

An Explanatory Guide

How does the Scheme handle complaints?

If your complaint is one we are able to deal with, we will consider it by looking at all the information and comments put forward by both you and the supplier and we may require you to answer further questions and supply additional documentation. Most complaints are dealt with by correspondence and not through face to face meetings.

If we decide that a supplier has acted wrongly and as a result you have suffered a financial loss, we will aim to negotiate a resolution to put you back to the position you would have been in had the mistake not occurred. If we think the supplier has treated you fairly then we will tell you so.

What if mediation fails to resolve the complaint?

If our case officers are unable to resolve a complaint which falls within the remit of the Scheme you will be given the opportunity for your complaint to go before an Adjudicator who will investigate and issue a formal decision on the complaint. In some cases an Adjudicator may decide that there should be an oral hearing and will also consider a request from either party for a hearing.

An Adjudicator will take into account the relevant law, statutory regulations, regulator's rules, guidance and standards, codes of practice and what he or she considers to have been good practice at the time.

The process is different to that of the courts in that it is more informal and consequently you do not need to have legal representation to help you bring your complaint. The staff of the Scheme will advise you of what you need to do at each stage and will ask for more information if necessary.

How long will it take?

We look at each case carefully – and the time it takes varies significantly. It can depend upon how complex the case is and how long it takes us to get the information we need to get to the bottom of your complaint.

Some complaints are concluded within just a few months, but more complex cases can take over a year particularly if the complaint is referred to an Adjudicator.



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How much can I expect?

If an Adjudicator decides to uphold your complaint, he or she can order the supplier to take the necessary steps to put you in the situation you should have been in, had the supplier acted correctly. This can take the form of a monetary award of up to £150,000 and/or action by the supplier.

In exceptional cases the Adjudicator can make awards of small sums (which in the main are in the region of £50 to £300) if you have suffered material distress or material inconvenience, or for professional services such as a surveyors or doctors report where necessary. However, you should not assume that an award will be made for any legal costs incurred.

Awards are binding on both parties, which means that the supplier has to follow the decision of the Adjudicator. It also means that you cannot take your complaint on to court if you are dissatisfied with the outcome. If you or the supplier thinks the Adjudicator has made a mistake in their consideration of the legal situation, you can appeal to the High Court but please note you may incur costs if you take such action.

What if I have any further questions?

Please contact us or see our website.

The Financial Services Ombudsman Scheme

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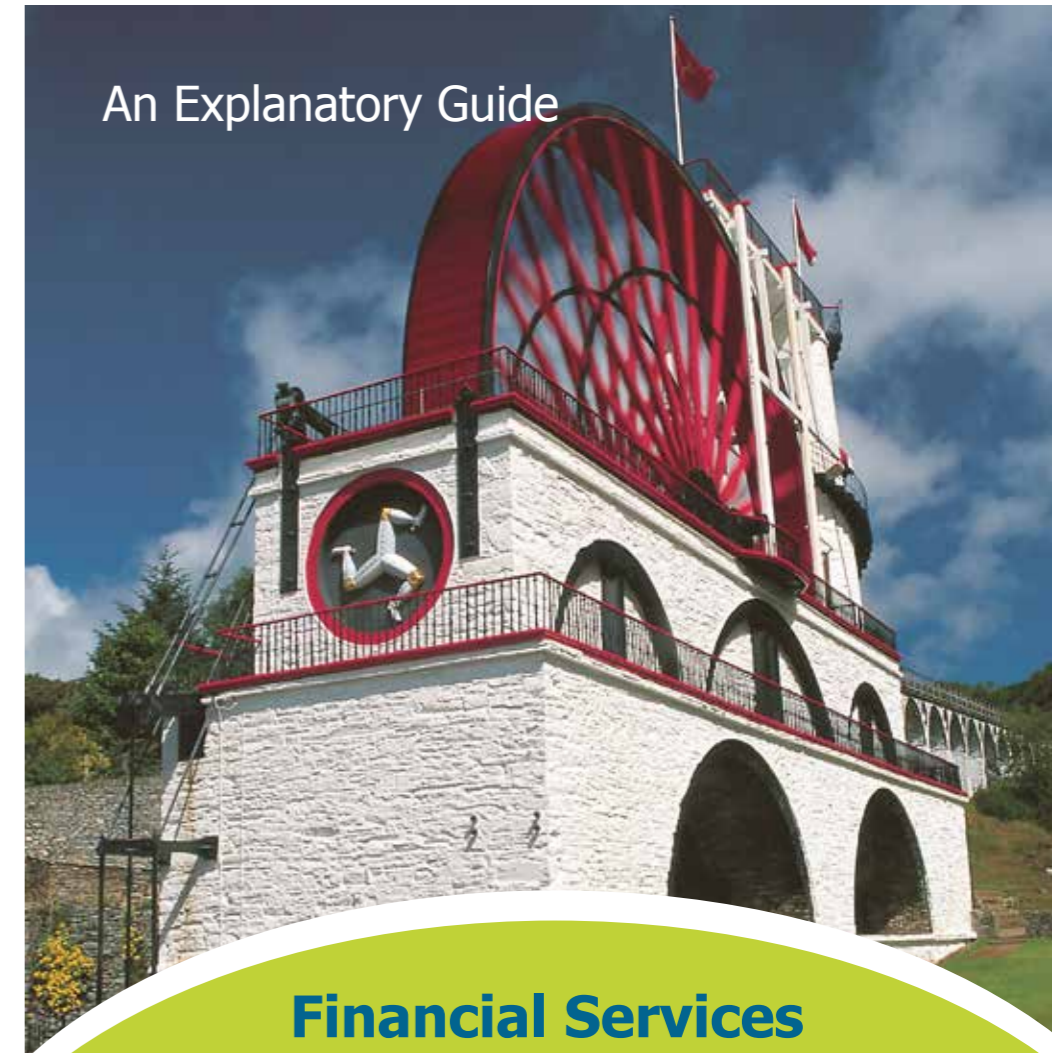
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Financial Services Ombudsman Scheme





What is the Financial Services Ombudsman Scheme?

The Financial Services Ombudsman Scheme (the 'Scheme') is a free, independent dispute resolution service for customers with a complaint against an Isle of Man financial firm ('a supplier') such as a bank, insurance company or financial adviser.

The Scheme is established under Schedule 4 of the Financial Services Act 2008 and is operated by the Isle of Man Office of Fair Trading.

The Scheme does not act as a regulator or consumer champion nor does it favour the interests of either party. The role of the Scheme is to settle disputes impartially and to make what we believe is a fair and balanced decision based on the facts of each individual case.

How does the Scheme help?

If the complaint is upheld we aim to put you in the position you would have been in if things had not gone wrong.

If we decide that a supplier has acted wrongly and you have lost money as a result we can direct the supplier to put things right, including payment for any financial loss.

If we think the supplier has treated you fairly we will tell you so. The Scheme does not aim to seek betterment for the customer or to punish the financial supplier.

Who can use the Scheme?

- Personal customers of the financial service supplier
- Sole traders, partnerships and trusts where all parties concerned are private individuals
- Companies where that company is a trustee or manager of a self-invested personal pension scheme ('SIPP') and where the act or omission which gives rise to the complaint occurs on or after 1st April 2015

Please note that except where the complaint relates to a SIPP, as above, companies are not eligible to use the Scheme.



Which financial services does the Ombudsman Scheme cover?

The main services covered are as follows although please note that this is not an exhaustive list:

- Insurance, both life and general
- Banking
- Financial advice
- Investments
- Money lending

Are there any time limits?

You must bring a complaint to the Scheme within six years of the act or omission which led to your complaint and within two years of when it should have come to your notice if you weren't aware of it immediately.

Are there any geographical restrictions?

The financial services must have been supplied by a supplier operating in or from the Isle of Man but the customer can be based anywhere in the world.

Are there any other restrictions?

The Scheme may not be able to help with your complaint if:

- you have not suffered an actual financial loss or material distress and inconvenience
- we think the supplier has already made you a fair offer of compensation
- the complaint has or is being considered by any court or another dispute resolution scheme
- the complaint concerns the legitimate exercise of the supplier's commercial judgement
- the complaint is about investment performance unless the supplier has been negligent in some way.

We may also refuse to action your complaint if we consider the comments made by you to be offensive or abusive



How much can the Scheme award?

The Scheme can award up to £150,000 for defined financial loss and small sums for any material distress and inconvenience suffered.

What is the first step in making a complaint?

If you have a complaint you must first give the supplier a chance to resolve it. Follow the supplier's own complaints procedure and give them full details of your complaint and what you want them to do to put the matter right. We expect suppliers to give you a final response to your complaint within 8 weeks and if you are still not satisfied at that point, you may refer the complaint to us.

How do I bring a complaint to the Scheme?

You will need to send us an original completed complaint form by post without which we will be unable to consider your complaint. We will also need copies of all relevant documentation and correspondence to support the complaint you are making.

Do I need specialist help to bring a complaint to the Scheme?

You may appoint someone to deal with the complaint on your behalf but please be aware that if you decide to employ a professional to assist you such as a lawyer, accountant or financial adviser even if your complaint succeeds it is unlikely that any award would include a refund of their professional costs.

What happens when my complaint is received?

On receipt of your completed complaint form the information you have provided will be reviewed by a case officer to ensure the matter is something which falls within the scope of the legislation. This process may involve the case officer contacting both you and the supplier for documentation and information.

Please note that the case officers have no discretion to waive any part of the legislation and if your complaint does not fall within the Scheme remit we will advise you in writing why we will not be able to assist you further.

