

Financial Services Ombudsman: funding consultation response

The Financial Services Ombudsman (Jersey) Law 2014 and the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 provide for a financial ombudsman who will operate out of a single office in Jersey. The departments of Economic Development in Jersey and Commerce & Employment in Guernsey ('the Departments') conducted a consultation to gather views on the proposal for the funding scheme for the financial ombudsman. This closed on 14th November 2014.

During the consultation period, financial services providers were given opportunities to gain a better understanding of the proposals. Sophie Watkins, consultant advising both departments on the ombudsman project, and David Thomas, Chairman (shadow Chairman in Guernsey) of the board of the financial ombudsman outlined the proposals at a Guernsey International Business Association council meeting on 14th October. On 15th October, 181 individuals attended a presentation in Jersey arranged by Jersey Finance Limited, where the speakers were Sophie Watkins; David Thomas; Darren Scott of Economic Development and Mat Desforges of Commerce & Employment.

A total of nine responses were received across both islands and the Departments would like to thank the organisations involved for taking the time to put forward their opinions. The responses were from three industry associations and six financial services providers including two banks. The responses were broadly in favour of the proposals made by the Departments, though they raised some matters of detail. The proposals plus the responses will now be passed to the board (shadow board in Guernsey) of the financial ombudsman for their consideration.

In Jersey, the funding regulations have been lodged and are due for debate in the States Assembly on 20 January 2015. These will be brought into force as soon as they are made. However, despite the immediate commencement, no money can be demanded immediately as either case-fees or levy.

No case-fees could be payable immediately because the operational provisions of the Law have not yet been brought into force to allow complaints to be referred to the OFSO. These provisions will be brought into force once the board considers the office is ready to open, later this year.

In Guernsey, the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 received Royal Assent in December and similar preparations are being made to bring the administrative provisions in to force to aid the board in its preparations for opening the office.

As regards funding, the next steps are for the financial ombudsman [board] to publish the fee and levy schemes, after consideration of the Departments'

funding proposals and consultation information. At the same time the financial ombudsman [board] must consult on the schemes.