

**FEES MANUAL (FINANCIAL OMBUDSMAN SERVICE CASE FEES 2020/2021)
INSTRUMENT 2020 (NO. 2)**

Powers exercised by the Financial Ombudsman Service

A. The Financial Ombudsman Service Limited:

(1) revokes the FEES Manual (Financial Ombudsman Service Case Fees 2020/2021) Instrument 2020,

and

(2) makes and amends the scheme rules relating to the payment of fees under the Compulsory Jurisdiction,

(3) fixes and varies the standard terms for Voluntary Jurisdiction participants relating to the payment of fees under the Voluntary Jurisdiction, and

(4) fixes and varies the standard terms for the Voluntary Jurisdiction,

as set out in the Annex to this instrument,

in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000:

(a) section 225 (the scheme and the scheme operator);

(b) section 227 (Voluntary jurisdiction);

(c) paragraph 14 (The scheme operator's rules) of Schedule 17;

(d) paragraph 15 (Fees) of Schedule 17; and

(e) paragraph 18 (Terms of reference to the scheme) of Schedule 17.

B. The making and amendment of these scheme rules and fixing and variation of these standard terms by the Financial Ombudsman Service Limited is subject to the consent and approval of the Financial Conduct Authority.

C. The Annex to this instrument (and the making and amendment of the scheme rules and fixing and variation of the standard terms as set out therein) replaces the Annex to the FEES Manual (Financial Ombudsman Service Case Fees 2020/2021) Instrument 2020, which did not come into force on 1 April 2020.

Approval by the Financial Conduct Authority

C. The Financial Conduct Authority consents to the making and amendment of the scheme rules and approves the fixing and variation of the standard terms by the Financial Ombudsman Service Limited as set out in the Annex to this instrument.

Commencement

D. This instrument comes into force on 1 April 2020.

Amendments to the Handbook

- E. The Fees manual (FEES) is amended by the Board of the Financial Ombudsman Service in accordance with the Annex to this instrument.

Citation

- F. This instrument may be cited as the Fees Manual (Financial Ombudsman Service Case Fees 2020/2021) Instrument 2020 (No. 2).

By order of the Board of the Financial Ombudsman Service Limited
30 March 2020

By order of the Oversight Committee of the Board of the Financial Conduct Authority
31 March 2020

Annex

Amendments to the Fees manual (FEES)

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

5 Financial Ombudsman Service Funding

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5.5B Case fees

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Standard case fee

5.5B.12 R *A respondent must pay to the FOS Ltd the standard case fee specified in FEES 5 Annex 3R Part 1 in respect of each chargeable case relating to that respondent which is closed by the Financial Ombudsman Service during a financial year (regardless of when the chargeable case was referred to the Financial Ombudsman Service), unless the respondent is identified as part of a charging group as defined in FEES 5 Annex 3R Part 3.*

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5.5B.14 R *But a respondent will only be liable for, and the FOS Ltd will only invoice for, the standard case fee in respect of the 26th and subsequent chargeable cases which are closed by the Financial Ombudsman Service in any financial year.*

5.5B.15 G *Until 31 March 2004 a standard case fee was payable for every chargeable case. From 1 April 2004 to 31 March 2005 the standard case fee was payable for the third and subsequent chargeable cases. From 1 April 2005 to 31 March 2013 the standard case fee was payable for the fourth and subsequent chargeable cases. FEES 5.5B.12 R does not apply retrospectively to financial years before 1 April 2013.*

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5 Annex 2R Annual Levy Payable in Relation to the Voluntary Jurisdiction 2019/20 2020/21

| Voluntary jurisdiction – annual levy for VJ participants | | | | |
|--|---|--|---|--------------|
| Industry block and business activity | | Tariff basis | Tariff rate | Minimum levy |
| 1V | Deposit acceptors, mortgage lenders and mortgage administrators and debit/credit/charge card issuers and merchant acquirers | number of accounts relevant to the activities in <i>DISP</i> 2.5.1R | £0.0278 <u>0.0298</u> | £100 |
| 2V | <i>VJ participants</i> undertaking general insurance activities | per £1,000 of gross written premium | £0.103 <u>0.1102</u> | £100 |
| 3V | <i>VJ participants</i> undertaking life insurance activities | per £1,000 of gross written premium | £0.025 <u>0.0268</u> | £100 |
| 6V | Intermediaries | n/a | n/a | £75 |
| 7V | Freight-forwarding companies | n/a | n/a | £75 |
| 8V | National Savings & Investments | n/a | n/a | £10,000 |
| 9V | Post Office Limited | n/a | n/a | £2,000 |
| 10V | Persons not covered by 1V to 9V undertaking activities which are: (a) <i>regulated activities</i> ; or (b) <i>payment services</i> ; would be if they were carried on from an establishment in the <i>United Kingdom</i> | n/a | n/a | £75 |
| 12V | Persons undertaking the activity which is the issuance of electronic money or would be if carried on from an establishment in the <i>United Kingdom</i> | average outstanding electronic money as described in <i>FEES</i> 4 Annex 11 Part 3 | £0.10 <u>0.0781</u> per £1000 | £75 |

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| 13V | Persons not covered by 1V to 9V undertaking activities which are CBTL activities or would be if they were carried on from an establishment in the <i>United Kingdom</i> | n/a | n/a | £75 |
| 14V | Persons not covered by 1V to 9V providing <i>credit information</i> , under the <i>Small and Medium Sized Business (Credit Information) Regulations</i> or providing <i>specified information</i> under the <i>Small and Medium Business (Finance Platforms) Regulations</i> or would be if it was carried on from an establishment in the <i>United Kingdom</i> | n/a | n/a | £75 |
| 15V | <i>VJ participants</i> undertaking activities relating to <i>claims management services</i> | annual income | £50 plus £3 per £1,000 of annual income | £75 |

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**5 Annex Case Fees Payable for 2019/20 2020/21
3R**

| Part 1 – Standard case fees | | |
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| | Standard case fee | |
| In the: Compulsory jurisdiction and Voluntary jurisdiction | £550 £650 unless it is a <i>not-for-profit debt advice body with limited permission</i> in which case the amount payable is £0 | |

| Notes | |
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| 1 | The definition of standard case fee is in <i>FEES 5.5B</i> (Case fees). The definition of <i>chargeable case</i> is in the Glossary to the <i>Handbook</i> . |
| 2 | The standard case fee will be invoiced by the <i>FOS Ltd</i> on or after the date the case is closed. |
| 3 | A <i>respondent</i> will only be invoiced a case fee for the 26th and subsequent <i>chargeable case</i> in each <i>financial year</i> . |
| 4 | The definition of <i>not-for-profit debt advice body</i> is in the Glossary to the <i>Handbook</i> . |
| 5 | The definition of <i>limited permission</i> is in the Glossary to the <i>Handbook</i> . |

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Part 3 - Charging groups

The *charging groups*, and their constituent *group respondents*, are listed below. They are based on the position at 31 December immediately preceding the *financial year*. For the purposes of calculating, charging, paying and collecting the special case fee, they are not affected by any subsequent change of ownership.

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| 1 | <p>Barclays Group, comprising the following <i>firms</i>:</p> <p>3i BIFM Investments Limited</p> <p>Oak Pension Asset Management Limited</p> <p>Barclays Asset Management Limited</p> <p>Barclays Bank Plc</p> <p><u>Barclays Bank UK Plc</u></p> <p>Barclays Bank Trust Company Limited</p> <p>Barclays Capital Securities Limited</p> <p>Barclays Insurance (Dublin) Designated Activity Company</p> <p>Barclays Insurance (Dublin) Limited</p> <p>Barclays Insurance Services Company Limited</p> <p><u>Barclays Investment Solutions Limited</u></p> <p>Barclays Mercantile Business Finance Limited</p> <p>Barclays Private Clients International Limited</p> <p>Barclays Sharedealing</p> <p>Barclays Stockbrokers Limited</p> <p>Barclays Trust Company Limited</p> <p>Clydesdale Financial Services Limited</p> <p>Firstplus Financial Group Plc</p> <p>Gerrard Financial Planning Ltd</p> <p>Gerrard Investment Management Limited</p> <p><u>Monument Insurance DAC</u></p> <p>Solution Personal Finance Limited</p> <p>Standard Life Bank Plc</p> <p>Woolwich Plan Managers Limited</p> <p><u>Zedra Trust Company (UK) Limited</u></p> |
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| 2 | <p>HSBC Group, comprising the following <i>firms</i>:</p> <p>CL Residential Limited</p> <p><u>B & Q Financial Services Limited</u></p> <p>HFC Bank Limited</p> <p>HSBC Alternative Investments Limited</p> <p>HSBC Bank Malta plc</p> <p>HSBC Bank plc</p> <p><u>HSBC Bank USA NA, London Branch</u></p> <p><u>HSBC Equipment Finance (UK) Limited</u></p> <p><u>HSBC Finance Limited</u></p> <p>HSBC France</p> <p>HSBC Global Asset Management FCP (France)</p> <p>HSBC Global Asset Management (France)</p> <p>HSBC Global Asset Management (UK) Limited</p> <p>HSBC Hermet</p> <p>HSBC International Financial Advisers (UK) Limited</p> <p>HSBC Investment Funds</p> <p>HSBC Life (Europe) Limited</p> <p>HSBC Life (UK) Limited</p> <p>HSBC Private Bank (Luxembourg) S.A.</p> <p>HSBC Private Bank (UK) Limited</p> <p>HSBC Securities (USA) Inc</p> <p>HSBC SPECIALIST INVESTMENT FUNDS</p> <p>HSBC Trinkaus & Burkhardt AG</p> <p>HSBC Trust Company (UK) Ltd</p> <p>HSBC UK Bank plc</p> <p>John Lewis Financial Services Limited</p> <p>Marks & Spencer Financial Services plc</p> <p>Marks & Spencer Savings and Investments Ltd</p> <p>Marks & Spencer Unit Trust Management Limited</p> <p>The Hongkong and Shanghai Banking Corporation Limited</p> |
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| 3 | <p>Lloyds Banking Group, comprising the following <i>firms</i>:</p> <p>Aberdeen Investment Solutions Limited</p> <p>AMC Bank Ltd</p> <p>Bank of Scotland (Ireland) Limited</p> <p>Bank of Scotland Plc</p> <p>Black Horse Limited</p> <p><u>BOS Personal Lending Limited</u></p> <p>Cheltenham & Gloucester plc</p> <p>Clerical Medical Financial Services Limited</p> <p>Clerical Medical Investment Fund Managers Ltd</p> <p>Clerical Medical Investment Group Limited</p> <p>Clerical Medical Managed Funds Limited</p> <p>CLERICAL MEDICAL OPEN ENDED INVESTMENT COMPANY</p> <p>Halifax Assurance (Ireland) Limited</p> <p>Halifax Assurance Ireland Ltd</p> <p>Halifax Financial Brokers Limited</p> <p>Halifax General Insurance Services Limited</p> <p>Halifax Insurance (Ireland) Limited</p> <p>Halifax Insurance Ireland Ltd</p> <p>Halifax Investment Services Ltd</p> <p>Halifax Life Limited</p> <p>Halifax Share Dealing Limited</p> <p>HBOS Investment Fund Managers Limited</p> <p><u>Housing Growth Partnership Manager Limited</u></p> <p><u>HVF Limited</u></p> <p><u>Hyundai Car Finance Limited</u></p> <p><u>International Motors Finance Limited</u></p> <p>Insight Investment Global Investment Funds</p> <p>Invista Real Estate Investment Management Ltd</p> <p>IWeb (UK) Limited</p> <p>LDC (Managers) Limited</p> <p>Legacy Renewal Company Limited</p> <p>Lex Autolease Ltd</p> <p><u>Lex Autolease Carselect Limited</u></p> |
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| Lex Vehicle Leasing Ltd |
| <u>Lloyds Bank Corporate Markets Plc</u> |
| Lloyds Development Capital (Holdings) Limited |
| Lloyds Bank Plc |
| Lloyds TSB Financial Advisers Limited |
| Lloyds Bank General Insurance Limited |
| Lloyds Bank Insurance Services Limited |
| Lloyds TSB Investments Limited |
| Lloyds Bank Private Banking Limited |
| <u>Loans.co.uk Limited</u> |
| <u>NFU Mutual Finance Limited</u> |
| Pensions Management (SWF) Limited |
| Scottish Widows Administration Services Limited |
| Scottish Widows Annuities Limited |
| Scottish Widows Bank Plc |
| Scottish Widows Fund Management Limited |
| Scottish Widows Limited |
| Scottish Widows plc |
| Scottish Widows Unit Funds Limited |
| Scottish Widows Unit Trust Managers Limited |
| <u>Shogun Finance Limited</u> |
| St Andrew's Insurance plc |
| St Andrew's Life Assurance Plc |
| <u>Suzuki Financial Services Limited</u> |
| SW Funding plc |
| The Elms Financial Services Ltd |
| The Mortgage Business Plc |
| Uberior Fund Manager Ltd |
| MBNA Limited |
| <u>United Dominions Trust Limited</u> |

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| 4 | <p>RBS/NatWest Group, comprising the following <i>firms</i>:</p> <p>Aberdeen Infrastructure Asset Managers Limited</p> <p>Adam & Company Investment Management Ltd</p> <p>Adam & Company Plc</p> <p>Coutts & Company</p> <p>Coutts Finance Company</p> <p>Lombard Finance Ltd</p> <p>Lombard North Central Plc</p> <p>National Westminster Bank Plc</p> <p>National Westminster Home Loans Limited</p> <p><u>NatWest Markets N.V.</u></p> <p><u>NatWest Markets Plc</u></p> <p>RBOS (UK) Limited</p> <p>RBS Asset Management (ACD) Ltd</p> <p>RBS Asset Management Ltd</p> <p>RBS Collective Investment Funds Limited</p> <p>RBS Equities (UK) Limited</p> <p>RBS Investment Executive Limited</p> <p>The Royal Bank of Scotland Group Independent Financial Services Limited</p> <p>The Royal Bank of Scotland N.V.</p> <p>The Royal Bank of Scotland Plc</p> <p>Topaz Finance Limited</p> <p>Ulster Bank Ireland Designated Activity Company</p> <p>Ulster Bank Ireland Limited</p> <p>Ulster Bank Ltd</p> |
| 5 | <p>Aviva Group, comprising the following <i>firms</i>:</p> <p>Aviva (Peak No. 1) UK Limited</p> <p><u>Aviva Administration Limited</u></p> <p>Aviva Annuity UK Limited</p> <p>Aviva Equity Release UK Limited</p> <p>Aviva Health UK Limited</p> <p>Aviva Insurance Limited</p> <p>Aviva Insurance Services UK Limited</p> <p>Aviva Insurance UK Limited</p> |

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| | <p>Aviva International Insurance Limited</p> <p><u>Aviva Investment Solutions UK Limited</u></p> <p>Aviva Investors Global Services Limited</p> <p>Aviva Investors London Limited</p> <p>Aviva Investors Pensions Limited</p> <p>Aviva Investors UK Fund Services Limited</p> <p>Aviva Investors UK Funds Limited</p> <p>Aviva Life & Pensions UK Limited</p> <p>Aviva Life Services UK Limited</p> <p>Aviva Pension Trustees UK Limited</p> <p>Aviva Wrap UK Limited</p> <p>CGU Bonus Limited</p> <p>CGU Underwriting Limited</p> <p>Commercial Union Life Assurance Company Limited</p> <p>Gresham Insurance Company Limited</p> <p>Hamilton Life Assurance Company Limited</p> <p>Hamilton Insurance Company Limited</p> <p>Norwich Union Life (RBS) Limited</p> <p>Orn Capital LLP</p> <p>Scottish Boiler and General Insurance Company Ltd</p> <p>The Ocean Marine Insurance Company Limited</p> <p>World Auxiliary Insurance Corporation Limited</p> <p>Friends Annuities Limited</p> <p>Friends Life and Pensions Limited</p> <p>Friends Life FPLMA Limited</p> <p>Friends Life Investment Solutions Limited</p> <p>Friends Life Limited</p> <p>Friends Life Marketing Limited</p> <p>Friends Life Services Limited</p> <p>Friends Provident International Limited</p> <p>Optimum Investment Management Limited</p> <p>Sesame Limited</p> |
| 6 | <p>Direct Line Group, comprising the following <i>firms</i>:</p> <p>Churchill Insurance Company Limited</p> |

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| | UK Insurance Limited UK Insurance Business Solutions Limited |
| 7 | Nationwide Building Society Group comprising the following <i>firms</i> : Cheshire Building Society Derbyshire Building Society Derbyshire Home Loans Ltd Dunfermline Building Society (in building society special administration) E-Mex Home Funding Limited Nationwide Building Society Nationwide Independent Financial Services Limited Portman Building Society The Mortgage Works (UK) Plc UCB Home Loans Corporation Ltd |
| 8 | Santander Group, comprising the following <i>firms</i> : Abbey National Treasury Services Plc Abbey Stockbrokers Limited Cater Allen Limited Santander Cards UK Limited Santander Consumer (UK) Plc Santander UK Plc Santander ISA Managers Limited Hyundai Capital UK Limited <u>Santander Financial Services Plc</u> |

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| Part 4 - Special case fees | |
| The special case fee shall be calculated and paid as follows: | |
| 1 | Proportions: (1) In the calculations that follow in (2), (3) and (4): new <i>chargeable cases (PPI)</i> for <i>group respondents</i> – A = twice the number of new <i>chargeable cases (PPI)</i> that were referred to the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> from 1 July to 31 December (both dates inclusive) in the immediately preceding <i>financial year</i> . |

new *chargeable cases (PPI)* for all *firms* –

B = twice the number of new *chargeable cases (PPI)* that were referred to the *Financial Ombudsman Service* in respect of all *firms* (whether or not they are part of a *charging group*) from 1 July to 31 December (both dates inclusive) in the immediately preceding *financial year*.

open *chargeable cases (PPI)* for *group respondents* –

C = the number of *chargeable cases (PPI)* referred to the *Financial Ombudsman Service* in respect of *group respondents* before 1 January in the immediately preceding *financial year* which had not been closed before 1 January in the immediately preceding *financial year*.

open *chargeable cases (PPI)* for all *firms* –

D = the number of *chargeable cases (PPI)* referred to the *Financial Ombudsman Service* in respect of all *firms* (whether or not they are part of a *charging group*) before 1 January in the immediately preceding *financial year* which had not been closed before 1 January in the immediately preceding *financial year*.

new *chargeable cases (general)* for *group respondents* –

E = twice the number of new *chargeable cases (general)* that were referred to the *Financial Ombudsman Service* in respect of *group respondents* from 1 July to 31 December (both dates inclusive) in the immediately preceding *financial year*.

new *chargeable cases (general)* for all *firms* –

F = twice the number of *chargeable cases (general)* referred to the *Financial Ombudsman Service* in respect of all *firms* (whether or not they are part of a *charging group*) from 1 July to 31 December (both dates inclusive) in the immediately preceding *financial year*.

open *chargeable cases (general)* for *group respondents* –

G = the number of *chargeable cases (general)* that were referred to the *Financial Ombudsman Service* in respect of *group respondents* before 1 January in the immediately preceding *financial year* which had not been closed before 1 January in the immediately preceding *financial year*.

open *chargeable cases (general)* for all *firms* –

H = the number of *chargeable cases (general)* referred to the *Financial Ombudsman Service* in respect of all *firms* (whether or not they are part of a *charging group*) before 1 January in the immediately preceding *financial year* which had not been closed before 1 January in the immediately preceding *financial year*.

(2) ‘Proportion X’ for each *charging group* is a percentage calculated as follows –
 $A / B \times 100$

(3) ‘Proportion Y’ for each *charging group* is a percentage calculated as follows –
 $\{A + C\} / \{B + D\} \times 100$

| | |
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| | |
| | (4) 'Proportion Z' for each <i>charging group</i> is a percentage calculated as follows – $\{E + G\} / \{F + H\} \times 100$ |
| 2 | The special case fee is intended to broadly reflect the budgeted workload capacity of the <i>Financial Ombudsman Service</i> and comprises elements in respect of: |
| | (1) new <i>chargeable cases (PPI)</i> ; |
| | (2) closed <i>chargeable cases (PPI)</i> ; and |
| | (3) closed <i>chargeable cases (general)</i> ; |
| | with a free-case allowance of: |
| | (4) 425 <u>50</u> new <i>chargeable cases (PPI)</i> ; and |
| | (5) 425 <u>50</u> closed <i>chargeable cases (general)</i> . |
| 3 | The special case fee for each <i>charging group</i> is a total amount calculated as follows: |
| | (1) in respect of new <i>chargeable cases (PPI)</i> – $\{£0 \times [\del{250,000} \ 100,000] \times \text{'proportion X'}\} - \{£0 \times \del{425} \ 50\}$ |
| | (2) in respect of closed <i>chargeable cases (PPI)</i> – $£\del{550} \ 650 \times [\del{270,000} \ 140,000] \times \text{'proportion Y'}$ |
| | (3) in respect of closed <i>chargeable cases (general)</i> – $\{£\del{550} \ 650 \times [\del{240,000} \ 165,000] \times \text{'proportion Z'}\} - \{£\del{550} \ 650 \times \del{425} \ 50\}$ |
| 4 | The <i>FOS Ltd</i> will invoice each <i>charging group</i> for the special case fee (calculated as above) in four equal instalments, payable in advance on the following dates during the <i>financial year</i> : |
| | (1) 1 April (or, if later, when <i>FOS Ltd</i> has sent the invoice); |
| | (2) 1 July; |
| | (3) 1 October; and |
| | (4) 1 January. |
| 5 | Year-end adjustment: |
| | (1) If the actual number of new <i>chargeable cases (PPI)</i> referred to the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> during the <i>financial year</i> is more than 10,000 and is more than [115%] of $\{[\del{250,000} \ 100,000] \times \text{'proportion X'}\}$: |
| | (a) the <i>FOS Ltd</i> will invoice the <i>relevant charging group</i> ; and |
| | (b) the <i>relevant charging group</i> will pay to <i>FOS Ltd</i> ; |

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| <p>an additional £35,000 for each block of 100 (or part thereof) new <i>chargeable cases (PPI)</i> in excess of the [115%].</p> |
| <p>(2) If the actual number of <i>chargeable cases (general)</i> closed by the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> during the <i>financial year</i> is more than [115%] of {[240,000 <u>165,000</u>] x the 'proportion Z'}:</p> <p>(a) the <i>FOS Ltd</i> will invoice the <i>relevant charging group</i>; and</p> <p>(b) the <i>relevant charging group</i> will pay to <i>FOS Ltd</i>;</p> <p>an additional £55,000 <u>£65,000</u> for each block of 100 (or part thereof) closed <i>chargeable cases (general)</i> over the [115%].</p> |
| <p>(3) If the actual number of <i>chargeable cases (general)</i> closed by the <i>Financial Ombudsman Service</i> in respect of <i>group respondents</i> during the <i>financial year</i> is less than [85%] of {[240,000 <u>165,000</u>] x the 'proportion Z'}, the <i>FOS Ltd</i> will promptly repay to the <i>relevant charging group</i> £55,000 <u>£65,000</u> for each block of 100 (or part thereof) closed <i>chargeable cases (general)</i> under the [85%].</p> |