



An tOmbudsman Seirbhísí
Airgeadais agus Pinsean
Financial Services and
Pensions Ombudsman

Presentation to the Joint Committee on Public Petitions

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Financial Services and Pensions Ombudsman

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Background

Good afternoon, Chairman, Deputies and Senators. I am pleased to have the opportunity, together with my colleagues, Deputy Financial Services and Pensions Ombudsman, MaryRose McGovern, and Director of Corporate and Communication Services, Aoibhín de Búrca, to engage with you today on the work of the Office of the Financial Services and Pensions Ombudsman (FSPO).

The FSPO was established by legislation in 2018. When any consumer, whether an individual, a small business or an organisation, is unable to resolve a complaint or dispute with a financial service provider or a pension provider, they can refer their complaint to the FSPO.

This important statutory role provides consumers with an avenue of redress, in sometimes challenging and difficult circumstances, where their complaints remain unresolved. Against this background, we strive to provide the best possible service to all our customers and to effectively and efficiently manage every complaint we receive. People's experiences are at the core of our service and the hallmark of our success is to manage complaints in line with our values and dedication to public service.

The FSPO provides **an independent, fair, impartial, confidential and free service** to resolve complaints through either informal mediation, leading to a potential settlement agreed between the parties, or formal investigation and adjudication, leading to a legally binding decision. In delivering this important role, the FSPO has a real impact on the lives of people who use our services.

Complaints are dealt with by the FSPO informally at first, by listening to both parties and engaging with them to facilitate a resolution that is acceptable to both. Much of this informal

engagement takes place by telephone. Where these early interventions do not resolve the dispute, the FSPO formally investigates the complaint and issues a decision that is legally binding on both parties, subject only to a statutory appeal to the High Court.

Complaints against financial service providers

The Oireachtas has given me wide-ranging powers to deal with complaints against financial service providers. I can look beyond the contractual terms and consider the fairness and reasonableness of the conduct complained of. I can direct compensation of up to €500,000 and I can also direct a provider to rectify the conduct that is the subject of the complaint, noting that there is no limit to the value of the rectification.

My statutory powers also include the publication of anonymised decisions issued in complaints about the conduct of financial service providers.

In addition, every spring in my Overview of Complaints I publish a summary of all complaints received during the previous calendar year, together with trends and statistical analysis. My Overview of Complaints for 2023 was published on 27 March 2024. It sets out these details, together with a breakdown of the methods used to resolve complaints during 2023, and the outcomes achieved. My Overview also included my report on the names of any financial service provider that had at least three complaints against it upheld, substantially upheld, or partially upheld during 2023. I will discuss the data from the 2023 Overview in more detail later in my statement.

Complaints against pension providers

When dealing with complaints against pension providers, the legislation empowers me to direct redress. Such redress is without limit but cannot exceed any actual loss of benefit under the pension scheme concerned. In relation to pension complaints, I can publish anonymised case studies rather than the decision.

Overview of Complaints 2023

The [Overview of Complaints 2023](#) includes an analysis of all complaints made, a review of trends and patterns in the making of complaints and a breakdown of the method by which complaints were dealt with, during that year.

2023 was an extremely busy year for the FSPO, with 6,182 complaints received, representing an increase of 29% on the number of complaints received in 2022. We also closed 12% more complaints during this period than in 2022, closing 5,184 complaints, in comparison to 2022 where we closed 4,647 complaints. In doing so, the Office delivered outcomes worth over €4.7 million to consumers last year.

The FSPO closed many of these complaints through dispute resolution (mediation) processes and early-stage assessments and interventions, with 85% of complaints that closed, closing within 12 months of the complaint being made.

Even after a complaint has been made to the FSPO, there continue to be opportunities for providers and consumers to resolve their complaints informally. Mediation has been central to our efforts to resolve complaints at the earliest stage and since the introduction in 2016, of mediation as the default complaint resolution process used by the FSPO, we have achieved very considerable success in facilitating the resolution of complaints by agreement between providers and their customers. Typically, more than 70% of complaints referred to mediation are successfully resolved through the mediation process.

I think it is important to emphasise that an increase of almost 30% in the number of complaints being made to the Financial Services and Pensions Ombudsman in just one year, should be a cause for reflection amongst providers. It is important for providers to consider what measures they can take to reduce the number of complaints being pursued by their customers. I would encourage providers to reflect on the nature of the complaints brought to this Office, and what I consider to be missed opportunities in some situations, to have resolved those complaints internally, at an earlier stage.

Workforce Plan 2023

The achievement of the FSPO team in closing an increased number of complaints in 2023 reflects the commitment and dedication of the FSPO team to deliver for our customers and to achieve our vision.

It is also clear that we need to further grow the capacity of the FSPO to meet the growing challenges posed by increasing complaint numbers. In this context, another important development in 2023 was the approval of our Workforce Plan by the Minister for Finance last December. The Plan provides for an increase in our staff numbers from 90 to 128. This increase in resources, combined with our work to continuously increase efficiency will significantly impact on the capacity of the Office to deliver for our customers.

Annual Report 2022

My [Annual Report for 2022](#) details the FSPO's progress in meeting the strategic priorities set out in our Strategic Plan for the period 2021-2024. The priorities outlined reflect the FSPO's statutory role and its values, and our ambition to evolve and innovate our services and focus on customers, external stakeholders and audiences.

Referrals to the authorities

We are proactive in our commitment to engage and inform Government, regulators and policy makers, highlighting trends and potentially systemic issues that come to our attention, arising from complaint outcomes.

To this end, during 2023, this Office formally referred 9 legally binding decisions in financial service complaints, to the Central Bank of Ireland (CBI). This is similar in number to the previous year in 2022, when we referred 10 decisions to the CBI. This is an important part of our role, and these referrals, in addition to the ongoing sharing of information with the regulatory authorities on areas of mutual interest, help to ensure that issues, conducts and trends that are evident from complaints made to this Office, can be considered from a regulatory perspective.

Areas of mutual interest include tracker mortgage interest rate related decisions and business interruption related decisions. To this end, we also shared 107 tracker mortgage related decisions and 26 business interruption related decisions with the CBI, in 2023.

Tracker Mortgages

In relation to tracker mortgage interest rate related complaints, the number of complaints received is now on a significant downward trajectory, although 74 new complaints of this nature were made to the FSPO in 2023. We closed 224 tracker mortgage interest rate complaints in the same period, with a legally binding decision issued in 107 of those complaints. One of these decisions substantially upheld the complaint and three other decisions partially upheld the complaint. The complaint was not upheld in the other 103 complaints. My Overview of Complaints for 2023 highlights some of the common arguments raised in tracker mortgage interest rate complaints, which may be of interest to complainants, their representatives and providers.

Market exits

It is important to note a specific area of success in efforts to limit the number of complaints arising. The departure of two major financial service providers from the Irish market, a process which commenced in 2022, posed the potential for a high volume of complaints to be made to this Office, given the number of impacted customers. In July 2022, we started “tagging” complaints received where they were identified as arising from these market exits. This enabled us to collaboratively engage and share information with stakeholders within the Irish banking sector, including with the providers leaving the market. This engagement successfully contributed to the reduction in the number of banking customers who ultimately required the services of the FSPO. During 2023, this Office received 236 complaints identified as relating to

market exit, though not all of these complaints were in relation to the conduct of those providers leaving the market. A total of 162 complaints relating to market exit were closed during the year, mainly through our Registration and Assessment or Dispute Resolution Services. It is very positive that, to date, for the vast majority of impacted consumers, the departure of two major banks has not given rise to issues leading to a complaint being made to this Office.

Stakeholder engagement

We are pleased to have had the opportunity to engage with the Department of Finance in relation to its important consultation process for the development of Ireland's National Financial Literacy Strategy, and we note the Mapping Report, which was recently published by Minister Michael McGrath, T.D. This strategy aims to enhance financial awareness, behaviour, knowledge, attitudes, and skills among citizens, and aims to empower individuals to make informed financial decisions throughout their lives.

We also engaged with the Department of Finance in February of this year, on its forthcoming National Payment Strategy. This Strategy will take account of the changing financial landscape and determine how best to adapt to it. The Strategy will also take account of the EU legislative landscape, including existing proposals on instant payments and expected proposals on payment services, legal tender, access to cash and the Digital Euro. Additionally, a key element of the work will be to examine and analyse payment fraud to see if it can identify further domestic measures that could be taken to prevent fraud.

As noted in our 2023 Overview of Complaints, there has been a steady increase since 2018, in the number of complaints received by the FSPO in relation to disputed transactions. Disputed transactions include fraudulent transactions, unauthorised withdrawals, a failure to provide appropriate security on an account and non-receipt of money. It is important to note that the FSPO cannot investigate instances of fraud, as that is a matter for An Garda Síochána, or the courts. However, the FSPO can investigate a complaint which relates to service failings of the provider in dealing with a customer who suspects fraud on their account, and any complaint about unauthorised transactions. In 2023, nearly a quarter of all banking complaints included the conducts grouped under the heading of Disputed Transactions.

In March of this year, we took part in Global Money Week, organised by the OECD, and in conjunction with the Global Money Week national partner, the Competition and Consumer Protection Commission (CCPC). Global Money Week is an annual global awareness-raising campaign on the importance of ensuring that young people, from an early age, are financially aware, and are gradually acquiring the knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being and financial

resilience. This Office is very aware of the importance of equipping consumers with the knowledge and skills needed to make informed financial decisions.

We also continued to engage with the Central Bank of Ireland, during 2023 and 2024, to share our perspective and insights regarding the issues that contribute to consumer complaints arising. In particular, we have engaged in the review of the Central Bank of Ireland's Consumer Protection Code and have also contributed to the OECD Review of the Central Bank of Ireland consumer protection supervisory functions.

Financial Services and Pensions Ombudsman (Amendment) Bill 2023

The FSPO Amendment Bill 2023 is now in the Oireachtas. The Bill aims to copperfasten the protection of consumers in their access to the Financial Services and Pensions Ombudsman (FSPO) to make complaints about the conduct of financial service providers which have left the Irish market. The Bill also introduces legislative amendments to ensure the Financial Services and Pensions Ombudsman continues to discharge its statutory functions in line with the Constitution, following a Supreme Court Decision regarding the Workplace Relations Commission.

Conclusion

I thank the Committee for the opportunity to engage with it today. The Office of the Financial Services and Pensions Ombudsman plays a vital role in Ireland's consumer protection framework. We are guided by our values of fairness, integrity, independence, accessibility and effectiveness. These values are at the very heart of how we approach our daily work and interactions with our customers. We continue to maintain a strong commitment to improving our services, and focusing on engaging with, and influencing, our external environment. I also want to thank and commend the staff of the FSPO for their continued commitment, hard work and dedication throughout 2022 and 2023. In addition, we are grateful for the ongoing support from the FSPO Council, the Minister for Finance and his officials, and from across the Oireachtas for our important work. We will be very happy to answer any questions members may have.