

# COMPLAINT HANDLING - THE NEW REQUIREMENTS

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The latest changes to complaints handling came into force on 30 June 2016. These changes were outlined in the Financial Conduct Authority's (FCA) Policy Statement 15/19 on Improving Complaints Handling published in July 2015, which followed on from the [FCA's](#) consultation in December 2014 on 'Improving Complaints Handling'.

The [FCA's](#) aim with these latest changes is to further improve consumer outcomes especially in relation to complaints resolved by firms through the informal process allowed under the rules. Firms need to be aware of the additional requirements brought about by these changes.

## Key changes

- Extending the time for dealing with a complaint informally from the end of the next business day following receipt of the complaint (the next business day rule) to the close of business on the third business day following receipt of the complaint. This gives firms more time to try to resolve less complex complaints informally.
- If a complaint is resolved by the end of the third business day after receipt, firms do not need to send a tailored final response letter but must send their customer a written 'summary resolution communication' making the customer aware they can take their complaint to the Financial Ombudsman Service (FOS) if dissatisfied with the response. This is intended to act as an industry incentive to handle complaints correctly from the start.
- All complaints received by firms must be reported to the [FCA](#). This now includes those resolved by the close of the third business day following receipt. This means that consumers will have access to more complaints data which will, through the changes in

the complaints return, be more transparent, customer focused and contextualised than previously.

- A revised complaints return must be completed. Firms must send the FCA data twice a year covering **all** complaints they have received. The first reporting of informally resolved complaints will start with the complaints return due for submission on or after 1 July 2016, so firms will need to have maintained full records of both formal and informal complaints made since January 2016. The reporting requirements impose a mandatory duty to keep such records to enable meaningful analysis and reporting.

## Comments

The new rules affect all firms across the financial services sector.

As all complaints now have to be recorded and notified, the changes are likely to have a significant operational impact upon firms, not least being the additional resource required to capture and process that additional data and make the necessary reports to the FCA. Firms now need to be recording anything that is an expression of dissatisfaction, oral or written, whether the firm considers it justified or not, where financial loss, material distress or material inconvenience has been, or may be, suffered by the complainant.

Training for staff previously handling non-reportable complaints should be considered.

It is also likely that the requirement to send a 'summary resolution communication' to consumers where the complaint has been resolved within three business days will result in an increase in the number of complaints received by the FOS. The FOS did not previously have jurisdiction over complaints resolved within the next business day rule.

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