



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Mark Garnier OBE MP
House of Commons
London
SW1A 0AA

5 December 2024

Dear Mark,

**THE FINANCIAL SERVICES AND MARKETS ACT 2000 (OMBUDSMAN SCHEME)
(FEES) REGULATIONS 2024**

Thank you for your contribution during the debate which took place on 25 November on the statutory instrument (SI) to enable the Financial Ombudsman Service (FOS) to charge fees to professional representatives. I committed to write to you on a number of questions you raised during the debate.

First, you asked how the Treasury intends to monitor the implementation of the new fees. Whilst the FOS is an independent body, the government believes it is vitally important that the FOS is accountable for its performance and the quality of its work, and that we review the effectiveness of any changes made. The SI includes a clause requiring the Treasury to carry out and publish a review of the regulations within five years of their coming into force. In addition, the FOS is subject to a number of mechanisms to provide accountability. For example, as part of its ongoing scrutiny of the Financial Ombudsman, the Treasury Select Committee (TSC) holds annual hearings with the Chief Ombudsman and Chief Executive. The Treasury also engages regularly with the FOS on a range of issues, and will continue to work closely with the FOS as it implements the changes it plans as a result of this instrument.

You also asked how it will be ensured that vulnerable people do not unwittingly find themselves not represented if they use a professional representative.

The government is clear that all consumers should be able to access the FOS without the need of any professional representative support.

The FOS has a dedicated accessibility team and all casework staff are trained to ensure that complainants with additional needs are able to access its service. It also provides support and services for those with disabilities, accessibility needs or who require other support – including allowing claimants to request the translation of documents.

The FOS will also provide further detail in its upcoming Policy Statement regarding how it will support all consumers, as well as the work it has undertaken to evidence that consumers will not be disproportionately impacted by the introduction of this charging regime.

However, we recognise that some individuals may want to use a professional representative, or otherwise be supported when making a claim. The SI does not allow the FOS to charge charities, family members, friends or advisory organisations for bringing cases to the FOS. The FOS has also estimated that, under their revised proposals, over 80% of the claims management companies that currently refer cases to the FOS will not be in scope for a fee, and only bigger firms will be affected.¹

Finally, you asked about whether a class action case would be treated as one case, or whether the intention was that each claim within it will be an individual case (given that the FOS intends to allow each professional representative 10 cases a year before charges apply). The FOS has confirmed that each individual claim within a class action case will be considered as an individual case. This is to ensure that the SI has its intended effect of reducing the large number of poorly-evidenced cases that some professional representatives are currently bringing to the FOS.

Thank you again for your contribution, and for your support of the regulations. I hope this letter has satisfactorily answered your questions. A copy of this letter will be placed in the library of the House.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tulip', with a horizontal line extending to the right.

TULIP SIDDIQ MP
ECONOMIC SECRETARY TO THE TREASURY

¹ <https://www.financial-ombudsman.org.uk/news/financial-ombudsman-chair-writes-fca-chair-confirm-board-decision-charging-professional-representatives>