Financial Services Ombudsman Bureau Ireland Annual Review 2015

The Financial Services Ombudsman (FSO) recently published its Annual Review for the year 2015. In broad terms, the report is good news for the Financial Services Industry in Ireland. Complaints rose substantially after the collapse of the economy but have been decreasing since 2013.

4872 complaints were received by the FSO in 2015. This represents a significant drop from a peak of 8639 complaints received in 2013. While some of this may be due to an improving economic climate, the report states that prior to 2013 complaints submitted to the FSO without first being submitted to the financial services provider concerned were still treated by the FSO as complaints received for statistical and reporting purposes. After 2013, however, these were not included in the figures for complaints received. While not mentioned in the report, it may also be the case that those with more substantial complaints are choosing to litigate their claims in the Courts rather than bringing them to the FSO.

The FSO is still dealing with historic complaints from previous years and had 2000 active complaints by the end of 2015. One might anticipate that as these older cases are dealt with, more resources will be freed up to dispose of new ones more quickly.

12% of all complaints adjudicated upon were upheld which represents a slight increase on 2014 (in which only 7% were upheld). 23% were partially upheld
with the remainder not upheld. As has been the case for the last five years, the vast majority of complaints referred to the FSO were not upheld.

Investment advisors will be pleased to see that investment complaints have continued to reduce since 2011. The number of investment complaints received in 2015 are less than a quarter of those received in 2011. 36% of investment complaints received related to Pension and Endowment Products.

The FSO continues to receive a large number of Insurance related complaints but these have also declined from a peak of 3443 in 2013 to just 1973 in 2015.

The FSO awarded €1,112,885 in compensation in 2015 a slight increase on the figure for 2014 but substantially less than the figure of €2,248,064 awarded in 2011. No figures are disclosed as to how many times the FSO awarded the current maximum amount of compensation of €250,000 to an individual complainant during the year. Given the total amount awarded for the year, it seems unlikely that many individual complainants could have been awarded substantial sums.

Other Key points of the Annual Review at a glance

+ 822 Complaints were resolved without a formal adjudication or finding
+ The FSO facilitated mediation of 83 complaints
+ There has been a substantial increase in the number of successfully mediated complaints from just 5 in 2012 to 70 in 2015
+ 1206 complaints were closed by way of formal adjudication
+ 1731 were closed in 2015 due to there being no further contact from the Complainant and insufficient information
+ In total 4915 Complaints were closed in 2015.

A full copy of the report can be found on the FSO website at the website address below.

www.financialombudsman.ie

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