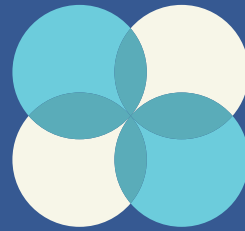




An tOmbudsman Seirbhísí  
Airgeadais agus Pinsean

Financial Services and  
Pensions Ombudsman

# Annual Report 2021



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# Contents

Report to the Ministers	4
Chairperson's Report	5
Role of the Council	7
Ombudsman's Message	8
The Financial Services and Pensions Ombudsman (FSPO)	11
Strategic Framework	12
Our Mission Our Vision	14
Our Values	15
<b>Strategic Priorities</b>	
1. Evolving and Innovating	17
2. Connecting and Engaging	22
3. Sharing and Influencing	26
4. Developing Our People, Building Our Capability	32
Financial Statements	40

## Report to the Ministers

I hereby submit the Annual Report of the Financial Services and Pensions Ombudsman to the Minister for Finance and the Minister for Social Protection pursuant to Section 24(2) of the Financial Services and Pensions Ombudsman Act 2017. This is the fourth annual report submitted in relation to the work of the Financial Services and Pensions Ombudsman since its establishment in 2018 and covers the period from 1 January to 31 December 2021.



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**Maeve Dineen**  
Council Chairperson  
28 July 2022

## Chairperson's Report



The year under review has been a time of change and reflection both inside and outside the organisation.

Change in leadership.

We have said goodbye to our long-serving

Ombudsman who is moving on to an even more challenging job. We have scrutinised and reflected on our performance as an organisation, and we have developed a new strategy to guide us in the years ahead. All these changes come as the external environment is changing rapidly.

Despite this complex backdrop, I'm delighted to report that 2021 was another year in which the Senior Management Team and staff in the office of the Financial Services and Pensions Ombudsman (FSPO) once again displayed their collective willingness to work together and deliver for our customers with over 5,000 complaints closed. I would like to thank them all sincerely for their hard work and commitment.

The bedrock of any successful organisation is a clear and coherent strategic direction and in November 2021, we were proud to launch our new three-year strategic plan, 'Connecting and Innovating.' The plan builds on the FSPO's track record of delivery with new ambitious goals focused on core areas: Evolving and Innovating; Connecting and Engaging; and Sharing and Influencing. We have clear commitments for delivering on each of these strategic priorities and we will measure our success through internal Key Performance Indicators (KPIs). In addition, a service level oversight and delivery agreement with our parent department, the Department of Finance, monitors the delivery of this strategic plan.

As our economy recovers post-covid and is reshaped to reflect new and accelerating trends, we remain focused on continuing to deliver for our customers.

Of course, globalisation and technology have led to a dramatic transformation in our financial services industry, as the worlds of legacy finance and new finance collide, and we see an exponential growth in innovative business models. Macro events including climate change, post-Brexit transition, war in Ukraine, and the rapidly escalating cost of living continue to bring new challenges for us all. In addition, the forces of digital revolution continue to see growth in FinTech, crypto and Artificial Intelligence. While this technology can be a force for good, we also see an increase in firms suffering from cyberattacks.

These are real challenges, but I strongly believe that the next phase of our strategy positions us well to play a key role in the drive towards a more sustainable financial ecosystem.

It supports our mission to provide an impartial, accessible, and responsive complaint resolution service that delivers fair, transparent and timely outcomes for all our customers, and enhances the financial services and pension environment. Together with my fellow Council members, we remain committed to achieving this mission.

The role of the Council in reviewing the efficiency and effectiveness of the FSPO continued throughout the year. This included the approval of the budget for 2022, the management of the financial services levy, and the reviewing of the Code of Conduct and the Conflict of Interest policy for Council members.

The FSPO is funded through two distinct sources; financial service complaints are funded by a levy on the financial service industry and the pensions complaints are funded by the Exchequer, through the Department of Finance.

In line with the Code of Practice for the Governance of State Bodies, the Council undertook an assessment of its own performance in 2020 and reviewed the outputs in 2021. An external organisation was appointed in December 2021, tasked with conducting an external evaluation of the Council and its activities in 2021. The exercise commenced in early 2022.

The Council and the Office of the FSPO are committed to enabling and continuing good governance practices. To this end, I am pleased to confirm that fees and expenses paid to Council members in 2021 were fully compliant with the provisions of the Code of Practice for the Governance of State Bodies, including the One Person One Salary (OPOS) principle.

As of 31 December 2021, the Council had three (43%) female and four (57%) male members - the Council therefore met the Government target of a minimum of 40% representation of each gender in the membership of State Boards. One position became vacant on 01 January 2022. This position will be filled over the course of 2022.

In early 2021, I was delighted to welcome two new Council members: Ann Duffy and Mick McAteer. Both Ann and Mick have extensive experience in the financial services and pensions sector which further expands and complements the broad range of skills on the Council.

I would like to end by expressing my deep gratitude to Council member and former Chair Dermott Jewell, who stepped down from the Council in December 2021. I would like to acknowledge his wise counsel, generosity and experience during his time as Council member.

I would also like to take the opportunity to acknowledge and congratulate Ger Deering who stepped down from his role as Ombudsman having been recently appointed by President Michael D. Higgins as Ombudsman and Information Commissioner. On behalf of the Council, I thank Ger for his leadership and visionary role in transforming the Office of the Financial Services and Pensions Ombudsman over his tenure. As Ombudsman, Ger led the office through major change, including the amalgamation of the Financial Services Ombudsman and the Pensions Ombudsman while always demonstrating exceptional commitment to the role. He positioned the FSPO for continued long-term success – a remarkable legacy that will benefit future generations.

The FSPO has many tasks but perhaps they can be best summarised as resolution and anticipation. We provide a resolution service for those with complaints against regulated financial service and pension providers, which is essential in a country like ours. That is a complex task but perhaps the duty to try to anticipate problems before they become insurmountable is an ever-greater task. The world feels very complex these days, but I am confident that my colleagues are focused on both the resolution of complaints and the necessary preparation to avoid tomorrow's issues. There is every reason to believe we are in safe hands.



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**Maeve Dineen**  
Council Chairperson

## Role of the Council

In 2021, the Financial Services and Pensions Ombudsman Council consisted of the Chairperson and six members, all of whom were appointed by the Minister for Finance following a recruitment process undertaken by the Public Appointments Service.

Part 4 of the Financial Services and Pensions Ombudsman Act 2017 sets out the role of the FSPO Council, which has two main areas of responsibility: firstly, it is responsible under the legislation for setting the levy to be paid by financial service providers; secondly, it has certain oversight responsibilities in relation to the work of the FSPO, including its responsibilities in relation to:

- Approval of the FSPO's annual budget
- Approval of the FSPO's strategic plan
- Keeping under review the efficiency and effectiveness of the FSPO

Biographies of each Council member, along with details of their attendance at meetings and fees and expenses received are outlined on page 48 of the Financial Statements.



(Left to Right) **Mick McAteer**, Council member, **Ken Murnaghan**, Council member, **Ann Duffy**, Council member, **Don Gallagher**, Council member, **Valerie Bowens**, Council member, **Maeve Dineen**, Chairperson of the Financial Services and Pensions Ombudsman Council, **Dermott Jewell**, Council member.

## Ombudsman's Message



2021 was an important year for the FSPO, one in which we developed our new [Strategic Plan 2021–2024, 'Connecting and Innovating'](#).

This new strategy, developed with the guidance and support of the Financial Services and Pensions Ombudsman Council, sets out a clear focus on communications and engagement and ensuring that this Office plays its full part in the overall consumer protection framework. One aspect of our role in this framework is to encourage the resolution of complaints at the earliest and most appropriate stage and to help to raise standards in complaints handling and resolution by providers of financial service and pension products, through their internal dispute resolution processes. In this regard, when publishing the Overview of Complaints for 2021, I highlighted that 23% of the complaints made to this Office in 2021, were complaints which raised the issue of poor customer service from providers. In implementing our strategic priority, **Sharing and Influencing**, this matter has been highlighted to our stakeholders and to those working in the industry, in order to encourage a more responsive service from providers, which could prevent such complaints arising, very much to the benefit of the relationship between providers and their customers.

One of our ongoing priorities in the FSPO is to share and make visible, the decisions made by this Office and the issues and trends we identify through the investigation of complaints. Our [database of decisions](#) contains over 1,700 decisions, 537 of which were issued in 2021.

These decisions are a valuable source of information for providers and complainants, and for anyone who seeks to understand the sort of issues that contribute to complaints arising, and the outcomes of our investigations into these complaints. These legally binding decisions can also have a broader context, and in that regard, in addition to two decisions which were referred by this Office to the Pensions Authority, 13 decisions were referred by this Office to the Central Bank of Ireland (CBI) in 2021. We also shared a copy of every legally binding decision issued, concerning a complaint about a tracker mortgage interest rate, with the CBI. The same approach was adopted for decisions issued in complaints concerning declined insurance claims for business interruption losses.

In addition to making the decisions of this Office available on our website, during 2021, we also ensured that the important issues highlighted in these complaints are visible and available to the widest possible audience. During 2021, we published two Digests of Decisions which contain summaries of decisions on financial service complaints and case studies of pension complaints. The first [Digest, published in February 2021](#), highlighted the wide range of issues giving rise to complaints to the FSPO. The second [Digest, published in July 2021](#), focused on complaints made by businesses and included 12 decisions issued following the investigation of complaints relating to business interruption insurance. It was clear in these decisions that the circumstances surrounding COVID-19 -related business interruption claims were exceptionally difficult for many of those businesses that brought their complaints to us, with impacts including the loss of the ability to trade, loss of stock and loss of rental income.



During 2021, we continued to prioritise complaints concerning business interruption insurance, in recognition of the importance to policyholders of achieving a swift understanding as to whether they were entitled to benefits or payments from their insurer. In the years 2020-2021, we received 875 complaints where the complainant introduced COVID-19 as an element of their complaint and by the end of 2021, 682 of these complaints had been closed.

In addition to the impact of the pandemic on complaint volumes, we continued to deal with the ongoing personal impact of the pandemic. As an organisation, we mourned the loss of staff members' family and friends. For many of our staff, the supports provided by the organisation and the Wellbeing Committee helped them to navigate the ongoing uncertainty. I want to say a particular word of thanks to the Wellbeing Committee for their ongoing commitment, enthusiasm and creativity and for making sure that everyone across the full team felt part of the FSPO, even when they could not see colleagues in person.

During 2021, we welcomed 17 new colleagues to the FSPO. Each of our new colleagues brought their skills, knowledge and experience to their roles with the FSPO. The input of our staff, whether newer staff, or those with the FSPO for a longer period, was instrumental in the development of our Strategic Plan and again in late 2021, during the first phase of the development of our People Strategy. The workshops held in 2021 to feed into the development of these important initiatives, highlighted the ambition and the strong public service ethos that is demonstrated by our staff. As part of our strategic priority, **Evolving and Innovating**, we are committed to providing an innovative environment for our staff, harnessing ideas to continuously improve and evolve our service offering and our workplace.

In 2021, our staff took part in an internal consultation to develop our Customer Charter and our new Customer Action Plan, shaping the standard of service and behaviour that should underpin the FSPO's interactions with all customers. This was followed by external consultation on the Customer Charter and Customer Action Plan in Q4 2021.

In addition to focusing on sharing the decisions of this Office, in 2021 we accelerated our communications activities, in support of our strategic priority, **Connecting and Engaging**. We undertook market research to measure public awareness of the FSPO and awareness and understanding of our functions. We developed our first online videos which are accessible to all users through the use of clear, Plain English content and voiceover, optional subtitles and the provision of a video transcript on our website, for those who are visually impaired. The objective of these videos is to provide information to our service users about the services we offer and how they work. We are grateful to our stakeholders who shared these videos across their various online channels to raise awareness of our services, to those who may need them.

In relation to our stakeholders, I want to express my thanks for their part in the development of our Strategic Plan and for their ongoing commitment and willingness to engage with us, in order to both enhance the overall consumer protection landscape, and to assist the FSPO in ensuring we have the necessary knowledge, skills and support to fulfil our statutory role. This included engagement with the Department of Finance, members of the Oireachtas, consumer representative bodies and advocates. In addition, we engaged with industry representatives and continued to work in close cooperation with the CBI and the Pensions Authority.

As part of a European Commission initiative, FIN-NET, we cooperated with other financial services ombudsman schemes in the European Economic Area (EEA) to provide consumers with access to a cross-border complaints resolution service across the EEA. We also continued our participation in the International Network of Financial Services Ombudsman Schemes (INFO Network). As the common market for financial services becomes more and more integrated, and complexity continues to increase because of multiple providers being involved in the provision of a service, these networks gain ever-increasing importance.

I want to thank the Chairperson, Maeve Dineen, and members of the Financial Services and Pensions Ombudsman Council for their support and guidance throughout 2021, particularly in the development of our new Strategic Plan. I also want to express my appreciation to the Minister for Finance and his officials for their ongoing support and cooperation.

I want to thank and commend our staff for their continued commitment and energy throughout 2021, with their input both in their daily work and on strategic matters, speaking volumes about their commitment to the organisation. Thanks also to my colleagues on the Senior Management Team, Diarmuid Byrne, Director of Dispute Resolution, Tara McDermott, Director of Customer Operations and Information Management, Áine Carroll, Director of Corporate and Communication Services and Úna Gately, Director of Investigation Services and to all the managers and team members, for their continued dedication and commitment to ensuring we provide the best possible service.

I want to say a particular word of thanks to Mr. Ger Deering, whose tenure as Financial Services and Pensions Ombudsman ended in February 2022. Sincere thanks are due to him, both from me and from the full team at the FSPO. For more than seven years, Ger led the FSPO with integrity and fairness and demonstrated, on a daily basis, the independence of this Office. Throughout his time as Ombudsman, this Office made significant strides in growing the FSPO and building our capability and putting accessibility and effectiveness at the heart of all we do. These values, which were personally championed by Ger, continue to guide our work as we serve all our customers and continue to deliver on our statutory mandate.



**MaryRose McGovern**  
Financial Services and Pensions Ombudsman  
(Acting)



# The Financial Services and Pensions Ombudsman (FSPO)

The FSPO was established in January 2018 by the Financial Services and Pensions Ombudsman Act 2017. The role of the FSPO is to resolve complaints from consumers, including small businesses and other organisations, against financial service providers and pension providers.

We provide an independent, fair, impartial, confidential and free service to resolve complaints through either informal mediation, leading to a potential settlement agreed between the parties, or formal investigation and adjudication, leading to a legally binding decision.

When any consumer, whether an individual, a small business or an organisation, is unable to resolve a complaint or dispute with a financial service provider or a pension provider, they can refer their complaint to the FSPO.

We deal with complaints informally at first, by listening to both parties and engaging with them to facilitate a resolution that is acceptable to both parties. Much of this informal engagement takes place by telephone.

Where these early interventions do not resolve the dispute, the FSPO formally investigates the complaint and issues a decision that is legally binding on both parties, subject only to a statutory appeal to the High Court.

The Ombudsman has wide-ranging powers to deal with complaints against financial service providers. This Office can direct a provider to rectify the conduct that is the subject of the complaint. There is no limit to the value of the rectification that can be directed. The Ombudsman can also direct a provider to pay compensation to a complainant of up to €500,000. In addition, the Ombudsman can publish anonymised decisions and can also publish the names of any financial

service provider that has had at least three complaints against it upheld, substantially upheld, or partially upheld in a year.

In terms of dealing with complaints against pension providers the Ombudsman's powers are more limited. While the Ombudsman can direct rectification, the legislation governing the FSPO sets out that such rectification shall not exceed any actual loss of benefit under the pension scheme concerned.

Furthermore, the Ombudsman cannot direct a pension provider to pay compensation. This Office can only publish case studies in relation to pension decisions (not the full decision), nor can it publish the names of any pension provider irrespective of the number of complaints it may have had upheld, substantially upheld, or partially upheld against it in a year.

Formal investigation of a complaint by the FSPO is a detailed, fair and impartial process carried out in accordance with fair procedures. For this reason, documentary and audio evidence and other material, together with submissions from the parties, is gathered by the FSPO from those involved in the dispute, and exchanged between the parties.

Unless a decision is appealed to the High Court, the financial service provider or pension provider must implement any direction made by the Ombudsman in a legally binding decision. Decisions appealed to the High Court are not published while they are the subject of an appeal.

## Strategic Framework

We launched our second Strategic Plan, 'Connecting and Innovating', in 2021. The Strategic Plan provides a high-level framework of strategic priorities, gives clear direction to the work of the FSPO and sets out how we will measure our success in achieving these priorities.

The overall direction of the Strategy was developed with the guidance and support of the FSPO Council, whose clear focus on communications and engagement set the foundations upon which the Strategy was developed.

In developing the Strategic Plan, extensive consultation was carried out with our staff and stakeholders, as we considered how to deliver our services over the next three years, to reflect both our statutory role and our values.

It was essential that the Strategic Plan reflected the values of the FSPO and identified tangible and practical priorities to be reflected in our day-to-day work. Staff workshops were extensive, and our staff clearly and consistently articulated the importance of our values and the concept of service to the public in their everyday work.

We engaged with our stakeholders initially through a stakeholder survey, published on our website, followed by structured meetings to draw out thoughts and ideas regarding the work and processes of the FSPO. The output of the survey and meetings helped us to understand our stakeholders' needs and the future strategic direction of the FSPO.



Pictured at the launch of the Strategic Plan, 'Connecting and Innovating', 24 Nov 2021: (Left to Right) **Maeve Dineen**, Chairperson of the Financial Services and Pensions Ombudsman's Council, **Paschal Donohoe TD**, Minister for Finance, **MaryRose McGovern**, Deputy Financial Services and Pensions Ombudsman

Covering the period 2021-2024, the Strategy sets out the following strategic priorities:

- Evolving and Innovating

We will adapt and evolve our service, using innovation to respond to the changing needs and expectations of all our customers, maintaining a relentless focus on delivering fair, impartial, timely outcomes.

- Connecting and Engaging

We will connect with consumers, providers, regulatory bodies and others to help build a better understanding of what we do, and how people can best access and make use of our service should they need us.

- Sharing and Influencing

We will play our full part in helping to raise standards in complaints handling and resolution, and to inform legislative, regulatory and policy developments so that customer complaints are prevented from arising where possible, and fair outcomes are achieved.

- Developing our People, Building our Capability

We will build on our values-led culture to truly embrace diverse perspectives at all levels of our organisation. We are committed to fostering a truly inclusive culture, where every one of our team members believes that they belong and that they have equal opportunity to thrive as part of a diverse workforce that is reflective of the customers we proudly serve.

Our strategic priorities reflect our ambition to evolve and innovate our services and the organisation, with a strong focus on our customers, external stakeholders and audiences.



## Our Mission

Providing an impartial, accessible, and responsive complaint resolution service that delivers fair, transparent and timely outcomes for all our customers, and enhances the financial services and pension environment.

## Our Vision

A progressive financial services and pension environment built on trust, fairness and transparency, where complaints are the exception.

## Our Values

The FSPO is a values-driven organisation. Our values are embedded in our processes and procedures through our ongoing training and development programmes. At the heart of our values is a deep desire to consistently deliver the best possible service for our customers and stakeholders.

### Fairness

- We will adopt an impartial, independent, objective approach, dealing with each complaint based on its own merits.
- We will listen to all parties in dispute, asking questions to redress the balance between them.

### Integrity

- We will uphold the highest ethical standards.
- We will earn trust by delivering our services in an unbiased, transparent and professional manner.
- We will respect the confidentiality of those seeking our services.

### Independence

- We will be independent in how we handle complaints, yet accountable to the people and to the Oireachtas.

### Accessibility

- We will be responsive to the needs of our customers.
- We will communicate clearly and in a professional manner.
- We will provide guidance and support to access our services.

### Effectiveness

- We will continuously seek ways of improving how we communicate and deliver our services.
- We will seek to deal with every complaint in the most effective, efficient and timely manner.



# 1. Evolving and Innovating





# 1. Evolving and Innovating

The first strategic objective of our second Strategic Plan, 'Connecting and Innovating', sets out how we will adapt and evolve our service to anticipate and respond to the changing needs and expectations of all our customers, maintaining a relentless focus on delivering fair, impartial, timely outcomes. During 2021, we delivered on the following projects which were developed to gather information on our customers' needs to inform improvements to our service.

## Key Performance Indicators

The FSPO published its second Strategic Plan 2021-2024, 'Connecting and Innovating', in 2021. Our annual programmes of work which underpin this strategic framework are measured through a detailed framework of Key Performance Indicators (KPIs) and reported in our Annual Reports.

Our KPIs will measure our impact through examination of the effectiveness of our services and processes, customer satisfaction levels, awareness of the FSPO, trends in complaints received and staff retention and engagement, among others.

Measurement under our KPIs will ensure the FSPO is equipped to continue to perform its role. By continuously monitoring our internal performance and working with stakeholders to share knowledge and trends, the FSPO will adapt to the changes that are anticipated over the next three years, and allow us to continue the trend achieved in 2020 and 2021, of closing more complaints than we received.

## Registry and Assessment Team

When the FSPO receives a complaint, it is first assessed by our registry and assessment team. The registration and assessment process was further expanded in 2021, through the addition of resources, which improved timelines in conducting early assessments of complaints.

The assessment team receives and progresses complaints which have been referred for further assessment by the registry team for a variety of reasons. These include where there may be a possible jurisdictional impediment to the FSPO progressing a complaint, or where the conduct complained of includes some elements that can be progressed to our Dispute Resolution Service, in combination with elements that fall outside the jurisdiction of the Office, such as where time limits may exclude some, but not all of the conduct complained of.

The team also conducts assessments to consider whether a particular financial service provider falls within the scope of the Financial Services and Pensions Ombudsman Act 2017, or whether the consent of all of the relevant parties has been provided so the complaint may proceed.

The assessment of complaints at the earliest possible stage ensures that complaints are not unnecessarily delayed, and where a complaint cannot be progressed by the FSPO, we explain why.

Where applicable, we also explain what we can and cannot progress, and we ensure that this information is provided as soon as possible.

This process ensures that the limited resources of the FSPO are deployed efficiently to mediate and investigate complaints that are within the jurisdiction of the FSPO.

## Customer Awareness Survey

The FSPO carried out omnibus market research in January 2021 to determine public awareness of the FSPO and awareness and understanding of its functions. Some of the key learnings from the research were that roughly 1 in 6 people have made a complaint about a financial service provider, and half of those complaints were not resolved to the consumer's satisfaction. Awareness levels of the FSPO were lowest among younger people and those in certain social classes. The results of the survey were a key input into the FSPO's communications activities in 2021 and in the development of the FSPO's communications and engagement strategy. Further market research will be conducted in 2022 to measure the impact of activities designed to implement the FSPO's Strategic Plan 2021 - 2024.

## Public Consultation

During 2021, the FSPO carried out a public consultation to gather information for the development of our Customer Charter and Customer Action Plan. The Customer Action Plan sets out how the FSPO will engage with our customers and other stakeholders and ties in with the Customer Charter, which outlines the standard of service and behaviour that should underpin the FSPO's interactions with all customers and expresses our aim to foster an environment of mutual respect between team members in the FSPO and those we serve.

Internal customer consultation took place over Q2 and Q3 of 2021, with an external (customer-facing) public consultation taking place in Q4 of 2021. FSPO team members and external stakeholders were invited to provide feedback towards the development of the Customer Charter and Action Plan, and input relating to the commitments we should strive to achieve.

The launch of the new Charter and Action Plan is scheduled for the second quarter of 2022.

## Customer Service

The FSPO is committed to providing a receptive service that is delivered in an accessible, inclusive and easy to navigate manner, responsive to the needs of our customers.

We are committed to adhering to 'Our Public Service', a framework developed by the Department of Public Expenditure and Reform for innovation and continuous development in Ireland's public service. One of the ways we measure our performance is through the number and nature of customer service complaints received.

In 2021, we recorded a 15% decrease in the number of customer service complaints received, compared to customer service complaints received in 2020. Delays, or timelines for the conclusions of complaints, remains the predominant cause of customer service complaints. However, the FSPO remains committed to improving these timelines through improvements to our processes and a review of our Workforce Plan.

Clear communication on how our services work can help to alleviate some of the causes of customer service complaints. In that regard, in 2021, we developed information videos and information leaflets, explaining how our process works during mediation and investigation.

## Reducing Our Environmental Impact

The FSPO continues to make a positive and proactive contribution to reduce our environmental impact and we remain committed to playing our full part in combating climate change.

In previous years, we made improvements to our built environment through the introduction of motion sensor lighting and interior double glazing.

In 2021, we discontinued the use of water coolers and their associated paper cups and installed filter taps.

We are committed to replacing all end-of-life ICT equipment with devices which hold an energy A-rating and we have improved our waste management.

In 2021, we also had the opportunity to avail of a number of multi-party frameworks issued by the Office of Government Procurement (OGP) which included green criteria in the tender process, enabling clients to procure green products and services. Key elements which are incorporated in the tender documents include compliance with environmental legislation and EU Directives, energy consumption, use of hazardous materials, packaging (type and collection of, and recycling), system design, supply chain management and environmental management systems.

Our Wellbeing team has made wonderful progress in connecting our staff through events, both virtual and physical, which encourage habits that increase our physical exercise and reduce our energy consumption.

Under our Strategic Plan 2021 - 2024, we have committed to measuring our success through our energy and resource consumption, and through our staff engagement and wellbeing metrics.

## Online Mediation Service

Our Dispute Resolution team commenced online mediations following a risk assessment of the software used. In many cases, the software was used as a conference call facility, without video. This approach proved to be extremely successful, outperforming resolution times in face-to-face mediations. We believe that the ability for complainants to speak without making eye-contact with the provider, removed any potential feelings of confrontation and gave complainants the confidence to speak freely.

## Translation Services

Our Customer Charter commits the FSPO to making our services accessible through translation or interpretation as appropriate, to provide full access to our services. We also ensure that correspondence received in either of the official languages, Irish and English, will be replied to in that language.

During 2021, the FSPO contracted full translation services to assist speakers of other languages to access our services, including through the use of ISL (Irish Sign Language).

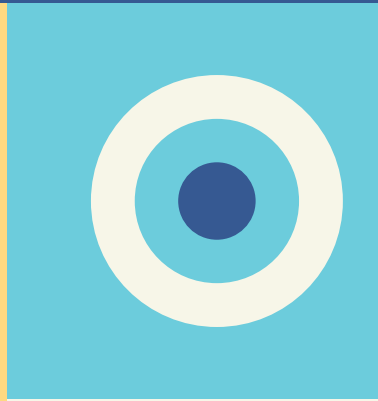
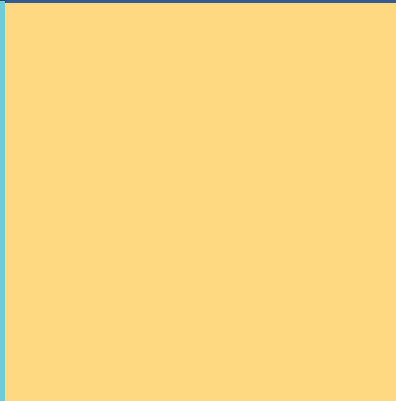
## Business Intelligence

In 2021, the FSPO expanded its resources in the area of Business Intelligence to continue the ongoing evolution of our business analysis and data insights. The FSPO recognises the power of data to support operational decision making, to manage the performance of our business units and to influence and communicate complaint trend insights.

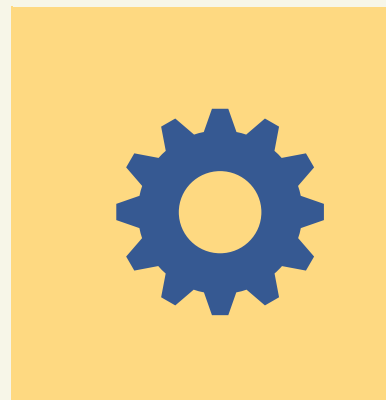
The immediate impact of this action was a further development of existing management information reports, and the development of real-time monitoring of key performance metrics to promote an agile and reactive operational strategy.

It is the intention of the FSPO to further influence and support financial service providers to improve their internal dispute resolution processes so that fewer complainants feel it necessary to refer their complaint to the FSPO for resolution.

In 2021, we shared insights and data with our colleagues in the Department of Finance, the CBI, the Competition and Consumer Protection Commission (CCPC) and other stakeholders, with an intention to continue and further develop this sharing and influencing strategy in 2022.



## 2. Connecting and Engaging



## 2. Connecting and Engaging

‘Connecting and Engaging’, our second strategic priority, commits that ‘We will connect with consumers, providers, regulatory bodies and others to help build a better understanding of what we do, and how people can best access and make use of our service should they need us’. To assist in achieving this aim, a number of communications initiatives and projects were concluded in 2021, including the development of a new suite of videos, leaflets and website enhancements.

### Information leaflets

The FSPO aims to enhance the understanding of its processes and outcomes when investigating complaints, through an accessible and proactive communications culture. The FSPO has committed to connecting with consumers, providers, regulatory bodies and others to help build a better understanding of what we do, and how people can best access and make use of our service should they need us.

To this end, the FSPO produced two information leaflets in 2021, ‘How to make a complaint to the FSPO’ and ‘What to expect during mediation in our Dispute Resolution Service’. The FSPO distributed 500 of each leaflet in total to complainants during 2021, as well as via email at appropriate points in our processes to help us effectively communicate and explain our services in Plain English. The leaflets are also available from our website or in hard copy on request and are distributed to our stakeholders.



### Information videos

In addition to the leaflets above, the FSPO produced three information videos in 2021 to explain who we are, the services we offer and how those services operate. The omnibus market research carried out by the FSPO in early 2021, indicated that a third of people who make a complaint to their financial service provider, were unaware of how to proceed further with the complaint. The development of information videos for the FSPO was informed by this research, and provided the FSPO with new opportunities to communicate more effectively with our customers and stakeholders and raise awareness of the FSPO and its functions across all demographics.

The videos were developed to be accessible to all users, through the use of clear, Plain English content and voiceover, subtitles that could be turned off or on and through the provision of a video transcript on our website for those who are visually impaired. This was a new approach for the FSPO and initial feedback from our customers and stakeholders in 2021 was very positive.

The first video, '[How to make a complaint to the Financial Services and Pensions Ombudsman](#)', is located on our 'Making a Complaint' tab on our website fspo.ie and will be the focus of a comprehensive social media campaign, in January 2022.



The use of digital channels delivers value for money and enables the FSPO to reach diverse audiences. In addition, it provides an easy method for customers to understand our services. The digital marketing campaign that will commence in 2022 will provide essential information and analytics to demonstrate the success of these methods of communication.

The second and third videos, '[What to expect during Dispute Resolution](#)' and '[What to expect during the Investigation process](#)', explain our more commonly used, informal mediation service and our subsequent, formal investigation service, for those complaints not resolved through mediation; two very different approaches to resolving complaints.



## Website accessibility

The FSPO is committed to making its website accessible, in accordance with the European Union (Accessibility of Websites and Mobile Applications of Public Sector Bodies) Regulations 2020 and to meet the needs of its users and stakeholders.

Over the course of 2021, the FSPO carried out a self-assessment of its website and made numerous changes to the website to improve the customer journey. This included background work to improve the experience of those using screen readers, and changes to our online complaint form to improve the user experience for all users. We saw a significant increase in the use of our online complaint form over the course of 2021, with submissions increasing from 58% in 2020 to 74% in 2021.

During 2022, we aim to redevelop our website to be fully accessible, following which we will carry out a third-party accessibility assessment of the site to ensure compliance with WCAG 2.1, the European Union (Accessibility of Websites and Mobile Applications of Public Sector Bodies) Regulations 2020 and the National Disability Agency guidelines on best practice in web development.

## Growing awareness

In addition to the production of information leaflets and videos, the FSPO is a proud sponsor for the Graduate.ie program, a government, local government and EU-funded Citizenship & Democracy programme for second level students in Ireland.

The free, online competition encourages second level students to learn about important local and national topics, such as entrepreneurship, the environment, sustainability, health & fitness and financial literacy.

Sponsorship of this programme allows the FSPO to continue growing awareness of the FSPO and its service and empowers young people to learn about their rights.

Students who complete the competition can be entered to win one of many educational trips to Brussels, Luxembourg and the European Parliament in Strasbourg each year. The FSPO would like to congratulate all the winners of the 2021 program.



Winners of the graduate.ie competition visiting the EU Parliament in Strasbourg







# 3. Sharing and Influencing



## 3. Sharing and Influencing

Our third strategic priority commits to helping to raise standards in complaints handling and resolution, and inform legislative, regulatory and policy developments so that customer complaints are prevented from arising where possible, and fairer outcomes are achieved. The following initiatives sought to meet these aims through information sharing and awareness initiatives.

### Overview of Complaints 2021



By the end of quarter one of each year, the Ombudsman publishes the Overview of Complaints for the previous year, in accordance with Section 25(2) of the Financial Services and Pensions Ombudsman Act 2017, which includes: a summary of all complaints made to the FSPO, a review of trends and patterns in the making of complaints to the FSPO; a breakdown of the method by which all complaints made to the FSPO were dealt with; and a summary of the outcome of all complaints concluded or terminated. The report also includes case studies from our Dispute Resolution Service, Investigation Services and from Legal Services.

The Overview also includes a report on named financial service providers which had at least three complaints against them upheld, substantially upheld, or partially upheld in 2021.

The Overview contains a [list of complaints referred to the regulatory authorities in 2021](#). Referrals take place for a variety of reasons including in circumstances where a complaint raises the possibility of a potentially systemic issue, which may warrant consideration by the regulatory authorities.

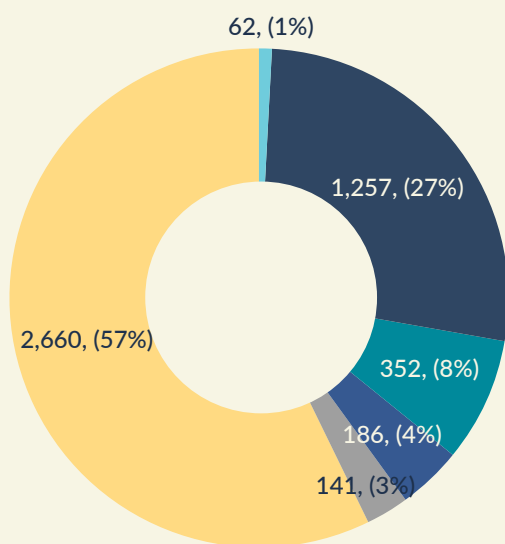
During 2021, the FSPO referred two complaints to the Pensions Authority and 13 complaints to the Central Bank of Ireland (CBI). The FSPO also shared a copy of every legally binding decision issued, concerning a complaint about a tracker mortgage rate of interest, with the CBI. Copies of 143 tracker mortgage decisions were sent by the FSPO to the CBI, during 2021. The same approach was adopted for legally binding decisions issued in complaints concerning declined insurance claims for business interruption losses. During 2021, copies of 46 business interruption decisions were sent by the FSPO, to the CBI.

A total of 4,658 complaints were received by the office in 2021. Of these complaints received in 2021, 57% related to banking products, 27% related to insurance and 8% related to investment products. 4% concerned complaints about pension schemes.

The remaining 4% consisted of complaints which were yet to have a sector assigned at the end of December 2021 and complaints where a sector was not applicable.

The provision of the insights and data in this report aims to positively influence how financial service providers deal with complaints from their customers and promote the adequate resourcing of complaints-handling. Additionally, the analysis and insights help to keep Government, regulators and policy makers informed of current issues and trends and highlight systemic issues arising from complaint outcomes.

### Complaints received by sector in 2021

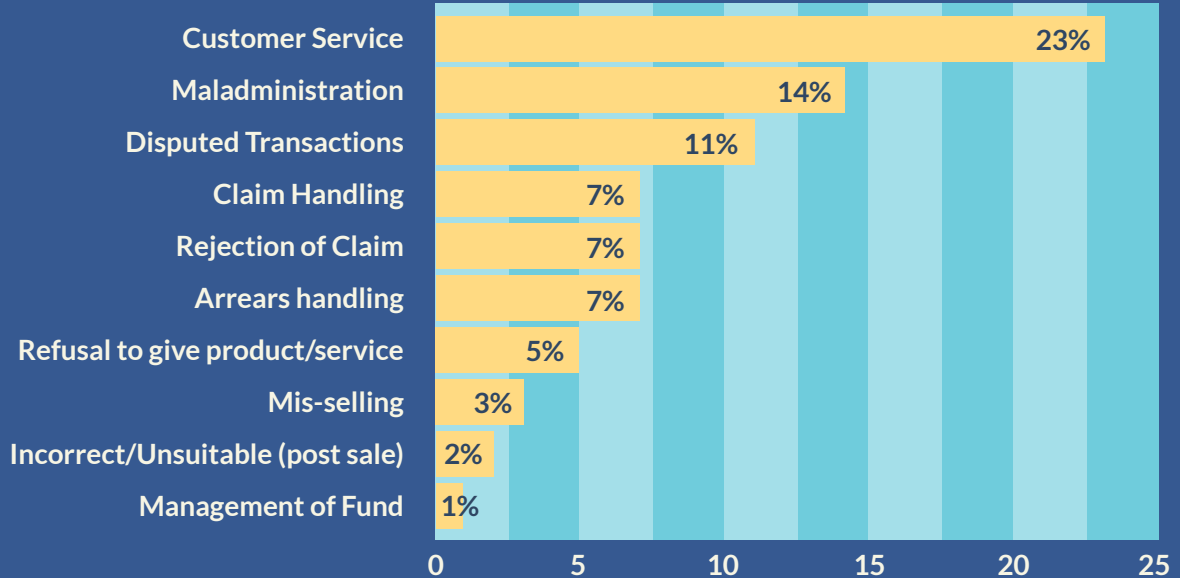


Banking	2,660
Insurance	1,257
Investment	352
Pension Scheme	186
Not applicable	141
No confirmed sector at 31 Dec 2021	62

Total **4,658**



## Top 10 conducts complained of:



## Publication of Decisions

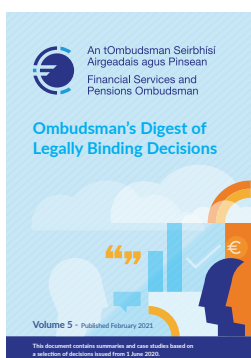
The FSPO regularly publishes legally binding decisions issued in complaints against financial service providers, in accordance with Section 62 of the Financial Services and Pensions Ombudsman Act 2017.

The legislation requires that decisions should be published in a manner that ensures that a complainant is not identified by name, address or otherwise and a provider is not identified by name or address. Publication must also comply with data protection legislation and regulations. Decisions appealed to the High Court are not published while they are the subject of legal proceedings. The legislation also provides the FSPO with the power to publish case studies of decisions relating to pension providers, but not the full decision.

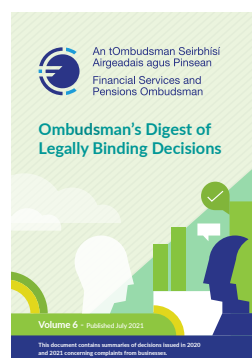
The Ombudsman's decisions are published to an online database at [www.fspo.ie/decisions](http://www.fspo.ie/decisions), which at 31 December 2021, contained some 1,500 legally binding decisions issued since the FSPO was established in January 2018.

## Digests of Decisions

The FSPO published two Ombudsman's Digests of Decisions in 2021; volume 5, which provided summaries of decisions published after 1 June 2020, and volume 6, which provided summaries of decisions concerning complaints from businesses. The latter gave particular insight into the kinds of issues experienced by small businesses as a result of the COVID-19 pandemic.



Volume 5



Volume 6

The publication of the Ombudsman's decisions aims to broaden the awareness of the role of the FSPO and in turn, influence how providers design and deliver fairer products, services and systems to help prevent complaints arising.

## Stakeholder Engagement

Central to our strategic priority 'Connecting and Engaging', are the regular meetings attended by our staff with our stakeholders, ensuring that we stay current with their views and needs in relation to our services. This feedback allows us to improve and innovate in the provision of our services.

- Bank of Italy
- Banking & Payments Federation Ireland
- Competition and Consumer Protection Commission
- Central Bank of Ireland
- Credit Review
- Department of Finance
- FIN-NET
- Garda Síochána Ombudsman Commission
- International Network of Financial Services Ombudsman Schemes (INFO)
- Insurance Institute
- International Cyber Threat Task Force
- Irish Banking & Culture Board
- Irish Institute of Pensions Management
- Joint Committee on Public Petitions
- LIA (Life Insurance Association)
- Ombudsman Association
- Ombudsman for Banking Services & Investments (Canada)
- Ombudsman for Financial Services (Malaysia)

- Pensions Authority
- Personal Injuries Assessment Board
- The Office of the Ombudsman

## Media Relations

As part of our commitment to improve public understanding of the role of the FSPO and the outcomes of our investigations, the FSPO ensures that we keep open relations with the media through the issuing of press releases on our publications and events. During 2021, we issued the following press releases.

26/11/2021 FSPO launches second Strategic Plan 2021 – 2024, ‘Connecting and Innovating’

29/07/2021 Financial Services and Pensions Ombudsman publishes Digest of Decisions on business complaints

30/03/2021 Financial Services and Pensions Ombudsman publishes Overview of Complaints 2020

03/02/2021 Financial Services and Pensions Ombudsman publishes legally binding decisions issued in 2020

The FSPO intends to increase its media engagement in 2022 through the implementation of a new and extensive Communications and Engagement Strategy.

## Sharing our insights

During 2021, we shared our analysis and insights to assist Government, regulators and policy makers in considering relevant matters. These insights were informed by our statutory role, issues arising in complaints made to the FSPO and complaint trends.

As part of the Central Bank of Ireland’s review of the Consumer Protection Code, we made a **submission** highlighting issues concerning the contents of a Final Response Letter to be issued by a provider in response to a complaint. We highlighted how, against the background of an increasingly complex environment of outsourcing, agency and delegated authority, consumers would benefit from being supplied with clear information regarding the identity of the legal entity responsible at all stages of their dealings with a financial service provider. A second matter was highlighted in our submission, concerning Terms of Business issued to meet the requirements of the Code. The FSPO is of the opinion that it would assist consumers if the Code were to require a regulated entity to confirm the identity of the consumer to which its terms of business are being given, prior to providing the first service to that consumer. Such a requirement would avoid any confusion between the identity of the directors of a company acting for that corporate entity, and those directors seeking financial advice or a financial product, in their personal capacity.

In 2021, the FSPO was approached by the Competition and Consumer Protection Commission (CCPC) to contribute to the development of its second Financial Wellbeing Strategy 2022-2024. The CCPC has a statutory role in relation to financial education and the development of financial capability amongst adults in Ireland. The FSPO was pleased to contribute to the development of such an important strategy, the outcomes of which underpin a healthy financial sector, which in turn supports the ongoing enhancement of the consumer protection landscape.

During 2021, the FSPO also provided observations on aspects of the Directive on Representative Actions for the Protection of the Collective Interests of Consumers, the EU Crowdfunding Regulation and the Consumer Rights Bill.



# 4. Developing Our People, Building our Capability



## 4. Developing Our People, Building Our Capability

The FSPO recognises that our success is powered by the commitment of our hard working and dedicated staff. That is why the development of our people and capability underpins our strategic priorities and is a crucial element of our strategic framework. We will build on our values-led culture to truly embrace diverse perspectives at all levels of our organisation. We are committed to fostering a truly inclusive culture, where every one of our employees believes that they belong and that they have equal opportunity to thrive as part of a diverse workforce that is reflective of the customers we proudly serve.

### Recruitment

As an employer, we aim to attract and retain good people, who are equipped with the right mix of skills and knowledge for our organisation. We run our recruitment campaigns in compliance with the Codes of Practice for Appointment to Positions in the Civil Service and Public Service prepared by the Commission for Public Service Appointments (CPSA), and we are strongly committed to a policy of equal opportunity. The FSPO adheres to the CPSA Code of Practice on the Appointment of Persons with Disabilities to Positions in the Civil Service, including taking appropriate measures to facilitate employment of persons with a disability.

During 2021, we ran 6 recruitment campaigns in total, at Clerical Officer, Executive Officer and Higher Executive Officer grades, along with campaigns for a Senior Compliance Manager (Assistant Principal) and a Business Intelligence Manager (Higher Executive Officer).

At the end of 2021, we had successfully recruited 17 candidates to a variety of roles within the FSPO, with recruits from the Clerical Officer campaign due to commence in 2022.

### Training and Development

Our core strategic pillar, 'Developing our People, Building our Capability', is supported by a diverse range of training programmes which are made available to staff. The FSPO is a learning organisation, facilitating and focusing on cross-organisational working, sharing and continuous improvement.

Over the course of 2021, staff undertook courses in data protection, protected disclosures, ethics, resilience training, conflict of interest, disability awareness, ergonomics workshops, leadership, pensions, QFA, IT, cyber security, risk management, HR, performance management, mediation, law, project management and facilities.

In addition to this, workshops were carried out with all staff to inform the development of the FSPO People Strategy 2022-2025 and the FSPO Strategic Plan 2021-2024.



## Digitalisation

In support of our strategic objective of Evolving and Innovating, the Customer Operations and Information Management team, researched and identified three solutions which will enhance our engagement with our customers and complete the digitalisation of the complaints process.

In conjunction with ongoing training and support provided by the Data Protection team to our staff to minimize the risk to the privacy rights of our service users, the Customer Operations and Information Management (COIM) team developed the Data Protection Verification (DPV) form.

The DPV form is generated at an early stage when the COIM team registers a new complaint, and it forms an important part of the complaint file throughout each of the FSPO's processes. The form guides our staff to periodically identify, verify and check specific details of the complaint to enhance data security and identify any risk to privacy at an early point in the complaints process. One example of this is ensuring the correct identification of the provider, which can be complex in certain situations.

The DPV form is also a useful tool for identifying data protection training needs or additional supports, thereby enhancing the data protection and privacy policies of the FSPO.

Additionally, in recognition of the tendency for some complainants to allow contact from an unknown source to go unanswered, our team suggested we trial an outbound SMS to alert the complainant that the FSPO was seeking to speak to them.

It is anticipated that complainants receiving the SMS will subsequently respond more readily to confirmed contact from the FSPO to validate their information, thereby contributing to faster registration and improvement of the overall data protection of the complaint file. Preparation for a pilot project to introduce SMS messaging commenced in Q4 2021, with a proposed initiation in early 2022.

A third digital solution uses software to facilitate the creation of digital files for the final adjudication portion of the complaints process. This solution has been identified as potentially suitable to complete the digitalisation of the FSPO complaints process. It is hoped that the software can be tested as a pilot project in 2022.

The FSPO is committed to leveraging technology to enhance our service provision and to enhance the efficiency of the complaints process for the benefit of customers.

## COVID-19 measures

The FSPO continued to implement a remote working policy over the course of 2021 as the pandemic continued, following the guidelines issued by the Department of Public Expenditure and Reform.

Ergonomic workshops were held for staff online, which provided staff with the tools to assess their own workstations at home. The FSPO made equipment available to staff to improve their working from home arrangements where needed.

Staff wellbeing was of particular importance during 2021, as staff navigated a second year of COVID-19 restrictions. The FSPO held two seminars on resilience which were warmly received by FSPO staff and gave individuals the mental tools necessary to cope with the unprecedented stresses of the time.

## People Strategy Development

The FSPO People Strategy, due to be finalised in 2022, was informed by the views and common themes arising from a consultation process, held in 2021, which engaged senior managers and staff across the FSPO. The consultation process comprised both one-to-one interviews with senior managers and staff engagement workshops. All staff were invited to participate in these workshops on a voluntary basis.

The themes of these workshops were connectivity, empowerment, customer, leadership and people.

Our vision for the future is to support and empower our people to deliver excellent customer experience. The workshops carried out in 2021 provided the insight and feedback to develop the people strategy priorities and the strategic imperatives aligned to them.

## Equality and Human Rights

As a public body, we actively consider how we can most meaningfully fulfil our 'Public Sector Duty' to eliminate discrimination, promote equality of opportunity and treatment and protect the human rights of those we provide services to and our staff.

These themes were highlighted as having particular importance by our staff who attended the workshops for the People Strategy and in the internal consultation process for our Customer Action Plan and Customer Charter.

Under Part 5 of the Disability Act 2005, public sector bodies are required to report on their level of employment of people with disabilities. A staff census was undertaken which indicated that, at 6.4%, in 2021 the FSPO met the minimum threshold of 3% for employment of people with disabilities.

The FSPO is committed to ensuring that our recruitment policies are effective in reaching the targets set out in the Comprehensive Employment Strategy for Persons with Disabilities, and that its values-led culture truly embraces diverse perspectives at all levels of our organisation.

At the end of 2021, the gender balance among our senior management team was 60/40 female to male, and the balance between female and male employees on the overall staff was 58% female, 42% male. Through the performance of our functions, and through our recruitment strategies, we will continue to assess any gender equality issues in line with the National Strategy for Women and Girls 2017-2020.

**Table 1 Number of staff by grade as at 31 December 2021**

Ombudsman	1
Deputy Ombudsman	1
Principal Officer	4
Assistant Principal	10
Higher Executive Officer	24
Executive Officer	38
Clerical Officer	6
<b>Total</b>	<b>84</b>

**Table 2 Senior Management Team as at 31 December 2021**

Financial Services and Pensions Ombudsman	<b>Ger Deering</b>
Deputy Financial Services and Pensions Ombudsman	<b>MaryRose McGovern</b>
Director of Dispute Resolution Services	<b>Diarmuid Byrne</b>
Director of Customer Operations and Information Management	<b>Tara McDermott</b>
Director of Corporate and Communication Services	<b>Áine Carroll</b>
Director of Investigation Services	<b>Úna Gately</b>



**Diarmuid Byrne**, Director of Dispute Resolution, **MaryRose McGovern**, Deputy Financial Services and Pensions Ombudsman, **Ger Deering**, Financial Services and Pensions Ombudsman, **Úna Gately**, Director of Investigation Services, **Tara McDermott**, Director of Customer Operations and Information Management, **Áine Carroll**, Director of Corporate and Communication Services.

## Protected Disclosures

The Financial Services and Pensions Ombudsman (FSPO) has in place a policy and procedures for the making of Protected Disclosures, which have been developed in line with the Protected Disclosures Act, 2014.

This policy and procedures sets out the process by which a 'worker' of the FSPO policy and procedures can make a protected disclosure, what will happen when a disclosure is made and what the FSPO will do to protect the discloser. Information and training for staff on Protected Disclosures is made available through an external provider. The FSPO also provides a facility for staff to make a disclosure to an independent third-party.

Section 22 of the Protected Disclosures Act 2014 requires the publication of an Annual Report each year relating to the number of protected disclosures made in the preceding year and any actions taken in response to such disclosures. Pursuant to this requirement, the FSPO published its report on 24 March 2022 confirming that no protected disclosures were received in accordance with the provisions of the Protected Disclosures Act 2014 for the financial year from 1 January 2021 to 31 December 2021.

## Data Protection

The FSPO is committed to protecting the rights and data privacy of individuals who engage with our services and is guided by the fundamental principles of data protection in this regard. The FSPO monitors all personal data processing activities within the organisation with a view to ensuring ongoing compliance with the Data Protection Act 2018 and the EU General Data Protection Regulation (GDPR).

In addition to a suite of internal policies reviewed regularly, the FSPO revised and published its privacy notice on its website during 2021, so that all who engage with our services can understand how we treat any personal data, including third-party personal data, that we process and understand how they can exercise their data protection rights.

As employees continued to work remotely during 2021, the FSPO provided guidance to staff periodically, through its Data Protection team to ensure continued awareness of our data protection obligations. To facilitate a remote mediation service to customers, the Data Protection team worked with colleagues in the Dispute Resolution Service and IT to deliver this service online, having conducted an in-depth Data Privacy Impact Assessment of the software in question, in accordance with Article 35 of the GDPR.

To assist with ongoing compliance and to ensure we protect the integrity of personal data supplied to us, internal data protection training and workshops were delivered to all staff throughout 2021. Data protection training was provided to all new staff as part of the induction process. FSPO staff members regularly attended data protection public service networks to keep abreast of developments in the area.

## Freedom of Information

The FSPO continues to meet its obligations in relation to the Freedom of Information Act 2014, which asserts the right of members of the public to obtain access to official information to the greatest extent possible, consistent with the public interest and the right to privacy of individuals.

In 2021, nine Freedom of Information requests were received by the FSPO, as set out in the table below. The FSPO received four requests where the requester sought records which did not exist or could not be found after all reasonable steps to ascertain

their whereabouts had been taken. In relation to a request that was withdrawn by the requester, the FSPO, in support of the Act's principles of openness, transparency and accountability supplied the information sought outside the legislation.

**Table 3 Number of FOI Requests 2021**

FOI Requests	
Granted	2
Part-granted	2
Refused	4
Withdrawn	1
<b>Total</b>	<b>9</b>

**Table 4 Types of FOI Requests 2021**

Types of Request	
Personal	6
Non-Personal	2
Journalist	1

## Energy Audit

The FSPO commits to providing a positive and proactive contribution to sustainable practices to play our full part in combating climate change. Central to achieving this commitment is measuring, reporting and improving our energy consumption.

In 2021, we carried out an energy audit, which also meets our obligations under the Energy Efficiency Directive (2012/27/EU) and will be carried out every 4 years. The audit was carried out by an external energy auditor.

The audit showed that the energy efficiency of the FSPO's office space significantly outperformed industry benchmarks for similar office space, due to the completion of previous projects to improve the energy efficiency of the building, such as the addition of internal double glazing and LED, occupancy-sensitive lighting.

However, we are mindful that our offices, like so many others, had an extremely low occupancy rate over the last 2 years, due to the COVID-19 pandemic and the requirement of staff to work from home.

The FSPO will continue to implement the recommendations from this report in the coming years. A significant element of our commitment to implement sustainable environmental practices in the workplace will be to raise awareness about our environmental footprint, and empower team members to be drivers for change, not only in their work lives, but in their personal lives too.

In accordance with Statutory Instrument 426 of the European Union (Energy Efficiency) Regulations 2014, all public sector bodies are required to report annually on their energy usage and any actions taken to reduce consumption. In 2021, the FSPO's energy usage comprised 305,654kWh. The average energy use per staff member stands at 3,639kWh based on 84 staff at 31 December 2021.

## Energy Usage

Table 5 Energy type and level of consumption 2021

Energy Type	Level of consumption
Electricity	92,752 kWh
Fossil fuels (natural gas)	212,902 kWh
<b>Total</b>	<b>305,654 kWh</b>



## Report from the Wellbeing Committee

The Wellbeing Committee had another busy year in 2021, developing initiatives to get our remote workers out of their home offices and interacting, if only on a virtual level.

Committee members created the 'Road to Tokyo' event, which was a summer activity in which we aimed to walk/run/cycle/swim the distance from Dublin to Tokyo (a mere 9,587km) for the Olympics, and which we achieved.

Our 'Walking Together, Apart' events continued in 2021, which got staff members out and about in our beautiful parks and hillsides, leaving their houses at the same time on a Saturday morning and taking a photograph on their travels, to be shared with their colleagues the following Monday morning.



The Easter Bunny and a member of our Wellbeing Committee, Fionnuala McNamee, taking part in 'Walking Together, Apart'



Some creative output from the Craft Club

Staff limbered up and freed their minds with a twice weekly, virtual pilates class, and for those who preferred more intellectual pursuits, the Book Club featured a new book each month for members to read and discuss.

The Running Club provided a space for our more athletic staff members to discuss upcoming events and tips on how they can participate and improve in runs of varying distances.

We kept everyone connected and entertained through our monthly newsletters, talking about all things new and interesting happening across the team, staff's favourite seasonal recipes, our craft corner and organising virtual coffee mornings.

Finally, we organised a virtual Christmas event for those colleagues with young children who wanted a remote visit from Santa Claus.

We had a phenomenal uptake and response from staff and the Committee is proud to have had a role in enhancing employee wellbeing in 2021.

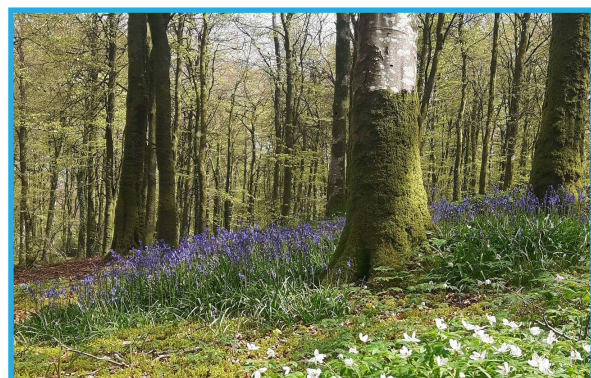


Photo: Sean Daly, FSPO Facilities Manager

# Financial Statements

for the year ended 31 December 2021





# Contents

Information	42
Governance Statement and Ombudsman's Report	43
Statement on Internal Control	52
Report of the Comptroller and Auditor General	56
Statement of Income, Expenditure and Retained Revenue Reserves	59
Statement of Comprehensive Income	60
Statement of Financial Position	61
Statement of Cash Flows	62
Notes to the Financial Statements	63

## Information

### **Financial Services & Pensions Ombudsman:**

Ger Deering (to 06/02/2022)

### **Financial Services & Pensions Ombudsman (Acting):**

MaryRose McGovern (from 06/02/2022)

### **Deputy Financial Services & Pensions Ombudsman:**

MaryRose McGovern (to 06/02/2022)

### **Members of the Financial Services and Pensions Ombudsman Council (Council):**

Maeve Dineen – Chairperson

Valerie Bowens

Ann Duffy

Don Gallagher

Dermott Jewell (term ended 31/12/2021)

Mick McAteer

Ken Murnaghan

### **Address:**

Lincoln House

Lincoln Place

Dublin 2

D02 VH29

### **Accountants:**

Crowley's DFK

16/17 College Green

Dublin 2

### **Auditors:**

The Comptroller and Auditor General

3A Mayor Street Upper

Dublin 1

### **Website:**

[www.fspo.ie](http://www.fspo.ie)

# Governance Statement and Ombudsman's Report

## Governance

The Office of the Financial Services and Pensions Ombudsman (FSPO) was established on 01 January 2018 by Section 7 of the Financial Services and Pensions Ombudsman Act 2017 ("the FSPO Act 2017").

The role of the FSPO is to resolve complaints from consumers, including small businesses and other organisations, against financial service providers or pension providers.

The Ombudsman and the senior management team are responsible for ensuring good governance and perform this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the FSPO is also the responsibility of the Ombudsman and the senior management team. The Ombudsman and the senior management team follow the strategic direction agreed and ensure that all Council members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Ombudsman and Deputy Ombudsman act as a direct liaison between the Council and the management team of the FSPO.

## Statement of Responsibilities

### Council Responsibilities

The statutory functions of the Council are set out in Part 4, Section 40 of the Financial Services and Pensions Ombudsman Act 2017. These functions are:

- To determine and prescribe by regulation, in accordance with section 43, the financial services industry levy,
- To keep under review the efficiency and effectiveness of the Ombudsman and to advise the Minister, either at the Minister's request or on its own initiative, on any matter relevant to the performance of the functions of the Ombudsman,
- To advise the Ombudsman on any matter on which the Ombudsman seeks advice (including advice in relation to the development and publication of guidelines and procedures in relation to the complaints process and investigations under the Act), and
- To carry out such other functions as are conferred on it by this Act.

Section 40 states that the Council shall have no role in the manner in which the Ombudsman deals with a particular complaint.

## Financial Services and Pensions Ombudsman Responsibilities

Part 2, Section 20, of the Financial Services and Pensions Ombudsman Act 2017 requires the Ombudsman to keep in such form as may be approved by the Minister, all proper and usual accounts of all monies received or expended by the Ombudsman in performing functions under the Act, including an income and expenditure account and balance sheet, and in particular, shall keep all such special accounts as the Minister may direct from time to time.

The Ombudsman is also responsible for keeping, in such form as the Minister may approve, all proper and usual accounts and records of all monies received or expended by him or her. Within four months after the end of each financial year the Ombudsman is responsible for arranging the preparation and submission, to the Comptroller and Auditor General, of a statement of accounts for the financial year.

In preparing the statement of accounts, the Ombudsman is required to:

- Select suitable accounting policies and apply them consistently,
- Make judgments and estimates that were reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that it would continue in operation, and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Ombudsman is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enable him to ensure that the financial statements comply with Section 20 of the Financial Services and Pensions Ombudsman Act 2017.

Part 2, Section 19, of the Financial Services and Pensions Ombudsman Act 2017 requires the Ombudsman to arrange the preparation of a statement setting out estimates of the income and expenditure relating to the FSPO and the submission of the statement to the Council for approval.

Under Part 2, Section 26 of the Act, the Ombudsman is responsible for preparing a strategic plan for a three-year period and submitting it to the Council for approval. The Council is responsible for delivering the plan to the Minister for Finance, once it has approved the plan.

The Ombudsman is also responsible for safeguarding the assets of the FSPO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Ombudsman considers that the financial statements of the FSPO give a true and fair view of the financial performance and the financial position of the Financial Services and Pensions Ombudsman at 31 December 2021.

## Council Structure

In 2021, the Council comprised a Chairperson and six members, all of whom were appointed by the Minister for Finance following a recruitment process by the Public Appointments Service. The members of the Council were appointed for a period not exceeding five years and met seven times in 2021.

The table below details the appointment period of the Council’s members in 2021:

Council Member	Role	Date Appointed/Reappointed
Maeve Dineen	Chairperson	09 January 2017
Valerie Bowens	Member	20 January 2021 (Reappointed)
Ann Duffy	Member	20 January 2021
Don Gallagher	Member	09 January 2017
Dermott Jewell	Member	20 January 2016 (Reappointed)
Mick McAteer	Member	20 January 2021
Ken Murnaghan	Member	20 January 2021 (Reappointed)

The Council conducted a self-assessment evaluation in 2021 of its activities in 2020.



### Ms. Maeve Dineen – Chairperson

Ms. Dineen is a strategic communications consultant and works with a number of Ireland’s most respected publicly listed companies. She holds an Agricultural Science degree from UCD and a Masters in Communications from Queens University/DCU. She attended Harvard University, Boston to complete its prestigious ‘Women on Boards’ executive programme. A former journalist, Maeve has spent a significant part of her career in the media and was Business Editor of the Irish Independent newspaper from 2008-2014.



### Ms. Valerie Bowens

Ms. Bowens (BComm, Master of Business Studies, Diploma in Financial Services Law (all from UCD), and Institute of Directors’ qualification) has extensive senior compliance, risk, governance and regulatory experience, mainly in the financial sector. Currently a member of the Board of the National Standards Authority of Ireland (NSAI), and Chairperson of its US subsidiary, NSAI Inc. She is also a Director of the Investor Compensation Company DAC, as well as being a member of Audit, Risk, Governance, Disciplinary and Complaints Committees for a range of organisations. Executive experience includes Managing Director and Country Head of Compliance at BNY Mellon, Director of Regulatory Compliance at Dillon Eustace Solicitors, Senior Manager at AIB, and Senior Regulator at the Central Bank. Current member of the Institute of Directors, the Institute of Bankers, and the Association of Compliance Officers in Ireland.



### Ms. Ann Duffy

Ms. Duffy is an Independent Non-Executive Director and currently serves on the Board of the Rehab Group. In her executive career as Director Corporate Affairs at Fyffes plc, she gained extensive experience of pensions and familiarity with the regulatory framework in Ireland and the UK. She is experienced in both the theory and practice of good corporate governance through her role as an Independent Non-Executive Director and having attained the Institute of Directors Certificate and Diploma in Company Direction. She also has significant Audit and Risk Committee experience and currently chairs the Audit & Risk Committee for Rehab and is an external member of the Audit Committee of Trinity College Dublin. Ms. Duffy is a law graduate of Trinity College Dublin and a fellow of Chartered Accountants Ireland.



### Mr. Don Gallagher

Mr. Gallagher is an experienced international Chief Executive who has managed and served on the boards of national and international insurance and wealth management companies. Until December 2020, he was Chief Executive of the Health Insurance Authority. Previous roles included Senior Vice-President and Managing Director of Canada Life Financial Corporation's operations in Canada and Ireland/Germany and was, subsequently, CEO of MetLife Europe DAC. Mr. Gallagher holds a M.Sc. in Management from Trinity College, Dublin and a B.Sc. (Honours) Mathematics degree from the Open University. He is also a Chartered Director with the UK Institute of Directors.



### Mr. Dermott Jewell

Mr. Jewell (B.Sc. (Mgmt.) Law (TCD)) is Policy & Council Advisor to the Consumers' Association of Ireland. His representations include Chairperson/Director of the European Consumer Centre (ECC) Ireland, Director of the Investor Compensation Company Limited (ICCL) at the Central Bank of Ireland and member the Banking Stakeholder Group of the European Banking Authority (EBA). Mr. Jewell holds accreditations in Employment Investigation and Mediation and the IPA-UCD Professional Certificate in Governance. He is a Member of the Mediators' Institute of Ireland (MII) and the Institute of Directors (IoD).



### Mr. Mick McAteer

Mr. McAteer is founder and co-director of The Financial Inclusion Centre, and a founding director of Action for Financial Inclusion. He is Chair of the anti-poverty charity Z2K, and non-profit Registry Trust. He is Deputy Chair of the Consumer Council of Northern Ireland and is on the board of charity Caritas Westminster.

Previously, he was a board member of the Financial Conduct Authority (FCA)/ Financial Services Authority (FSA), chaired the FCA's External Risk and Strategy Committee (ERSC) and was also on the FCA's Oversight and Audit Committees. He was Principal Policy Adviser at Which? (formerly known as Consumers' Association) for 13 years and prior to this, he worked for two major fund management firms in London. He was a board member of the Financial Reporting Council's Professional Oversight Board, a non-executive director of The Pensions Advisory Service, and a board member of ShareAction.



### Mr. Ken Murnaghan

Mr. Murnaghan is a member of the management board of Finance Ireland, a privately owned financial services group specialising in property, motor, SME, and agri-finance. Previous roles include Head of Business Banking at Ulster Bank Group, and a number of other positions in France, Ireland, and Hong Kong with AIB, PWC, and EY. Mr. Murnaghan is a business graduate of University College Dublin, a fellow of Chartered Accountants Ireland, and a fellow of the Institute of Banking.

In 2021, the two established committees, comprised the following:

**1. Audit and Risk Committee** comprised three Council members [Ken Murnaghan (Chair); Valerie Bowens; Ann Duffy]. The role of the Audit and Risk Committee (ARC) is to support Council's statutory role to keep under review the efficiency and effectiveness of the FSPO, advising Council on the strategic processes in place for risk, internal control and governance. The ARC reported to the Council after each meeting and formally in writing annually.

**2. Finance Committee** comprised three Council members [Don Gallagher (Chair); Dermot Jewell; Mick McAteer]. The role of the Finance Committee is to advise the Council on the setting of the financial services industry levy and any issues in relation to its collection, and the ongoing financial position of the organisation. The Finance Committee reported to the Council after each meeting and formally in writing annually.

## Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Council and Committee meetings for 2021 is set out below, including the fees and expenses received by each member:

	Council	Audit & Risk Committee	Finance Committee	Fees 2021 €	Expenses 2021 €
Number of Meetings	7	3	5		
Maeve Dineen	7 of 7			21,600	-
Valerie Bowens	7 of 7	3 of 3		12,600	-
Ann Duffy	7 of 7	3 of 3		12,600	-
Don Gallagher	7 of 7		5 of 5	12,600	-
Dermott Jewell	7 of 7		5 of 5	12,600	-
Mick McAteer	7 of 7		5 of 5	12,600	-
Ken Murnaghan	7 of 7	3 of 3		12,600	-

## Key Personnel Changes

There were no changes to key personnel in 2021.

## Disclosures Required by the Code of Practice for the Governance of State Bodies (2016)

The Ombudsman is responsible for ensuring that the Office of the Financial Services and Pensions Ombudsman has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.



## Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range			Number of employees	
From		To	2021	2020
€60,000	-	€69,999	2	1
€70,000	-	€79,999	4	2
€80,000	-	€89,999	2	3
€90,000	-	€99,999	1	1
€100,000	-	€109,999	2	1
€110,000	-	€119,999	1	2
€120,000	-	€129,999	1	-
€130,000	-	€139,999	-	-
€140,000	-	€149,999	-	-
€150,000	-	€159,999	-	-
€160,000	-	€169,999	1	1

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but excluding employer's PRSI.

## Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2021	2020
	€	€
Legal advice	213,150	204,487
Other consultancy	19,182	18,663
<b>Total consultancy costs</b>	<b>232,332</b>	<b>223,150</b>
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	232,332	223,150
<b>Total</b>	<b>232,332</b>	<b>223,150</b>

## Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation, and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Financial Services and Pensions Ombudsman which is disclosed in Consultancy costs above.

	2021	2020
	€	€
Legal fees - legal proceedings *	513,448	239,058
Settlements	-	20,000
<b>Total</b>	<b>513,448</b>	<b>259,058</b>

\* Comparative figure has been updated to be in line with current year's presentation.

## Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2021	2020
	€	€
<b>Domestic</b>		
- Council	-	94
- Employees	-	3,772
<b>International</b>		
- Council	-	-
- Employees	-	501
<b>Total</b>	<b>-</b>	<b>4,367</b>

## Hospitality Expenditure

There was €0 of Council hospitality incurred in the year 2021 (2020: €0).

## Statement of Compliance

The Financial Services and Pensions Ombudsman has adopted the Code of Practice for the Governance of State Bodies (2016) and put procedures in place to ensure compliance with the Code.

The Code of Practice for the Governance of State Bodies provides that State bodies may be exempted to comply with requirements that conflict with the legislative provisions as set out in their establishment Act. In this instance, the power, roles and responsibilities of the Ombudsman and the Council as set out in the Financial Services and Pensions Ombudsman Act 2017 are atypical to that of a traditional board of a State Body.

The Financial Services and Pensions Ombudsman Act 2017 provides that the Ombudsman undertakes the collective role of a Board and of an Accounting Officer. The Council is responsible for setting the levy to be paid by financial service providers and for certain oversight responsibilities in relation to the work of the Office.

Other than in relation to the matters addressed above, the Financial Services and Pensions Ombudsman was in compliance with the Code of Practice for the Governance of State Bodies in 2021.



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**MaryRose McGovern**  
Financial Services and Pensions Ombudsman (Acting)

# Statement on Internal Control

## Scope of Responsibility

On behalf of the Financial Services and Pensions Ombudsman (FSPO), I acknowledge my responsibility as Ombudsman for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

## Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system therefore can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accorded with guidance issued by the Department of Public Expenditure and Reform, was in place in the FSPO for the year ended 31 December 2021.

## Capacity to Handle Risk

The Council has an Audit & Risk Committee (ARC), comprising three Council members, with financial and audit experience, one of whom is the Chair. The Committee met three times in 2021.

The Financial Services and Pensions Ombudsman has also established an internal audit function which is adequately resourced and conducted a programme of work agreed with the Executive and the Council.

The Executive has developed a risk management policy which sets out its risk appetite, the risk management

processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within the Financial Services and Pensions Ombudsman's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

## Risk and Control Framework

The Financial Services and Pensions Ombudsman has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Financial Services and Pensions Ombudsman and these are identified, evaluated and graded according to their significance. The register is reviewed and updated by the Executive regularly and is subsequently reviewed by the ARC. The outcome of these assessments is used to plan and allocate resources to ensure risks were managed to an acceptable level.

The risk register detailed the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes are documented;
- Financial responsibilities are assigned at management level with corresponding accountability;
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management and Council/Finance Committee;

- There are systems aimed at ensuring the security of the information and communication technology systems;
- There are systems in place to safeguard all assets.

## Ongoing Monitoring and Review

Formal procedures are established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management, and the Audit & Risk Committee and Council, where relevant, in a timely manner. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls are identified, and processes are in place to monitor the operation of those key controls and report any identified deficiencies;
- Reporting arrangements are established at all levels where responsibility for financial management has been assigned; and,
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/ forecasts.

## Impact of COVID-19 pandemic to the Control Environment

Following the onset of the COVID-19 pandemic in 2020, and the resulting public health advice and safety measures, the FSPO continued to support efforts to limit the spread of COVID-19 and remote and virtual working continued to be the norm for most FSPO staff.

The FSPO monitored developments closely, mitigating the risks that may affect the FSPO's business operations, staff and stakeholders. Actions taken by the FSPO include: -

- Continued to operate the FSPO's Business as Usual (BAU) model in which the FSPO's business operations were delivered in a predominantly remote working environment, where most business processes continued as normal.
- Ensured that the FSPO's ongoing business response to the pandemic was steered and guided by the FSPO's Senior Management Team, comprising the Ombudsman, Deputy Ombudsman and Directors.
- Continual assessment of significant risks pertaining to the COVID-19 pandemic and the agility of FSPO to respond effectively, including in the management of new complaints arising from the pandemic.
- Ensuring robust segregation of duties remains and adequate cover is in place should specific approving authorities be unavailable.
- Ensuring all existing data protection and records management policies and procedures continue to apply in the remote working environment and are monitored and reported on as normal.
- Ensuring that staff members access FSPO's network using FSPO's approved ICT equipment and that all staff members working remotely have been equipped with the necessary ICT equipment.
- Assessing potential for weaknesses in internal controls resulting from COVID-19 and taking measures to monitor and update internal controls where necessary.

## Procurement

I confirm that the Financial Services and Pensions Ombudsman has procedures in place to ensure compliance with current rules and guidelines. Matters arising regarding controls over procurement are highlighted under control issues below.

## Review of Effectiveness

I confirm that the Financial Services and Pensions Ombudsman has procedures to monitor the effectiveness of its risk management and control procedures. The Financial Services and Pensions Ombudsman's monitoring and review of the system of internal financial controls is informed by the work of the internal and external auditors, the Audit & Risk Committee, and the senior management within the Financial Services and Pensions Ombudsman responsible for the development and maintenance of the internal financial control framework.

I confirm, as Ombudsman, the required annual review of the effectiveness of internal control for 2021 has been completed in accordance with the requirements of Code of Practice for the Governance of State Bodies.

## Internal Control Issues

### • Non-Compliant Procurement

In 2021, I ensured that there was an appropriate focus on good practice in procurement and purchasing and that procedures were in place to ensure compliance with all relevant guidelines. The FSPO complied with the guidelines with the below exceptions:

- In July 2021, an emergency situation arose due to an insufficient number of external drafters on the FSPO's panel established following a procurement process in 2020 and arising limitations in the FSPO performing its statutory role in

the adjudication of complaints.

In accordance with the FSPO's procurement policy, an emergency procurement requirement was identified and 5 additional and competent external drafters were identified, pending a new procurement process. The fees to be paid were determined by the FSPO, thereby ensuring value for money. During 2021, fees of €39,375 were paid to the emergency drafters identified and all fees paid were within the threshold outlined in the FSPO's procurement policy for emergency procurement. A further procurement process commenced in October 2021, leading to the establishment of a new panel of 13 drafters, which will ensure the FSPO's ongoing ability to perform its statutory role.

- An emergency requirement due to anticipated internal resources not being available arose in the context of the development of the FSPO's Strategic Plan 2021 - 2024 commenced in Q4 2020. This occurred following the resignation of the identified resource. The decision was taken, in accordance with the FSPO's procurement policy, not to use competitive tendering, as the statutory deadline did not allow for such a tendering process. Expenditure totalled €18,965 and a quote was obtained in advance.
- During 2021, storage costs of €22,815 were paid to legacy records management service providers. This was pending the completion of a procurement process which commenced in June 2021, which led to the appointment of a new records management provider, sourced from the OGP's multi-supplier framework for the provision of record management services.
- Arrangements with the FSPO's existing cleaning services provider had rolled over and costs of €4,625 were paid in 2021. A procurement process commenced in January 2021, which led to the

appointment of a new provider.

- Arrangements with the FSPO's existing alarm maintenance provider had rolled over and costs of €7,270 were paid in 2021. This service is scheduled for procurement in Q1 2022.
- Arrangements with the FSPO's existing service provider for re-occurring fixed line telephony services remained in place pending the establishment of a new OGP framework for Mobile Voice and Data Services. Costs of €16,161 were paid in 2021.



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**MaryRose McGovern**  
Financial Services and Pensions Ombudsman  
(Acting)

Date: 30 June 2022



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas Office of the Financial Services and Pensions Ombudsman

#### Opinion on the financial statements

I have audited the financial statements of the Office of the Financial Services and Pensions Ombudsman for the year ended 31 December 2021 as required under the provisions of section 20 of the Financial Services and Pensions Ombudsman Act 2017. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Office of the Financial Services and Pensions Ombudsman at 31 December 2021 and of its income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Emphasis of matter - pension liabilities*

I draw attention to note 9 to the financial statements, which deals with the superannuation arrangements for the staff of the Office of the Financial Services and Pensions Ombudsman. The Staff and Ombudsman/Deputy Ombudsman superannuation schemes relate to employees appointed prior to 2013, and were approved by statutory instrument in April 2016. Discussions between the Office and the Department of Finance have been underway since 2018 about the funding arrangements in respect of the liabilities under these schemes. Pending the resolution of these discussions, the accounting treatment adopted is to charge employer superannuation contributions to expenditure each year which are retained by the Office together with employee contributions, and from which pensions are paid. At 31 December 2021, the accumulated contributions retained amount to just under €6 million. No liability is recognised for accrued retirement benefits.

My opinion is not modified in respect of this matter.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Office of the Financial Services and Pensions Ombudsman and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## Report of the C&AG (continued)

### Report on information other than the financial statements, and on other matters

The Office of the Financial Services and Pensions Ombudsman has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



**Seamus McCarthy**  
**Comptroller and Auditor General**  
**30 June 2022**

## Appendix to the report

### Responsibilities of the Financial Services and Pensions Ombudsman

As set out in the governance statement, the Financial Services and Pensions Ombudsman is responsible for

- the preparation of annual financial statements in the form prescribed under section 20 of the Financial Services and Pensions Ombudsman Act 2017
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 20 of the Financial Services and Pensions Ombudsman Act 2017 to audit the financial statements of the Office of the Financial Services and Pensions Ombudsman and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Financial Services and Pensions Ombudsman's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Office of the Financial Services and Pensions Ombudsman's to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

# Statement of Income and Expenditure and Retained Revenue Reserves

for the year ended 31 December 2021

	Note	2021 €	2020 €
<b>Income</b>			
Levy Income	2a	9,022,080	8,753,291
Exchequer Funding	2b	482,586	768,000
<b>Total Income</b>		<b>9,504,666</b>	<b>9,521,291</b>
<b>Expenditure</b>			
Administration	3	10,062,552	8,327,271
Retirement benefit costs – Staff & Ombudsman Scheme	9a(ii)	344,840	340,037
Retirement benefit costs – Single Scheme	9b(ii)	340,034	264,945
Depreciation	4	298,964	390,654
<b>Total Expenditure</b>		<b>11,046,390</b>	<b>9,322,907</b>
<b>(Deficit) / Surplus for the Year Before Appropriation</b>		<b>(1,541,724)</b>	<b>198,384</b>
Transfer from / (to) Capital Account	16	211,954	(144,189)
<b>(Deficit) / Surplus for the Year After Appropriation</b>		<b>(1,329,770)</b>	<b>54,195</b>
Balance brought forward at 1 January		689,013	1,542,266
Transfer to Designated Legal Reserve	16	907,448	(907,448)
<b>Balance Carried Forward at 31 December</b>		<b>266,691</b>	<b>689,013</b>

The Statement of Cash Flows and Notes 1 – 18 form an integral part of these Financial Statements.  
On behalf of the Financial Services and Pensions Ombudsman:



**MaryRose McGovern**  
Financial Services and Pensions Ombudsman (Acting)

Date: 30 June 2022

# Statement of Comprehensive Income

for the year ended 31 December 2021

	Note	2021 €	2020 €
<b>(Deficit) / Surplus after Appropriations</b>		(1,329,770)	54,195
Experience (losses)/gains on retirement benefit obligations	9b(iii)	44,000	13,000
Changes in assumptions underlying the present value of retirement benefit obligations		(164,000)	(107,000)
<b>Total actuarial gains/(losses) in the year</b>		<b>(120,000)</b>	<b>(94,000)</b>
Adjustment to deferred retirement benefits funding		120,000	94,000
<b>Other Comprehensive (Loss)/Income for the year</b>		<b>(1,329,770)</b>	<b>54,195</b>

The Statement of Cash Flows and Notes 1 – 18 form an integral part of these Financial Statements.

On behalf of the Financial Services and Pensions Ombudsman:



**MaryRose McGovern**  
Financial Services and Pensions Ombudsman (Acting)

Date: 30 June 2022


# Statement of Financial Position

as at 31 December 2021

	Note	As at 31 December 2021 €	As at 31 December 2020 €
<b>Fixed Assets</b>			
Property, plant & equipment	4	605,837	817,791
<b>Current Assets</b>			
Cash and cash equivalents	5	7,769,457	7,612,138
Receivables	6	678,981	817,094
		<u>8,448,438</u>	<u>8,429,232</u>
<b>Current Liabilities (Amounts Falling Due Within One Year)</b>			
Payables	7	(6,563,157)	(6,240,219)
Provision for Legal Services	8	(1,618,590)	(592,552)
		<u>(8,181,747)</u>	<u>(6,832,771)</u>
<b>Net Current Assets</b>		<b>266,691</b>	<b>1,596,461</b>
<b>Retirement Benefits</b>			
Retirement benefit obligations	9b(iii)	(1,955,000)	(1,347,000)
Deferred retirement benefit funding asset	9b(iv)	1,955,000	1,347,000
<b>Total Net Assets / (Liabilities)</b>		<b><u>872,528</u></b>	<b><u>2,414,252</u></b>
<b>Representing</b>			
Capital Account	16	605,837	817,791
Retained revenue reserves	16	266,691	689,013
Designated reserves	16	-	907,448
		<u>872,528</u>	<u>2,414,252</u>

The Statement of Cash Flows and Notes 1 – 18 form an integral part of these Financial Statements.

On behalf of the Financial Services and Pensions Ombudsman:



**MaryRose McGovern**  
Financial Services and Pensions Ombudsman (Acting)

Date: 30 June 2022

# Statement of Cash Flows

for the year ended 31 December 2021

	Note	2021 €	2020 €
<b>Net Cash Flow from Operating Activities</b>			
(Shortfall)/Excess in income over expenditure		(1,329,770)	54,195
Depreciation charge		298,964	390,654
Decrease/(Increase) in receivables		138,112	(480,551)
(Decrease)/Increase in payables		1,348,976	152,852
Interest received		-	-
Transfer (from)/to capital account		(211,954)	144,189
<b>Net cash inflow from Operating Activities</b>		<b>244,328</b>	<b>261,339</b>
<b>Cash flows from Investing Activities</b>			
Bank interest received		-	-
Capital disposal		-	-
Capital expenditure		(87,011)	(534,843)
<b>Net cash flows from Investing Activities</b>		<b>(87,011)</b>	<b>(534,843)</b>
<b>Cash flow from Financing Activities</b>			
Bank interest received		-	-
<b>Net cash flows from Financing Activities</b>		<b>-</b>	<b>-</b>
Cash and cash equivalents at the start of the year		7,612,138	7,885,642
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		<b>157,317</b>	<b>(273,504)</b>
Cash and cash equivalents at the end of the year		<b>7,769,455</b>	<b>7,612,138</b>

# Notes to the Financial Statements

## For the Year Ended 31 December 2021

### 1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the Financial Services and Pensions Ombudsman are set out below. They have all been applied consistently throughout the year and for the preceding year.

#### A) General Information

The Financial Services and Pensions Ombudsman (FSPO) was established on 01 January 2018 by Section 7 of the Financial Services and Pensions Ombudsman Act 2017 ("the FSPO Act 2017"). Section 27 of the FSPO Act 2017 dissolved the Financial Services Ombudsman Bureau, the Financial Services Ombudsman Council and the Office of the Pensions Ombudsman. Section 28 of the FSPO Act 2017 transferred all functions which were previously vested in the Financial Services Ombudsman Bureau or the Pensions Ombudsman to the FSPO with effect from 01 January 2018.

#### Council and Financial Services and Pensions Ombudsman Expenses

The expenses of the Council are met from Financial Services and Pensions Ombudsman Funds (see note 14).

#### B) Statement Of Compliance

The financial statements of the Financial Services and Pensions Ombudsman for the year ended 31 December 2021 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), except for the treatment of the pension liability (see accounting policy H).

#### C) Basis Of Preparation

The financial statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Finance with the concurrence of the Minister for Public Expenditure and Reform. The Financial Statements are prepared in Euro which is the functional currency of the FSPO.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Services and Pensions Ombudsman financial statements.

#### D) Levy Income

Council regulations made under the Financial Services and Pensions Ombudsman Act 2017, prescribe the amount to be levied for each category of financial service provider. Levy income represents the amounts receivable for each service provider calculated in accordance with the regulations and levied on providers identified by the Ombudsman and information supplied to it. Bad debts are written off where deemed irrecoverable.

#### E) Basis Of Preparation

The financial statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Finance with the concurrence of the Minister for Public Expenditure and Reform. The Financial Statements are prepared in Euro which is the functional currency of the FSPO.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Services and Pensions Ombudsman financial statements.

## F) Levy Income

Council regulations made under the Financial Services and Pensions Ombudsman Act 2017, prescribe the amount to be levied for each category of financial service provider. Levy income represents the amounts receivable for each service provider calculated in accordance with the regulations and levied on providers identified by the Ombudsman and information supplied to it. Bad debts are written off where deemed irrecoverable.

## G) Expenditure Recognition

Expenditure is recognised in the financial statements on an accruals basis as it is incurred.

## H) Property, Plant And Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

- i Leasehold Improvement category 1 (major refurbishment works on commencement of 20-year lease) 5% per annum
- ii Leasehold Improvement category 2 (general improvements to office layout) 25% per annum
- iii Computer Equipment 33% per annum
- iv All other assets 25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

## I) Capital Account

The Capital Account represents the unamortised value of income used for capital purposes.

## J) Employee Benefits

### Short-term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

### Retirement Benefits

The Ombudsman operated the following defined benefit pension schemes in respect of its employees:

#### For employees appointed prior to 1 January 2013:

Staff appointed prior to 1 January 2013 are members of the Office of the Financial Services and Pensions Ombudsman Staff Superannuation Scheme and the Financial Services and Pensions Ombudsman and the Deputy Financial Services and Pensions Ombudsman are members of the Office of the Financial Services and Pensions Ombudsman, Ombudsman and Deputy Ombudsman Scheme 2016.



Both superannuation schemes are based on the Department of Public Expenditure and Reform (pre-single scheme) Model Public Sector Scheme (the “Model scheme”) and were approved by statutory instruments on 28 April 2016.

In respect of both schemes, the Bureau proposed to the Department of Finance that the liability for retirement benefits paid under the Schemes should be assumed by the State in return for payment annually of a percentage of the salaries of the Schemes’ members. The proposal is based on the premise that the employer and employee superannuation contributions would be at a level where the Exchequer would not be exposed to liabilities in excess of the revenues accruing over the years to the Exchequer. A legislative amendment was made in the Central Bank (Supervision and Enforcement) Act 2013 which provides for Oireachtas funding to be provided for these schemes. Discussions with the Department of Finance were continuing at the end of 2021 regarding the proposal.

Pending a decision by the Department of Finance regarding the proposed pension funding arrangements, the retirement benefit costs charge in the Statement of Income and Expenditure and Retained Revenue Reserves comprises the employer superannuation contributions in the year. The employer superannuation contributions are calculated as a percentage of relevant salaries and are being retained by the FSPO along with the employee superannuation contributions. The retirement benefits and lump sum payments of the schemes are set against the cumulative retained employer and employee superannuation contributions (see note 9A (iv)).

### **For employees appointed on/after 1 January 2013:**

Employees appointed on/after 1 January 2013 are members of the Single Public Service Pension Scheme, which provides consumer price index-linked defined benefit pensions based on career-average pay (the “Single scheme”).

The Single Scheme is an unfunded scheme with pension benefits payable by the Exchequer. The contributions for the Single Scheme comprise an employee and employer element. The employer superannuation contributions are calculated as a multiple of the employee contribution and are remitted along with the employee contributions to the Department of Public Expenditure and Reform (DPER).

Pension costs of the Single Scheme employees reflect pension benefits earned by them and are shown net of employee pension contributions remitted to DPER. This is offset by the deferred pension funding. The net charge to the statement of income and expenditure is the employer contributions that are payable to DPER for the year of account. Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income, and a corresponding adjustment is recognised in the deferred retirement funding asset in the Statement of Financial Position.

The financial statements reflect, at fair value, the assets and liabilities arising from Financial Services Ombudsman’s pension obligations in respect of the Single Scheme staff and the related deferred Exchequer funding and recognises the costs of providing pension benefits in the accounting periods in which they are earned by these employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

### Defined contribution pension scheme

There was one staff member who was a member of a defined contribution private pension scheme. The FSPO made employer superannuation contributions in respect of this scheme. These amounts were charged to the Statement of Income and Expenditure and Retained Revenue Reserves as they fell due (see note 9A). Once employer contributions were paid over, the FSPO had no further liability in respect of this scheme. As the only remaining member of the scheme left employment with the FSPO in early 2021, the FSPO is in the process of having the scheme wound up.

### K) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision and is established when there is objective evidence that the FSPO will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

### L) Operating Lease

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

### M) Designated Reserves

The Council has determined that it may at its discretion set aside unrestricted funds for designated future purposes. Where such funds are no longer required for the intended purpose, they will be released to the General Reserve.

### N) Critical Accounting Judgments And Estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments have had the most significant effect on amounts recognised in the financial statements.

#### i Impairment of Property, Plant and Equipment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## ii Depreciation and Residual Values

The Ombudsman has reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

## iii Provisions

The Ombudsman has reviewed provisions for legal and constructive obligations, that probably require settlement by a transfer of economic benefit and a reliable estimate can be made of the amount of the obligation. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. As a result of this and the level of uncertainty attaching to the final outcomes, the actual out-turn may differ significantly from that estimated.

## iv Retirement Benefits

In respect of both of the aforementioned retirement benefit schemes, the Financial Services and Pensions Ombudsman proposed

to the Department of Finance that the liability for retirement benefits paid under the Schemes should be assumed by the State in return for payment annually of a percentage of the salaries of the Schemes' members. Until such time that the liability is transferred to the State, the FSPO recognised this liability in its Statement of Financial Position (see note 9).

## 2. Income Receivable

### A) Levy Income

Section 43(4) of the Financial Services and Pensions Ombudsman Act 2017 provides for the payment of an income levy by financial service providers to the Office of the Financial Services and Pensions Ombudsman on terms determined by the Financial Services and Pensions Ombudsman Council with the consent of the Minister for Finance. The actual rate for the year ending 31 December 2021 is set out in the Financial Services and Pensions Ombudsman Act 2017 [Financial Services and Pensions Ombudsman Council] Financial Services Industry Levy Regulations 2021 (Statutory Instrument 117 of 2021).

Income for the period is as follows:

	2021 €	2020 €
<b>Levy Income</b>		
Insurance Undertaking	3,012,753	3,138,913
Credit Institutions	4,545,242	4,274,505
Credit Unions	86,442	96,375
Retail Intermediaries and Debt Management Firms	865,635	692,121
Investment Firms	437,747	481,797
All other categories	74,261	69,580
<b>Total</b>	<b>9,022,080</b>	<b>8,753,291</b>

### B) Exchequer Funding

Oireachtas funding of €482,586 (2020 - €768,000) was received in 2021 from Vote 7 – Office of the Minister for Finance sub-head B5.

### 3. Administration Costs

	Note	2021 €	2020 €
Salaries and Staff Costs	3a	4,371,738	3,906,318
Contractors		502,700	234,966
Legal Fees	3c	3,194,041	1,820,089
Rent		464,435	411,939
Other Administration Costs	3d	401,827	205,328
Membership Fees & Subs & Communication		55,857	73,651
Council Remuneration		97,200	84,600
External Mediators		8,004	534,204
Bad Debts Provision		-	68,960
Bad Debts Written Off		-	-
Accounting, Payroll, Pension and Levy Administration		307,174	266,387
Professional Fees		8,620	64,423
Staff Training		75,808	51,887
Maintenance		39,074	44,596
Repairs and Servicing		692	3,063
Information Activities		79,330	82,790
Stationery Costs		16,724	25,228
Insurance		36,098	36,161
Cleaning		9,420	12,285
Council Legal & Consultancy		20,707	18,663
Recruitment		14,492	60,738
Travel and Subsistence and Meeting Room Hire		713	4,273
Other Staff Related Costs	3e	17,856	11,292
External Audit		17,000	17,000
Oral Hearing		7,351	5,119
Internal Audit		22,665	27,030
Council Expenses		917	94
External Drafters		292,109	256,186
		<b>10,062,552</b>	<b>8,327,270</b>

## a) Salaries and Staff Costs

	2021 €	2020 €
Salary	3,981,989	3,557,737
Employer PRSI Costs	389,749	348,581
	<b>4,371,738</b>	<b>3,906,318</b>

## Staff Numbers

The number of Whole Time Equivalents (WTE) employed as at 31 December 2021 was 84 - (2020: 85).

## Additional Superannuation Contribution (ASC)

€91,569 ASC has been deducted from staff members (2020: €84,629).

## b) Salary Costs of the Ombudsman and Deputy Ombudsman

	2021 €	2020 €
<b>Ombudsman commenced 20-04-15</b>		
Salary	163,313	160,643
Pension Contributions	49,035	48,193
	<b>212,348</b>	<b>208,836</b>
	2021 €	2020 €
<b>Deputy Ombudsman Commenced 20-04-20</b>		
Salary	121,805	79,855
Pension Contributions	30,720	29,583
	<b>152,525</b>	<b>109,438</b>

The above salary payments represent the total remuneration received by the Ombudsman and Deputy Ombudsman, no other payments were received by them. The Ombudsman and Deputy Ombudsman are members of the Financial Services and Pensions Ombudsman, Ombudsman and Deputy Ombudsman Scheme 2016. See note 9.

## The key management personnel comprise:

- Ger Deering, Financial Services and Pensions Ombudsman (to 06/02/2022)
- MaryRose McGovern, Financial Services and Pensions Ombudsman (Acting) (from 06/02/2022)
- MaryRose McGovern, Deputy Financial Services and Pensions Ombudsman (to 06/02/2022)
- Diarmuid Byrne, Director of Dispute Resolution Services

- Tara McDermott, Director of Customer Operations and Information Management
- Áine Carroll, Director of Corporate and Communication Services
- Úna Gately, Director of Investigation Services

The total remuneration paid to key management personnel was €708,018 (2020: €677,017).

## Termination Payments

Termination payments of €0 were made in the year.

### c) Legal Fees

Legal costs recovered included in legal fees were €93,832 (2020: €0).

Legal fees includes the following movements in the legal provision:

Additions to provision for Legal Costs	<b>1,026,039</b>	<b>51,887</b>
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### d) Other Administration Costs

	2021 €	2020 €
Service Charge	122,198	90,354
Storage Charges	52,853	32,354
IT Purchases	163,460	52,039
Courier	929	2,046
Bank Charges and Negative Interest	62,387	28,535
	<b>401,827</b>	<b>205,328</b>

### e) Other Staff Related Costs

The related expense of providing canteen supplies (€3,492) and staff welfare (€14,364) are included in Other Staff Related Costs.

## 4. Property, Plant And Equipment

	Computer Equipment	Office Fitting, Furniture & Equipment	Leasehold Improvements	Total
	€	€	€	€
<b>Cost</b>				
At 1 January 2021	490,440	437,792	1,823,248	2,751,481
Additions during period	64,801	13,230	8,980	87,011
Disposals during period	-	-	-	-
	<b>555,241</b>	<b>451,022</b>	<b>1,832,228</b>	<b>2,838,492</b>
<b>Accumulated Depreciation</b>				
At 1 January 2021	334,496	293,822	1,305,372	1,933,690
Charge for period	87,884	51,196	159,884	298,964
Disposals during period	-	-	-	-
At 31 December 2021	<b>422,380</b>	<b>345,018</b>	<b>1,465,256</b>	<b>2,232,654</b>
<b>Net Book Value</b>				
At 31 December 2021	<b>132,860</b>	<b>106,004</b>	<b>366,972</b>	<b>605,837</b>
At 31 December 2020	<b>155,944</b>	<b>143,970</b>	<b>517,877</b>	<b>817,791</b>

Leasehold improvements were carried out to facilitate, inter alia, the amalgamation with the Office of the Pensions Ombudsman.

## 5. Cash At Bank

	2021 €	2020 €
Current Account	1,774,362	1,877,474
No.2 Pension Account	5,993,580	5,733,364
Demand Deposit Account	1,433	444
Platinum 3 Months Deposit Account	-	997
Petty Cash	6	6
Credit Cards	76	(147)
	<b>7,769,457</b>	<b>7,612,138</b>

## 6. Prepayments and Accrued Income

	2021 €	2020 €
Debtors	572,972	643,281
Other Debtors	25,368	-
Bad Debt Provision	(121,699)	(121,699)
Prepayments	202,340	295,512
	<b>678,981</b>	<b>817,094</b>

## 7. Current Liabilities

	2021 €	2020 €
<b>Amounts falling due within one year:</b>		
Creditors	19,779	151,237
Accrued Expenses	282,039	152,039
PAYE	124,703	109,157
Payroll Deductions	9,355	86
Professional Services Withholding Tax	87,298	68,649
Pension Contributions Retained	5,999,873	5,726,529
DPER Single Scheme	40,110	32,522
	<b>6,563,157</b>	<b>6,240,219</b>

## 8. Provision for Legal Services

	2021 €	2020 €
<b>Provision</b>		
<b>Legal Costs Provision</b>		
Amount at the start of the year	592,552	540,665
Additions to provision for Legal Costs	1,026,038	51,887
Amounts charged against the provision	-	-
Amount at the end of the year	<b>1,618,590</b>	<b>592,552</b>



## 9. (A) Superannuation – Staff And Ombudsman / Deputy Ombudsman Superannuation Schemes

- i. In respect of both the staff and Ombudsman/Deputy Ombudsman superannuation schemes, the Financial Services and Pension Ombudsman proposed to the Department of Finance that the liability for retirement benefits paid under the schemes should be assumed by the State in return for payment annually of a percentage of the salaries of the schemes' members. The proposal is based on the principle that the employer and employee superannuation contributions would be at a level where the Exchequer would not be exposed to liabilities in excess of the revenues accruing over the years to the Exchequer. A legislative amendment, enacted and signed into law on 11 July 2013, was made in the Central Bank (Supervision and Enforcement) Act 2013 which provides for Oireachtas funding to be provided for these two schemes. In 2018, the Financial Services and Pensions Ombudsman made a formal request to the Department of Finance to consider a transfer of liabilities for both Schemes. The Department responded with requests for further information which the FSPO provided. Discussions with the Department of Finance are continuing in regard to the aforementioned proposal.

Pending the decision of the Department of Finance the employer and employee superannuation contributions and amounts received in respect of entitlements surrendered by transferred employees for these superannuation schemes are being retained by the Financial Services and Pension Ombudsman. The retirement benefits and lump sum payments of the schemes are set against the cumulative retained employer and employee superannuation contributions. The cumulative net retention at December 2021 was €5,998,793 which is recorded as a current liability (see note 7).

### ii. Retirement Benefit Costs

	2021 €	2020 €
Employer Contribution Staff Superannuation Scheme	343,416	331,189
Staff Pension Costs Defined Contribution Scheme	1,424	8,374
Other Costs	-	474
	<b>344,840</b>	<b>340,037</b>

### iii. Creditor Pension Account

	2021 €	2020 €
Opening Balance at 1 January	5,726,529	5,449,648
Employee Contributions	99,754	98,617
Employer Contributions	343,416	331,068
less: pensions paid	169,826	(152,804)
less: transfer out	-	-
Closing Balance at 31 December	<b>5,999,873</b>	<b>5,726,529</b>

- iv. The pension liability for the staff and Ombudsman/Deputy Ombudsman superannuation schemes at 31 December 2021 is €19,034,000 (2020: €15,523,000). This liability is not reflected in these financial statements. It is based on an actuarial valuation carried out by a qualified actuary using the financial assumptions below for the purpose of FRS 102.

The main financial assumptions used were:

	2021	2020
Discount rate	1.50%	1.00%
Rate of increase in salaries	3.70%	2.90%
Rate of increase in pension	3.20%	2.40%
Inflation	2.20%	1.40%

## (B) (i) Superannuation - Single Scheme Staff

The Minister for Public Expenditure and Reform, based on actuarial considerations and pursuant to section 16 (4) of the Public Service Pension (Single Scheme and Other Provisions) Act 2012 has decided that:

- an employer contribution is to be paid in respect of certain members of the Single Public Sector Pension scheme and
- The rate of that Employer contribution is equal to three times the employee contribution paid by the single scheme member.

Employer contributions must be paid by public service bodies who are financed “wholly or mainly from sources other than directly or indirectly out of the Central Fund”. As a self-financing public body, the sum of €340,034 represents the FSPO’s liability for employer contributions to the Single Public Service Pensions scheme.

## ii. Retirement Benefit Cost

	2021 €	2020 €
Total Employer Contributions	340,034	264,945
Current Service Costs*	470,000	429,000
Interest Costs	18,000	17,000
Benefits paid	-	-
Adjustments to Deferred Exchequer Pension Funding	(488,000)	(446,000)
Total charged to Statement of Income & Expenditure & Retained Revenue Reserves	<b>340,034</b>	<b>264,945</b>

\*Employee contributions have been included in the calculation of the current service costs figure.

**iii. Movement in net retirement benefit obligations (SPSPS) during the financial year**

	2021 €	2020 €
Net Pension Liability at 1 January	1,347,000	807,000
Current Service Costs	470,000	429,000
Interest Costs	18,000	17,000
Experience losses/(gains) on scheme liabilities	(44,000)	(13,000)
Changes in assumptions	164,000	107,000
Benefits Paid	-	-
Net Pension Liability at 31 December	<b>1,955,000</b>	<b>1,347,000</b>

**iv. Deferred funding for retirement benefits**

The Financial Services and Pension Ombudsman recognises as an asset, an amount corresponding to the above unfunded liability, as an asset on the basis of the provisions of Section 44 of the Public Sector Pensions (Single Scheme and other provisions) Act 2012.

**v. DPER Creditor Balance**

	2021 €	2020 €
Opening Balance at 1 January	32,522	22,906
Employee Contributions	111,420	88,324
Employer Contributions	340,034	264,945
Payments to DPER	(443,866)	(343,653)
Closing Balance at 31 December	<b>40,110</b>	<b>32,522</b>

## 10. Financial Commitments

There are no capital commitments for capital expenditure at 31 December 2021.

## 11. Contingent Liabilities / Legal Actions

Decisions of the Ombudsman are legally binding upon the parties to a complaint but can be appealed to the High Court by either the complainant or the respondent financial service provider or pension provider. A decision may also be challenged in the High Court by way of Judicial Review. The FSPO has provided for expected costs in respect of all appeals notified to it, as at 31 December 2021 (see Note 8). The FSPO has not provided for any further appeals or Judicial Review proceedings that may be notified to it in the future, in respect of decisions issued up to 31 December 2021. It is not possible to reliably estimate the expected level of such court proceedings or the related legal costs.

## 12. Council Members – Disclosure Of Interests

The Council adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to disclosure of interests by Council members and these procedures have been adhered to in the period. There were no transactions in the year in relation to the Council's activities in which the Council members had any beneficial interest.

## 13. Lease Commitment

	2021 €	2020 €
<b>Lease Commitment</b>		
Payable within one year	464,435	464,435
Payable within two to five years	1,291,502	1,769,740
Payable after five years	-	424,094
	<b>1,755,937</b>	<b>2,658,269</b>

### Accommodation

The Financial Services and Pension Ombudsman operated from two premises in 2021.

The first premises is located on the ground, 3rd and 4th floor of Lincoln House, Lincoln Place, Dublin 2. The office space on the 3rd floor has a 20-year lease (commenced 2006). The current office space on the 4th floor has an 11 years, 1 month and 15 day lease (commenced March 2015). In July 2021, the FSPO entered into a licence agreement permitting its use of the ground floor until March 2025.

The second premises is located on the basement floor, 6 Clare Street, Dublin 2 (Commenced November 2020).

The annual cost of the leases excluding service charge is €442,435 for the premises located at Lincoln House, Lincoln Place, Dublin 2.

The annual cost of the leases excluding service charge is €22,000 for the premises located at 6 Clare Street, Dublin 2.

## 14. Council Remuneration

		2021 €	2020 €
Maeve Dineen	Chairperson	21,600	21,600
Valerie Bowens	Council Member	12,600	12,600
Ann Duffy (appointed Jan 2021)	Council Member	12,600	-
Don Gallagher	Council Member	12,600	-
Dermott Jewell	Council Member	12,600	12,600
Mick McAteer (appointed Jan 2021)	Council Member	12,600	-
Ken Murnaghan	Council Member	12,600	12,600
Deborah Reidy (term ended Dec 2020)	Council Member	-	12,600
Elizabeth Walsh (term ended Dec 2020)	Council Member	-	12,600
		<b>97,200</b>	<b>84,600</b>

### 14(A) Council Travel And Expenses

Travel and meeting expenses paid to the Chairman and Council Members are broken down as follows:

	2021 €	2020 €
Travel Expenses	-	94
Meeting Expenses	-	-
	<b>-</b>	<b>94</b>

## 15. Related Party Transactions

No related party transactions were noted during the year under review.

## 16. Reserves

	Retained Revenue Reserve €	Designated Reserve €	Capital Account €	Total €
<b>Opening Reserves</b>	689,013	907,448	817,791	2,414,252
(Deficit)/ Surplus for the year	(1,384,056)	-	-	(1,384,056)
Transfer to / from Capital Account	211,954	-	(211,954)	-
Transfer to /from Designated Reserve	907,448	(907,448)	-	-
<b>Closing Reserves</b>	<b>424,359</b>	<b>-</b>	<b>605,837</b>	<b>1,030,196</b>

In accordance with the Office of the Financial Services and Pension Ombudsman's financial strategy, the designated reserves have been established as a contingency reserve to cover any significant costs arising from legal challenge to any part of the Ombudsman's rulings. The reserve had been set at €1.5m and is fully released back to the General Reserve due to the legal provision of €1,618,591.

## 17. Events After Reporting Period

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

## 18. Approval Of Financial Statements

The financial statements were approved by the Financial Services and Pensions Ombudsman on 30 June 2022.



An tOmbudsman Seirbhísí  
Airgeadais agus Pinsean

Financial Services and  
Pensions Ombudsman

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