

News

New charge for financial product mis-selling claims

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The Financial Ombudsman Service (FOS) has started charging for compensation claims made through ‘professional representatives’.

Any application will attract a £250 fee if you submit ten or more, although if claims are successful, there’s a £175 refund. The fee comes in on 1 April. You can find out more on the FOS website.

[Find out more on professional representatives’ fees \[https://www.financial-ombudsman.org.uk/news/financial-ombudsman-service-start-charging-professional-representatives-refer-cases\]](https://www.financial-ombudsman.org.uk/news/financial-ombudsman-service-start-charging-professional-representatives-refer-cases)

We have always been clear that you should advise clients that they can make their own claims via the FOS portal and only take on clients who definitely want to apply for compensation using a professional.

All our expectations of how firms should act when making claims is laid out in the guidance we published last year.

[Go to the claims management activity guidance \[https://jobs.sra.org.uk/solicitors/guidance/claims-management-activity/\]](https://jobs.sra.org.uk/solicitors/guidance/claims-management-activity/)

We introduced new rules last year to limit the fees that firms can charge when dealing with such work. We had been working on these rules for some time but were waiting for the end of potential legal challenges against the Financial Conduct Authority’s proposals. The FCA is expert on this matter and we were mirroring its approach.

However, it was challenged on what it had drawn up, which led to a delay for us too. The rules were eventually laid in July last year. We have further information in our online guidance.

[Go to our financial product mis-selling guidance \[https://jobs.sra.org.uk/solicitors/guidance/representing-clients-during-claims-for-financial-services-or-products/\]](https://jobs.sra.org.uk/solicitors/guidance/representing-clients-during-claims-for-financial-services-or-products/)