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10/11/2008

In Confidence
Mr Graham Senior-Milne
39 Castle Street
Norham
Northumberland
TD15 2LQ

Parliamentary
and Health Service

21 July 2008

Dear Mr Senior-Milne

Your complaint about the Financial Services Authority

My colleague, Angela Monaghan, wrote to you on 11 July 2008 explaining that your concerns about our decision not to accept an amendment to your complaint against the Financial Services Authority (FSA) now fall to be considered by me, under our internal complaints procedure.

We take complaints about our decisions and service very seriously and recognise that they are an important aid to improving our service. In view of your concerns, I arranged to have our decision reviewed by one of the Ombudsman's reviewers. Her brief was to take a fresh look at our handling of your complaint, with a view to assessing whether our decision not to accept an amendment to your complaint was sound. She has now completed her review and I can let you have my conclusions.

Following our decision to decline your complaint as outwith the Ombudsman's jurisdiction, you contacted Andy Comber saying that you wished to amend your complaint to cover prudential regulation of Scottish Widows by the FSA during the period January 1999 to December 2001. Mr Comber advised you subsequently that this change could not be regarded as a mere amendment and was in fact a new complaint that required a fresh MP referral. You say that you wish to complain about Mr Comber's view, which you allege is *'a lie and mere evasion'*.

I have considered your concerns, set out in your emails of 10 February 2008 and 19 April 2008, very carefully. However, whilst I appreciate your strength of feeling, I am satisfied that our decision not to accept your amendment to your complaint without a new MP referral was reasonable. Let me explain why.

Whilst I appreciate that you disagree strongly with Mr Comber's view, I cannot agree with your assertion that his view is either a lie or mere evasion. I am satisfied that what



Mr Comber told you is correct and is an accurate interpretation of the legislation that determines the Ombudsman's remit.

You complained originally that the FSA had failed to ensure that Scottish Widows provided policyholders with sufficient information about the company's financial liabilities to enable an informed vote on a proposal to demutualise and sell the business to Lloyds TSB. We declined that complaint on the basis that it concerned conduct of business regulation, which is outwith the Ombudsman's jurisdiction. You now complain that, during the period January 1999 to December 2001, the FSA did not take proper steps to ensure that Scottish Widows had made adequate provision for its liabilities or that the company properly reported its liabilities to its policyholders.

What we are concerned with here is not whether your complaints are directly connected, as you argue, but rather whether what you now complain about is simply an amendment to your original complaint, or is a new complaint in its own right. One complaint concerns the adequacy of the information provided by Scottish Widows, whilst the other concerns the solvency and management of the company. I am not persuaded that the complaint you now wish us to consider is sufficiently similar to your original complaint to be seen as a simple amendment. It seems to me that you now wish us to consider a new complaint for which we require a further referral from an MP. As Mr Comber explained, that requirement is set out in the Parliamentary Commissioner Act 1967.

I would like to make it clear at this point that should you decide to ask your MP to refer your new complaint then, upon receipt of this referral, we will consider your complaint on its merits but there is no absolute guarantee that the Ombudsman will decide to investigate.

I am sorry that you are unhappy with the decision not to allow an amendment to your complaint against the FSA. I have decided that there is nothing more that I can do to help you, and that it is time to draw your case, and correspondence on it, to a close. We will, of course, consider with care any further correspondence you may send us about your complaint, but if we conclude that it does not raise any new issues of substance, or demonstrate that you have obtained an MP referral for your new complaint, we may only acknowledge it. I realise that this decision will come as a considerable disappointment, but I hope that you will accept that my decision is one that I have taken only after a careful review of your case.



Carole Auchterlonie
Director of Outcomes and Learning