



CMR business bulletins aim to highlight current developments and provide an update on issues that are of interest or affect claims management services.

This bulletin includes important information about contacting the Financial Ombudsman Service about progress on PPI complaints; new authorisation fee levels for 2014/15; changes to OFT consumer credit licences; and the use of other companies' trademarks.

Requesting PPI updates from the Financial Ombudsman Service

If you have sent a case to the Ombudsman Service and they have confirmed they have sufficient information to be progressed, we do not expect you to send routine, scheduled requests for updates – these will delay the Ombudsman Service in investigating individual complaints. The Ombudsman Service will get in touch periodically to let you know what is happening and will contact you with a specific update about any progress made in an individual client's complaint. You, and your clients, can also find out what's happening with PPI complaints by using the information provided on their website at <http://www.financial-ombudsman.org.uk/contact/PPI-your-case.html> or subscribing to monthly email updates available in that resource.

Some CMCs are chasing the Ombudsman Service for updates on PPI complaints unnecessarily. Many of these enquiries are being made *before* deadlines for financial businesses to respond and timeframes for making payments to customers have expired.

Such conduct is irresponsible and a potential breach of General Rule 2. You should provide information about the process and timescales in order to manage clients' expectations but should only chase progress from the Ombudsman Service in exceptional circumstances when such action can be justified.

Regulation fee levels for 2014/15

Our response to the consultation exercise on regulation fees sets out the fee levels for both new applicants and renewal fees for existing businesses for the 2014/15 regulation year. In summary this means that:

- The application fee will remain £1,400
- Annual regulation fee bands for CMCs with annual turnovers below £15,000 will be frozen from 2013/14 levels

- Annual regulation fee bands for CMCs with annual turnovers between £15,000 and £142,000 will increase by 10%
- The percentages of annual turnover levied above £142,000 will increase as consulted on
- The fees cap will increase by 10% to £55,000.
- The annual fee uplift for businesses in the financial products and services sector will be increased by 15% to 0.145% of annual turnover and capped at £55,000.

Further details can be found at:

<https://consult.justice.gov.uk/digital-communications/regulation-fees>

Renewal of annual authorisation fees

Instructions regarding how to log on and complete the online 'renewal' process to pay your annual regulation fee for 2014/15 have been sent to all businesses. You should have completed the online form by now.

Please contact us immediately on 0333 200 1320 or business@claimsregulation.gov.uk if you have not received these details. If a business fails to renew their authorisation and continues trading they will be subject to enforcement action.

Consumer credit licensing

From 1 April 2014, the Financial Conduct Authority (FCA) will take over the regulation of the consumer credit industry from the Office of Fair Trading (OFT).

If you currently hold an OFT licence and want to continue to carry out consumer credit activities after 1 April 2014, you must register for interim permission. This will cover you until you need full authorisation. If you don't register by 31 March 2014, you will no longer be able to legally continue with consumer credit related activities.

Further information can be found on the FCA website here - <http://fca.org.uk/firms/firm-types/consumer-credit/consumer-credit-interim>

The FCA is also currently consulting on detailed proposals for the consumer credit regime, including the scope of regulated activities specifically relating to consumer credit debt counselling.

The consultation paper and appendices are accessible on the FCA website here - <http://fca.org.uk/your-fca/documents/consultation-papers/cp13-10>

Complaints handling - reminder

Some CMCs are still failing to deal with complaints made to them by telephone. The Complaints Handling Rules 2006 make it clear that you must have effective procedures to treat **any** expression of dissatisfaction, made orally or written, as a complaint.

Enforcement action will result if you insist that clients put their complaints in writing and/or fail to treat complaints made by telephone in accordance with your complaint handling procedures.

Trademarks & intellectual property

We are aware some CMCs are using trademarks of other companies in their marketing. Examples include trademarks of banks, usually reproduced on websites of CMCs.

You must ensure you comply with Client Specific Rules 1c and 2 if you are using trademarks of other companies. Client Specific Rule 1c requires you to "ensure that all information given to the clients is clear, transparent, fair and not misleading". CSR2 requires you to comply with the 'CAP Code'. Further guidance on marketing can be found on our website - <http://www.justice.gov.uk/downloads/claims-regulation/cmr-marketing-advertising-guidance.pdf>

You should ensure that you are not infringing the intellectual property of trademark owners. The owner of the intellectual property may take action against you if they believe you are infringing their intellectual property rights. We advise that you seek legal advice before reproducing trademarks in marketing.

Key Events (First Quarter 2014/15)

- Start of the regulation year - all authorised businesses should have paid their annual fees for 2014-15.
- *Fining powers* – we will shortly be publishing a consultation paper regarding the proposed fining scheme.
- *Proposals to amend the Conduct of Authorised Persons Rules: The Financial Services Perspective* – we are analysing responses to this consultation and will be publishing the response to consultation (subject to receiving necessary clearances).

How to contact us

Call us on 0333 200 1320

Email: business@claimsregulation.gov.uk

Web: www.justice.gov.uk/claims-regulation