

Financial Conduct Authority and Financial Ombudsman Service

Joint Statement on Targeted Support

Targeted support is new, and it is important for consumers and industry to understand how complaints about it will be handled.

How the Financial Ombudsman Service will assess complaints

The Financial Ombudsman Service (Financial Ombudsman) determines complaints independently, based on its assessment of what is fair and reasonable in all the circumstances of the case. In doing so, it takes account of the Financial Conduct Authority's (FCA) rules, guidance and standards.

Targeted support is different from other forms of investment advice. As explained in the FCA's Policy Statement ([PS25/22](#)), it is not subject to the suitability requirements in Chapters 9 and 9A of the FCA's Conduct of Business Sourcebook.

As set out in the Policy Statement, the targeted support framework envisages firms designing suitable ready-made suggestions for consumers in particular situations and, where relevant, with particular characteristics (consumer segments), and providing their clients with those suggestions based on alignment with a segment.

Targeted support is a one-off service and does not involve ongoing suitability assessments. Firms are required to assess suitability at the point of specifying the ready-made suggestion for the relevant consumer segment and not on an ongoing basis. Therefore, suitability is a point in time assessment and is not judged with the benefit of hindsight.

As explained in the Policy Statement, suitability does not need to be assessed at the individual consumer level when providing targeted support. The targeted support framework is designed so that a consumer should receive a suitable suggestion where they are correctly aligned with a properly designed consumer segment – one that matches their situation and, where relevant, characteristics.

However, a firm must not provide a consumer with a suggestion if there is information of which the firm is aware, or of which it ought reasonably to be aware, that indicates that the suggestion with which the consumer has been matched may be unsuitable.

In taking the FCA's rules into account, including the points summarised above, the Financial Ombudsman acknowledges the many differences between targeted support and other forms of investment advice.

How the FCA and the Financial Ombudsman will work together in relation to targeted support

The rules setting out how firms should consider complaints are set out in Chapter 1 of the Dispute Resolution: Complaints sourcebook (DISP). There will be no changes to these rules for targeted support, so firms are not required to change their usual complaints handling process if already aligned with DISP 1.

In many cases, firms can resolve complaints themselves. However, if a customer is unhappy with the firm's final response, or if the firm fails to respond within the relevant time limit, they can escalate their complaint to the Financial Ombudsman.

It is expected that in most situations where a customer refers a dispute relating to targeted support to the Financial Ombudsman, the Financial Ombudsman will reach a determination without any recourse to the FCA. Typically, over half the pension and investment complaints handled by the Financial Ombudsman relate to customer service and administration issues. It is likely that many of the complaints referred to the Financial Ombudsman in relation to targeted support will be about these issues with no further clarification from the FCA likely to be required.

However, cases may arise with particular facts or involve a set of circumstances where the interpretation of the FCA's rules as they apply to the provision of targeted support is unclear, and where that interpretation has wider implications.

In July 2025, the FCA and the Financial Ombudsman issued an updated [Memorandum of Understanding](#) (MoU). The FCA and the Financial Ombudsman are committed to applying this MoU in the context of targeted support, which will promote consistency in the regime whilst recognising the respective statutory functions of the two organisations. A wider implication case could be one which affects a large number of consumers where there is a significant amount of redress at stake or where there is a risk of business failure, as set out on the FCA's [website](#).

The MoU provides that the FCA and the Financial Ombudsman will cooperate so that:

- if the Financial Ombudsman identifies an issue with wider implications, it will consider if it is appropriate to seek a view from the FCA on the interpretation of its rules, and how redress could potentially be assessed, as early as possible in advance of issuing a final determination. It will

also seek to provide the FCA with any relevant information and draft determinations it can share, to assist the FCA in considering a view.

- if the FCA has sufficient information, it will provide an initial response to such questions for regulatory clarity, if possible, within 30 days.
- the FCA and the Financial Ombudsman will consider if it would be appropriate to publish the FCA's response to clarify the FCA's and the Financial Ombudsman's expectations in the event of similar complaints.

There is currently no legal mechanism in place for parties to a complaint to request that the Financial Ombudsman refers such issues to the FCA. Where firms or consumers believe that a complaint relating to targeted support has the potential to result in wider implications, they may suggest to the Financial Ombudsman to refer such an issue to the FCA for consideration, providing evidence to support their submission.

This process is intended to help the FCA identify issues on which further clarification would be beneficial, which may be provided through guidance or rule changes, as well as workshops, case studies or thematic reviews.

The Financial Ombudsman will also consider issuing insights into the complaints it has received on targeted support and how it is dealing with them.

Both the FCA and the Financial Ombudsman recognise that the way firms deliver targeted support will evolve over time. Therefore, both the FCA and the Financial Ombudsman are committed to engaging collaboratively with firms, trade bodies and consumer groups following the implementation of the regime. This will support the FCA as it monitors the regime and assist the Financial Ombudsman as it keeps its approach to resolving complaints under review.

The Financial Ombudsman and the FCA also recognise that the Government is currently considering reforms to modernise the redress system. This Joint Statement sets out how the two organisations intend to work together on matters relating to targeted support in a way that will complement any changes that may be implemented as part of those broader reforms.

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