

Redress Pathways and Risk Team
Financial Conduct Authority
12 Endeavour Square
London, E20 1JN

8 October 2025

Dear Sir / Madam,

Consultation Paper CP25/22: Modernising the Redress System

Thank you for the opportunity to respond to the consultation on Modernising the Redress System.

Summary

1. We welcome the package of proposals to provide greater guidance to the sector on what is classified as a mass redress event and the strengthening of liaison between the Financial Ombudsman Service (FOS) and the FCA in relation to identifying potential mass redress events.
2. We support in principle the proposed introductions of a 'lead complaints' process and a new registration stage.

Background

3. The Ombudsman Association (OA) is the professional association for ombudsman schemes and complaint handling bodies in the UK, Ireland, the British Crown Dependencies, and the British Overseas Territories.
4. The OA's membership criteria¹ are recognised both in the UK and internationally as representing best practice. This is reflected in the UK Cabinet Office's *Guidance for government departments on setting up Ombudsman schemes*,² which addresses the point of when it is appropriate to use the title 'ombudsman', and in the criteria used by Companies House on when a company can use the protected term 'ombudsman'.³
5. The Vision of the OA is that throughout the public and private sectors:
 - It is straightforward and simple for people to complain.
 - People making a complaint are listened to and treated fairly.
 - A complaint is dealt with quickly, fairly and effectively at the earliest stage by suitably trained staff.
 - People have access to an ombudsman in all areas of consumer and public services.
 - The learning from a complaint is used to improve services.

¹ www.ombudsmanassociation.org/about-us/join-ombudsman-association

² www.gov.uk/government/publications/new-ombudsman-schemes-guidance

³ www.gov.uk/government/publications/incorporation-and-names/annex-a-sensitive-words-and-expressions-or-words-that-could-imply-a-connection-with-government

Q1: Do you agree with the proposed criteria for considering whether an issue is a mass redress event?; Q2: Do you agree with the guidance provided in Annex 4 of this consultation paper, for how firms can proactively identify and rectify potential issues?; Q3: Do you agree with the additional guidance proposed at SUP 15.3.8G for when firms are expected to report serious redress risks or issues to the FCA?

6. We agree with the view set out in the 'Call for Input' that the most effective way to mitigate the risk of a mass redress event is for firms to take prompt, proportionate, and proactive action to identify and resolve harm.
7. We welcome the package of proposals to provide greater guidance to the sector on what is classified as a mass redress event and the strengthening of liaison between FOS and the FCA in relation to identifying potential mass redress events.

Q4: Do you support the introduction of a 'lead complaints' process to address novel and significant complaint issues?; Q5: Do you think that the lead complaints process will achieve its intended benefits?; Q6: Do you agree that firms should be allowed to pause related complaints while lead cases are under investigation in the lead complaints test process?; Q7: What safeguards should there be to ensure the lead complaints process is not used to delay or avoid complaint resolution?

8. We support in principle the proposed introduction of a 'lead complaints' process and are persuaded by the potential benefits, which would mirror the approach successfully taken by some other ombudsman schemes in the UK and Ireland. Careful consideration will need to be given to how that is implemented, and the operation of it monitored, particularly the 'pausing' of related complaints, to ensure it does not unintentionally create a scenario in which "justice delayed is justice denied".

Q8: Do you agree in principle with the introduction of a new registration stage before a complaint is investigated by the Financial Ombudsman?; Q9: Do you agree that the registration stage will help complainants preparing and submitting complaints to the Financial Ombudsman?; Q10: What safeguards should there be to ensure the registration stage does not limit access to justice, particularly for vulnerable consumers?; Q11: Do you agree that the Financial Ombudsman being able to pause or pass back cases at the new registration stage would improve respondent firms' ability to manage mass redress events or emerging regulatory issues?; Q12: Do you agree that the Financial Ombudsman should consider differential case fees for cases in the registration stage?

9. We support in principle the introduction of a new registration stage and, implemented well, are persuaded that it should provide FOS with the flexibility to more efficiently manage complaints and support a more proportionate and transparent charging model. As with the other proposed changes, the implementation of it will need to be monitored to ensure that it does not unintentionally introduce undue delay into the customer journey.

Yours sincerely



Donal Galligan
Chief Executive