

## Advisers call for FOS staff to have greater experience and qualifications

27 April 2011 9:07 am | By [Steve Tolley](#)

IFAs have called for Financial Ombudsman Service adjudicators to have industry experience and minimum industry qualifications, in a survey by PanaceaIFA.com.

The [survey](#) shows nearly 99 per cent of advisers surveyed agreed with the call with 92 per cent saying the Ombudsman did not have a solid understanding of the issues it considers.

PanaceaIFA chief executive Derek Bradley (pictured) says: "The Personal Investment Authority Ombudsman operated to industry qualification levels but the FOS, despite being advised to, does not. Competent staff are vital and would help improve the service for customers and advisers."

A FOS spokesman says: "Staff are recruited on the basis of a range of criteria including, as appropriate, specialist qualifications and experience. However, qualifications and financial industry experience alone do not necessarily make someone a good adjudicator, staff also need to be able to investigate and resolve complaints fairly and impartially."

PanaceaIFA surveyed 302 of its members, 90 per cent of whom thought the lack of a long-stop was "unreasonable and unfair". The results have been passed to Treasury select committee member Mark Garnier who, along with the rest of the committee is working on a report into the RDR.

In March FSA chief executive Hector Sants [told](#) the TSC the FSA would be willing to revisit the long-stop issue if the committee recommends it should. The report is expected next month.

Garnier says: "Unofficially my colleagues on the committee were pleased to hear Sants make his comments. It is an interesting survey and its good to know how advisers feel about this as we put our report together."

The survey says 90 of respondents said the FOS rules place IFAs at a disadvantage from the outset of the adjudication process with 82 per cent saying the Ombudsman's decisions are generally unfair and 64 per cent saying they had faced manufactured accusations from people attempting to gain compensation.

Just 5 per cent voted to keep the status quo which sees the defending firm paying case fees after three uncharged cases a year regardless of the outcome.

It says 97 per cent of advisers want complainants to produce relevant tangible evidence supporting their claim to an institution like the small claims court before it can be considered by the FOS.

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Simon Mansell | 27 Apr 2011 9:42 am

302 of its members- now thats a survey. Better than the three Australian firms used by the FSA to justify culling 30% of advisers and £1.7b to £3.10b RDR costs!

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Simon Mansell | 27 Apr 2011 9:48 am

Better still what we need is accountability to the courts. In law the judge and lawyers are not experts but they use expert witnesses to advise where necessary. If there was a right of appeal to the courts FOS would overnight get up to speed because they would know their standards would be subject to judicial scrutiny. Costs would not increase because very few cases would run to appeal and if they did then the appellant would pay.

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Julian Stevens | 27 Apr 2011 9:48 am

And what will the TSC do if the result of the FSA's revisitiation of the issue of the longstop is that it sees no reason to change its stance (the outcome on which I'd be prepared to bet good money)? More to the point, what CAN it do?

As I understand the situation, the answer is nothing, for the simple reason that neither the TSC or any other body has any power to direct the FSA to do anything it doesn't want to.

Hence the urgent need for an Independent Regulatory Oversight Committee with absolute power of veto over anything that the FSA does or proposes doing. The creation of such a body has to be at the top of AIFA's new agenda.

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Norm d'Plume | 27 Apr 2011 9:50 am

"FSA would be willing to revisit the long-stop issue if the committee recommends it should" - On past performance they'll revisit it when asked and still say, "No!" More weasle words from HS?

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gerry roberts | 27 Apr 2011 10:13 am

Wonder what the result would be if you asked the public rather than the industry the same question?

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cortessin | 27 Apr 2011 10:22 am

Gerry, the public will have their own list of grievances too, no doubt with good reason. At the moment the voices of the various consumer interest groups within regulation fight that corner only too well and ignore the uncomfortable facts this survey throws up.

The point is the FOS should be fair and reasonable and investigate complaints on the basis of evidence available and/ or the balance of probability. Many think this is not what is happening.

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Shaks | 27 Apr 2011 3:01 pm

David Trenner, the "box checkers" at the FOS are by no means low paid admin types. The FOS employs dozens if not hundreds of contractors through recruitment agencies on daily rates from £200- £350.(£50k - £90k-pa) Thats top class

money for checking boxes, no liability and normal business hours. Its a scandal, as normal salaries for this mundane work would command no more than £20k pa. When can I start???

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