

36. In designing our proposals, we considered the following options:

Option 1 Baseline - Do nothing – rely on the Consumer Duty

37. In the baseline scenario, firms in scope of our intervention are bound by the Consumer Duty. The Duty sets a high standard of consumer protection and firms must act to deliver good outcomes for retail customers. However, the Duty is outcome-focused and not prescriptive. It does not require firms to act in the same way to deliver good outcomes. For the FCA to ensure firms are meeting the standards of the Duty, we need high quality, timely and consistent data. The Duty does not contain any reporting requirements. We cannot rely on the Duty to get data from firms.

38. This option was discarded because the issues surrounding current complaints data, including lack of timely and complete data, would continue, resulting in continued inefficiencies for firms submitting data and consumer harm potentially going unnoticed. It would also leave us relying on external sources of data for longer which do not give an accurate picture of the whole market.

Option 2 – Consolidate returns into a single submission (Recommended)

39. This option mirrors our proposals to consolidate 5 complaint returns into a single submission in RegData with improved taxonomy, remove group reporting, and have a submission frequency of 6-month reporting. Firms must also notify us before the next reporting period if complaints have increased.

40. This is the recommended option. It provides a solution to the issues within the current system. We are combining 5 of the current returns and removing any redundant data fields, making the reporting process more efficient for firms. Reporting on a 6-monthly basis gives us more timely data on any issues occurring within these markets, without overburdening firms. Removal of group reporting also enables us to identify any issues at a more granular level and appropriately target any action.

Option 3 – Revise individual returns

41. Under this option we would review all 5 'in scope' returns individually, consolidating where it is natural to do so. Otherwise returns would remain separate with the staggering of more complex changes.

42. This option was discarded because it would delay resolving the issues that exist within the current complaints reporting system as detailed above. It would also leave us relying on external sources of data whilst we review each return individually which would not give us an accurate picture of the whole market. It also wouldn't solve some inefficiency issues as many firms would still submit multiple returns.

Our proposed intervention

43. Our planned intervention is to overhaul 5 of the 8 complaints returns to provide a more accurate reflection of consumer complaints. Currently, different categories of firms complete different returns. The new system will streamline the process and make all firms subject to the same requirements. The reforms include:

- Consolidating 5 complaints returns into a single return.
- Removing group reporting.
- Standardising reporting for every firm to every 6 months and moving to a calendar year schedule.

Consolidating 5 complaints returns into a single return

44. We propose to consolidate 5 out of 8 complaints returns into a single submission, review the taxonomy of this return and require all firms to submit their return via RegData. This will make the process more efficient for all firms, but especially firms who currently submit more than one return. The FCA can then analyse the better-quality data to identify areas of consumer harm and intervene in the market. The 5 returns to be consolidated are as follows:

- The DISP 1 Annex 1 complaints return.
- Electronic Money and Payment Services (PS) return.
- Funeral Plans (FP) return.
- Consumer Credit Reporting (CCR) return.
- Complaint Management Companies (CMCs) return.

45. This proposal will make sure firms only complete one return instead of multiple returns. A firm's collated complaints data will be submitted via RegData in one submission process. This consolidation will remove any repeated or unnecessary questions across the returns. The new system should save firms time when reporting their data.

Removal of group reporting

46. Currently we enable firms to report as a group, meaning a parent firm reports on behalf of its subsidiaries. As reporting is done by group through a single overall submission, we cannot identify which complaints have been lodged against which subsidiary firms.

47. Removing the ability for firms to report as a group will remove the requirement for parent firms to report complaints data on behalf of their subsidiaries. Any firms who are part of a group will now submit their own data. This will make the process more efficient for parent firms. However, this may mean that subsidiary firms may see an increased cost due to the new requirement to report.

48. Separating reporting will provide more granular data to the FCA, enabling analysis at individual firm level and meaning we can more easily target supervisory or enforcement action if necessary.

Standardising reporting frequency to every 6 months and aligning the reporting period with the calendar year

49. Currently, some firms only report annually, meaning a significant delay to when we receive data, and limiting our ability to spot any trends in consumer harm.

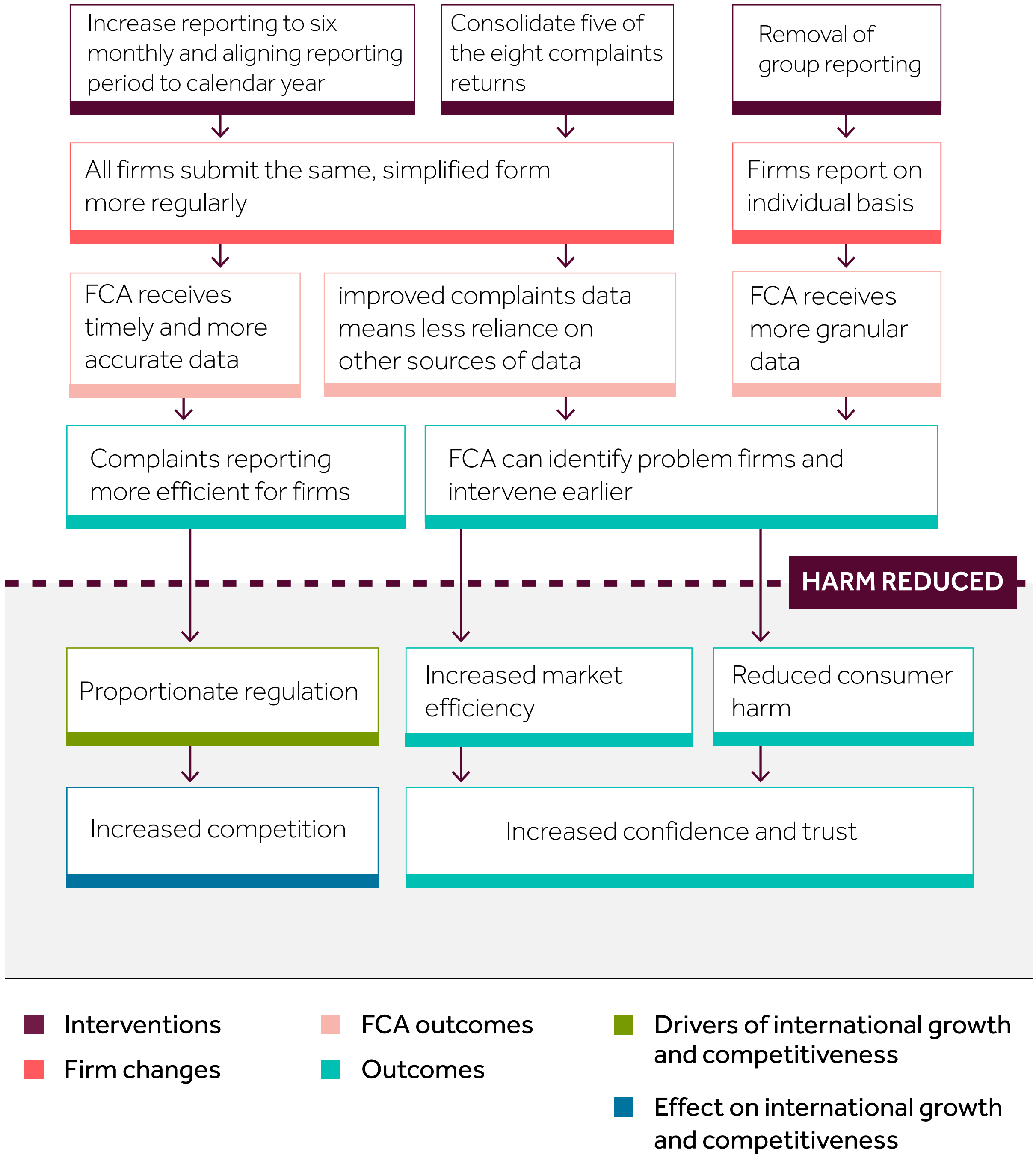
50. We propose to change reporting to every 6 months on the same schedule. This makes sure we get data in a timely manner and receive all data at the same time.

Causal chain

51. The causal chain illustrates how our proposed intervention will address the harm and drivers of harm. We have set out the key steps that need to happen between our intervention and the final outcomes for our proposals to be successful.

52. See Figure 1 below for the causal chain of our proposed interventions.

Figure 1: Causal chain of our proposed interventions



Baseline and key assumptions

Baseline

53. We have assessed the impacts of our proposals against a baseline, or 'counterfactual' scenario, which describes what we expect will happen in the market in the absence of our proposed policy change. We compare a 'future' under the new policy, with an alternative 'future' without the new policy.

54. The baseline for our proposed change is that the 'in scope' firms continue to submit complaints data according to the existing policy. This means that firms submitting multiple returns will continue to do so, and parent firms will continue to report complaints data for any subsidiary firms in their group. This would mean we would continue to receive poorer quality data and remain heavily reliant on data from other sources to try and identify harm across markets. Any consumer harm occurring in the market that we haven't been able to identify may continue to occur.

Firms

55. The proposal will affect 23,600 firms who collectively make 34,000 returns per year. Table 2 above set out the number of firms currently submitting each of the 5 returns, and their respective reporting schedule. Following the introduction of our proposals, we would expect all firms to complete the new return twice a year, regardless of the current reporting schedule. 9,600 firms in scope are currently submitting 2 returns. 200 firms submit 3 returns. The firms currently in scope for the complaints overhaul are broken down by how many returns they individually submit in Table 4 below.

Table 4: Firms in scope by number of returns submitted

Number of returns submitted per firm	Number of firms
1	13,800
2	9,600
3	200
Total	**23,600**

Table 5: Comparison of current versus new system

Current System				New system			
Complaints Returns	Reporting Schedule	How many firms submit	How many returns completed annually	New Return	Reporting Schedule	How many firms submit	How many returns completed annually
Consumer Credit (CCR-Complaints Return)	Biannual	13,800	27,600	All complaint returns	Biannual	23,600	47,200
Complaints Return (DISP 1 Ann 1R)	Biannual	17,500	35,000				
Claims Management (CMC Complaints Return)	Annual	500	500				
Funeral Plan Complaints (FPR-Complaints Return)	Annual	30	30				
Payment Services (PS-Complaints Return)	Annual	1,800	1800				
Total		**33,600**	**64,900**			**23,600**	**47,200**

56. Table 5 above details a side-by-side comparison of the current reporting schedule, how many firms submit each of the 5 returns currently, how many will submit the one return going forward, and, collectively, how many returns are submitted annually. This shows how the burden on firms is reducing with the introduction of the new system as the number of returns submitted each year will fall, despite increased reporting for some firms, due to the consolidation of the 5 returns.

57. Following the introduction of our proposals, firms would no longer complete multiple returns, as 5 existing returns are consolidated into one. Firms would only be required to complete the questions in the single return relevant to their permissions.

58. The proposal will also affect small firms that are subsidiaries of a parent firm which would submit a group return on their behalf. Current data suggests that there are 90 group reports for the DISP 1 Complaints return, 30 for the Consumer Credit return, 10 for the Payment Services return and one for the Funeral Plan return. Removal of group reporting will help identify complaints issues at a more granular level.

59. We have used our Standardised Cost Model (SCM) to categorise firms by size in Table 6 below:

Table 6: Firms in scope by size (SCM)

Firm Size	Number of Firms	Percentage of Firms
Large	200	1%
Medium	1,300	6%
Small	22,200	94%
Total	**23,600**	**100%**

60. More information on our SCM can be found in 'Statement of Policy on Cost Benefits Analyses'.

Assumptions

61. For the CBA, we make some key assumptions underpinning the analysis:

- We have assumed 100% compliance with the policy as we have assumed firms will submit returns correctly and on time. We assume that firms who do not submit nil returns will retrain staff and update IT systems where necessary.
- We estimate the impact of our proposals over a 10-year appraisal period to acknowledge that costs and benefits continue past the year of implementation.
- We discount costs and benefits at 3.5% per year (in accordance with our CBA guidance) to determine the present value of the stream of costs and benefits expected in future years.
- We assume the firm population remains the same over the appraisal period.
- We assume that the data provided from the new consolidated complaints return will be more accurate, of better quality and timelier compared to the baseline. Updating product categorisation to make it more aligned with what products firms offer now should limit the number of complaints reported against an "Other" category which limits our ability to identify any trends within particular products and services. Increasing the reporting frequency for the three returns which only report annually currently will provide us with more timely data, enabling us to identify any issues earlier.
- We also assume that the FCA can effectively use the more accurate information acquired from the new consolidated return, instead of having to rely on sourcing data from elsewhere and without requiring further resource.
- We assume the FCA will act on this information to remedy any harm.

- We sent a survey to 41 firms in January 2025 as part of a voluntary engagement process to understand what costs firms may incur as a result of our proposals. 85% of firms responded to our survey, and we assume costs reported to us are a fair representation of those they face and are representative of costs to industry.

Firms reporting nil complaints

62. In our analysis, we found that a large number of in scope firms often submit a return containing nil complaints. Between 2021 and 2024 we identified this to be the case for 16,300 firms. Table 7 below shows the scale of nil reporting across the 5 in scope returns.

Table 7: Percentage of firms submitting nil complaints split by return

Return	DISP 1	CCR	CMC	PS	FP
% with nil complaints	68	88	68	70	22

63. We have removed these firms from our population as we assume they will incur no or very few additional costs from the new proposals, as we have assumed the trend of submitting nil complaints will continue in the future. Although we cannot guarantee excluded firms will not receive any complaints going forward, it is likely if they did, it would be very small numbers.

64. In these cases, we expect submission processes would be manual due to limited numbers of complaints, rather than requiring complex IT systems or training multiple staff members. The assumption that the costs would be very low still holds. Removing these firms reduces the number of firms who we think will incur costs to comply with our proposals from 24,000 to 7,300.

65. We expect these firms not to incur any significant costs beyond familiarisation costs.

66. To test this assumption, we have conducted analysis looking at the probability of firms reporting complaints after several years of reporting nil complaints.

67. We analysed the total number of firms between 2021 and 2023 who reported nil complaints year on year, and then, from this subset of firms, looked at how many went on to report complaints greater than zero in 2024. Table 8 below shows the probabilities of these firms reporting complaints in 2024 split by each of the current 5 returns.

Table 8: Probability of firms reporting complaints after years of nil complaints

Complaints Return	Firms with nil complaints between 2021 and 2023	Percentage of firms reporting complaints in 2024
DISP 1	13,000	3%
CCR	12,900	1%

Complaints Return	Firms with nil complaints between 2021 and 2023	Percentage of firms reporting complaints in 2024
CMC	423	1%
PS	1,300	3%
FP	8	3%
All firms	27,600	2%

68. Table 8 above shows that, on average, 2% of firms who have in the previous 3 years reported nil complaints would go on to submit complaints greater than zero. This suggests our assumption about these firms incurring little to no costs over and above familiarisation is robust.

69. However, to test the impact of this on overall industry costs, we have conducted some sensitivity analysis in a later section.

Summary of Impacts

70. Table 9 below details a summary of the costs and benefits we expect firms to incur as a result of our proposals. We expect firms to incur one-off costs of £49.2m and £0.6m per year in ongoing costs.

71. We have estimated £2.6m in on-going benefits from efficiency savings and time saved for nil-reporting firms. We expect there to be further benefits which we have qualitatively explained in the paragraphs below.

72. Although we haven't been able to quantify all our benefits, we believe our proposals to be net beneficial due to the indirect benefit to consumers as the FCA will have access to more accurate, reliable and consistent data and will be able to intervene in the market quicker where consumer harm may be occurring.

73. There will also likely be some efficiency savings for firms. This is due to combining 5 returns into a single return, moving them all to report at the same time, and consolidating and simplifying the questions within the return. All these changes should make the completion of returns more efficient for firms and ultimately save them time.

74. Over a 10-year appraisal period, we have estimated a constant equivalent annual net direct cost to business of £3.8m per year from our proposed intervention.

Table 9: Summary table of benefits and costs

Group affected	Item description	Benefits (£m)		Costs (£m)	
		One-off	Ongoing	One-off	Ongoing
Firms	Familiarisation and gap analysis			23.3	
	Training			6.8	
	IT			12.0	
	Governance			7.2	
	Staff costs		0.2		0.6
	Efficiency time savings		2.4		
Firms completing multiple returns	Time savings from only having to complete one return going forward		Unquantified		
Consumers	Indirect. Reduction in consumer harm through more targeted and timely intervention Enables consumer to make choice of which firm to choose based on number of complaints received, which should drive competition in the market to improved standards for consumers		Unquantified		
	Direct. Increased competition as firms are incentivised to improve standards due to consumers choosing firms with fewer complaints		Unquantified		
FCA	More efficient data processes and increased ability to intervene in markets where harm is occurring		Unquantified		
Total			**2.7**	**49.2**	**0.6**

Table 10: Present Value (PV) and Net Present Value (NPV)

	PV Benefits	PV Costs	NPV (10 yrs) (benefits-costs)
Total impact	£22.2m	£54.5m	-£32.3m
-of which direct	£22.2m	£54.5m	-£32.3m
-of which indirect	£0m	£0m	£0m
Key unquantified items to consider			Benefits to consumers through avoidance of future harm through interventions enabled by access to better data. Increase competition incentives through informed consumers choosing firms with fewer complaints

75. We have calculated the present value benefits and costs in Table 10 above by summing all discounted costs or benefits over a 10-year appraisal period. To calculate the Net Present Value, we have subtracted present value costs from present value benefits.

76. In Table 11 below, we have calculated the Equivalent Annual Net Direct Cost to Business (EANDCB).

Table 11: Net direct costs to firms

	Total (Present Value) Net Direct Cost to Business (10 yrs)	EANDCB
Total net direct cost to business (costs to businesses - benefits to businesses)	£3.8m	£3.8m

77. Considering the one-off and ongoing costs together over a 10-year time period, we have estimated a constant EANDCB of £3.8m from our proposed intervention.

Benefits

Benefits to consumers

Reduced consumer harm

78. With access to more accurate, reliable and consistent complaints data, the FCA will have increased oversight of regulated firms, which will potentially offer indirect benefits through reduced consumer harm. This will enable the FCA to take supervisory or enforcement action if the data shows firms are being non-compliant with our other rules that do return benefits to consumers.

79. We expect our proposal will also facilitate more timely interventions as we are increasing the reporting frequency to every 6 months for the returns currently only reported annually.

80. With this timelier intervention, there may be avoidance of harm to consumers as we will be able to intervene and resolve issues in a market quicker. The 6-monthly reporting frequency should mean that trends in complaints are identified more easily, meaning that intervention can happen earlier and in a more targeted way.

81. Reducing reliance on the Financial Ombudsman and FSCS complaints data, where FCA complaints data has needed supplementing, should also lead to timelier interventions. The Financial Ombudsman and FSCS data are only evident later in the overall redress framework and so identification of harm is delayed. We expect our proposals to remove the FCA's need to rely on supplementary data and to facilitate earlier identification of harm and subsequent intervention.

82. We expect there to be avoidance of harm through reduced numbers of complaints. Where better complaints reporting leads to more timely and targeted intervention, we would expect complaints regarding those firms and/or sectors to reduce.

83. Whilst we expect data from our proposed single return to improve our response to emerging harms, an important caveat of our intervention is that it also depends on other factors, such as our capabilities and resources. There may also be some instances of harm which, even with improved data, we will not observe or be able to react to quickly.

Increased competition

84. A more efficient complaints reporting process may also lead to greater competition, which would create direct benefits for consumers. Data on the number of complaints different firms receive may drive consumers towards firms with fewer complaints. This should incentivise firms to improve their customer service to reduce their complaints. Greater competition in the market should provide consumers with better products and services and wider choice.

85. It is not reasonably practicable to quantify or monetise these proposed benefits to consumers. The positive outcomes of this intervention depend on how data from the new complaints reporting process is used in future supervisory and policy interventions, how accurately we identify the drivers of harm from this data, and how effectively we resolve it. It is not possible to know how we will intervene in the future as we cannot predict what the future complaints data will include.

Benefits to firms

86. We expect the new complaints reporting process to be more efficient for firms when submitting their data.

87. The consolidation of 5 returns into a single return, with the removal of duplicate questions, should reduce time spent on submission. We will reduce the total number of questions from 33 across the 5 returns, to only 17 in the consolidated return. This is an indicative number based on the current version of the prototype of the consolidated

return which may change further following this consultation. We expect the final version of the consolidated return to reduce firm burden due to reduced time costs for firms completing the return based on removing duplicated questions and also streamlining of the return as a whole.

88. The proposed (indicative, based on the current prototype) changes to the number of questions and tables for each return are summarised in Table 12 below:

Table 12: Changes to current returns

	Frequency		Questions			Tables		
Complaints Return	Current	New	Current	New	% Change	Current	New	% Change
Consumer Credit (CCR-Complaints Return)	Annual/Biannual (depending on permissions)	Biannual	5	2	-60%	1	2	100%
Complaints Return (DISP 1 Ann 1R)	Biannual	Biannual	7	2	-71%	6	3	-50%
Claims Management (CM Complaints Return)	Annual	Biannual	9	6	-33%	3	2	-33%
Funeral Plan Complaints (FPR-Complaints Return)	Annual	Biannual	7	4	-43%	2	2	0%
Payment Services (PS-Complaints Return)	Annual	Biannual	5	3	-40%	4	4	0%

89. The new process should also lead to fewer errors made in the reporting process. Firms should receive fewer post-submission follow-ups from the FCA. This means that, once initial implementation costs are absorbed, ongoing reporting costs should be reduced for firms who aren't a subsidiary of a parent firm.

Firms reporting nil complaints

90. We expect there to be benefits to firms who, year on year, report nil complaints, as the process overall will be simplified, meaning it will take firms less time to submit the nil return.

91. We estimate the new return will, on average, save firms submitting nil returns 10 minutes. Using wage data from our SCM, we can estimate the time savings to firms. We assume our population of firms reporting nil complaints remains constant over our 10-year appraisal period, at 16,300 firms.

92. We estimate total benefits per year to firms submitting nil returns of £0.2m.

93. There may also be additional benefits to firms reporting nil complaints who submit more than one return as they would now only have to submit one nil return rather than multiple returns.

Multiple returns

94. We expect, for the 9,800 firms who currently submit more than one return, there will be time savings benefits from the consolidation of returns. However, we expect these time savings benefits will be offset by moving from annual to biannual reporting for 3 out of the 5 complaints returns.

Efficiency savings

95. We expect there to be some efficiency savings for firms from combining 5 returns and simplifying and reducing the number of questions firms must answer. All these changes should make the completion of returns more efficient for firms and ultimately save them time.

96. With the revision to our product categories, we also expect firms to save time by no longer having to manually fill in the 'Other' field due to our product categories not aligning with products and services sold by these firms.

97. From the results of our survey of firms, we know on average it takes firms 4 FTE to complete returns. If we assume we can save 1 FTE with these changes, using wage data from our SCM, we can estimate the time savings to firms.

98. We estimate efficiency time savings benefits to firms for our reporting group of 7,300 firms of £2.4m per year.

Benefits to the FCA

99. Under our proposed intervention, access to better quality data will assist the FCA's supervisory process. We expect to see more accurate and timely data submissions from the simplification and consolidation of returns. Complaints data analysis for supervision activity will become easier and consumer harms can be identified more efficiently.

100. A survey conducted with end-users of complaints data within the FCA suggests that identifying trends of consumer harm in the market would improve with more frequent reporting. Requiring all firms to report complaints data biannually will enable timelier identification of any potential harm and facilitate prompt FCA intervention where necessary.

101. By removing group reporting we will have access to more granular data, and we can pinpoint which firms the complaints are coming from, enabling us to intervene quicker and try to resolve consumer harm.

102. We expect to spend less resources on following up with firms who have not yet submitted returns, or those who have submitted incorrectly, as we expect the new consolidated return to be easier for firms to complete.

103. We will also reduce our reliance on other sources of data to provide a more complete picture of complaints data against in scope firms. This should be more cost effective and give us more consistent data to analyse developments in the market.

Costs

Cost to consumers

104. We do not expect any direct costs to consumers from our proposed change and consumers will not be required to provide new information to firms. There may be indirect costs to consumers if firms pass on the costs of implementing changes to consumers. However, the costs to individual firms from our proposals are expected to be small, so any potential cost pass-through would also be small.

Cost to firms

105. We expect firms may incur incremental one-off implementation costs and some firms may incur ongoing costs compared to the baseline to comply with our proposed new rules. However, we expect the burden on firms in the long term would decrease. This is due to our intervention creating a more efficient and easier process for firms to submit data to us. This data will allow for more timely and accurate intervention within markets where consumer harm may be occurring.

106. To enable us to estimate the costs to firms of complying with our proposed new rules, we undertook engagement with firms through trade bodies. We asked for volunteer firms through the trade bodies to complete a survey which asked about baseline, one-off, and ongoing costs to comply with the new rules.

107. We only sent our survey to firms who volunteered to take part. This may have resulted in a non-representative sample. However, we made efforts to include firms who submit data across the different returns and firms of different sizes. We sent the survey to 41 volunteer firms in January 2025 asking for estimates of their expected costs of complying with the new rules. 35 firms responded. Table 13 below shows the distribution of surveyed firms by size and by trade body.

Table 13: Volunteer firms represented by size and Trade Body

		Trade Body						
		ABI	AFM	BIBA	NAFPP	PIMFA	UK Finance	Total
Large		5	0	0	0	2	5	**12**
Medium		5	3	2	1	2	2	**15**
Small		5	2	2	4	0	1	**14**
Total		**15**	**5**	**4**	**5**	**4**	**8**	**41**

108. Table 14 below shows the spread of returns completed by surveyed firms that responded to the survey. In total, in 2024, these firms received 1.4m complaints, meaning they account for approximately a third of total complaints received in 2024.

Table 14: Returns completed by volunteer firms

Return Combinations					
DISP 1	DISP 1 & CCR	Funeral Plans	DISP 1, CCR & CMC	DISP 1, CCR & PS	Total
8	14	4	1	8	**35**

109. In the survey, we asked firms to provide estimated costs to them of the proposed changes to the complaints reporting process. We asked each firm to report their baseline costs under the current reporting rules, and to break this down by return if they submit more than one. We asked firms to provide estimates of both one-off and ongoing costs of complying with the new rules. We asked firms to report expected one-off costs for IT, training, governance and other costs. Within these categories, we asked firms to estimate the total cost, the blended average daily employee cost, and the employee time.

110. Using responses from our firm survey, we have calculated average FTE required for IT, training, governance and other costs. We have then input these into our SCM as the basis to estimate our costs for the population, excluding the non-reporting firms. Our SCM uses financial services wage data, and standard assumptions about staff required to perform certain tasks, informed by our firm engagement survey responses. More information on our SCM can be found in 'How we analyse the costs and benefits of our policies'.

111. In their responses, some firms were unable to provide cost estimates within the provided timeframe due to insufficient detail about the proposals. Despite providing comments to say that costs would be generally low or high, we cannot use non-numeric responses in our costing. Some responses were also removed from our estimates as we deemed them to be outliers, given the extent of the proposals and the difference between these and estimates from other comparable firms in terms of size and returns submitted. We have calculated averages of costs only from firms who were able to provide quantitative estimates and where we deemed those estimates reasonable in line with other firms within our sample.

One-off direct costs

112. These costs include the time and resources spent by firms familiarising themselves with the proposals and performing both a legal review and gap analysis to identify the necessary changes.

113. We expect firms may also incur one-off costs to comply with our proposals, including training staff, updating IT systems and governance costs.

One-off familiarisation and gap analysis

114. To make sure firms are compliant, they will have to familiarise themselves with the new rules and analyse what changes they will need to make in response. All firms, including those that record nil complaints, will need to ensure compliance with the new rules, and so our familiarisation cost estimates are calculated for all 24,000 firms in scope of the proposals. All other costs for reporting complaints under the new system only apply to our subset of 7,300 firms who we think will incur other costs from complying with our proposals.

115. We estimate the cost of this using standard assumptions based on the length of the consultation paper and the legal appendix, and how many staff we expect will need to read and analyse them.

116. Based on our SCM approach, it is estimated a team of 20 compliance staff at large firms, 5 at medium firms, and 2 at small firms will need to read the consultation paper. We have estimated this to be 50 pages long, taking 2.5 hours for each person to read.

117. A further 4 legal staff at large firms, 2 at medium firms, and 1 at small firms will need to read the legal appendix and conduct gap analysis to determine where their current practices will need to change. We have estimated the legal appendix will be 50 pages long, taking each team member 28 hours at a large firm, 21 hours at a medium firm and 7 hours at a small firm to review the document.

118. The costs by firm size we expect will be:

- Large: £12,000
- Medium £4,000
- Small: £1,000

119. This creates total one-off costs familiarisation and gap analysis costs of £23.3m for all 24,000 firms in scope of the proposals.

One-off IT costs

120. We anticipate firms will need to update IT systems to synchronise to the new reporting return we are introducing, as well as combining data sources for those who currently submit more than one return. We estimated this will on average take 5 person days (1 person day is the cost of one person working for 1 day) to complete for all firms.

121. We estimate total one-off IT costs of £12m across our reduced subset of 7,300 firms associated with updating IT systems. This is calculated by taking the daily salary for each of the various staff members involved in IT changes and multiplying this by the total number of days each member is involved in the project.

122. The costs by firm size we expect will be:

- Large: £2,000
- Medium: £2,000
- Small: £2,000

One-off governance costs

123. This section sets out the ways in which our proposals may require firms to change their internal processes and governance. We have estimated these costs using our SCM which principally estimates costs on the basis of time incurred by a project team and project management.

124. Using results from our firm survey we have assumed these changes will take 3 person days per firm.

125. The costs by firm size we expect will be:

- Large: £1,300
- Medium: £1,200
- Small: £1,000

126. We estimate total change project costs for our reduced subset of 7,300 firms to be £7.2m.

One-off training costs

127. We anticipate firms will need to train their staff on the new reporting return and how to complete it. Firms will incur one-off training costs to do so. We have assumed it will be compliance staff members who will undergo this training and on average this will take 3 person days per firm.

128. We have taken annual salary information from our SCM to estimate the wage costs for the compliance staff and, assuming 220 days worked per year, we have estimated a cost for each day for a compliance staff member.

129. We estimate total training costs for our subset of 7,300 firms to be £6.8m.

130. The costs by firm size we expect will be:

- Large: £1,200
- Medium: £1,100
- Small: £1,000

Costs to subsidiary firms

131. We are proposing to remove group reporting. There will be firms who currently do not have to submit returns to the FCA who will have to do so in the future.

132. We believe there will be no significant increase in costs to these firms as they will already have to collate complaints data to enable their parent firm to submit on their behalf.

Ongoing Costs

133. Out of the 35 responses we received from our firm survey, 7 firms said they expected costs to increase on an ongoing basis. These firms estimated costs to increase as at least one of the returns these firms complete is moving from annual reporting to biannual reporting.

134. If we assume this is representative of the whole population, then 21% of our in scope firms would incur costs on an ongoing basis due to having to move from annual reporting to biannual reporting.

135. Taking the average from the responses provided to us by firms, we have assumed ongoing costs per firm will be £400 per annum, and total ongoing costs to 21% of firms would be £0.6m per annum.

Sensitivity Analysis

136. We have assumed that firms who have year on year reported nil complaints won't incur significant costs beyond familiarisation costs. Our analysis showed there is a 2% chance firms will go on to submit complaints after several years of submitting nil complaints.

137. However, to test the impact of this assumption on total one-off industry costs, we have conducted some sensitivity analysis.

138. If 10% of our 16,500 nil reporting firms do incur one-off costs, including training, IT and governance costs from implementing our proposals, this would increase one-off industry costs by £7m.

Secondary International Competitiveness and Growth Objective

139. We believe the impact of these proposals won't materially affect the international competitiveness of the UK economy, or its growth in the medium to long term. However, there may be some benefit from proportionate regulation which can help to promote competition between firms, for example, consumers may choose firms with fewer complaints.

140. If consumers are more empowered and choose firms based on the number of complaints they receive, this may increase competition within markets and ultimately increase growth as firms strive to improve consumer experience and provide better products and services to suit consumer needs.

141. We have estimated some up-front costs to firms but, in the long term, we believe costs to firms will be lower due to a more efficient and streamlined process.

Risk and Uncertainty

142. There is some uncertainty around our assumption that firms reporting nil complaints will incur no costs beyond familiarisation costs. However, we have conducted sensitivity analysis to show the impact on total costs if these firms do incur costs.

143. We have based our costs estimates on responses to our firm survey. If these are not representative of all firms, our estimates may be an under or overestimate of true costs from adhering to our new proposals.

144. We do not expect there to be any consequences to firms that we haven't mentioned throughout this document and do not expect firms to change product offerings to consumers as a result of these proposals.

Monitoring and evaluation

145. It is difficult to measure a direct causal path from collecting better data to better consumer outcomes as it will depend on many factors including how the data is used internally. However, we can monitor how often this data is used in policy making and supervisory interventions and any reduction in harm from these interventions.

146. We can also monitor compliance through improvements in returns compliance and data quality metrics for the returns data. We can monitor this through the number of post-submission follow-ups required, and the number of calls the Supervision Hub may receive from firms about the difficulty of submitting returns. We can also test firm experience through feedback received via RegData.

147. There is ongoing work within the FCA looking at the time firms spend engaging with complaints returns, and we can monitor through this the time it takes firms going forward to complete the returns.

Annex 3

Example product and service

1. Below we set out examples of the areas we expect to be included in each section of the return.

Banking products	Guidance
Current Accounts	
Basic Current Account	Also known as "payment accounts with basic features", basic bank accounts (BBAs) are regulated under the Payment Account Regulations 2015 (PARs). Designated credit institutions must offer these accounts to eligible consumers who apply for one and there are limited circumstances in which firms can refuse to open an account. BBAs must be free of charge for standard operations and not have overdraft facilities, while still providing access to basic banking services.
Business Current Account	Business Current Accounts are provided to customers seeking an account to conduct financial activity related to their business. The definition provided for a Personal Current Account should be considered to apply for Business Current Accounts but, to which the words "or a premium service account" are omitted.
Personal Current Account	An account, other than a current account mortgage or a premium service account, which is a payment account as defined in the PARs. That is: "an account held in the name of one or more consumers through which consumers are able to place funds, withdraw cash and execute and receive payment transactions to and from third parties, including the execution of credit transfers, but does not include any of the following types of account provided that the account is not used for day-to-day payment transactions: savings accounts; credit card accounts where funds are usually paid in for the sole purpose of repaying a credit card debt; current account mortgages or e-money accounts".
Overdrafts	An "arranged overdraft" is the running-account facility provided for in an authorised non-business overdraft agreement that is a regulated credit agreement. An "unarranged overdraft" is a regulated credit agreement that arises as a result of (a) a personal current account becoming overdrawn in the absence of an arranged overdraft or (b) the firm making available to the customer funds which exceed the limit of an arranged overdraft. An "authorised business overdraft agreement" provides authorisation in advance for businesses to overdraw on a current account. Overdrafts are usually subject to charges.

Banking products	Guidance
Packaged accounts	A type of current account that comes with a "package" of extra features including access to other goods or services, whether or not a fee is charged.
Savings - Cash ISAs	
Easy Access (Instant / No-notice Withdrawal Accounts)	A type of Individual Savings Account (ISA) that enables consumers to withdraw and deposit funds at any time without penalties or restrictions. The interest rate on these accounts is variable. Like all ISAs, the interest earned on an easy access cash ISA is free from income tax, up to the annual ISA allowance of £20,000.
Restricted Access (Notice Period / Fixed)	A type of Individual Savings Account (ISA) that has limitations on the ability to withdraw funds. Consumers agree to lock their money away for a set period in exchange for a fixed interest rate, which is often higher than the interest on easy access cash ISAs. Withdrawing funds before the end of the term is likely to incur a penalty. Like all ISAs, the interest earned on an easy access cash ISA is free from income tax, up to the annual ISA allowance of £20,000.
Savings - Non-ISAs	
Easy Access (Instant / No-notice Withdrawal Accounts)	A type of savings account that enables consumers to deposit and withdraw money quickly and easily, earning interest on the funds held, though often at a lower rate than fixed-term savings accounts. Easy access savings accounts often have variable interest rates.
Restricted Access (Notice Period / Fixed)	A type of savings account where it is agreed that money is to be held in the account for a specified period, earning a fixed interest rate for the duration of that term. Withdrawing money before the end of the specified period is likely to incur a penalty, such as a fee or reduction in the interest earned.

Banking complaint issue		
Product and Services	Access to Product (inc temporary restrictions)	Complaints relating to a customer's capability to access a product, including but not limited to: – declined applications – restrictions applied to existing products (temporary or permanent) – product exits or closures.
	Irresponsibility of Lending and/or Unaffordability of Product	Complaints relating to instances where the customer believes the firm has provided them a product irresponsibly, including instances of lending that the customer is not able to sustainably afford.
	Mis-Sale	Complaints where the customer believes they have been mis-sold a product or service, including but not limited to instances where the product features differ from those advertised, and where the product may not meet the customer's needs, risk appetite, or credit profile.
	Product Features or Performance	Complaints relating to instances where a product or service fails to deliver, operate, or perform in the way it has been advertised, including but not limited to: – the product not including particular features as advertised – the firm failing to operate the product in line with agreed SLAs – technical issues preventing the customer from engaging with the product via a digital interface.
Price and Value	Price, Sums, Fees and Charges	Complaints relating to the product failing to provide the customer with fair value, including but not limited to: – interest rate not competitive when compared to rest of market – fees charged are excessive when considering nature of product or level of service provided.

Banking complaint issue

Consumer Support	Errors / Not Following Instructions	Complaints where the firm has failed to follow instructions from the customer and / or made errors in their provision, delivery or management of the product. Including, but not limited to: – actioning changes requested to a product incorrectly updating customer details incorrectly – failing to action requested changes – any errors identified by the customer when engaging with the product (including inaccurate amounts, rates, fees or charges).
	Delays / Timescales	Complaints where the firm has failed to deliver a product or service in line with agreed SLAs, including but not limited to: – slow processing to change or amend a product following a customer request – unreasonably slow timescale set for when an action or request will be completed by the firm.
	Financial Difficulties	Complaints relating to instances where a customer may be unable to meet all obligations on a product due to them being in financial difficulty, and where the firm may have failed to provide adequate support or treatment.
	General administration and customer support during product life	Complaints relating to general issues with the firms administration or service provided on a product, where this is not clearly captured by other categories.
Consumer Understanding	Information Provision or Content	Complaints relating to instances where the firm has failed to provide the customer with adequate information to fully understand the nature of the product and how it works, such that the customer cannot reliably assess whether it is appropriate to meet their needs.
Fraud		Complaints where the customer has been a victim of fraud including but not limited to instances where: – the customer believes the firm could have done more to detect, prevent or protect them from a fraud loss – the customer is not satisfied with any reimbursement provided by the firm to compensate a loss – the customer has been the victim of ID fraud, and the firm has enabled a fraudster to open a product or access a service using their details.

Product	Guidance
Regulated first charge mortgage	A regulated mortgage contract in which the mortgage on which the obligation to repay is secured is a first charge legal mortgage.
Regulated second charge mortgage	A regulated mortgage contract which is not a first charge legal mortgage.
Regulated bridging loan	A regulated mortgage contract which has a term of twelve months or less.
Regulated equity release (lifetime mortgage or home reversion plan)	A firm with permission (or which ought to have permission) for: **(a)** entering into a regulated mortgage contract (when carried on in relation to a lifetime mortgage); or **(b)** entering into a home reversion plan.
Regulated home purchase plan	Any of the regulated activities of: **(a)** arranging (bringing about) a home purchase plan (article 25C(1)); **(b)** making arrangements with a view to a home purchase plan (article 25C(2)); **(c)** advising on a home purchase plan (article 53C); **(d)** entering into a home purchase plan (article 63F(1)); **(e)** administering a home purchase plan (article 63F(2)); or **(f)** agreeing to carry on a regulated activity in (a) to (e) (article 64).
Regulated sale and rent back	Any of the following regulated activities: **(a)** arranging (bringing about) a regulated sale and rent back agreement (article 25E(1)); **(b)** making arrangements with a view to a regulated sale and rent back agreement (article 25E(2)); **(c)** advising on a regulated sale and rent back agreement (article 53D); **(d)** entering into a regulated sale and rent back agreement (article 63J(1)); **(e)** administering a regulated sale and rent back agreement (article 63J(2)); or **(f)** agreeing to carry on a regulated activity in (a) to (e) (article 64).

Product	Guidance
Unregulated buy to let mortgage	A contract that: **(a)** at the time it is entered into: **(i)** is one under which a lender provides credit to an individual or to trustees (the 'borrower'); **(ii)** provides for the obligation of the borrower to repay to be secured by a mortgage on land in the UK[75]; **(iii)** at least 40% of the land is used, or is intended to be used: **(A)** (in the case of credit provided to an individual) as or in connection with a dwelling; or **(B)** (in the case of credit provided to a trustee which is not an individual) as or in connection with a dwelling by an individual who is a beneficiary of the trust or a related person; and **(iv)** provides that the land secured by the mortgage cannot at any time be occupied as a dwelling by the borrower or a related person; and is to be occupied as a dwelling on the basis of a rental agreement;

General Insurance

Product	Guidance
Alloy Wheel Insurance	Contracts of insurance against the risks of loss in relation to vehicle alloy wheels.
Accelerated Critical Illness Insurance - Individual	Long-term contracts of insurance whereby the policy would pay out in the event of a specified serious critical illness being diagnosed (as defined in the policy), or in the event of death of the insured, during the policy term. The policy would cease if either one of these conditions was met. The contract is between the individual and the insurer.
Accident Sickness and Unemployment Insurance	Short-term contracts of insurance that would pay out in the event of specified accidents and incidences of sickness. Contracts can also include Unemployment cover. These are short-term (general insurance) contracts between individuals and the insurer.
Bicycle Insurance	Contracts of insurance against loss of or damage to a bicycle.
Building Warranties	Contracts of insurance against the risks of loss attributable to latent defects to the structure of domestic properties.
Buildings and Contents Insurance	Contracts of insurance against loss or damage to either the structure or contents of domestic properties and including cover against risks of incurring liabilities to third parties arising out of injuries sustained within the boundary of a domestic property.
Buildings Insurance	Contracts of insurance against loss of or damage to the structure of (but not the contents of) domestic properties.

Product	Guidance
Business Insurance - Life/Critical Illness/ Income Protection'	Long-term contracts of insurance for Life insurance, Critical Illness and Income Protection. The policy is bought by an employer to cover it against the loss it would incur on the insured event. These are long-term contracts and would be referred to as 'Business Protection insurance'.
Business Protection Insurance	Contracts of insurance to cover self-employed persons or small businesses against operational and liability risks, and risks of financial loss attributable to events such as (but not limited to) professional negligence, workplace accidents, goods damaged in transit, business interruptions and legal disputes.
Car Hire Excess Insurance	Contracts of insurance to cover the risks of incurring an excess in the event of a motor insurance claim for hired vehicles.
Car or Motorcycle Insurance (Personal Lines)	Contracts of insurance against loss of, or damage to, motor vehicles used on land and against the risks of persons insured incurring liabilities to third parties arising out of or in connection with the use of motor vehicles on land, where the motor vehicle has two or more wheels and the motor vehicle is used only for social, domestic, pleasure and commuting purposes (and not for business or commercial purposes).
Card Protection Insurance	Contracts of insurance against misuse of credit cards, debit cards or store cards following loss or theft, or as a result of fraud.
Commercial Combined / Package Insurance	Contracts of insurance against a combination of risks covered by Commercial Property Insurance and Business Protection Insurance but does not include Commercial Vehicle Insurance.
Commercial Property Insurance	Contracts of insurance against loss or damage to either the structure or contents of business premises and including cover against risks of incurring liabilities to third parties arising out of injuries sustained within the boundary of a business premises.
Commercial Vehicle Insurance	Contracts of insurance against loss of, or damage to, motor vehicles used on land and against the risks of persons insured incurring liabilities to third parties arising out of or in connection with the use of motor vehicles on land, where the motor vehicle has two or more wheels and the motor vehicle is used for any purpose other than for only social, domestic, pleasure and commuting purposes.
Contents Insurance	Contracts of insurance against loss of or damage to the contents of (but not the structure of) domestic properties.
Critical Illness Insurance - Group	Short-term contract of insurance which pays out a one-off lump sum to the employer if the employee is diagnosed with a prescribed (non-fatal) serious illness or medical condition within the term of the policy. The contract is between the employer and the insurer. Payment is then made to the employee.
Electrical Warranties	Contracts of insurance against the risks of loss attributable to failure of an electrical product (excluding motor vehicles and personal gadgets) and having the effect as if the manufacturer's or vendor's warranty on the product is extended for a period of time or is extended in scope.

Product	Guidance
Engineering Insurance	Contracts of insurance against loss of or damage to plant and machinery.
Furniture Warranties	Contracts of insurance against the risks of loss attributable to damage to furniture and having the effect as if the manufacturer's or vendor's warranty on the furniture is extended for a period of time or is extended in scope.
Gadget (including Mobile Phone) Insurance	Contracts of insurance against the risks of loss attributable to loss, breakdown or failure of a personal electronic gadget (including mobile phones).
Guaranteed Asset Protection Insurance	see Glossary definition.
Healthcare Cash Plan	Contracts of insurance providing fixed pecuniary benefits against risks of the persons insured requiring health care for sickness, infirmity, dental work or injuries sustained.
Home Emergency Insurance	Contracts of insurance providing assistance in the event of home emergencies.
Income Protection Insurance - Group	Short-term contracts of insurance which pay a regular, pre-agreed benefit (for a specified term, leaving employment or until recovery). Payment is to the employer in the event that an employee is unable to work due to an illness or injury (dependent on meeting the claim definition). The contract is between the employer and the insurer, with the employee paid by the employer.
Income Protection Insurance - Individual	Long-term contracts of insurance which pay a regular, pre-agreed benefit, (for a specified term, or until recovery). Payment is to the policy holder in the event that they are unable to work due to an illness or injury (dependent on meeting the claim definition). Please note that this does not include Accident, Sickness and Unemployment policies. The contract is between the individual and the insurer.
Key Cover	Contracts of insurance to cover the risks of loss arising from lost, stolen and/or broken keys.
Legal Expenses Insurance	Contracts of insurance (or cover within a policy) that provides cover against the risks of loss to the persons insured attributable to their incurring legal expenses, including costs of litigation.
Liability Insurance	Contracts of insurance against risk of loss to the person insured attributable to their liability to a third party.
Life Insurance - Group	Short-term contracts of insurance which will pay out on death of the policyholder for the benefit of the beneficiaries. The contract is between the employer and the insurer. Benefits are then paid to the beneficiaries as defined by scheme rules.
Marine Insurance	Contracts of insurance against the risk of loss of or damage to a marine vessel.
Missed Event Insurance	Contracts of insurance against the risk of loss of use of the ticket (excludes travel policies).

Product	Guidance
Over 50's Whole of Life Insurance	Long-term contract of insurance for whole-of-life policies which offer guaranteed acceptance (not medically underwritten) and which are only sold to customers who are over 50 years old. It does not include any other whole-of-life products in this category. Contract is between the individual and insurer.
Payment Protection Insurance	Payment protection contracts enabling a policyholder to protect their ability to continue to make payments due to third parties.
Personal Accident Insurance	Contracts of insurance providing fixed pecuniary benefits and/or benefits in the nature of indemnity against the risks of a beneficiary: **(a)** sustaining injury as a result of an accident; or **(b)** dying as a result of an accident; or **(c)** becoming incapacitated in consequence of disease, but excluding healthcare cash plans and private medical products.
Pet Insurance	Contracts of insurance against risk of loss to the person insured attributable to sickness of or accidents to domestic pets.
Private Medical or Dental Insurance	Contracts of insurance providing benefits in the nature of indemnity, with or without limit, treatment or fixed pecuniary benefits (or a combination of these) against risks of loss to the persons insured attributable to their incurring the cost of medical treatment or dental work.
Stand Alone Critical Illness - Individual	Long-term contract of insurance which pays out a one-off lump sum to the policyholder if they are diagnosed with a prescribed (non-fatal) serious illness or medical condition within the term of the policy. Contract is between the individual and insurer.
Term Assurance (Life) - Individual	Long-term contracts of insurance which will provide cover to the policyholder for a pre-agreed period of time and will only pay out a lump sum to beneficiaries if the insured person dies during the policy term. Where the policy holder is diagnosed with a terminal illness (as defined in the policy) this is to be recorded as 'Terminal Illness Rider'. Contract is between the individual and the insurer.
Terminal Illness Rider	Terminal Illness complaints recorded against Term Assurance (Life) - Individual policies, where the complaint is related to Terminal Illness only.
Travel Insurance	Contracts of insurance against a risk of loss to the persons insured attributable to their travelling or to their making of travel arrangements.
Tyre Cover	Contracts of insurance to cover the risks of loss arising from the need to repair or replace motor vehicle tyres.
Underwritten non-Unit Linked Whole of Life Insurance	Long-term contract of insurance for a medically underwritten insurance policy which provides cover to the policyholder indefinitely (e.g. not in respect of a pre-agreed term). A valid claim will be paid upon death, regardless of when the death occurs. Contract is between the individual and insurer. It does not include 'Guaranteed Over Fifties plans.

Product	Guidance
Vehicle Breakdown Insurance	Contracts of insurance under which benefits are provided in the event of an accident to or breakdown of a vehicle including those where the effecting and carrying out is excluded from article 10(1) or (2) of the Regulated Activities Order by article 12(1) but excluding parts and garage cover contracts of insurance.
Vehicle Cosmetic Insurance	Contracts of insurance to cover the risks of loss arising from cosmetic damage to motor vehicles such as minor scratches and dents (excludes motor and motorcycle insurance policies).
Wedding and Party Insurance	Contracts of insurance against the risk of loss arising from the cancellation of weddings or private parties.

Insurance complaint issue

Advising, Selling, Arranging and Renewing	Unsuitable Advice	Complaints related to the appropriateness, clarity or accuracy of advice provided to a customer about one or more non-investment insurance products or services.
	Mis-selling / Non-Disclosure / Misrepresentation	Complaints about the possible mis-sale of a non-investment insurance product or service. This includes, but is not limited to, complaints: – about options presented to the customer at the point of sale – about whether a non-investment insurance product's features meet the customer's demands and needs – relating to allegations of non-disclosure or misrepresentation, by the customer or on the customer's behalf, about the risk to be insured.
	Product Information Disclosure	Complaints related to the accuracy, clarity, and completeness of information provided to customers about non-investment insurance products and services. This includes marketing materials, pre-contract information, contract details and customer communications.

Retirement Savings

Retirement savings Product	Guidance
DC workplace pensions	A defined contribution (DC) workplace pension is a retirement savings plan established by an employer, where both the individual and their employer contribute to a pot that is invested, and the retirement payout will depend on those contributions, investment performance, and associated fees.
DC non-workplace pensions	A defined contribution (DC) non-workplace pension is a retirement savings plan, established by an individual where they contribute to a pot that is invested, and their retirement payout will depend on those contributions, investment performance, and associated fees.
QROPS	A qualifying recognised overseas pension scheme (QROPS) is an overseas pension scheme that HMRC considers eligible for transfer from pension schemes registered in the UK.
Trust based pensions (e.g. Occupational and DB)	Pension schemes that are established under a trust deed and rules, which governs the scheme. Trustees are appointed to run the scheme, and their responsibilities include providing oversight, ensuring compliance, and generally protecting the scheme and its benefits.
Pensions dashboard services	Pensions dashboards are online tools that provide a centralised and secure view of an individual's pensions, including both State and private sector pensions. They help users understand their pension savings, track their progress towards retirement, and reunite with lost or forgotten pension pots. These dashboards are designed to improve financial security and retirement planning.

Decumulation products

Decumulation Product	Guidance
Lifetime annuity (standard)	A retirement income product offering a guaranteed lifetime income. Payments are usually monthly, quarterly, or annually. It converts pension savings into a steady income stream, ensuring a consistent income for life.
Lifetime annuity (impaired)	Also known as an enhanced annuity. A type of lifetime annuity that offers higher income than a standard annuity due to a lower life expectancy.
Fixed Term annuity	A fixed term annuity provides a guaranteed income for a set period, typically between 3 and 25 years, rather than for life. At the end of the term, it will pay out a guaranteed lump sum (maturity value) or provide the option to use the remaining funds for other retirement income choices.

<table>
<tr><th colspan="2">Decumulation Product</th><th>Guidance</th></tr>
<tr><td colspan="2">Immediate Needs annuity (care)</td><td>A type of insurance policy designed to help individuals pay for long-term care costs. It provides a guaranteed regular income, usually for life, in exchange for a one-time premium payment. This income is typically paid directly to the care provider, and it can be used to cover various care needs, including residential care, home care, or other related expenses.</td></tr>
<tr><td colspan="2">With Profit annuity (Lifetime, Fixed term, Immediate needs)</td><td>A type of annuity where the income paid is linked to the performance of a with-profits fund. This means the income can increase over time due to bonuses added to the fund, but it can also potentially decrease if the fund's performance is poor. Unlike a standard annuity with a fixed income, a with-profits annuity offers the potential for higher income in the long term but also carries the risk of income fluctuations.</td></tr>
<tr><td colspan="2">Drawdown</td><td>Drawdown is a retirement option that lets individuals take some money out of their pension pot at any time from age 55 (or 57 from 6 April 2028), while the rest remains invested. It's also sometimes referred to as income drawdown or flexi-access drawdown.</td></tr>
<tr><td colspan="2">UFPLS (tax free cash)</td><td>Uncrystallised funds pension lump sums (UFPLS) are a way of taking pension benefits from money purchase pensions without going into drawdown or buying an annuity, allowing individuals to withdraw lump sums directly from their pension.</td></tr>
<tr><td rowspan="2">Advising, Selling and Arranging</td><td>Unsuitable Advice</td><td>Complaints relating to customer receiving misleading, unsuitable, or insufficient advice or guidance when purchasing a pension product or services. This includes recommending products that do not meet the customer's needs, failing to disclose key risks, or providing advice that leads to financial harm.</td></tr>
<tr><td>Unclear Guidance / Arrangement</td><td>Complaints where someone finds the instructions, rules, or processes they are following to be confusing, vague, or difficult to understand. This can lead to frustration, errors and potential consequences that could lead to consumer harm or misunderstandings.</td></tr>
</table>

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<tr><th colspan="2">Decumulation Product</th><th>Guidance</th></tr>
<tr><td rowspan="3">Information, Sums / Charges or Product Performance</td><td>Disputes over Sums / Charges</td><td>Complaints relating to the costs of pension products and services failing to provide the customer with fair value, including price of products, total amounts, and additional fees.</td></tr>
<tr><td>Product Performance / Features</td><td>Complaints relating to instances where a product or service fails to deliver, operate, or perform in the way it has been advertised, including but not limited to:
– the product not including particular features as advertised
– the firm failing to operate the product in line with agreed SLAs.</td></tr>
<tr><td>Product Disclosure Information</td><td>Complaints regarding the way a company discloses information about its products, including areas such as labelling, warnings, or instructions. This can cover issues such as missing information, unclear language, or inaccurate details that could lead to consumer harm or misunderstandings.</td></tr>
<tr><td rowspan="3">General Admin / Customer Service</td><td>Errors / Not Following Instructions</td><td>Complaints where the firm has failed to follow instructions from the customer and / or made errors in their provision, delivery or management of the product. Including, but not limited to:
– actioning changes requested to a product incorrectly
– updating customer details incorrectly
– failing to action requested changes
– any errors identified by the customer when engaging with the product</td></tr>
<tr><td>Delays / Timescales</td><td>Complaints where the firm has failed to deliver a product or service in line with agreed SLAs, including but not limited to:
– slow processing to change or amend a product following a customer request
– unreasonably slow timescale set for when an action or request will be completed by the firm</td></tr>
<tr><td>Other General Admin / Customer Service</td><td>Complaints relating to general issues with the firms administration or service provided on a product, where this is not clearly captured by other categories.</td></tr>
<tr><td colspan="2">Arrears Related</td><td>Complaints relating to when a pension payment is delayed, shortchanged, or doesn't arrive as expected. It can stem from various issues, including miscalculations, administrative errors, or failure to adhere to a pension plan's rules.</td></tr>
</table>

Investment Products

Investments Product	Guidance
With Profit Bonds	A form of 'pooled' life insurance-based investment, and usually requires lump sums to be paid in. They will usually guarantee the investor a certain minimum return ('guaranteed benefit'), based on the initial sum invested. Investor's money is pooled together and invested in other assets (such as stocks, shares, property, equities and bonds) usually for the medium to long term.
Non-Profit UL Bonds	offer a wide range of choice of funds and they pool the investment in a variety of assets such as equities (shares), corporate bonds, gilts, property and cash deposit funds.
Fixed Rate Bonds	A savings account that offers a consistent interest rate for a fixed amount of time.
Endowments	A long-term investment product that also includes a life insurance policy.
Qualifying Savings Plans/ Maximum Investment Plans	Qualifying savings plans - often referred to as qualifying policies, are a type of life insurance that offers tax-free benefits when they mature or are surrendered. These plans have specific requirements to be considered qualifying, such as being a long-term policy, having regular payments, and meeting certain minimum death benefit thresholds. Maximum Investment Plans (MIPs) - also known as endowment policies, are a type of investment that allows individuals to save regularly for a period, usually 10 years or more, with the goal of building a tax-free fund. MIPs are essentially a savings vehicle with a life insurance element, offering a death benefit if the policyholder dies during the term.
UL Whole of Life (reviewable)	A unit-linked whole of life policy combines life insurance with an investment element, where a portion of the premiums are invested in a unit-linked fund. This fund can consist of shares, bonds, property, and cash, and the policy's value can fluctuate based on the performance of these investments. The policy provides life cover for the individual's entire life, with the investment component potentially enhancing the payout amount.
Stocks and Shares ISA	Tax-efficient savings accounts that allow individuals to invest up to £20,000 per year (in the 2025–26 tax year) without paying any tax on the interest or capital gains that they earn. ISA holders do not pay taxes on interest, income, or capital gains from cash and investments held in an ISA.
LISA/Help to Buy ISA	A Lifetime ISA (LISA) - is a tax-advantaged savings account designed to help people save for their first home or for retirement. The government adds a 25% bonus (up to £1,000 per year) to their savings. A Help to Buy ISA - is a tax-free savings account designed for first time buyers (aged 16 or over) looking to save a deposit for their first home - these are no longer available for new investors.

Investments Product	Guidance
JISA/CTF	A Junior ISA (JISA) - is a tax-free savings or investment account for children under 18. It's a way for parents or guardians to save or invest money for their child's future, and the money grows tax-free until the child turns 18, at which point they gain full control of the account. There are two main types: Junior Cash ISAs (similar to savings accounts) and Junior Stocks and Shares ISAs (where investments like shares and bonds are held). A Child Trust Fund (CTF) - is a government-backed, tax-free savings and investment account for children born between September 1, 2002, and January 2, 2011. While new CTFs are no longer opened, existing accounts can still be managed. The money in a CTF is held in trust for the child until they turn 18, at which point they gain full control of the funds.
Personal Equity Plans (PEPs)	An investment plan introduced in the United Kingdom that encouraged people over the age of 18 to invest in British companies. Participants could invest in shares, authorised unit trusts, or investment trusts and receive both income and capital gains free of tax.
Listed Shares/Equities	A "listed share" or "listed equity" refers to a company's ownership stake that is traded on a public stock exchange like the London Stock Exchange (LSE). When a company is "listed," its shares are officially admitted to trading on the exchange's market, meaning they can be bought and sold by the public, allowing investors to easily buy and sell shares.
Investment Trusts	Also called closed-end funds, pool resources from multiple investors to buy a portfolio of assets. Assets might include equities, commodities, fixed-income securities, or real estate. As closed-end funds, investment trusts issue a fixed number of shares at inception that doesn't change.
Tradeable bonds (Corporate and Government)	Tradeable corporate bonds - are debt securities issued by companies to raise capital, and they can be bought and sold in a secondary market. While some are listed on exchanges like the London Stock Exchange, many are traded over the counter through institutional broker-dealers. These bonds offer investors a way to lend money to a company in exchange for interest payments (coupon) and the return of the principal at maturity. Tradeable government bonds - also known as gilts, are issued by the UK Government Debt Management Office (DMO) on behalf of HM Treasury to raise finance for public spending. Gilts can be bought and sold in the secondary market, with their prices fluctuating based on factors like interest rate changes and investor demand.
Unit Trusts	An unincorporated mutual fund structure that holds assets and provides profits to individual unit owners instead of reinvesting into the fund. A unit trust is established under a trust deed, and the investor acts as the beneficiary.

Investments Product	Guidance
OEIC	A type of investment fund domiciled in the United Kingdom that is structured as a company in its own right to invest in stocks and other securities. OEIC shares do not trade on the London Stock Exchange.
UCITS	Is the European Commission's regulatory framework for managing and selling mutual funds. UCITS funds can be registered and sold in any country in the European Union using unified regulatory and investor protection requirements.
ETF	Is a type of investment that can be bought and sold on a stock exchange, similar to individual stocks. It's essentially a basket of investments, usually stocks and/or bonds, that collectively aim to track the performance of a specific index, like the FTSE 100. ETFs offer a way to diversify a portfolio and gain exposure to a wide range of assets, often at lower costs than individual investment.
Structured products	Are pre-packaged investments that normally include assets linked to interest plus one or more derivatives. They are generally tied to an index or basket of securities and are designed to facilitate highly customised risk-return objectives.
Discretionary management services	A form of investment management in which buy and sell decisions are made by a portfolio manager or investment counsellor for the client's account. The term "discretionary" refers to the fact that investment decisions are made at the portfolio manager's discretion.
Non-discretionary management services (including share dealing)	An investment strategy that gives investors the ability to make decisions on their own portfolios, leveraging the expertise and experience of a financial advisor.
Platforms	Are internet-based services used by intermediaries (and sometimes clients) to view and administer investments. They tend to offer a range of tools which allow advisers and clients to see and analyse portfolios. As well as arranging transactions, platforms arrange custody for clients' assets.
Crowdfunding	The practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the internet.
Peer to Peer	Lending money to an individual or a business at an interest rate through a specialist platform, typically a website, which connects lenders to borrowers.
Innovative Finance ISA	An Innovative Finance ISA (IFISA) - is a type of Individual Savings Account (ISA) that allows individuals to invest in peer-to-peer (P2P) loans and other innovative finance investments, with their earnings being tax-free. This means money can be loaned to individuals or businesses through online platforms, earning interest without paying income tax or capital gains tax on the returns.

Investments Product	Guidance
EIS/SEIS	EIS (Enterprise Investment Scheme) investments - involve buying new shares in small, unquoted companies, offering investors tax reliefs on their investment. These reliefs can be significant, potentially reducing the overall cost of investment by up to 94%. The scheme aims to encourage investment in early-stage, potentially high-growth businesses. SEIS (Seed Enterprise Investment Scheme) - is a UK government initiative designed to encourage investment in early-stage, small businesses by offering tax reliefs to investors.
FX	The trading of one nation's currency for another.
CFD	Is a financial instrument traders use to speculate on prices without owning the underlying asset.
Spread betting	Refers to speculating on the direction of a financial market without actually owning the underlying security. It involves placing a bet on the price movement of a security.
Derivatives	Contracts whose value is derived from an underlying asset, a group of assets, or a benchmark. They are used for various purposes, including hedging, speculation, and leverage. Common examples include futures, forwards, options, and swaps.
Overseas recognised schemes	A collective investment scheme (CIS) established outside the UK that has been granted recognition by the Financial Conduct Authority (FCA). This recognition allows the scheme to be marketed and offered to retail investors in the UK, essentially treating it as if it were a UK-based fund.

Investment complaint types

Investment complaint issue		
Advising, Selling and Arranging	Unsuitable Advice	Complaints relating to customer receiving misleading, unsuitable, or insufficient advice or guidance when purchasing an investment. This includes recommending products that do not meet the customer's needs, failing to disclose key risks, or providing advice that leads to financial harm.
	Unclear Guidance / Arrangement	Complaints where someone finds the instructions, rules, or processes they are following to be confusing, vague, or difficult to understand. This can lead to frustration, errors and potential consequences that could lead to consumer harm or misunderstandings.

Investment complaint issue		
Information, Sums / Charges or Product Performance	Disputes over Sums / Charges	Complaints relating to the costs of investments failing to provide the customer with fair value, including price of products, total amounts, and additional fees.
	Product Performance / Features	Complaints relating to instances where a product or service fails to deliver, operate, or perform in the way it has been advertised, including but not limited to: - the product not including particular features as advertised - the firm failing to operate the product in line with agreed SLAs.
	Product Disclosure Information	Complaints regarding the way a company discloses information about its products, including areas such as labelling, warnings, or instructions. This can cover issues such as missing information, unclear language, or inaccurate details that could lead to consumer harm or misunderstandings.
General Admin / Customer Service	Errors / Not Following Instructions	Complaints where the firm has failed to follow instructions from the customer and / or made errors in their provision, delivery or management of the investment product. Including, but not limited to: - actioning changes requested to an investment product incorrectly - updating customer details incorrectly - failing to action requested changes - any errors identified by the customer when engaging with the investment product
	Delays / Timescales	Complaints where the firm has failed to deliver a product or service in line with agreed SLAs, including but not limited to: - slow processing to change or amend a product following a customer request - unreasonably slow timescale set for when an action or request will be completed by the firm
	Other General Admin / Customer Service	Complaints relating to general issues with the firms administration or service provided on an investment product, where this is not clearly captured by other categories.

Payment services products

Product	Guidance
Direct debits	A payment service for debiting the payer's payment account where a payment transaction is initiated by the payee on the basis of consent given by the payer to the payee, to the payee's payment service provider or to the payer's own payment service provider.
Standing orders	Pre-authorised instructions from a customer to a bank/ payment service provider to make regular, fixed payments to a designated recipient on specific dates.
Pre-paid cards and e-money payments	Monetary value as represented by a claim on the issuer which is: stored electronically, including magnetically; issued on receipt of funds; used for the purposes of making payment transactions (as defined in regulation 2 of the Payment Services Regulations); accepted as a means of payment by persons other than the issuer; and is not otherwise excluded by the Electronic Money Regulations.
Credit cards	A payment card that allows the cardholder to make purchases or cash withdrawals on credit, up to a pre-agreed limit.
Credit transfer - BACS	A transfer of funds from one account to another using the Banker's Automated Clearing Services (BACS) payment system.
Credit transfer - CHAPS	A transfer of funds from one account to another using the Clearing House Automated Payment System (CHAPS).
Credit transfer - FPS	A transfer of funds from one account to another using the Faster Payments System.
Credit transfer - SEPA	A transfer of funds from one account to another within the Single Euro Payments Area (SEPA) using the SEPA Credit Transfer Scheme.
Credit transfer - 'On us'	A transfer of funds from one account to another where both accounts are held with the same payment service provider.
Money remittance	A service for the transmission of money (or any representation of monetary value), without any payment accounts being created in the name of the payer or the payee, where: (a) funds are received from a payer for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee; or (b) funds are received on behalf of, and made available to, the payee.
Debit cards/ cash cards	A payment card that allows access to funds held in the cardholder's payment account.
Payment initiation services - Single immediate payments	An online service to initiate a single payment order at the request of the payment service user with respect to a payment account held at another payment service provider.

Product	Guidance
Payment initiation services - Variable recurring payments (sweeping)	A form of open banking payments that allows a payment service user to set up automated recurring transfers of funds between their own accounts, with the flexibility for the payment amounts or timing to vary.
Payment initiation services - Variable recurring payments (non-sweeping)	A form of open banking payment that allows a payment service user to set up automated payments to a third party, with flexibility for the payment amounts or timing to vary.
Account information services	An online service to provide consolidated information on one or more payment accounts held by the payment service user with another payment service provider or with more than one payment service provider, and includes such a service whether information is provided:(a) in its original form or after processing;(b) only to the payment service user or to the payment service user and to another person in accordance with the payment service user's instructions.
ATM withdrawals	The process of taking out cash from a bank account using an Automated Teller Machine (ATM), typically with a debit or cash card and a PIN.
Merchant acquiring	A payment service provided by a payment service provider contracting with a payee to accept and process payment transactions which result in a transfer of funds to the payee.
E-money (issuing / distributing / redeeming)	Issuing, distributing or redeeming 'electronic money' as defined in regulation 2 of the Electronic Money Regulations 2011.

Payment services complaints issue

Product	Guidance
Account access - operational disruption (including IT issues)	Access to bank or payment service account has been affected due to operational disruption, resulting in certain functions not working properly.
Account access - customer due diligence checks and/or application declined	Restricted or denied access to a bank or payment account due to identity verification processes (customer due diligence) or because the account application did not meet the bank/ payment service provider's requirements and was declined.
Payment delays - operational disruptions (including IT issues)	A slowdown in processing payments caused by technical issues, including for example system outages, or other internal disruptions.
Payment delays - customer due diligence checks	A delay in processing payments due to mandatory identity verification checks.

Product	Guidance
Account closures / terminations	The termination of a bank or payment account, usually initiated by the account holder or the provider.
Account Operation - Blocks and Suspensions	Accounts that are temporarily or permanently restricted from allowing access to funds or transactions to be processed.
Administration or customer service	A support function provided by businesses or service providers to assist customers for example with inquiries, issues, or complaints.
Chargebacks	A transaction reversal initiated by a bank or card issuer, typically due to a dispute between the customer and merchant, such as fraud, unauthorised charges, or unmet product/service expectations.
Charges, Fees and Commission	Fees imposed by a bank/ payment service provider for various services or account activities, such as monthly maintenance, overdrafts, ATM withdrawals, wire transfers, or insufficient funds.
Continuous payment authorities – cancellation issues and disputed payments	Where a payment service user authorises a payee to regularly take payments from their debit or credit card, and their card issuer makes it difficult to cancel the continuous payment authority or resolve disputed payments to the payment service user's satisfaction.
Digital wallets – card/account takeover fraud	Where a fraudster gains unauthorised access to someone's digital wallet account, often to steal funds or personal information. A digital wallet is an electronic device that stores a person's payment card details in one location.
Fraud - authorised push payments (APP) - 'On Us'	A transfer of funds by person A to person B (other than a transfer initiated by or through person B) made between A and B's payment accounts held with same payment service provider, and: **(1)** A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or **(2)** A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.
Fraud - authorised push payments (APP) - FPS	A transfer of funds by person A to person B (other than a transfer initiated by or through person B) made through the Faster Payments System, and: **(1)** A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or **(2)** A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.

Product	Guidance
Fraud - authorised push payments (APP) - CHAPS	A transfer of funds by person A to person B (other than a transfer initiated by or through person B) made through the Clearing House Automated Payments System, and: **(1)** A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or **(2)** A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.
Fraud – authorised push payments (APP) – international payments	A transfer of funds by person A to person B (other than a transfer initiated by or through person B) made through an international payment, and: **(1)** A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or **(2)** A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.
Fraud – authorised push payments (APP) – open banking	A transfer of funds by person A to person B (other than a transfer initiated by or through person B) made through an open banking payment, and: **(1)** A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or **(2)** A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.
Fraud - unauthorised payments	Payment transactions made without the account holder's consent as a result of fraud or theft.
Fraud - payment initiation services	Open banking payment transactions made as a result of fraud.
Fraud - other	Any other type of fraud.
Incorrect credit records	Mistakes or inaccuracies in a person's credit report, such as wrong personal details, payments marked as late when they weren't, or debts that don't belong to them.
Misuse of customer data	Payment service providers using a customer's personal or financial information in ways the customer didn't agree to.
Breach of customer data – open banking	Where customer information, such as personal, financial, or account details, is accessed or disclosed without customer authorisation.
Breach of customer data - excluding open banking	Where sensitive customer information, such as personal, financial, or account details, is accessed, disclosed, or stolen without authorisation.
Account information services disruption - operational disruption (including IT issues)	An inability to view or manage account details, make transactions, or use related services because of technical problems or system outages within the bank or service provider's IT infrastructure.

Product	Guidance
Account information services disruption - customer due diligence checks	A delay or disruption in accessing account information services due to ongoing customer due diligence (CDD) checks, which may involve verifying identity or assessing financial risk.
Payment initiation services disruption - operational disruption (including IT issues)	A temporary failure or delay in initiating payments through a payment initiation service caused by technical problems or system outages.
Payment initiation services disruption - customer due diligence checks	A delay or blockage in initiating payments through a payment initiation service due to ongoing customer due diligence (CDD) checks.
Disputed transactions - card payments	Transactions that a cardholder contests, sometimes due to reasons such as fraud, unauthorised charges, or dissatisfaction with the goods or services received.
Disputed transactions - payment initiation services	Transactions that a payment service user contests where the payment was initiated by a third-party provider through open banking. Disputes are sometimes raised due to reasons such as fraud, unauthorised charges, or dissatisfaction with the goods or services received.
Disputed transactions - other payment types	When a payment service user challenges a payment made from their account using other types of payment method, often due to suspected fraud, errors, or dissatisfaction with goods or services.
Misleading / unclear information on open banking services	Where consumers do not fully understand how their open banking services work, what data is shared, or who has access to their financial information. This can be due to a lack of transparency, poor communication, or complex terms and conditions.
Misleading / unclear financial promotions	Advertisements or other information about financial products or services that give a false impression or miss key information. They may overstate benefits, hide risks, or use confusing language, leading consumers to make decisions without fully understanding what they're signing up for.
Misleading / unclear customer contracts or terms and conditions	Agreements that are difficult to understand, overly complex, or written in a way that hides important information. They can mislead customers about their rights, fees, or obligations, making it hard to make informed decisions.
Misleading/unclear pricing for FX remittance services	Advertisements or other information about a foreign currency remittance product that gives a false impression or misses key information about fees and charges, leading consumers to make decisions without fully understanding the cost of the product.
Services provided by agents and distributors	Third parties that to offer payment services or distribute or redeem electronic money on behalf of authorised or registered principal firms.

Consumer Credit

Product		Guidance		
Lending - fixed-sum credit	Finance for motor vehicles	Consumer credit *lending* activity in relation to:	*regulated credit agreements* under which the facility if *fixed-sum credit* and:	are borrower-lender-supplier agreements to finance transactions to purchase motor vehicles. A motor vehicle means a wheeled, mechanically propelled vehicle intended or adapted for use on roads.
	Finance for insurance premiums			are *borrower-lender-supplier agreements* to finance *premiums* for *general insurance* contracts. This should include regulated *credit agreements* under which the facility is *running-account* credit the main purpose of which is to allow the *borrower(s)* to *finance* periodic *premiums* for *general insurance contracts* or fees.
	RTO agreements			which meet the criteria of an RTO agreement as set out in *CONC 5B.7.1R(7).* Note that, while similar, this is not the same as the criteria for a rent-to-own agreement.
	Other finance for goods or services			are *borrower-lender-supplier agreements* to *finance* transactions to purchase goods or services, which are not one of the specified options above.
	Home credit loan agreements			which meet the criteria of a home credit loan agreement.
	High-cost short-term credit			which meet the criteria of *high-cost short-term credit*.
	Pawn agreements			for which the *lender* takes any article in pawn.
	Bill of sale loan agreements			which meet the criteria of a *bill of sale loan agreement*. This includes most logbook loans.

Product		Guidance		
	Guarantor loans			are *borrower-lender agreements* under which a person other than the *borrower(s)* has provided a guarantee or an indemnity (or both) in relation to the *regulated credit agreement*, and which are not one of the specified options above.
	Other cash loans			are *borrower-lender agreements* which are not one of the specified options above.
Lending - running-account credit	Running-account credit linked to a payment network (including credit cards)		*regulated credit agreements* under which the facility is *running-account credit* and:	have facilities which allow drawdowns for transactions with any person in a payment network, such as Mastercard and Visa. This includes credit cards. This should include regulated credit agreements which also allow other types of drawdowns. This should include regulated credit agreements which have a brand associated with a particular supplier(s), or promotions in relation to a specific supplier(s), but the facilities allow drawdowns with any person in a payment network.
	Retail revolving credit			which meet the criteria of *retail revolving credit*.
	Running-account credit for money transfers only			which only allow drawdowns to transfer money to a bank account or an *electronic money* account.
	Other running-account credit			which is not one of the specified options above and is not an overdraft.
Lending - indeterminate	Debt purchase		regulated credit agreements for which	the reporting firm was not the lender who entered into the regulated credit agreement.
	Other indeterminate			the reporting firm cannot determine to be one of the specified options above.

Product		Guidance	
Consumer hire	Consumer hire of motor vehicles	*Consumer hiring* activity in relation to:	motor vehicles. A motor vehicle means a wheeled, mechanically propelled vehicle intended or adapted for use on roads.
	Consumer hire of other goods		*goods* other than motor vehicles.
Credit broking		*Credit broking* activity.	
Debt adjusting and debt counselling		*Debt management activity.*	
Debt collecting and debt administration		*Debt collecting* and *debt administration activity.*	
Providing credit information services		*Providing credit references* activity.	
Providing credit references		*Providing credit information services* activity.	
Operating an electronic system in relation to lending		Operating an electronic system in relation to lending activity, but only insofar as it relates to a borrower or prospective borrower under a P2P agreement. Complaints relating to operating an electronic system in relation to lending activity, insofar as they relate to a lender or prospective lender under a P2P agreement, should be reported against the 'Crowdfunding / Peer to Peer' Product / Service in the 'Investments' section of DISP 1 part of this data item.	

Annex 4

Compatibility statement

Compliance with legal requirements

1. This Annex records the FCA's compliance with a number of legal requirements applicable to the proposals in this consultation, including an explanation of the FCA's reasons for concluding that our proposals are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA).

2. When consulting on new rules, the FCA is required by section 138I(2)(d) FSMA to include an explanation of why it believes making the proposed rules (a) is compatible with its general duty, under section 1B(1) FSMA, so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances one or more of its operational objectives, (b) so far as reasonably possible, advances the secondary international competitiveness and growth objective under section 1B(4A) FSMA, and (c) complies with its general duty under section 1B(5)(a) FSMA to have regard to the regulatory principles in section 3B FSMA. The FCA is also required by section 138K(2) FSMA to state its opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.

3. This Annex also sets out the FCA's view of how the proposed rules are compatible with the duty on the FCA to discharge its general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (section 1B(4)). This duty applies in so far as promoting competition is compatible with advancing the FCA's consumer protection and/or integrity objectives.

4. In addition, this Annex explains how we have considered the recommendations made by the Treasury under s 1JA FSMA about aspects of the economic policy of His Majesty's (HM) Government to which we should have regard in connection with our general duties.

5. This Annex includes our assessment of the equality and diversity implications of these proposals.

6. Under the Legislative and Regulatory Reform Act 2006 (LRRA), we are subject to requirements to have regard to a number of high-level 'Principles' in the exercise of some of our regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with requirements under the LRRA.

The FCA's objectives and regulatory principles: Compatibility statement

7. The proposals set out in this consultation are primarily intended to advance the FCA's operational objective of promoting competition. They are also relevant to the FCA's operational objective of protecting consumers. We also consider these proposals are compatible with the FCA's strategic objective of ensuring that relevant markets function well. For the purposes of the FCA's strategic objective, 'relevant markets' are defined by section 1F FSMA.

8. Our proposed improvements to the complaints reporting process will support us in making sure we can identify trends in consumer harm earlier through more appropriate reporting of complaints and be able to tackle them in a timely way. This will benefit the functioning of relevant markets through our early regulatory intervention on, and/or correction of, any firms' poor practice based on the trends we see in complaints. Early intervention will help increase consumer confidence that markets are operating effectively.

9. In preparing the proposals set out in this consultation, the FCA has had regard to the regulatory principles set out in section 3B FSMA. In particular:

The need to use our resources in the most efficient and economic way

10. Our proposals aim to improve the complaints reporting process by streamlining the way that firms report complaints data to us. This should lead to a more effective and efficient use of our resources as a regulator. For example, there are a number of key benefits of our proposed reforms.

11. Standardisation of reporting frequency and moving reporting to a calendar year basis will help us receive and process complaints data in a timely way. Earlier detection of trends in consumer harm and earlier tackling of that harm will help us apply our resources in a more efficient way. This can avoid both later investigation and tackling of potential redress issues which may take longer to resolve satisfactorily. This 'prevention' approach will also be more economic in terms of the resources we apply.

12. Improving the current categorisation of complaints so that categories are more relevant to the products and services firms offer to consumers, including improved and relevant guidance for firms on how to complete the new complaints return, will have several benefits. It will make complaints data we collect more meaningful and consistent across the firms that report it. It allows us to use that data more effectively to identify and make any resulting regulatory changes based on analysis of the data and would provide evidence to industry and consumers to justify making future changes.

13. The simplification of nil reporting will help us apply our resources more efficiently to focus primarily on those firms reporting complaints in significant numbers that merit our attention and potential further action.

The principle that a burden or restriction should be proportionate to the benefits

14. Our proposed changes to improve complaints reporting aim to reduce firm burden in a number of ways and makes sure we take a proportionate approach to regulation.

15. We propose to consolidate 5 existing returns into a single return. We have developed a prototype of the new return which we are consulting on. Our view is that the prototype, which we may refine further following feedback received through this consultation, should make reporting of complaints data easier to manage for firms. It should result in minimal disruption to firms' existing internal processes and resourcing for capturing complaints data. We aim to simplify the process for firms to capture and report complaints data which should reduce firm burden and add to the overall efficiency of the data capture process.

16. We propose to make the process of nil reporting easier for those firms with no complaints to report. Firms with nil complaints in a reporting period should not expect to spend additional time and resource looking out where in the new return they are to report nil complaints. Simplifying the process with a single box to complete upfront in the new complaints return should free up firm resource and reduce firm burden.

17. Our proposal to remove group reporting should allow more granular data to be reported on an individual firm basis. Based on industry views we have gathered to date, there should be minimal impact on, and reduced firm burden for, firms that currently report for a group. We estimate that 118 firms currently report by group based on our most recent data collections.

18. Our proposal seeks to standardise reporting categories across all firms, with the aim of making the categories more meaningful, consistent and relevant to the product and service types that firms offer to consumers. We also propose to clarify the guidance we provide to firms to explain which data should be reported against which category. This should lead to less data being reported as 'Other' complaints, avoiding the use by us of additional resource to follow up with firms to understand why they have reported as they have. Our proposal aims to set the right level of granularity at which complaints are reported, making it easier to act upon the data. This is a proportionate approach that should not add to firm burden.

The desirability of publishing information relating to persons subject to requirements imposed under FSMA, or requiring them to publish information

19. Our proposal aims to improve transparency by reporting more firms' data. This is particularly relevant for consumers who may want to refer to reported data and compare it with other similar sources of information to help them choose which products and services they may want to take up and from which firms.

20. Our view is that this benefits all firms, including those with few or no complaints to report. Consumers may consider that firms with few or no complaints have robust processes in place to tackle complaints they do receive and deal with them effectively, and that this is a positive attribute of those firms.

21. While we understand that requiring smaller firms to publish their complaints data may impact on their resources, we can look at how to minimise this requirement.

The principle that we should exercise our functions as transparently as possible

22. We do not consider that our proposals undermine this principle.

Expected effect on mutual societies

23. We do not expect the proposals in this paper to have a significantly different impact on mutual societies. Mutual societies which are authorised by us, and which are expected to report their recorded complaints under different product types and services, will be equally impacted by our proposals as other non-mutual society authorised entities.

Compatibility with the duty to promote effective competition in the interests of consumers

24. In preparing the proposals as set out in this consultation, we have had regard to the FCA's duty to promote effective competition in the interests of consumers.

25. Making improvements to the complaints reporting process which reduces regulatory burden on firms, and which allows us to publish more accurate, consistent and informative complaints data for consumers to use, should result in increased competition. Firms should have reduced costs from spending less time and effort on completing multiple returns which they can use towards developing better products and services. Consumers should have better information about firms' complaints which they can use when choosing products and services in the market.

Equality and diversity considerations

26. We are required under the Equality Act 2010, in exercising our functions, to 'have due regard' to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Act, advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between people who share a protected characteristic and those who do not.

27. As part of this, we make sure the equality and diversity implications of any new policy proposals are considered. The outcome of our consideration in relation to these matters in this case is stated in paragraph 2.32 of this Consultation Paper.

HM Treasury's remit letter

28. We have considered the content of HM Treasury's November 2024 remit letter. Our view is that our consultation proposals seek to address the concerns in the remit letter by implementing proportionate and effective regulation in relation to the reporting of complaints by firms.

29. We are seeking to reduce firm burden and improve firm experience by simplifying the complaints reporting process. This will offer firms more proportionate regulation. At the same time, we are seeking to increase the quality of complaints data reported to us by firms, which we can use to regulate more effectively and prevent potential future consumer harm. This will assist government in achieving its mission to grow the economy as set out in the letter.

Annex 5

Abbreviations used in this paper

Abbreviation	Description
ABI	Association of British Insurers
AFM	The Association of Financial Mutuals
APP	Authorised Push Payments
AR	Appointed Representative(s)
ARD	Accounting Reference Date
ATM	Automated Teller Machine
BACS	Banker's Automated Clearing Services
BBA	Basic Bank Account
BIBA	British Insurance Brokers' Association
CBA	Cost Benefit Analysis
CCR	Consumer Credit Return
CDD	Customer Due Diligence
CfI	Call for Input
CHAPS	Clearing House Automated Payment System
CIS	Collective Investment Scheme
CMC(s)	Claims Management Companies
CP	Consultation Paper
CREDS	Credit Unions sourcebook
CTF	Child Trust Fund
DC	Defined Contribution

Abbreviation	Description
DISP	Dispute Resolution
DMO	UK Debt Management Office
EANDCB	Equivalent Annual Net Direct Cost to Business
EIS	Enterprise Investment Scheme
ESG	Environmental, social and governance
FCA	Financial Conduct Authority
FOS	Financial Ombudsman Service
FP	Funeral Plan
FPR	Funeral Plan Return
FPS	Faster Payments System
FSA	Financial Services Authority
FSCS	Financial Services Compensation Scheme
FSMA	Financial Services and Markets Act 2000
FTE	Full Time Equivalent
IAR	Introducer Appointed Representatives
ISA	Individual Savings Account
IT	Information Technology
LRRA	Legislative and Regulatory Reform Act 2006
LSE	London Stock Exchange
MIP	Maximum Investment Plan
NAFPP	National Association of Funeral Plan Providers
NPV	Net Present Value
PAR	Payment Account Regulations 2015
PEP	Personal Equity Plan

Abbreviation	Description
PIMFA	Personal Investment Management and Financial Advice Association
PS	Payment Services
PV	Present Value
QROPS	Qualifying recognised overseas pension scheme
RIA	Retail Investment Advisers
SBPP	Smaller Business Practitioner Panel
SCM	Standardised Cost Model
SEIS	Seed Enterprise Investment Scheme
SEPA	Single Euro Payments Area
SLA	Service Level Agreement
SUP	Supervision
UFPLS	Uncrystallised funds pension lump sums
UL	Unit-linked

Appendix 1

Draft Handbook text

COMPLAINTS REPORTING INSTRUMENT 2025

Powers exercised

A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):

(1) section 137A (The FCA’s general rules);
(2) section 137T (General supplementary powers); and
(3) section 139A (Power of the FCA to give guidance).

B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on [*date*].

Amendments to the Handbook

D. The Supervision manual (SUP) is amended in accordance with Annex A to this instrument.

E. The Dispute Resolution: Complaints sourcebook (DISP) is amended in accordance with Annex B to this instrument.

Notes

F. In the Annexes 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

G. This instrument may be cited as Complaints Reporting Instrument 2025.

By order of the Board
[*date*]

Annex A

Amendments to the Supervision manual (SUP)

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

16	**Reporting requirements**	
…		
16.27	**General insurance value measures reporting**	
…		
	Definitions	
16.27.6	R	In this section and *SUP* 16 Annex 48R, *SUP* 16 Annex 48AR and *SUP* 16 Annex 48BG:

…

"claims complaints" means	complaints of a type that are reported ~~in column O of the *DISP* 1 Annex 1R Table 4 or would have been reported if the threshold of 500 opened complaints was disregarded~~ as "claim handling and delays" or "claim outcome" under *DISP* 1 Annex 1.2R.

…

…

Annex B

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

1 Treating complainants fairly

…

1.10 Complaints reporting rules

1.10.1 R (1) ~~Unless (2) applies, twice~~ Twice a year a *firm* must provide the *FCA* with a complete report concerning *complaints* received from *eligible complainants*.

(1A) Reports are to be submitted to the *FCA* within 30 *business days* of the end of the relevant reporting periods through, and in the electronic format specified in, the *FCA* Complaints Reporting System or the appropriate section of the *FCA* website.

(2) ~~If a *firm*:~~ [deleted]

~~(a) has *permission* to carry on only *credit-related regulated activities* or *operating an electronic system in relation to lending* and has revenue arising from those activities that is less than or equal to £5,000,000 a year; or~~

~~(b) has permission to carry on only:~~

~~(i) *regulated claims management activities*; or~~

~~(ii) *regulated funeral plan activities*,~~

~~the *firm* must provide the *FCA* with a complete report concerning *complaints* received from *eligible complainants* once a year.~~

(3) ~~The report required by (1) and (2) must be set out in the format in:~~ [deleted]

~~(a) *DISP* 1 Annex 1R, in respect of *complaints* which do not relate to *regulated claims management activity* or any activity ancillary to *regulated claims management activity*;~~

~~(b) *DISP* 1 Annex 1ABR, in respect of complaints relating to *regulated claims management activity* or any activity ancillary to *regulated claims management activity*; and~~

~~(c) *DISP* 1 Annex 1ACR, in respect of *complaints* relating to *regulated funeral plan activities*.~~

(4) Paragraphs (1) and ~~(2)~~ (1A) do not apply to a *firm* with only a *limited permission* unless that *firm* is a *not-for-profit debt advice body* that at any point in the last 12 *months* has held £1 million or more in *client money* or as the case may be, projects that it will hold £1 million or more in *client money* in the next 12 *months*.

1.10.1-A G A *firm* with only a *limited permission* to whom *DISP* 1.10.1R(1) and ~~(2)~~ (1A) do not apply is required to submit information to the *FCA* about the number of complaints it has received in relation to credit-related activities under the reporting requirements in *SUP* 16.12 (see, in particular, data item CCR007 in *SUP* 16.12.29CR). A *firm* with *limited permission* to whom *DISP* 1.10.1R(1) and ~~(2)~~ (1A) do not apply is also subject to the complaints data publication rules in *DISP* 1.10A.

…

~~Joint reports~~

1.10.1C R ~~*Firms* that are part of a *group* may submit a joint report to the *FCA*. The joint report must contain the information required from all *firms* concerned and clearly indicate the *firms* on whose behalf the report is submitted. The requirement to provide a report, and the responsibility for the report, remains with each *firm* in the *group*.~~ [deleted]

1.10.1D G ~~Not all the *firms* in the *group* need to submit the report jointly. *Firms* should only consider submitting a joint report if it is logical to do so, for example, where the *firms* have a common central *complaints* handling team, the same *accounting reference date* and are all subject to the same reporting frequencies and submission deadlines.~~ [deleted]

Information requirements – all returns

1.10.1E R The report required in *DISP* 1.10.1R(1) must include (for the relevant reporting period set out in *DISP* 1.10.4R):

(1) information about whether a *firm* intends to file a nil return where there have been no *complaints* received during the reporting period and no *complaints* were outstanding;

(2) information about whether a *firm* consents to the *FCA* publishing the complaints data and contextual information contained in the *firm's* report, as required under *DISP* 1.10A, prior to the *firm's* own publication, and whether this data and information accurately reflects what will be published by the *firm* under *DISP* 1.10A;

(3) the numbers of *complaints* opened and closed, together with details of redress paid. A *firm* should provide the information set out in the categories below, and return specific categories set out in *DISP* 1.10.1FR to 1.10.1JR as relevant:

(a) *complaints* closed within 3 *days*;

(b) *complaints* closed within 8 weeks but after 3 *days*;

(c) *complaints* closed after 8 weeks;

(d) *complaints* open after more than 8 weeks;

(e) total *complaints* closed;

(f) total *complaints* upheld;

(g) total redress paid for upheld *complaints*;

(h) total redress paid for *complaints* not upheld;

(i) highest redress paid; and

(j) total redress paid; and

(4) further information, as set out at *DISP* 1.10.1FR to 1.10.1JR where the *firm* holds the relevant *permissions* set out therein.

Information requirements – general return

1.10.1F R Where a *firm* does not fall into any of the categories set out in *DISP* 1.10.1GR to 1.10.1JR, the report required in *DISP* 1.10.1R(1) must include:

(1) the number of *complaints* received, broken down by the focus of the *complaint*, as set out in *DISP* 1 Annex 1.2R and the service provided, as detailed in *DISP* 1 Annex 1.3R;

(2) complaint outcomes during the reporting period, broken down by the service provided as detailed in *DISP* 1 Annex 1.3R in the categories set out at *DISP* 1.10.1ER(3), together with below further categories:

(a) *complaints* closed by *consumers* who are identified as vulnerable;

(b) *complaints* opened by *consumers* who are identified as vulnerable; and

(c) the total *complaints* outstanding at the reporting period start date; and

(3) contextualisation metrics, broken down by the sector and service provided, as detailed in *DISP* 1 Annex 1.3R, and contextualisation metrics set out at *DISP* 1 Annex 1.4R.

Information requirements – payment services return

1.10.1G R Where an *electronic money institution*, a *payment institution*, a *registered account information service provider* or a *credit institution* that provides *payment service* or issues *electronic money* completes the report referred to in *DISP* 1.10.1R(1), this must include:

(1) the total *payment services* and *electronic money issuance complaints* outstanding at the reporting period start date;

(2) the number of *complaints* received, broken down by the service provided, as detailed in *DISP* 1 Annex 1.5R, and whether the *complaint* has been closed, upheld or escalated to the *FOS*;

(3) *complaint* outcomes during the reporting period, broken down by whether the *payment service* or *electronic money* was provided by the *firm* or its *agents* and *distributors*, in the categories set out at *DISP* 1.10.1ER(3)(c) to (j), together with the below further categories:

(a) *complaints* closed within 3 *business days*;

(b) *complaints* closed after 3 *business days* but within 15 *business days*;

(c) *complaints* closed after 15 *business days* but within 35 *business days*;

(d) *complaints* closed after 35 *business days* but within 8 weeks; and

(e) total *complaints* outstanding at the reporting period start date;

(4) the contextualisation metrics set out below, broken down by the service provided as detailed in *DISP* 1 Annex 1.5R:

(a) payment volume in the reporting period;

(b) how many *customers* have used the *firm's account information services* in the reporting period; and

(c) the value of the *e-money* in the reporting period; and

(5) the number of *complaints* received, broken down by the focus of the complaint, as detailed in *DISP* 1 Annex 1.6R, and the outcome of the complaint, using the outcomes set out below:

(a) total opened;

(b) total closed;

(c) total upheld;

(d) total escalated to *FOS*; and

(e) total redress paid.

Information requirements – funeral plans return

1.10.1H R Where a *firm* has *funeral plan permissions*, the report referred to in *DISP* 1.10.1R(1) must include:

(1) the total number of *complaints* outstanding at the reporting period start date;

(2) the total number of *complaints* opened during the reporting period;

(3) the number of *complaints* received, broken down by the focus of the complaint, as detailed in *DISP* 1 Annex 1.7R; and

(4) *complaint* outcomes during the reporting period, in the categories set out at *DISP* 1.10.1ER(3).

Information requirements – CCRs return

1.10.1I R Where a *firm* has *CCR permissions*, the report referred to in *DISP* 1.10.1R(1) must include:

(1) the number of *complaints* received broken down by the focus of the *complaint*, as set out in *DISP* 1 Annex 1.8R and the service provided, as detailed in *DISP* 1 Annex 1.9R; and

(2) *complaint* outcomes during the reporting period, broken down by the service provided as detailed in *DISP* 1 Annex 1.9R in the categories set out at *DISP* 1.10.1ER(3), together with the below further categories:

(a) redress paid in relation to the *claims management fee cap*, where this was done at the *firm's* instigation rather than as the result of a *complaint* about the fee; and

(b) *complaints* closed by *consumers* who are identified as vulnerable.

Information requirements – CMCs return

1.10.1J R Where a *firm* has *CMC permissions*, the report referred to in *DISP* 1.10.1R(1) must include:

(1) the total number of *complaints* outstanding at the reporting period start date;

(2) the total number of *complaints* opened during the reporting period;

(3) the total number of leads generated or obtained during the reporting period;

(4) the number of *complaints* received, broken down by the focus of the complaint as set out in *DISP* 1 Annex 1.10R and the area of law concerned, as detailed in *DISP* 1 Annex 1.11R; and

(5) information about redress paid in relation to the *claims management fee cap*, where this was done at the *firm's* instigation rather than as the result of a *complaint* about the fee.

1.10.2 R ~~(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:~~ [deleted]

~~(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.~~

1.10.2-A R ~~Part B of *DISP* 1 Annex 1R requires (for the relevant reporting period) information about:~~ [deleted]

~~(1)~~ ~~the total number of *complaints* received by the *firm*;~~

~~(2)~~ ~~the total number of *complaints* closed by the *firm*;~~

~~(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.~~

…

1.10.2B R ~~*DISP* 1 Annex 1ABR requires (for the relevant reporting period) information about:~~ [deleted]

~~(1)~~ ~~in Table 1, the total number of *complaints* received by the *firm* and the main focus of the *complaint*;~~

~~(2)~~ ~~in Table 2:~~

~~(a)~~ ~~the number of *complaints* that were closed or upheld within different time periods;~~

~~(b)~~ ~~the total amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period; and~~

~~(c)~~ ~~redress in relation to the *claims management fee cap*, where this was done at the *firm's* instigation rather than as the result of a *complaint* about the fee.~~

1.10.2C R ~~*DISP* 1 Annex 1ACR requires (for the relevant reporting period) information about:~~ [deleted]

~~(1)~~ ~~in Table 1, the total number of *complaints* received by the *firm* and the main focus of the *complaints*;~~

~~(2)~~ ~~in Table 2:~~

~~(a)~~ ~~the number of *complaints* that were closed or upheld within different time periods; and~~

~~(b)~~ ~~the total amount of redress paid by the *firm* in relation to *complaints* upheld and not upheld in the relevant reporting period.~~

1.10.3 G (-1) ~~For the purposes of *DISP* 1.10.2R, *DISP* 1.10.2-AR, *DISP* 1.10.2AR, *DISP* 1.10.2BR and *DISP* 1.10.2CR, when completing the return, the *firm*~~ *Firms* should take into account the following matters when providing a report under *DISP* 1.10.1R(1).

(1) If a *complaint* could fall into more than one category, the *complaint* should be recorded in the category which the *firm* considers to form the main part of the *complaint*.

(2) ~~Under *DISP* 1.10.2R(1)(b), *DISP* 1.10.2R(2)(b), *DISP* 1.10.2-AR, *DISP* 1.10.2BR(2) or *DISP* 1.10.2CR(2), a *firm*~~ *Firms* should report information relating to all *complaints* which are closed and upheld within the relevant reporting period, including those resolved under *DISP* 1.5 (Complaints resolved by close of the third business day). 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(1)(b)(ii), *DISP* 1.10.2R(2)(b)(ii), *DISP* 1.10.2-AR(4), *DISP* 1.10.2AR, *DISP* 1.10.2BR(2)(b) or *DISP* 1.10.2CR(2)(b)~~, 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:

(a) amounts paid for distress and inconvenience;

(b) a free transfer out to another provider which transfer would normally be paid for;

(c) goodwill payments and goodwill gestures;

(d) interest on delayed settlements;

(e) waiver of an excess on an insurance policy;

(f) payments to put the consumer back into the position the consumer ~~should~~ would have been in had the act or omission not occurred; and

(g) the refund of fees paid in excess of the *claims management fee cap*, and any amount which the *firm* had attempted to charge but which was written off or waived (before the *customer* paid it) on the basis that it would have exceeded the *claims management fee cap*.

(4) If a *firm* reports on the amount of redress paid ~~under *DISP* 1.10.2R(1)(b)(ii), *DISP* 1.10.2R(2)(b)(ii), *DISP* 1.10.2-AR(4), *DISP*~~

~~1.10.2AR or *DISP* 1.10.2CR(2)(b)~~, 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.

(5) If a *firm* intends to file a nil return in line with *DISP* 1.10.1ER(1), no further answers are required on any return.

(6) Respondents should report the actual data requested in this complaints return, using single unit integers.

(7) Under *DISP* 1.10.1GR, in contrast to the other provisions in *DISP* 1 which generally apply only to *complaints* from *eligible complainants*, *complaints* also include complaints from *payment service users* that are not *eligible complainants*.

[**Note:** See *SUP* 10A.14.24R for the ongoing duty to notify *complaints* about matters relating to activities carried out by an *employee* when acting as a *retail investment adviser*.]

Reporting requirements

1.10.4 R ~~Unless *DISP* 1.10.4AR applies, the~~ The relevant reporting periods are:

(1) ~~the six *months* immediately following a *firm's accounting reference date*~~ 1 January to 30 June; and

(2) ~~the six *months* immediately preceding a *firm's accounting reference date*~~ 1 July to 31 December.

1.10.4A R ~~If a *firm* is one to which *DISP* 1.10.1R(2) applies, the relevant reporting period is the year immediately following the *firm's accounting reference date*.~~ [deleted]

1.10.4B R A *firm* providing a report in accordance with *DISP* 1.10.1R for the reporting period ending on 30 June 2027, should only submit a partial return covering the period since its previous report.

1.10.5 R Reports are to be submitted to the *FCA* within 30 *business days* of the end of the relevant reporting periods ~~through, and in the electronic format specified in, the *FCA* Complaints Reporting System or the appropriate section of the *FCA* website~~.

…

1.10A Complaints data publication rules

Obligation to publish summary of complaints data or total number of complaints

1.10A.1 R (1) ~~Unless (1A) applies to the *firm*, where,~~ Where in accordance with *DISP* 1.10.1R, a *firm* ~~submits a report~~ reports to the *FCA* ~~reporting~~

500 or more *complaints*, it must publish a summary of the *complaints* data contained in that report (the *complaints* data summary).

(1A) ~~(a)~~ ~~This paragraph applies to a *firm* which:~~ [deleted]

~~(i)~~ ~~has *permission* to carry on only *credit-related regulated activities* or to *operate an electronic system in relation to lending*; and~~

~~(ii)~~ ~~has revenue arising from those activities that is less than or equal to £5,000,000 a year.~~

~~(aa)~~ ~~This paragraph also applies to a *firm* which has *permission* to carry on only:~~

~~(i)~~ ~~*regulated claims management activities*; or~~

~~(ii)~~ ~~*regulated funeral plan activities*.~~

~~(b)~~ ~~Where a *firm* to which this paragraph applies submits a report to the *FCA* in accordance with *DISP* 1.10.1 R reporting 1000 or more *complaints*, it must publish a summary of the *complaints* data contained in that report (the *complaints* data summary).~~

~~(2)~~ ~~Where, in accordance with *DISP* 1.10.1CR, a *firm* submits a joint report on behalf of itself and other *firms* within a *group* and that report reports 500 or more *complaints*, it must publish a summary of the *complaints* data contained in the joint report (the *complaints* data summary), unless it is a *firm* to which (1A) applies.~~ [deleted]

~~(3)~~ ~~Where, in accordance with *DISP* 1.10.1CR, a *firm* to which (1A) applies submits a joint report on behalf of itself and other *firms* within a *group* and that report reports 1000 or more *complaints*, it must publish a summary of the *complaints* data contained in the joint report (the *complaints* data summary).~~ [deleted]

(4) Where, in accordance with *SUP* 16.12.4R and *SUP* 16.12.29CR, a *firm* with a *limited permission* submits *data item* CCR007 to the *FCA* reporting 1000 or more *complaints*, it must publish the total number of *complaints* received.

…

Time limits for publication

1.10A.3 R (1) ~~Where the *firm's* relevant reporting period (as defined in *DISP* 1.10.4R or *DISP* 1.10.4AR as the case may be) ends between 1 January and 30 June, the *firm* must publish the *complaints* data summary no later than 31 August of the same year.~~ *Firms* must publish the complaints data summary no later than 2 *months* after the end of the relevant reporting period set out in *DISP* 1.10.4R.

(2) ~~Where the *firm's* relevant reporting period (as defined in *DISP* 1.10.4R or *DISP* 1.10.4AR as the case may be) ends between 1 July and 31 December, the *firm* must publish the *complaints* data summary no later than 28 February of the following year.~~ [deleted]

(3) Where the *firm* is a *firm* with only a *limited permission* and its *accounting reference date* falls between 1 January and 30 June, the *firm* must publish the total number of *complaints* received no later than 31 August of the same year.

…

…

Publication on behalf of the firm

1.10A.5 E A *firm* will be taken to have complied with *DISP* 1.10A.1R(1)~~, *DISP* 1.10A.1R (1A)(2), *DISP* 1.10A.1R (3) or *DISP* 1.10A.1R (4)~~ if within the relevant time limit set out in *DISP* 1.10A.3R the *firm*:

(1) ensures that another *person* publishes the *complaints* data summary or total number of *complaints* (as appropriate) on its behalf; and

(2) publishes details of where this summary or total number of *complaints* (as appropriate) is published.

~~Joint reports: provision of information to third party on request~~

1.10A.6 R ~~Any *firm* covered by a joint report, other than the *firm* that submitted the joint report, must provide details of where the *complaints* data summary or total number of *complaints* (as appropriate) is published to any *person* who requests them.~~ [deleted]

…

Publication of complaints data by the FCA

…

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 DISP1.10A.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.

…

DISP 1.10B is deleted in its entirety. The deleted text is not shown but the section is marked 'deleted' as indicated below.

1.10B ~~Payment services and electronic money complaints reporting~~ [deleted]

DISP 1 Annex 1 is deleted in its entirety and replaced with the following. The text is not underlined.

1 Annex 1 Complaints return form

1 Annex 1.1 R This annex lists the relevant sector units, services provided and the focus of complaints broken down by the relevant return, as set out in *DISP* 1.10.

General return information as referred to at *DISP* 1.10.1FR

1 Annex 1.2 R 'Focus of complaint' means any of the following, broken by sectoral unit:

(1) banking and savings:

(a) access to product (including temporary restrictions);

(b) irresponsibility of lending and/or unaffordability of product;

(c) mis-sale;

(d) product features or performance;

(e) price, sums, fees and charges;

(f) errors/not following instructions;

(g) delays/timescales;

(h) financial difficulties;

(i) general administration and customer support during product life;

(j) information provision or content;

(k) fraud; and

(l) other;

(2) mortgages and home finance:

(a) product features or performance;

(b) price, sums, fees and charges;

(c) advising, selling and arranging – inappropriate advice;

(d) advising, selling and arranging – other issues during application stage;

(e) general administration and customer support during product life – errors/not following instructions;

(f) general administration and customer support during product life – delays/timescales;

(g) general administration and customer support during product life – other;

(h) financial difficulties;

(i) information provision or content; and

(j) other;

(3) general insurance and pure protection

(a) unsuitable advice;

(b) mis-selling/non-disclosure/misrepresentation;

(c) product information disclosure;

(d) customer service and policy administration;

(e) product performance/features;

(f) product fair value;

(g) fees and charges;

(h) claims handling and delays;

(i) claim outcome; and

(j) other;

(4) retirement savings and decumulation:

(a) unsuitable advice;

(b) unclear guidance/arrangement;

(c) disputes over sums/charges;

(d) product performance/features;

(e) product disclosure information;

(f) errors/not following instructions;

(g) delays/timescales;

(h) other general admin/customer service;

(i) arrears-related; and

(j) other; and

(5) investments:

(a) unsuitable advice;

(b) unclear guidance/arrangement;

(c) disputes over sums/charges;

(d) product performance/features;

(e) product disclosure information;

(f) errors/not following instructions;

(g) delays/timescales;

(h) other general admin/customer service; and

(i) other.

1 Annex 1.3 R ‘Service provided’ is broken down by sectoral unit and includes any of the following:

(1) banking and savings :

(a) current accounts;

(b) basic current accounts;

(c) business current accounts;

(d) personal current accounts;

(e) overdrafts;

(f) packaged accounts;

(g) savings – cash ISAs;

(h) cash ISAs - easy access (instant/no-notice withdrawal accounts);

(i) cash ISAs - restricted access (notice period/fixed);

(j) savings - non-ISAs;

(k) non-ISAs - easy access (instant/no-notice withdrawal accounts);

(l) non-ISAs - restricted access (notice period/fixed); and

(m) other banking;

(2) mortgages and home finance:

(a) regulated first charge mortgage;

(b) regulated second charge mortgage;

(c) regulated bridging loan;

(d) regulated equity release (lifetime mortgage or home reversion plan);

(e) regulated home purchase plan;

(f) regulated sale and rent back;

(g) unregulated buy to let mortgage; and

(h) other unregulated home finance products.

(3) general insurance and pure protection:

(a) general insurance:

(i) alloy wheel insurance;

(ii) bicycle insurance;

(iii) building warranties;

(iv) buildings and contents insurance;

(v) buildings insurance;

(vi) business protection insurance;

(vii) car hire excess insurance;

(viii) car or motorcycle insurance (personal lines);

(ix) card protection insurance;

(x) commercial combined/package insurance;

(xi) commercial property insurance;

(xii) commercial vehicle insurance;

(xiii) contents insurance;

(xiv) electrical warranties;

(xv) engineering insurance;

(xvi) furniture warranties;

(xvii) gadget (including mobile phone) insurance;

(xviii) guaranteed asset protection insurance;

(xix) healthcare cash plan;

(xx) home emergency insurance;

(xxi) key cover;

(xxii) legal expenses insurance;

(xxiii) liability insurance;

(xxiv) marine insurance;

(xxv) missed event insurance;

(xxvi) personal accident insurance;

(xxvii) pet insurance;

(xxviii) private medical or dental insurance;

(xxix) travel insurance;

(xxx) tyre cover;

(xxxi) vehicle breakdown insurance;

(xxxii) wedding and party insurance;

(xxxiii) vehicle cosmetic insurance; and

(xxxiv) other general insurance; and

(b) pure protection insurance:

(i) accelerated critical illness insurance – individual;

(ii) accident sickness and unemployment insurance;

(iii) business insurance – life /critical illness/income protection;

(iv) critical illness insurance – group;

(v) income protection insurance – group;

(vi) income protection insurance – individual;

(vii) life insurance – group;

(viii) over 50's whole of life insurance;

(ix) payment protection insurance;

(x) stand-alone critical illness insurance – individual;

(xi) term assurance (life) – individual;

(xii) terminal illness rider;

(xiii) underwritten non unit linked whole of life insurance; and

(xiv) other pure protection insurance;

(4) retirement savings and decumulation:

(a) retirement savings:

(i) DC workplace pensions;

(ii) DC non-workplace pensions;

(iii) QROPS;

(iv) trust-based pensions (eg, occupational and DB);

(v) pensions dashboard services; and

(vi) other retirement savings; and

(b) decumulation:

(i) lifetime annuity (standard);

(ii) lifetime annuity (impaired);

(iii) fixed term annuity;

(iv) immediate needs annuity (care);

(v) with profit annuity (lifetime, fixed term, immediate needs);

(vi) drawdown (including PCLS);

(vii) UFPLS; and

(viii) other decumulation; and

(5) investments:

(a) with-profit bonds;

(b) non-profit UL bonds;

(c) fixed-rate bonds;

(d) endowments;

(e) qualifying savings plans/maximum investment plans;

(f) UL whole of life (reviewable);

(g) stocks and shares ISA;

(h) LISA/Help to Buy ISA;

(i) JISA/CTF;

(j) personal equity plans (PEPs);

(k) listed shares/equities;

(l) investment trusts;

(m) tradeable bonds (corporate and government);

(n) unit trusts;

(o) OEIC;

(p) UCITS;

(q) ETF;

(r) structured products;

(s) discretionary management services;

(t) non-discretionary management services (including share-dealing);

(u) platforms;

(v) crowdfunding;

(w) peer to peer;

(x) innovative finance ISA;

(y) EIS/SEIS;

(z) FX;

(za) CFD;

(zb) spreadbetting;

(zc) derivatives;

(zd) overseas recognised schemes; and

(ze) other investment products/funds.

1 Annex 1.4 R ‘Contextualisation metrics’ includes any of the following, which are attributed to the above sector units:

(1) banking and savings:

(a) number of accounts by service provided; and

(b) number of complaints opened per 1000 accounts;

(2) mortgages and home finance:

(a) number of balances outstanding by service provided;

(b) intermediation – number of sales by service provided;

(c) number of complaints opened per 1000 balances outstanding; and

(d) intermediation – number of complaints opened per 1000 sales;

(3) general insurance and pure protection:

(a) number of policies in force by service provided;

(b) intermediaries and MGAs – number of policies sold by service provided;

(c) number of complaints opened per 1000 policies in force; and

(d) intermediation – number of complaints opened per 1000 policies sold;

(4) retirement savings and decumulation:

(a) number of policies in force by service provided;

(b) intermediaries – number of policies sold by service provided;

(c) number of complaints opened per 1000 policies in force; and

(d) intermediation – number of complaints opened per 1000 policies sold; and

(5) investments:

(a) number of client accounts by service provided;

(b) intermediaries – number of sales or equivalent transactions;

(c) number of complaints opened per 1000 client accounts; and

(d) intermediation – number of complaints opened per 1000 sales or equivalent transactions.

Payment services return information as referred to at *DISP* 1.10.1GR

1 Annex 1.5 R ‘Service provided’ includes any of the following:

(1) direct debits;

(2) standing orders;

(3) pre-paid cards and e-money payments;

(4) credit cards;

(5) credit transfer – BACS;

(6) credit transfer – CHAPS;

(7) credit transfer – FPS;

(8) credit transfer – SEPA;

(9) credit transfer – ‘on us’;

(10) money remittance;

(11) debit cards/cash cards;

(12) payment initiation services – single immediate payments;

(13) payment initiation services – variable recurring payments (sweeping);

(14) payment initiation services – variable recurring payments (non-sweeping);

(15) account information services;

(16) ATM withdrawals;

(17) merchant acquiring;

(18) other payment services; and

(19) e-money (issuing / distributing / redeeming).

1 Annex 1.6 R ‘Focus of the complaint’ means any of the following:

(1) account access – operational disruption (including IT issues);

(2) account access – customer due diligence checks and/or application declined;

(3) payment delays – operational disruptions (including IT issues);

(4) payment delays – customer due diligence checks;

(5) account closures/terminations;

(6) account operation – blocks and suspensions;

(7) administration or customer service;

(8) chargebacks;

(9) charges, fees and commission;

(10) continuous payment authorities – cancellation issues and disputed payments;

(11) digital wallets – card/account takeover fraud;

(12) fraud – authorised push payments (APP) – ‘on us’;

(13) fraud – authorised push payments (APP) – FPS;

(14) fraud – authorised push payments (APP) – Chaps;

(15) fraud – authorised push payments (APP) – international payments;

(16) fraud – authorised push payments (APP) – open banking;

(17) fraud – unauthorised payments;

(18) fraud – payment initiation services;

(19) fraud – other;

(20) incorrect credit records;

(21) misuse of customer data;

(22) breach of customer data – open banking;

(23) breach of customer data – excluding open banking;

(24) account information services disruption – operational disruption (including IT issues);

(25) account information services disruption – customer due diligence checks;

(26) payment initiation services disruption – operational disruption (including IT issues);

(27) payment initiation services disruption – customer due diligence checks;

(28) disputed transactions – card payments;

(29) disputed transactions – payment initiation services;

(30) disputed transactions – other payment types;

(31) misleading/unclear information on open banking services;

(32) misleading/unclear financial promotions;

(33) misleading/unclear customer contracts or terms and conditions;

(34) misleading/unclear pricing for FX remittance services;

(35) services provided by agents and distributors; and

(36) other.

Funeral plans return information as referred to at *DISP* 1.10.1HR

1 Annex 1.7 R ‘Focus of complaints’ means any of the following:

(1) unsuitable advice;

(2) dispute over fees/charges;

(3) not carrying out instructions;

(4) delays;

(5) customer service;

(6) funeral service – delivery; and

(7) other.

CCR return information as referred to at *DISP* 1.10.1IR

1 Annex 1.8 R ‘Focus of complaint’ means any of the following:

(1) price, sums, fees and charges;

(2) other product design;

(3) information provision or content (including commission);

(4) irresponsibility of lending and/or unaffordability of product;

(5) suitability of product;

(6) other product sale;

(7) access to product (including temporary restrictions);

(8) return of goods;

(9) section 75 CCA claims;

(10) financial difficulties;

(11) other product performance, general administration and customer support;

(12) incorrect credit records (not fraud related);

(13) fraud; and

(14) other.

1 Annex 1.9	R	‘Service provided’ includes any of the following:

(1) finance for motor vehicles;

(2) finance for insurance premiums;

(3) RTO agreements;

(4) other finance for goods or services;

(5) home credit loan agreements;

(6) high-cost short-term credit;

(7) pawn agreements;

(8) bill of sale loan agreements;

(9) guarantor loans;

(10) other cash loans;

(11) running-account credit linked to a payment network (including credit cards);

(12) retail revolving credit;

(13) running-account credit for money transfers only;

(14) other running-account credit;

(15) debt purchase;

(16) other indeterminate lending;

(17) consumer hire of motor vehicles;

(18) consumer hire of other goods;

(19) credit broking;

(20) debt adjusting and debt counselling;

(21) debt collecting and debt administration;

(22) providing credit information services;

(23) providing credit references; and

(24) operating an electronic system in relation to lending.

CMC return information as referred to at *DISP* 1.10.1JR

1 Annex 1.10 R ‘Focus of complaint’ means any of the following:

(1) customer sourcing and/or marketing;

(2) obtaining and/or sharing customer data;

(3) claim administration;

(4) claim outcome;

(5) client money handling;

(6) upfront fees;

(7) fees in excess of claims management fee cap;

(8) fees dispute or payment difficulties;

(9) customer service; and

(10) misleading information or advice.

1 Annex 1.11 R ‘Area of law’ includes any of the following:

(1) personal injury;

(2) financial services of financial product;

(3) housing disrepair;

(4) specified benefit;

(5) criminal injury; and

(6) employment-related.

DISP 1 Annexes 1AA, 1 Annex 1AB, 1 Annex AC and 1 Annex AD are deleted in their entirety. The deleted text is not shown but the annexes are marked ‘deleted’ as shown below.

1 Annex 1AA	**~~Notes on completing electronic money and payment services complaints return form~~ [deleted]**
1 Annex 1AB	**~~Claims management complaints and redress return form~~ [deleted]**
1 Annex 1AC	**~~FPR-Complaints – Funeral Plans complaints return~~ [deleted]**
1 Annex 1AD	**~~Electronic money and payment services complaints return form~~ [deleted]**

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