Complaints Commissioner

Office of the Complaints Commissioner
Alliance House
12 Caxton Street
London
SW1H 0QS

Tel: 020 4599 8333
E-mail: info@frccommissioner.org.uk
www.frccommissioner.org.uk

10 July 2026

Final report by the Complaints Commissioner

Complaint number 202500644

The complaint

1. On 23 January 2026 and 25 January 2026, you submitted complaints to my office about the FCA. I summarise your complaints as follows:

   Element One: The FCA (Supervision Hub) misclassified your complaint about systemic governance and accessibility issues at the Financial Ombudsman Service (**"FOS"**) as a request to intervene in an *"individual dispute,"* which is both a complaints handling failing and evidence it did not engage with the core of your complaint in its Decision Letter.

2. **Outcome: not upheld.** The evidence, including the FCA's Decision Letter, demonstrates that your concerns were understood within the FCA as relating to systemic governance and accessibility issues within the FOS and were considered on that basis.

3. I acknowledge that there was an initial misclassification of your complaint. However, this was identified and corrected by the Supervision Hub before you raised a complaint with the FCA's Complaints Team. The FCA's Complaints Team then considered your concerns under the appropriate classification, and the FCA apologised for the earlier error in its Decision Letter.

4. In these circumstances, I do not consider that the initial misclassification affected the substance of the FCA's consideration of your complaint. The evidence indicates that the issues you raised were identified, considered and responded to on the basis of their actual nature. I therefore do not find that your complaint was ultimately handled on an incorrect basis, that the core issues you

raised were overlooked, or that there were shortcomings in the FCA's handling of your complaint arising from the initial classification error.

Element Two: The FCA has declined to say whether the FOS has complied with the FCA Handbook DISP rules in respect of your case. You allege the FCA has a duty to monitor FOS compliance with DISP.

Outcome: not upheld. The FCA has explained that the FOS has a wide discretion to interpret DISP. The FCA has no statutory duty to monitor the FOS in the way you suggest, nor does it intervene in individual cases at the FOS.

Element Three: The FCA has neglected a vulnerable customer by refusing to intervene in a procedural vacuum caused by the FOS not telling you how to appoint a representative for your case.

Outcome: not upheld. The FCA does not intervene in individual cases at the FOS, but in order to be helpful I note in passing that I can see the FOS did provide you with information on 9 December 2025 on how to appoint a representative. I provide further information about this below.

Background

5. In December 2025 you contacted the FCA Supervision Hub with your concerns about the FOS, and you referred to how it was handling several of your open cases and in particular its decision to restrict direct communication with you unless through a representative. You used this as an example to refer to wider concerns about systemic issues within the FOS and alleged that the FCA was not overseeing the FOS properly.

6. You subsequently made a complaint to the FCA about how it was handling your concerns about the FOS. You asserted that the FCA had misclassified your concerns about the FOS as case-specific, not systemic, that it was not upholding its duties under the Financial Services and Markets Act 2000 (**"FSMA"**) to oversee the FOS, and was not taking into account that you were a vulnerable customer.

7. On 23 January 2026 the FCA issued its Decision Letter and did not uphold your complaint that there was insufficient FCA oversight of the FOS. The FCA told you that its oversight of the FOS is limited to ensuring that the FOS is capable

of fulfilling its functions under FSMA, as well as appointing its board of directors and approving its budget. The FCA confirmed that it cannot comment on whether the FOS is complying with its obligations under DISP in specific cases.

8. The FCA also did not uphold your complaint about its complaint handling with respect to how it handled emails you sent on 9 and 10 December 2025. You argued that the Supervision Hub's initial response did not summarise your complete complaint and therefore the information you needed was not provided at the earliest opportunity. However, the FCA Complaints Team considered that you had been provided with the appropriate information and noted that it had apologised that the initial summary of your complaint was not complete.

9. On 23 January 2026 you referred your complaint to me.

Analysis

Element One: The FCA (Supervision Hub) misclassified your complaint about systemic governance and accessibility issues at the Financial Ombudsman Service ("FOS") as a request to intervene in an "individual dispute," which is both a complaints handling failing and evidence it did not engage with the core of your complaint in its Decision Letter.

10. You have asserted that the FCA treated your complaint about systemic governance issues and accessibility within the FOS as an individual dispute in order to avoid monitoring the FOS' conduct.

11. The evidence shows that you initially told the FCA Supervision Hub that you did not want it to intervene in your individual cases with the FCA, but that your complaint concerned systemic issues within the FOS.

12. The evidence also shows that the FCA Supervision Hub's initial reply was incomplete and did not address your systemic concerns. However, I note that it promptly and accurately corrected its position and provided you with correct information. When you nevertheless complained about this to the FCA Complaints Team, it apologised to you in its Decision Letter. I consider that this amounted to a reasonable and proportionate response, and that the initial failing was adequately remedied.

13. The evidence also shows that the FCA did consider that your concerns related to alleged systemic governance issues within the FOS, and this can be seen in the FCA's Scoping Letter of 23 December 2025. The FCA had described part three of your complaint as *"You are unhappy with the FCA's response to your concerns dated 9 and 10 December 2025 regarding systemic governance issues within the Financial Ombudsman Service."*

14. The FCA's subsequent correspondence provided details of the FCA's oversight responsibilities with respect to the FOS and other information related to this.

15. To the extent there was any initial misunderstanding, this was corrected by the Supervision Hub before you raised a complaint with the FCA's Complaints Team, which investigated it under the appropriate classification. The FCA also apologised for the earlier misclassification in its Decision Letter. In my view, the initial misclassification, which was subsequently corrected, did not affect the substance of the FCA's investigation, which proceeded on the basis of the correct classification. In light of this, I do not find that your complaint was ultimately misclassified, that the core issues were overlooked, or that there were shortcomings in the FCA's handling of your complaint.

16. For the above reasons, I do not uphold Element One of your complaint.

Element Two: The FCA has declined to say whether the FOS has complied with the FCA Handbook DISP rules in respect of your case. You allege the FCA has a duty to monitor FOS compliance with DISP.

17. You have asserted that the FOS has not complied with FCA Handbook DISP rules in your case, that the FCA has a duty under FSMA to monitor the FOS's compliance with DISP, but that the FCA will not comment on whether the FOS is adhering to DISP in your case.

18. The FCA has explained that the FOS has discretion to apply any relevant standard under DISP. Interpretations of DISP rules are a matter for the FOS. The FCA has no statutory duty to monitor the FOS in the way you suggest. If you have a complaint about the FOS' customer service, you can approach the Independent Assessor ("IA") once the FOS has made its decision. If you believe the FOS or IA has acted unlawfully in your specific case once it is concluded, you may consider judicial review.

19. You have commented on the Preliminary Report and assert that there is a “regulatory vacuum” because, in your view, the FCA does not ensure that the FOS complies with the DISP rules. I acknowledge your concerns about the relationship between the FCA’s regulatory role and the FOS’s obligations under DISP. However, the issue you raise is not eligible for review under the Complaints Scheme because it seeks to challenge the statutory division of responsibilities between the FCA and the FOS, rather than an act or omission by the FCA within the scope of its remit.

20. Parliament has established the respective roles and functions of the FCA and the FOS. The FCA does not have a supervisory or enforcement role over the FOS in relation to its handling of individual cases or its compliance with DISP in the manner you suggest. Accordingly, the FCA cannot investigate or remedy the absence of such a role through the Complaints Scheme.

21. For the above reasons, I do not uphold Element Two of your complaint.

Element Three: The FCA has neglected a vulnerable customer by refusing to intervene in a procedural vacuum caused by the FOS not telling you how to appoint a representative.

22. You did not raise this issue with the FCA before bringing your complaint to me. Under the Complaints Scheme to which the regulators are subject to, it is the usual practice that the FCA is given an opportunity to review complaints first.

23. However, the FCA would not intervene in an ongoing case at the FOS in any event for the reasons it has already provided to you. I understand your concerns are about how your case has been handled, including the points you raise about vulnerability and the requirement to appoint a representative. However, the FCA is not able to intervene in individual cases before the FOS and applies to all aspects of a case, including both the merits of the complaint and the way in which the case is managed or progressed.

24. I note in passing that the evidence shows that you referred FOS correspondence to the FCA as part of your complaint which shows that on 8 December 2025, the FOS told you that you would need to appoint a representative to communicate on your behalf, and it also provided detailed information on how to appoint a representative. I note that the FOS’ deadline for

appointing a representative has passed, but the FOS may reopen your complaints if you explain why you have not appointed a representative, if you have not already done so.

25. As well as what the FOS has told you, I note that the FOS website provides additional information on professional representatives, such as guidance for professional representatives and a customer declaration form.

26. You have commented on the Preliminary Report and suggest that the FOS did not provide you with *"specific Identity Verification Criteria"* under which the FOS would accept your choice of representative. By this I understand your question to be what forms of identification would be deemed acceptable by the FOS. However, that is a question you should raise with the FOS.

27. Matters concerning how the FOS adheres to its procedures, including the appointment of a representative, fall within the remit of the FOS's IA rather than the FCA. You can approach the IA if you disagree with the FOS' customer service, although I note that any complaint to the IA must be made within one month of the FOS closing a case.[1] I note in passing that it is my understanding that the IA does not look at the merits of a case or review the decision reached.

28. You have also complained that you are unable to refer matters to the IA before your case has been concluded by the adjudicator or ombudsman. However, this reflects the structure of the FOS complaints framework. The inability to complain earlier is a consequence of how the FOS has structured the IA scheme within its wider process under which the IA can generally only consider complaints once the underlying case has been closed. It is not a matter that can be reviewed under the Complaints Scheme because the FCA has no oversight function in connection with the FOS IA or FOS operational decisions. I note that you have said you are a vulnerable consumer and that you require assistance in navigating the FOS complaints process, which you consider has not been fair in the handling of your case. You believe the FCA should provide that assistance.

29. However, as the FCA has explained, the FCA does not have the power to intervene in individual FOS cases or to provide the form of support or

[1] https://www.financial-ombudsman.org.uk/who-we-are/customer-service/service-complaints/independent-assessor

representation you are seeking in relation to the FOS process. In addition, complaints about the FOS itself are excluded from consideration under the Complaints Scheme.

30. If you require advice or guidance about the options available to you as a vulnerable individual in dealing with other organisations, you may wish to first contact the FOS to advise them of your vulnerability; a further option is the Equality Advisory and Support Service ("EASS"), which may be able to provide information and assistance regarding accessibility and discrimination issues.

31. For the above reasons I do not uphold Element Three of your complaint on the evidence before me but I hope the information I have provided you about how to appoint a representative is useful to you.

32. In conclusion, because I am not upholding your complaint, I do not make any recommendations for remedy.

Other

33. For completeness, I provide further detail on how the FCA and the FOS interact. This does not affect the outcome of your complaint and is provided for information only.

34. In addition to the FCA's statutory oversight responsibilities, the FCA and the FOS also work closely together in the exercise of their roles. How this is achieved is set out in an MoU, which was last updated in July 2025. For example, this commits both organisations to sharing information at an early stage where issues may have wider implications.

35. An issue with wider implications may affect a large number of consumers or involve significant redress. The MoU provides for regular engagement at senior levels and mechanisms for exchanging relevant data. It also sets out how the FOS can seek the FCA's view about how it interprets an FCA rule, where the issue has wider implications. Even where the FCA provides a view on its rules, the FOS remains fully independent in deciding individual complaints.

36. I note a recent consultation between the FCA, the FOS and HM Treasury.[2] The government intends to introduce a referral mechanism which requires the FOS to seek a view from the FCA on interpreting FCA Handbook rules where there may be ambiguity, and which requires the FCA to provide its view.

37. The FCA also has an informal oversight role through a voluntary arrangement with the FOS whereby it considers the FOS's performance against its service standards, a process which allows for any systemic issues, should they arise, to be surfaced and discussed with the FOS.

38. Although these arrangements cannot alter the outcome of an individual case, they help ensure that any systemic issues identified through FOS casework are fed back into the FCA's regulatory work, supporting fair and consistent outcomes for consumers overall.

The Complaints Commissioner

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10 July 2026

[2] https://www.gov.uk/government/consultations/fs-sector-strategy-review-of-the-financial-ombudsman-service/outcome/review-of-the-financial-ombudsman-service-consultation-response