

Commentary on Aggregate Complaints Data 2011 H1

Firms are required to report to the FSA every six months on the number of complaints they receive and how they handle them. We have previously published complaints data from 2006 through to 2010. We are now providing an update for the first half of 2011 (H1).

The data covers the following 3 areas¹:

- Volume of complaints received according to product, type of firm and cause of the complaint. Firms currently report the volumes according to 25 different product categories (e.g. credit cards). These product categories can be combined into five different product groups (e.g. Banking).
- Complaints-handling – including the proportion of complaints resolved within eight weeks and the proportion of complaints upheld by firms.
- Redress paid - this shows the redress paid in respect of complaints reported during the stated half year. This figure only covers cases where a cash value can be readily identified. It does not include other types of redress, for example extending the cover provided by an insurance policy, nor does it include redress paid which does not relate to complaints, for example redress paid as a result of enforcement action or where the firm has undertaken a review of past business.

Following publication of PS 10/12 on the assessment and redress of Payment Protection Insurance (PPI) complaints, in October 2010 the British Bankers' Association began legal proceedings to challenge these new measures. The legal challenge was rejected by the High Court on 20 April 2011 but during this time firms placed a number of their complaints about PPI on hold.

In August 2011, we published separate figures showing [how firms dealt with PPI complaints](#) in the first six months of 2011.² It is important to note that the PPI redress data solely relates to PPI complaints whereas the Aggregate Complaints Data published here cover a wider product group of 'general insurance and pure protection'³. It is also important to note that the data on PPI complaints handling refers to redress reported for each month in 2011 H1 and provides comparison between these months only. The aggregate complaints data refers to data for 2011 H1 and provides comparison to previous half years. As a result, comparison between these data sets is limited and should be avoided.

Highlights for 2011 H1

- Total overall number of complaints increased by 3% to 1,852,284 in 2011 H1 (Table 2.1).
- Complaints about 'general insurance and pure protection' increased by 18% to 848,357 (Table 2.1) and 560,892 of these were as a result of 'advising selling

and arranging' causes (Table 1). Overall, complaints about 'advising, selling and arranging' increased by 21% to 648,924 (Table 2.3)

- Included in the 'general insurance and pure protection' figures above, the total number of complaints about PPI increased by 23% to 531,667 (Table 2a)⁴.
- Complaints about 'terms and disputed sums or charges' continued to fall this half year and were the lowest since 2008 H2 at 429,423 (Table 2.3).
- The number of banking complaints were at their lowest level since 2008 H1 at 812,197. This is a 10% decrease on the previous half year and is 22% down on a year ago.
- The rise in complaints about PPI, combined with the legal case, resulted in the percentage of general insurance and pure protection complaints closed within 8 weeks decreasing from 84% in 2010 H2 to 72% in 2011 H1, contributing to the fall in the total number of complaints closed within 8 weeks.
- The total number of closed complaints decreased by 9% to 1,562,287 (Tables 2.4 and 2.5). This was mainly caused by the number of closed banking complaints which decreased by 15% to 834,145 (Table 2.5).
- The percentage upheld remained stable, increasing from 49% in 2010 H2 to 50% in 2011 H1 (Table 4.1).
- The total amount of redress paid decreased by 11% from £459m in 2010 H2 to £409m in 2011 H1 (Table 5.1). Within this, the decrease of 18% in redress paid for general insurance and pure protection will also have been affected by firms placing some of their PPI complaints on hold during the judicial review.

▲ [Back to top](#)

Technical note: interpreting the data

To provide a more detailed analysis of complaints handling data, each firm's data has been linked to the FSA's own categorisation of that firm's type (e.g. 'bank' or 'discretionary investment manager'). For information on how firms have been grouped by primary category see note 2 in the tables. This provides the analysis by 'firm type' shown for both the volumes and complaints handling data. A caveat of this analysis is that a firm of one type may do a high proportion of other kinds of business not reflected in its primary category. Therefore, this analysis does not provide a perfect match of the complaints handling information and the type of business to which it relates. This issue can also affect the change in reported complaints figures in each category between periods, as firms may switch from one category to another.

These statistics only cover reportable complaints, i.e. complaints which have not been resolved by close of business on the business day following their receipt. A complaint is resolved when the complainant has indicated acceptance of a response from the firm, with neither the response nor acceptance having to be in writing. In many cases, firms will be able to resolve a complaint, particularly an oral complaint, within this time, and it will therefore not be covered by the complaints reporting rules. By definition, we do not have figures for the numbers of complaints that are not reported to the FSA, but the recent [review of complaint handling in banking groups](#) found that the banks assessed resolved 60-80% of all complaints within this timetable.

On 1 August 2009 we introduced new complaints reporting requirements for firms. The new requirements aim to make reporting less burdensome for firms and more useful to the FSA. This means that some data from the second half of 2009 onwards will not always be directly comparable to previous data. As a result of the reporting changes, there are some alterations in the data from the second half of 2009:

- For complaints with a reporting period end date after 1 August 2009, we are able to publish the amount of redress paid split into product group and firm type (Table 5) and information on the speed of resolution and the proportion of complaints upheld split into the five different product groups (Table 3.2 and 4.2).
- As the reporting changes have amended the product categories and groups we are not able to provide trends for complaints by type of product prior to 2009. Where possible, we have mapped most of the products into their new categories and provide the data, from 2009 only, in Table 2a.

We updated all 2010 H2 aggregate data from the previous publication due to individual firm resubmissions.

The FSA's Aggregate Complaints Data are Official Statistics. Official statistics are defined in the Statistics and Registration Service Act 2007 as statistics produced by (amongst others) the (UK) Statistics Board, government departments including executive agencies, and any person designated by an order made by the Secretary of State. The FSA was designated as a body to which the 2007 Act applies by the Official Statistics Order 2009.

¹ The precise scope of the complaints reporting rules are set out in the FSA Handbook - see DISP 1.10 <http://fsahandbook.info/FSA/html/handbook/DISP>

² http://www.fsa.gov.uk/Pages/consumerinformation/product_news/insurance/payment_protection_insurance_ppi_redress/index.shtml

³ Refer to Note 1 of the statistics for the products within each product group.

⁴ For more information on PPI complaints please visit the FSA website at: http://www.fsa.gov.uk/Pages/consumerinformation/product_news/insurance/payment_protection_insurance/index.shtml

▲ [Back to top](#)