

08 August 2025

Final report by the Complaints Commissioner**Complaint number 202400767***The complaint*

1. On 26 March 2025, you submitted a complaint to my office about the FCA. I have considered your complaint and my comments are set out below.

Background

2. The Financial Ombudsman Service (the “**FOS**”), upheld two complaints that you raised against Firm X regarding ongoing advice charges. However, you are dissatisfied with the FOS’s decisions because, despite the complaints being upheld, FOS did not follow what you describe as “the correct compensation award procedure” set out in FOS’s published [compensation guidelines](#) (“**Guidelines**”). You believe that you meet the criteria for compensation for distress and inconvenience set out in the Guidelines. You consider that the Guidelines are set by the FCA as part of its oversight function in relation to FOS. On this basis, it is your view that the FCA should instruct FOS to require Firm X to compensate you for distress and inconvenience.
3. You initially contacted the FCA’s Supervision Hub (the “**Hub**”) to clarify the FCA’s oversight role in relation to the FOS. The Hub responded to you setting out the parameters of the FCA’s oversight role. In relation to individual complaints against financial firms, it clarified that the FOS is an independent organisation and the FCA could not intervene in the decisions it makes on individual complaints.
4. Thereafter, you contacted the FCA Complaints Team as you did not think the Hub’s description of the FCA’s oversight of FOS was correct. You also did not

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think that the FOS had followed the Guidelines “*provided by the Financial Conduct Authority*”.

5. The FCA confirmed to you that the Hub’s description of the FCA’s oversight of FOS was correct and the FCA cannot intervene in the decisions the FOS makes on individual complaints. The FCA excluded your complaint regarding FOS not following the Guidelines in relation to compensation as it said this aspect of your complaint related to the actions or inactions of the FOS in relation to individual complaints and was therefore excluded from being considered under the Complaints Scheme.
6. Dissatisfied with the FCA’s Decision Letter of 26 March 2025, you complained to my office because you are of the view that the Guidelines are set by the FCA and the FCA as part of its oversight role of FOS should ensure that the FOS complies with the Guidelines.

Analysis

7. Having reviewed your complaint, it is correct for the FCA to say that FOS is an independent organisation and the FCA cannot intervene in the decisions it makes on individual complaints.
8. However, the FCA did not clarify in its Decision Letter to you whether it sets the Guidelines for FOS as part of its oversight role to fully address your complaint. The usual process in this situation is for me to refer this question back to the FCA for a Stage 1 review but I have enough evidence on the file to make a determination on this.
9. It would have been helpful if the FCA had confirmed to you when describing its oversight role of the FOS that the Guidelines are not set by the FCA, but are in fact FOS’s own Guidelines relating to compensation. The Guidelines constitute the considerations FOS will make when deciding whether to award compensation or not. Although the FCA has a (limited) oversight role of the FOS, it is not in the FCA’s remit to get involved in individual complaints including whether compensation will be awarded in any given case and the FCA’s rules do not extend to setting out Guidelines for FOS as to when to award compensation. Therefore, it is not within the FCA’s remit and oversight

role to be able to instruct the FOS to award compensation in accordance with the Guidelines.

10. I am aware that you have referred your complaint to an Independent Assessor at the FOS but they were unable to help you. I note from your Preliminary Report comments that you remain unhappy with the FOS service standards applying to your complaint. You can challenge the process the Ombudsman has used to make their decision by starting judicial review proceedings through the courts at your own cost. If you do wish to pursue this route you should consider taking independent legal advice. Further information is set out on this [FOS webpage](#) about the process.

Decision

11. For the reasons set out above, I do not uphold your complaint as the FCA's oversight role of FOS does not extend to FOS's application of its Guidelines in relation to compensation for upheld complaints. You have also made it clear in your response to my Preliminary Report that you are of the view that your complaint is about the FOS and not the FCA. Under the Complaints Scheme, my remit extends to investigating complaints made against the FCA, the Prudential Regulation Authority, the Bank of England and the Payment Services Regulator. It is not within my remit to investigate complaints about the actions or inactions of the FOS.

The Complaints Commissioner

Complaints Commissioner

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