

# Latest aggregate complaints data

Published: 30/03/2015

Complaints data helps the FCA monitor how individual firms are handling consumer complaints and to highlight any emerging issues or risks. We are publishing our half-yearly aggregate complaints data, updated to include the second half (H2) of 2014. The data now includes all complaints reported to us by firms with a reporting period end-date between 1 July and 31 December 2014.

A total of 3,447 firms reported at least one opened complaint during this period, which represents a 5% decrease from the total of 3,622 firms in the first half (H1) of 2014.

By 'aggregate' we mean the total number of complaints split into three different categories:

- products – for example, banking and credit cards or home finance (mortgages)
- types of firm – such as a bank, building society or investment manager
- the causes of the complaints – including advice, general administration or customer service

The figures are presented in Excel and PDF below with different tabs covering different data (Tables 1 to 5).

- [Complaints data 1 July to 31 December 2014](#) (XLSX)
- [Complaints data 1 July to 31 December 2014](#) (PDF)
- [Aggregate complaints data charts](#) (PDF)

You can search for the following data in this and in previous six-month periods for firms we regulate:

- the number of complaints opened and closed by the firms that we regulate
- the number of complaints closed within eight weeks
- the number of complaints upheld (where the firms agreed with the complaints)
- the total amount of redress or compensation paid by the firms

Firms do not have to report complaints that are resolved by close of business on the business day following the day they receive them (see our complaints handbook rule [DISP 1.5](#)). Therefore the data does not include such complaints. Readers might wish to note that the FCA recently [consulted on improving complaints handling](#), including improvements to the reporting and publication of complaints.

## Highlights for 2014 H2<sup>[1]</sup>

The total number of complaints opened, excluding payment protection insurance (PPI), increased by 1% to 1,124,622 between H1 and H2 2014 and by 2% between 2013 H2 and 2014 H2 (Table 2a). This 1% increase was mainly caused by an 8% increase to 605,799 in the number of complaints relating to the banking and credit cards product category between 2014 H1 and H2. All other product categories showed decreases in the period.

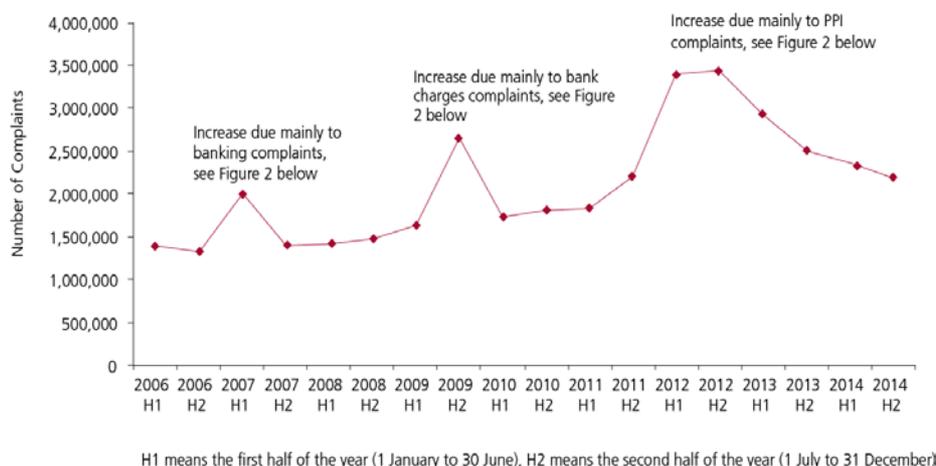
When including PPI, the total number of complaints opened decreased by 7% to 2,183,540 in 2014 H2 compared to H1. Overall, complaints decreased by 12% from last year, 2013 H2. Nevertheless this figure is 56% higher than what was reported at the start of our series in 2006 H1 but 36% lower than the peak of complaints seen in 2012 H2 (Table 2.1, Figure 1).

PPI accounted for less than half (48%) of complaints for the first time in the last three years but remained the most complained about product with 1,058,918 opened complaints in 2014 H2. The number of PPI complaints opened decreased by 14% in 2014 H2 compared to H1 (Table 2a).

Complaints opened against banks and building societies decreased by 5% to 1,467,141 in 2014 H2 in comparison to 2014 H1, while general insurance intermediaries saw their number of complaints opened decrease by 12% to 270,195 in the period, both of which are due primarily to the fall in PPI complaints.

There have been decreases in the number of complaints reported across 21 of the 25 products. The remaining four products include current accounts, up by 22% to 385,818 between 2014 H1 and H2, making current accounts the second most complained about product of the period (Table 2a).

Finally, the total redress paid increased by 4% to £2.44bn in 2014 H2 from £2.34bn in 2014 H1, with 88% of this amount (£2.15bn) related to general insurance and pure protection products, which include PPI products (Table 5.1). The redress paid in relation to banking and credit card products increased by 64% to £145m between 2014 H1 and H2. This constituted 6% of the total redress paid in 2014 H2 against 4% in the previous period.



**Figure 1: Total opened complaints over time**

## Complaints by firm type

Complaints opened against banks and building societies accounted for 67% of all complaints in 2014 H2, followed by general insurance intermediaries with 12% and other insurers with 8%. This breakdown of complaints amongst firm types has remained unchanged over the past two years (Table 2.2).

Complaints opened against non-deposit-taking mortgage businesses decreased by 27% to 66,947 in 2014 H2 in comparison to 2014 H1. A large proportion of this decrease was caused by changes in the reporting periods of some mortgage providers. Furthermore, complaints against life insurers decreased by 18% to 41,040 and personal investments firms by 16% to 22,141 in the same period. In contrast, complaints opened against other insurers increased by 2% to 182,054.

## *Complaints by type of product and cause*

There was an 8% increase in complaints about banking and credit card products in 2014 H2 compared to 2014 H1, with a total of 605,799 in the latest period (Table 2.1). This accounted for 28% of total complaints in 2014 H2, up from 24% in the previous period. This increase was mainly caused by a 22% rise in current account complaints; a product which accounted for 64% of complaints in the product category compared to 56% in the previous period (Table 2a). The number of complaints about other products in this category decreased between 2014 H1 and 2014 H2: credit cards by 14% to 109,487, unregulated loans by 16% to 26,142 and savings including Cash ISA and other banking products by 5% to 84,352 (Table 2a, Figure 3). The latter category, however, only decreased by 2% when compared to 2013 H2. There was also a 105% increase in complaints related to the advising, selling and arranging of banking and credit card products from 65,200 in 2014 H1 to 133,922 in 2014 H2 (Table 1).

The data reported does not currently explain in any further detail the causes of these complaints. Readers might wish to note that the product category has, however, been the subject of a number of regulatory initiatives recently. For instance, the FCA Business Plan 2014/15 set out our intention to do thematic work on various topics which could lead to complaints if they are not dealt with appropriately. This includes projects looking at whether consumers that suffer unauthorised transactions are getting fair outcomes, how banks are implementing our rules on packaged bank accounts and dealing with past complaints, and the impact on customers of banks withdrawing paper statements.

There were 1,394,175 complaints about general insurance and pure protection products in 2014 H2 (Table 2.1). This category represented 64% of all complaints in 2014 H2, down from 67% in the previous period. Within this category, however, PPI accounted for 76% of complaints against 78% in 2014 H1. When PPI is excluded, the remainder of the category saw a 1% decrease in complaints to 335,257 from 2014 H1. Consequently, the 12% reduction in the general insurance and pure protection product group in 2014 H2 can be attributed mostly to the 14% fall in PPI complaints to 1,058,918 in the period. The advising, selling and arranging of general insurance and pure protection products remained the main cause for complaints (79%) in the period (Table 1).

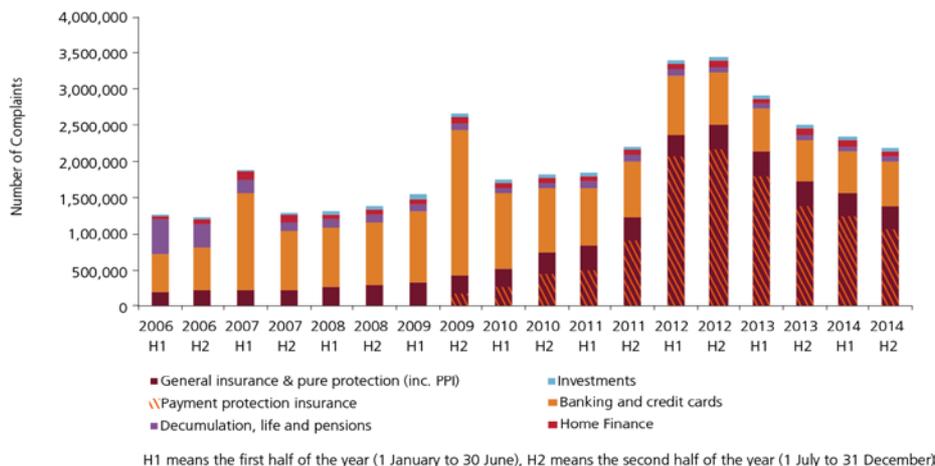
Complaints related to PPI accounted for 48% of total complaints opened in 2014 H2 with a total of 1,058,918 complaints. This compares to the peak in 2012 H2, where the 2,171,451 PPI complaints constituted 63% of all complaints. In comparison, PPI represented only 7% of total complaints when first recorded in 2009 H2 (Table 2a, Figure 2).

Complaints relating to the decumulation, life and pensions product category decreased by 19% in 2014 H2 to total 61,019 complaints (Table 2.1). This fall was driven by reductions across all products in the category. Notably, complaints about personal pensions and free standing additional voluntary contributions (FSAVCs) and complaints related to endowments decreased by 19% to 23,524 and by 20% to 21,391 respectively (Figure 3). Together, those two types of products represented 74% of complaints across decumulation, life and pensions category of products in 2014 H2. 49% of opened complaints in this period were related to general administration and customer service and 39% to the advising, selling and arranging of those products (Table 1).

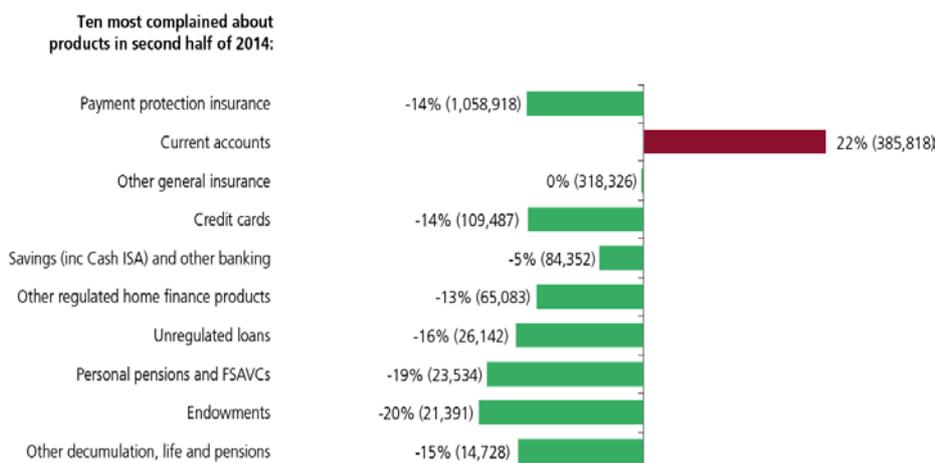
There was a 5% decrease in complaints about investments to 44,010 in 2014 H2 compared to 2014 H1 (Table 2.1). The decrease in the latest period was driven by a general decrease across five of the seven product categories. Two product categories (structured products and unit trusts / open ended investment companies (OEICs)) represented almost a quarter of these complaints and saw significant increases of 115% to 3,772 complaints and 62% to 6,969 complaints respectively during the period. These increases can be attributed mainly to a limited number of firms in the period. Furthermore, the number of complaints relating to PEPs / ISAs (excluding Cash ISAs) decreased by 2% to 13,838 between 2013 H2 and 2014 H2. This product category accounted in 2014 H2 for 31% of all investment-related complaints. Regarding the causes of complaints, 59% of investment complaints were related to general administration and customer service in 2014 H2, with 28% concerning the advising, selling and arranging of the products (Table 1).

There were 78,537 complaints about home finance products including mortgages in 2014 H2, corresponding to a 4% increase when compared to a year ago in 2013 H2 (Table 2.1). In comparison,

complaints about home finance products in 2014 H2 decreased by 16% when compared to the peak of 93,379 in 2014 H1. A large proportion of this decrease was caused by changes in the reporting periods of some mortgage providers. 'Other regulated home finance products (including second and subsequent charge mortgages)' is the biggest product category and it saw a 12% increase in the number of complaints opened in 2014 H2 compared to 2013 H2 (Table 2a). Regarding the causes of complaints, 56% of home finance complaints in 2014 H2 were related to general administration and customer service, while 18% concerned terms and disputed sums/charges (Table 1).



**Figure 2: Number of opened complaints by type of product**



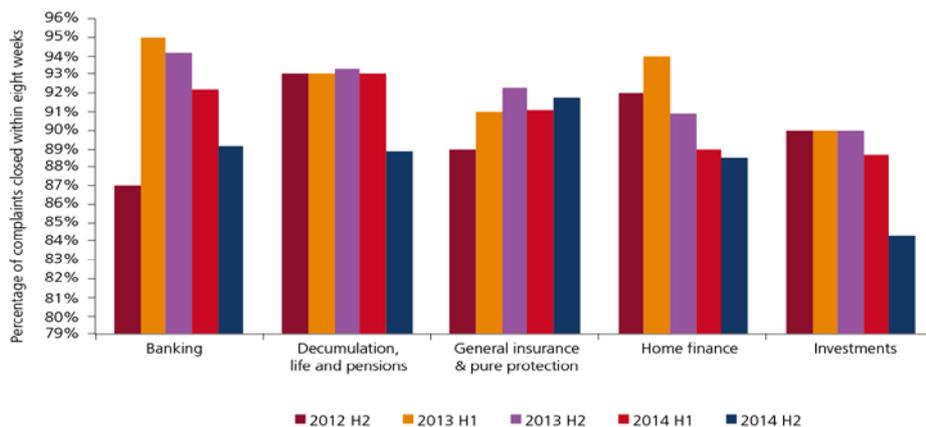
**Figure 3: Percentage change in volume of opened complaints for the ten most complained about product types between 2014 H1 and 2014 H2.**

## Complaint handling

In 2014 H2, 91% of the 2,304,800 complaints closed were closed within a period of eight weeks (Table 3.1, Figure 4). This proportion remained unchanged compared to 2014 H1 (91% of 2,321,346) but was lower than in the previous periods when the total number of complaints was actually higher: 2013 H2 (93% of 2,614,438) and 2013 H1 (92% of 2,975,487).

In terms of the firm type, mortgage businesses closed the highest percentage of complaints within eight weeks at 98% in 2014 H2, up from 94% in the previous period (Table 3.2, Figure 4). Personal investment firms closed the lowest percentage at 84% in 2014 H2 (Table 3.1).

In 2014 H2, 60% of total closed complaints were upheld by firms in favour of the customers. This figure increased in the last four periods up from 46% in 2012 H2 and from 58% in 2014 H1. Upheld rates increased across all product categories in the period compared to 2014 H1 except for investment products, which decreased from 48% to 47% (Table 4.2).



H1 means the first half of the year (1 January to 30 June), H2 means the second half of the year (1 July to 31 December)

## **Figure 4: Percentage of complaints closed within eight weeks by type of product**

According to firm type, banks and building societies upheld the largest percentage of complaints for the third consecutive period at 66% in 2014 H2, 63% in 2014 H1 and 61% in 2013 H2. In comparison, non-deposit-taking mortgage firms continued to hold the lowest rate of upheld complaints with 33% in 2014 H2 and 32% in 2014 H1 (Table 4.1)

## *Redress*

The total redress paid increased by 4% to £2.44bn in 2014 H2 from £2.34bn in 2014 H1 (Table 5.1).

This increase in redress payments was mainly caused by a 4% (+ £77m) increase in payments related to general insurance and pure protection products, which accounted for 88% (£2.15bn) of all payments in 2014 H2. This product category has made up more than 85% of total redress payments since 2011 H2 and includes PPI products.

Other categories recorded decreases in redress payments in 2014 H2 compared to 2014 H1, except for banking and credit card products. This category saw a 64% (+ £56m) increase in 2014 H2 compared to 2014 H1 and accounted for 6% of total redress paid. This increase follows a previous 51% (+ £30m) increase in this category in 2014 H1 compared with 2013 H2. In 2014 H1 this category represented 4% of the total £2.34bn redress paid.

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### **Notes**

1. H1 means first half of the year (1 Jan to 30 June), H2 means second half of the year (1 July to 31 December)

There have been some changes to the complaints return which affects the aggregate data:

- a new product group category of 'Banking and credit cards' replaces 'Banking',
- a new product category of 'Overdrafts',
- Unregulated loans are no longer reported at line 11 in the Banking and credit cards product group category but instead are reported in line 41, Other lending
- 'Other regulated home finance products (including second and subsequent charge mortgages)' replaces 'Other regulated home finance products'.

These changes result from our regulation of consumer credit including second charge loans from 1 April 2014 following the transfer of the regulation of consumer credit from the OFT to the FCA. The changes follow our consultation in CP13/7 and CP13/10 and our policy statement in February 2014, PS14/3