

## **Financial Services and Pensions Ombudsman received record number of complaints in 2023, rising by 29%**

**FSPO delivered outcomes worth over €4.7 million to consumers last year**

**12% increase in number of complaints closed in 2023 (5,184)**

The Financial Services and Pensions Ombudsman, Liam Sloyan, today published his Overview of Complaints for 2023, detailing the work of the FSPO in resolving complaints from consumers and small businesses / organisations, against financial service providers and pension providers.

Complaints to the FSPO rose to a record high of 6,182 in 2023, increasing 29% since 2022. The number of complaints closed by the FSPO also rose significantly since 2022, by 12%, as the FSPO closed 5,184 complaints.

Despite a steep rise in the number of complaints received, the FSPO closed many of these complaints through dispute resolution (mediation) processes and early-stage assessments and interventions, with 85% of complaints that closed closing within 12 months of the complaint being made.

Key statistics in the Overview include:

### **6,182 complaints received:**

- 24% of complaints concerned Customer Service issues – the conduct most complained of.
- 80% of complaints were made in the Republic of Ireland with 20% made from overseas.
- The banking sector made up 62% (3,850) of complaints received.
- Insurance sector complaints accounted for 23% (1,446) of all complaints made.
- 461 and 336 complaints were received concerning the Investment and Pension sectors respectively.
- This year, the FSPO also began collecting figures for non-regulated entities and 74 such complaints were received.
- Dublin saw the highest number of complaints by county with 1,746 complaints made in 2023. This is followed by Cork (506) and Kildare (283).

### **5,184 complaints closed, delivering outcomes worth €4,712,120:**

- €2,943,493 agreed through mediation
- €321,330 directed through legally binding decisions
- €1,271,754 paid to complainants by providers across 114 complaints which were resolved before the conclusion of the FSPO's formal investigation process.
- €175,543 in redress from providers, which resulted in complaints that were not upheld because the provider had made an offer during the investigation that the FSPO determined was satisfactory.

Commenting, the Financial Services and Pensions Ombudsman, Liam Sloyan said:

“Customer service is again the conduct most complained of for the third year in a row. It is disappointing that many of the complaints received by this Office continue to be of a nature that could be resolved earlier, without a need for our services”.

“Throughout 2023 the FSPO continued to help and assist thousands of customers who were unhappy with the resolution of their complaint by their service provider across banking, insurance, investments and pensions. We managed an increased volume of complaints in 2023 and closed over 500 more complaints than 2022, which is testament to the commitment of our team and a continued focus on improving our processes for customers.”

Liam Sloyan added: “It is important for providers to consider what measures they can take to reduce the number of complaints arising. An increase of almost 30% in the number of complaints being made to the Financial Services and Pensions Ombudsman in just one year should be a cause for reflection amongst providers”.

“It’s notable that since the introduction of mediation as the default complaint resolution method to resolve complaints, we have achieved considerable success in facilitating resolution of complaints by agreement directly between providers and their customers. Typically, more than 70% of complaints referred to mediation are successfully resolved through a mediation settlement or clarification of the complaint.”

### **Complaint resolution timelines**

Improving complaint resolution timelines has remained a key focus for the FSPO. 85% of complaints that closed in 2023 were closed within 12 months of the complaint being made, mainly through early-stage interventions or dispute resolution (mediation) processes.

For all complaints that closed in 2023, including both tracker mortgage complaints and other complaints, the average time from receipt of complaint to closure, was 8.6 months. Excluding tracker mortgage complaints, the average time from receipt to closure was seven months.

“Our Workforce Plan has received approval from the Minister for Finance, which allows us to recruit 38 new employees. These additional resources will improve our capacity to address the rising number of complaints received and will further improve our service delivery.”

### **Referrals to the authorities**

Throughout 2023, the FSPO continued to engage and update Government, regulators and policy makers, highlighting trends and potentially systematic issues arising from complaint outcomes which may warrant consideration. 9 legally binding decisions were referred to the Central Bank of Ireland (CBI), as well as 107 tracker mortgage related decisions and 26 decisions issued in complaints concerning declined insurance claims for business interruption losses.

### **Disputed transactions**

Nearly a quarter of all banking complaints received included the conducts grouped under the heading Disputed Transactions, which includes the issue of financial scams and fraud. The FSPO cannot investigate instances of fraud, which are a matter for An Garda Síochána. However, the FSPO does investigate complaints which relate to service failings of the provider in dealing with a customer who suspects fraud on their account.

### **Ends**

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### **Notes to Editor**

- Mr. Liam Sloyan was appointed Financial Services and Pensions Ombudsman by the Minister for Finance from 1 December 2022.
- The services of the FSPO are available to consumers including businesses and other entities with a turnover not exceeding €3million.
- The FSPO deals with complaints informally at first, by listening to both parties and engaging with them to facilitate a resolution that is acceptable to both. Informal mediation allows a faster resolution. When these early interventions do not resolve the dispute, the FSPO investigates the complaint and subsequently issues a decision that is legally binding on both parties, subject only to a statutory appeal to the High Court. The FSPO publishes a list of active statutory appeals on its website.
- The Ombudsman can direct a financial service provider to pay compensation of up to €500,000 to a complainant and/or to rectify the conduct that is the subject of the complaint. There is no limit on the value of the rectification that can be directed.
- The Ombudsman can direct a pension provider to fix or correct an issue. The legislation governing the FSPO sets out that any financial remedy by the Ombudsman cannot exceed any actual loss of benefit under the pension scheme concerned.
- Decisions issued on complaints against financial service providers are available at [www.fspo.ie/decisions](http://www.fspo.ie/decisions)