



# *All Party Parliamentary Group on* **Insurance & Financial Services**

## **Ombudsman report challenges both industry and consumers**

THE GROUP'S REPORT on the Financial Services Ombudsman has quickly proved controversial for its refusal to wholeheartedly endorse either the industry viewpoint or the proposals from consumer groups.

Among the key recommendations the group made were two that disappointed the industry: its refusal to endorse proposals for a refundable fee to be paid by consumers taking a complaint to the FOS and the recommendation that the £100,000 limit on awards be abolished or at least lifted substantially.

Consumer groups were hoping for a tougher stance on the publication of data about complaints against individual firms but the group urged caution on this front.

The report, which has been submitted to the review of the FOS being carried out by Lord Hunt, a deputy chairman of the group, did sympathise with the industry's demands for a more constructive and open dialogue over issues of wider significance to the whole market and echoed its concerns over the dangers of retrospective judgements.

The group will also be taking forward its recommendations for a thorough review of banking law and regulation with the Law Commission and the Treasury.

The group's report (which can be downloaded from the website) has been widely covered in the financial and specialist press and featured on Radio 4's Money Box programme.



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**Insurance &  
Financial Services**

### **Report into the Financial Ombudsman Service and the Hunt Review**

**January 2008**

[www.appgifs.org.uk](http://www.appgifs.org.uk)

**Report: sent to Lord Hunt's review**

## **Group to hear first hand from Otto Thoresen**

ONE OF THE most eagerly awaited reports in the retail financial services sector is that due shortly from Otto Thoresen.

The Aegon UK chief executive was commissioned by the Treasury last January "to deliver a blueprint for a national approach to generic financial advice" and in October last year the review team started some two month long pilot trials of a new system of generic advice.

With the final report due to be submitted to the Treasury very soon, key

members of the group will be able to hear first hand from Mr Thoresen at a special lunch attended by insurance company chief executives, arranged jointly by the Chartered Insurance Institute and Beachcroft solicitors.

The work of the Thoresen Review has been a frequent theme of presentations to the group over the last year.



**Thoresen Review**  
of Generic Financial Advice

## *News Bulletin*

*No 17 Jan 2008*

## **FSA team briefs members on key regulatory issues**

THE FINANCIAL SERVICES Authority tackled a wide ranging agenda when it briefed the group earlier this month.

The FSA team led by Sarah Wilson, director and insurance sector leader, reported on the latest developments on with profits insurance and the reattribution of inherited estates; the new insurance conduct of business (ICOB) rules; the regulation of connected travel insurance; and the Retail Distribution Review.

It was the problems surrounding inherited estates that provoked the most discussion among members with several urging the FSA to re-examine whether mis-selling costs can be charged to an inherited estate. This arose in the autumn in relation to the Norwich Union Life estate and the FSA has now decided to consult further on this.

**Chairman:** John Greenway MP  
**Deputies:** Baroness Turner of Camden, Vince Cable MP, Lord Hunt of Wirral  
**Hon Secs:** Sir John Butterfill MP, Jim Cousins MP, Edward Leigh MP

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