



Simplifying
Complaints,
Strengthening
Compliance.

2024 Review: Insights from FCA and FOS Complaint Data





A WORD FROM OUR CEO

The Financial Conduct Authority (FCA) and the Financial Ombudsman Service (FOS) have released complaint data spanning the second half of 2023 (H2 2023) and the first half of 2024 (H1 2024). This data provides valuable insights into consumer experiences across the financial services sector, highlighting key themes and systemic issues while reinforcing the importance of the new Consumer Duty regulations. Here, we explore these insights, identify recurring challenges, and propose actionable steps for firms to align with regulatory expectations and enhance customer outcomes.

As we reflect on the data from 2023 and 2024, it is evident that while progress has been made in some areas, systemic challenges persist. Firms must view this report not only as a reflection of past trends but as a roadmap for future improvement under the Consumer Duty framework. By addressing root causes and fostering a culture of continuous learning, we can collectively raise the standard of customer outcomes in financial services.



MATT PORTER
CEO

Key FCA Data Insights

Reporting Period - January to June 2024

Based on analysis of the published FCA complaint data



Opened

1.87m



Closed

1.83m



Carried Forward

1.56%



Upheld

58%



Closed SLA 3%

43%



8WK Breach %

7%

Overall Trends

Volume of Complaints: In H2 2023, firms received approximately 1.87 million complaints, a slight decrease from 1.89 million in the previous period. By H1 2024, this number fell further to 1.86 million (a 4% decline).

Complaint Resolution: The percentage of upheld complaints dropped from 61% in H1 2023 to 58% in H2 2023. Despite fewer complaints being upheld, the total redress paid increased by 10% to £259 million, indicating a rise in the value or severity of upheld cases.

Sector-Specific Trends

Rising Complaints:

- Decumulation & Pensions: Up 7.1% (86,885 to 93,023 complaints).
- Insurance & Pure Protection: Increased by 1.4% (754,010 to 764,254 complaints).
- Investments: Grew by 2.1% (61,513 to 62,806 complaints).

Declining Complaints:

- Banking & Credit Cards: Significant 9.6% decrease (941,664 to 850,948 complaints).
- Home Finance: Modest 1.7% decline (94,881 to 93,237 complaints).

Key FOS Data Insights

The FOS reported a significant surge in new complaints, with 73,692 cases between July and September 2024, marking a 58% increase compared to the same period in the previous year. Despite the overall decrease in firm-reported complaints, escalating cases to the FOS indicates unresolved dissatisfaction, highlighting critical areas for improvement.

Key Trends

1. Credit Cards:

- Complaints reached a record quarterly high of 22,366, up from 4,505 the previous year.
- Issues include irresponsible lending, high credit limits, and unaffordable borrowing.

2. Fraud and Scams:

- Complaints surged to 9,091, compared to 6,264 the previous year.
- Authorised push payment (APP) scams accounted for 4,956 cases, underlining the need for robust fraud prevention.

3. Current Accounts:

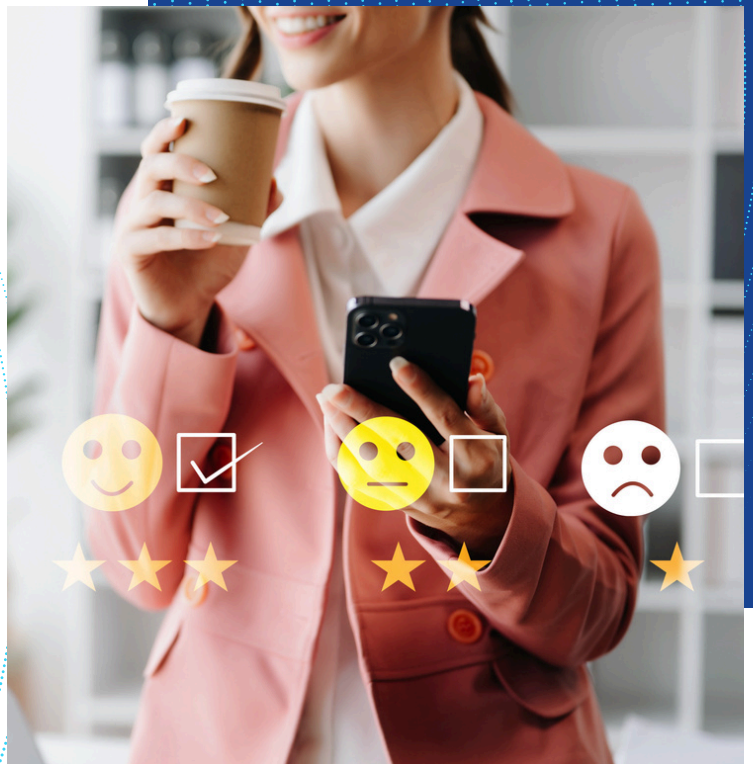
- Complaints rose to 9,186, up from 7,880, with recurring issues such as service failures and insufficient support.

High Uphold Rates

- Credit Cards & Personal Loans: High uphold rates reflect inadequate affordability checks and unsustainable lending practices.
- Fraud and Scams: Persistent issues with APP scams highlight delays and insufficient fraud detection measures.
- Pensions & Investments: Miscommunication and unsuitable advice lead to recurring consumer grievances.

The Consumer Duty Imperative

Under the Consumer Duty, firms must deliver good outcomes for retail customers. High uphold rates are a red flag, signalling potential systemic failings in business-as-usual (BAU) operations.



DISP Requirements: Root Cause Analysis and Proactive Measures

To meet the FCA's DISP rules, firms should:

1. Identify Patterns: Analyse complaints data to uncover recurring systemic issues.
2. Assess Processes: Evaluate whether operational practices contribute to poor outcomes.
3. Implement Preventative Measures:
 - Enhance Policies and Training: Equip staff to address issues proactively.
 - Improve Transparency: Clearly communicate product terms and risks, especially in complex areas like pensions and investments.
 - Strengthen Fraud Prevention: Invest in advanced fraud detection systems and educate consumers on self-protection.

Learning and Continuous Improvement

The FCA expects firms to resolve grievances while learning from them to improve services and prevent recurrence. This involves:
Feedback Loops: Use complaints data to refine products and services.

Regular Reviews: Continuously evaluate and adapt processes to address systemic weaknesses.

Collaboration: Share best practices across the industry to anticipate and mitigate emerging risks.

Conclusion

The FCA and FOS data from H2 2023 and H1 2024 underscore the critical need for firms to address systemic issues and align with the Consumer Duty. High uphold rates, fraud escalations, and recurring complaints highlight areas requiring urgent attention. By prioritising root cause analysis, implementing preventative measures, and fostering continuous improvement, firms can enhance customer outcomes, reduce regulatory risks, and build long-term trust in the financial services sector.

Simplifying Complaints, Strengthening Compliance.



Company Introduction

Bridgetech specialise in designing software systems for regulated industries, particularly the financial services sector. Our systems help with compliance, fraud detection or any regulatory issues that have the potential to damage a business. Bridgetech software enhances operational efficiencies and reduces overheads, creating clear, consistent and reliable outcomes every time.

Forseti

Forseti is the complaints management journey that follows industry best practices, aligned to FCA DISP regulations, designed to help you transform your complaints into a super power, whilst staying on the right side of regulatory pressure.

Here's how it helps:



Comprehensive Record Keeping

Forseti provides a centralised system for logging, tracking, and resolving complaints, ensuring all interactions and outcomes are meticulously recorded. This helps meet FCA's record-keeping standards.



Root Cause Analysis

Forseti enables detailed root cause analysis of complaints, allowing businesses to identify systemic issues and address them proactively, as required by FCA guidelines.



Timely Response Management

With automated reminders and progress tracking, Forseti ensures complaints are handled within FCA-prescribed timelines, reducing the risk of non-compliance.



Real-Time Reporting

Generate FCA-compliant reports in real time, demonstrating transparency and readiness for audits or supervisory checks.

Is your business ready to streamline complaints and strengthen FCA compliance? Schedule your consultation and turn complaints into your super power!

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