




CCTA WORKSHOP COMPLAINTS HANDLING

06
MAR
2024



- 
- 🌱 **Welcome**
CCTA Workshop
 - 🌱 **Around the table**
Introductions
 - 🌱 **Complaint handling in line with DISP**
The basics
 - 🌱 **Key areas**
 - Timeframes
 - Recording and reporting
 - Professional representatives
 - 🌱 **Q&A session**
Open discussion

Complaint handling in line with DISP

The basics

Naveed Asif

Head of Policy & Advice, CCTA

Jason Wassell

Chief Executive, CCTA





Complaint Handling: DISP

- 🌱 Complaint Handling – Basics
- 🌱 Referral timeframes (6 & 3)
- 🌱 Complaint recording and reporting requirements
- 🌱 Key FOS/FCA requirements, including Consumer Duty expectations
- 🌱 Professional Representative firms



Complaint Handling: Basics

🍃 What is a complaint?

As per FCA: “an expression of dissatisfaction (oral or written) about the provision of, or failure to provide, a financial service that alleges the person has suffered (or may suffer) financial loss; material distress; or material inconvenience.”



Complaint Handling: Basics

Who is an eligible complainant?

- Consumers
- a 'micro-enterprise' (a type of small business) with an annual turnover or balance sheet that does not exceed €2 million and fewer than ten employees
- a small or medium-sized enterprise (SME) with an annual turnover of no more than £6.5 million and fewer than 50 employees
- a charity with an annual income of less than £6.5 million
- a trust that has a net asset value of less than £5 million
- a guarantor



Complaint Handling: Basics

🌱 Applicable timeframes:

- Acknowledgements: Five days from receipt
- Summary Resolution Communication: three days from receipt
- Target final response: Eight weeks from receipt
- Holding letters: before eight weeks, if still unresolved
- Final response requirements (DISP 1.6.2)



Complaint Handling: Basics

Any questions?

Complaint handling in line with DISP

Key areas

Naveed Asif

Head of Policy & Advice, CCTA

Jason Wassell

Chief Executive, CCTA





FOS Referral Timeframes

🌱 Applicable timeframes for complainants (DISP 2.8.2):

- Six years from the problem happening
- Within six months from the final response
- Three years from when the customer became aware (or reasonably ought to have been aware) that they had cause to complain
- Except if there are exceptional circumstances



FOS Referral Timelines

Any questions?



Recording and Reporting

Recording requirements:

- Maintain adequate, accurate and up to date records
- DISP 1.9.1 – 3 years from date complaint was received
- DISP 1.3.1- Effective and transparent procedures for the reasonable and prompt handling of complaints must be established, implemented and maintained by a respondent.
- Consider call recordings, complaint forms, system notes, documentation, emails, letters, investigation, responses and decisions
- Example of Complaints Log and Complaint Form



Recording and Reporting

📌 **Reporting** requirements:

- Notification of contact point for complainants
- DISP 1.10.1- Completing complaints return to FCA once (or twice) per year, dependent upon type of firm (CCR returns)
- DISP 1.10.1 A(R)- Complaints forwarded in their entirety must NOT be included
- DISP 1.10.5R- Reports are to be submitted to the FCA within 30 business days of the end of the relevant reporting periods



FOS/FCA Expectations

1. DISP 1.3.2(G)

- Firms should allow complaints to be made by reasonable means. Reasonable means?

2. DISP 1.3.A(G)

- Procedures should, taking into account the nature, scale and complexity of the respondent's business, ensure that lessons learned as a result of determinations by the Ombudsman are effectively applied in future complaint handling, for example by:
 - a) relaying a determination by the Ombudsman to the individuals in the respondent who handled the complaint and using it in their training and development;
 - b) analysing any patterns in determinations by the Ombudsman concerning complaints received by the respondent and using this in training and development of the individuals dealing with complaints in the respondent; and
 - c) analysing guidance produced by the FCA , other relevant regulators and the FOS and communicating it to the individuals dealing with complaints in the respondent.



FOS/FCA Expectations

3. DISP 1.3.3(R)

- A respondent must put in place appropriate management controls and take reasonable steps to ensure that in handling complaints it identifies and remedies any recurring or systemic problems, for example, by:
 - a) analysing the causes of individual complaints so as to identify root causes common to types of complaint;
 - b) considering whether such root causes may also affect other processes or products, including those not directly complained of; and
 - c) correcting, where reasonable to do so, such root causes.

4. DISP 1.3.4(R)

- Here a complaint against a respondent is referred to the Financial Ombudsman Service, the respondent must cooperate fully with the Financial Ombudsman Service and comply promptly with any settlements or awards made by it.



FOS/FCA Expectations

5. DISP 1.3.3(R)

- In line with Consumer Duty, a firm's handling of complaints, must incorporate due consideration for customers with characteristics of vulnerability (including access, understanding, procedures and processes).

6. DISP 1.3.4(R)

- Where areas of significant consumer harm is identified from complaints received by a firm, the FCA would expect the Senior Management/Governing Body of the firm to immediately address and mitigate the risk to consumers. This may include removing the product/service, investigating harm/consumer detriment and taking actions to remedy the situation including, if relevant, any redress.



FOS/FCA Expectations

Any questions?



Professional Representative Firms

- 🍀 The stance of the FCA/FOS is that you are dealing with the customer.
- 🍀 However, due to the behaviours and tactics of many professional representative firms, the CCTA standing advice is as follows:
 1. Challenge Authority, where you need clarification.
 2. Satisfy yourself in respect of Data Protection
 3. Challenge/report no loan customer rates
 4. Challenge poor quality complaints or complaints with insufficient merit
 5. Paying consumers - FCA-regulated CMCs versus Law Firms
 6. Report to us
 7. Report to the relevant regulator



Professional Representative Firms

Any questions?

Complaint handling: Further insights

Clare Hughes

Partner, Addleshaw Goddard LLP



FOS uphold rates: What have we missed?

Adam Freeman
CEO, Mr Lender



Thank you for attending

