

The Financial Ombudsman Service ("the FOS") and Internal Complaints Procedure

Under the Consumer Credit Rules 2006 (effective from 6 April 2007) all holders of a Consumer Credit Act Licence must have in place a written internal complaints handling procedure to deal with any complaints arising under Consumer Credit and Consumer Hire Agreements.

1. **Publication of the Complaints Procedure**

1.1 A lender or hiror must:

- a) refer a borrower/hirer in writing to the availability of its complaints procedure when, or immediately after, it enters into the Consumer Credit Agreement;
- b) supply a copy of the complaints procedure to the borrower/hirer on request and automatically supply a copy to the borrower/hirer when a complaint is received (unless the complaint is resolved by close of business on the next business day); and
- c) display in each of its branches or sales offices to which borrowers/hirers have access, a notice indicating that the lender/hiror is covered by the FOS.

2. **Matters to be covered by the Complaints Procedure**

2.1 The complaints procedure should provide for:

- a) receiving complaints;
- b) responding to complaints;
- c) the appropriate investigation of complaints; and
- d) notifying complainants of their right to go the FOS.

2.2 The complaints procedure should enable complainants to make a complaint by any reasonable means (eg. letter, telephone, email or in person).

2.3 The complaints procedure must provide for:

- a) complaints to be investigated by an employee of sufficient competence who, where appropriate, was not directly involved in the subject of the complaint;
- b) the employee must have authority to settle complaints (including offering redress where appropriate) or have access to someone who has the necessary authority; and
- c) responses to complaints to address adequately the complaint and, where a complaint is upheld, to offer appropriate redress.

3. **Time limits for dealing with a complaint**

3.1 A lender/hiror must send a written acknowledgement of a complaint to the complainant within five business days of its receipt, giving the name or job title of the individual handling the complaint (together with details of the lender's/hiror's complaints procedures).

- 3.2 A lender/hiror should aim to resolve complaints at the earliest possible stage and must within 4 weeks of receiving a complaint send the complainant either:
- a) a final response; or
 - b) a holding response explaining why it is not yet in a position to resolve the complaint and indicating when it will make further contact (which must be within 8 weeks of receipt of the complaint).
- 3.3 A lender/hiror must by the end of 8 weeks after its receipt of a complaint, send to the complainant either:
- a) a final response; or
 - b) a response which:
 - i) explains that it is still not in a position to make a final response, gives reasons for the further delay and indicates when it expects to be able to provide a final response; and
 - ii) informs the complainant he may refer the complaint to the FOS if he is dissatisfied with the delay and encloses a copy of the FOS's explanatory leaflet.
- 3.4 When a lender/hiror sends a complainant its final response, the final response must:
- a) inform the complainant that he may refer the complaint to the FOS if he is dissatisfied with the final response and that he must do so within 6 months; and
 - b) enclose a copy of the FOS's explanatory leaflet (unless this has already been done).
- 3.5 A complainant can refer his complaint to the FOS if he receives a final response with which he is dissatisfied or the lender/hiror has had at least 8 weeks to resolve the complaint and has failed to do so in that time. The complainant may decide whether to give the lender/hiror more time before exercising any right he may have to refer a complaint to the FOS.
- 3.6 The six month time limit within which a complainant must refer a complaint to the FOS begins of the date when the final response is sent by the lender/hiror.