

# 2024 | Annual Report



Channel Islands  
**Financial  
Ombudsman**





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# Submission Letter

April 2025



Deputy Neil Inder  
President  
Committee for Economic Development  
States of Guernsey  
Market Building  
P O Box 451  
Fountain Street  
St Peter Port  
Guernsey  
GY1 3GX

Deputy Kirsten Morel  
Minister for Sustainable Economic Development  
Government of Jersey  
Union Street  
St Helier  
Jersey JE2 3DN

30/04/2025

Dear President and Minister

As you know, the Channel Islands Financial Ombudsman is the joint operation of the Office of the Financial Services Ombudsman established by law in the Bailiwick of Guernsey and the Office of the Financial Services Ombudsman established by law in Jersey.

On behalf of the directors, I am pleased to submit the report and accounts for 2024. These take the form of a shared report accompanied by shared accounts, which include a division of overall overheads in accordance with the memorandum of understanding between you.

The report and financial statements are submitted under section 1(c) of Schedule 2 of the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014 and article 1(c) of Schedule 2 of the Financial Services Ombudsman (Jersey) Law 2014.

Yours sincerely

**Antony Townsend**  
Chair

# About CIFO

**The Channel Islands Financial Ombudsman (CIFO) is an independent service which resolves disputes between complainants and their Financial Service Providers (FSPs) such as banks, investment firms, financial advisers, insurance companies, most pension providers and others as set out elsewhere in this report.**

**CIFO began operating on 16 November 2015. We have one team and a single Board of Directors overseeing two financial ombudsman bodies set up by law in Jersey and Guernsey. The relevant Jersey Minister and relevant Committee of the States of Guernsey jointly appoint the Board of Directors. The Board, in turn, appoints the Principal Ombudsman and Chief Executive and any holders of the statutory role of Ombudsman.**

**Our aim is to resolve complaints fairly, effectively, and promptly, helping both sides understand our view of what a fair and reasonable outcome would be. If we uphold a complaint, we can award compensation to complainants and tell the FSP to put things right.**

**Complaints can be brought to us by individual consumers and small businesses (microenterprises) from anywhere in the world. Some Channel Islands charities can also bring their complaints to us.**

## How we work

The first thing we do when we receive a complaint is decide whether we are allowed to look at it under our laws. More details about how we do this are published on our website, [here](#). More information about the types of complaints we can look at is also published on our website, [here](#).

If we decide we are going to review a complaint, we let the complainant know. We then ask the FSP for its side of the story. Once we have all this information the case is given to an Adjudicator or Ombudsman, and they start their review.

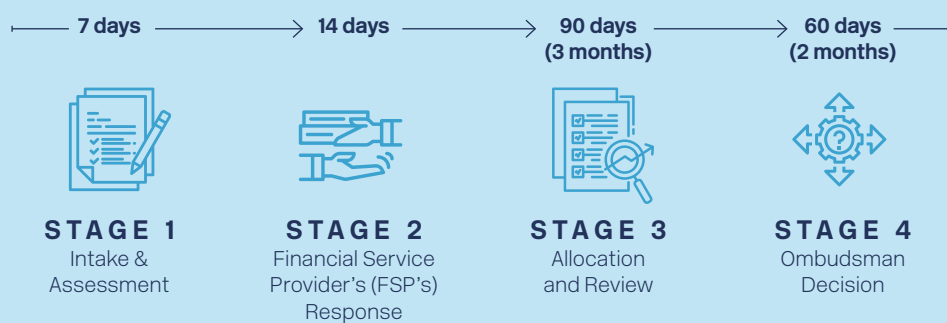
During our reviews, the Adjudicator or Ombudsman will find out what has happened, propose settlements, and make decisions based on what is fair to both the consumer and the FSP. In deciding what is fair they will take into account the law, regulation, applicable professional body standards, codes of practice, codes of conduct, relevant good industry practice, and what is fair and reasonable in all the circumstances of the individual complaint.

More information about how we work - and the timeliness targets for our work - can be found in the table on page 7 and on our website [here](#).





## THE CIFO TIMELINESS TARGETS



# 2024 Complaints Statistics & Observations



## Complaints Statistics

The published complaints statistics summary relates to the period between 1st January 2024 and 31st December 2024. The statistical highlights during 2024 can be seen on page 9.





# 232

**COMPLAINTS**  
CARRIED FORWARD  
FROM 2023



# 577

**COMPLAINTS**  
RECEIVED



# 565

**COMPLAINTS**  
CLOSED

COMPLAINTS



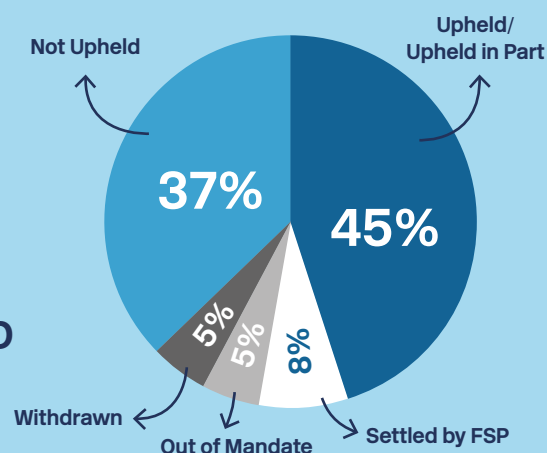
# 364

**CASES OPENED**  
FOR REVIEW BY  
CIFO



# 340

**CASES CLOSED**



SECTORS



**183**  
**BANKING**  
155 Jsy / 28 Gsy



**130**  
**INSURANCE**  
125 Gsy / 3 Jsy / 2 UK



**19**  
**PENSION**  
12 Jsy / 7 Gsy



**19**  
**NON-BANK MONEY  
SERVICES/CREDIT**  
10 Jsy / 9 Gsy



**13**  
**INVESTMENT**  
9 Jsy / 4 Gsy

CASES

## TOP 3 PRODUCTS



**138**  
**CURRENT ACCOUNTS**  
123 Jsy / 15 Gsy



**67**  
**HOME EMERGENCY  
INSURANCE**  
66 Gsy / 1 UK



**31**  
**HEALTH  
INSURANCE**  
31 Gsy

## TOP 3 ISSUES



**120**  
**POOR ADMINISTRATION  
OR DELAY**  
79 Jsy / 41 Jsy



**65**  
**FRAUD**  
48 Jsy / 17 Gsy



**57**  
**NON-PAYMENT OF  
INSURANCE CLAIM**  
56 Gsy / 1 Jsy

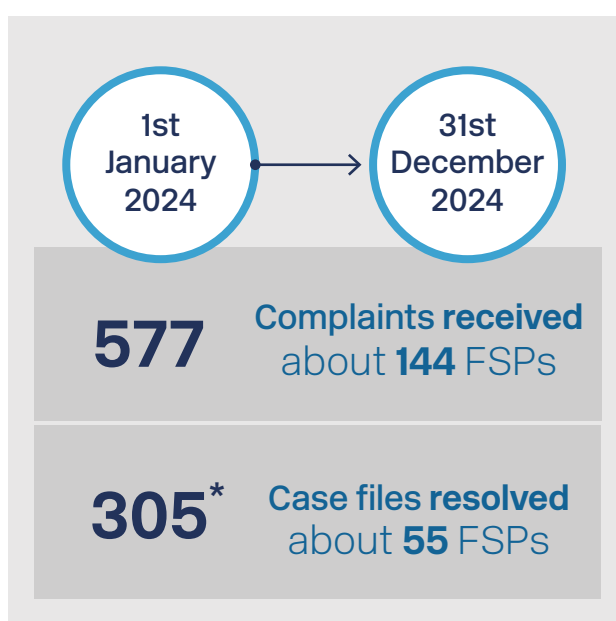
**Complaints** = all complaints received by CIFO about FSPs whether or not they are ultimately confirmed as falling within CIFO's statutory mandate.

**Cases** = complaints that are within CIFO's statutory mandate (with some exceptions that may be found to be out of mandate after a closer review of the complaint).

A full breakdown of CIFO's 2024 complaints statistics has been published in 'CIFO's Annual Statistical Data Report for 2024' which can be located on CIFO's website, [here](#)

# FSP Summary Complaints Statistics

The published FSP summary complaints statistics relate to the period between 1st January 2024 and 31st December 2024. During this period, CIFO received 577 complaints against 144 FSPs and resolved 305\* complaint cases about 55 FSPs through mediation or a binding final decision. CIFO has published a list which can be found in CIFO's '[Annual Statistical Data Report for 2024](#)' which shows in-mandate complaints resolved by CIFO (which include some complaints settled by the FSP prior to CIFO's involvement). All complaints withdrawn and those found to be outside of CIFO's statutory mandate are not included. All FSPs are named using the legal entity that CIFO was advised of at the time CIFO received the complaint and as provided to the FSP for confirmation prior to publication. The 2024 published data can also be located using CIFO's searchable webpage, located [here](#).



\* The comparative data table assembled in Q1 2025 has been adjusted post-period to reflect the removal of 2 insurance complaint-related cases from our FSP summary complaints statistics. These cases were handled by CIFO with agreement of both parties and with Final Determinations issued, but which after further investigation were found not to fall within CIFO's statutory mandate.

# Sector Observations & Case Studies

CIFO uses five sectors to describe the broad areas of financial services relating to each complaint. These are: Banking, Insurance, Investments/Funds, Pensions, and Non-Bank Money Services/Credit. Each sector has been reviewed to identify new and emerging issues that CIFO has observed in the complaints referred to our office during 2024. Links to sector-specific case studies have also been published on CIFO's website and continue to show the types of complaints handled by CIFO and the approaches taken to resolve them. The case studies are based on actual CIFO cases. Some specific details of the case may be altered to protect confidentiality.



**BANKING**



**INSURANCE**



**INVESTMENTS/  
FUNDS**



**PENSIONS**



**NON-BANK MONEY  
SERVICES/CREDIT**





# Sector Observations & Case Studies



## BANKING

During 2024, CIFO noticed a significant rise in fraud and scam-related complaints. This was highlighted as an issue for CIFO in our 2024 third quarter newsletter. Further scrutiny of CIFO's statistics throughout 2024 established that the increase in fraud-related complaints was almost entirely attributable to a single FSP.

The sophistication of the frauds perpetrated on customers has increased notably in recent years. The customer is widely acknowledged to be the point of weakness for online payment systems. This is being successfully exploited by fraudsters. Fraudsters use sophisticated social engineering techniques to manipulate customers into transferring funds into fraudster-controlled accounts. In other fraud-related cases, customers are prompted to click on links to malware and applications that take over control of customer devices resulting in a compromise of security processes. Fraudsters, sometimes armed with knowledge of customer account and payment details, are creating a sense of fear and urgency to manipulate normally careful customers placing them in circumstances where they may become vulnerable.

In 2024, questions about customer responsibility and liability for losses arising from these sophisticated attacks on bank-created systems, policies and procedures have led to significant changes in regulatory treatment of fraud in the UK. While not applicable to the Channel Islands, these changes will undoubtedly have implications for evolving views in the Channel Islands about market conduct expectations for FSPs and what fair and reasonable outcomes look like in cases of customer losses due to fraud.

CIFO also noticed incidents where banks failed to log complaints when a suspected fraud resulted in the customer being found responsible for the loss. Customer branch closures have also resulted in complainants only being able to contact their bank by email, AI messaging bots or by telephone. In cases of fraud, it is imperative that the customer contacts his or her bank immediately. CIFO observed several complainants who had difficulty contacting fraud teams within their banks.

Poor administration or delays involving customers' accounts remained a prominent issue along with transaction errors. These issues can be attributed to various underlying factors such as lack of sufficient 24/7 staff coverage, loss of complainants' 'Know Your Customer' documentation, and the inability for complainants to reach a live customer service person to communicate issues to their banks on a timely basis. Complaints regarding delays encountered when changing authority over bank accounts were also evident. This suggests there are ongoing challenges, as noted in previous years, when a 'Power of Attorney' or 'Grant of Probate' are submitted to banks for access to bank accounts.

Bank's decisions to close customers' accounts remained a notable issue. These have arisen when customers were either not locally resident where the account was domiciled or where the bank's risk appetite had changed for the customer's country of domicile.

# Sector Observations & Case Studies



## BANKING (CONT.)

Frozen or blocked accounts were a prevalent issue raised by complainants. CIFO created a new complaint category 'Suspension of Service' within CIFO's statistical libraries to better identify this complaint issue going forward. With the ever-increasing attention to the prevention of money laundering and terrorist financing, services are suspended due to bank concerns with the source of funds in the account or a suspected misuse of the account. In those circumstances, special handling of complaints is required to enable CIFO to fulfil its statutory responsibility to resolve the complaint while protecting the FSP from possible criminal sanctions for "tipping off" bank customers who may be involved in unlawful activity.

With the movement in market interest rates both up and down during 2023 and 2024, there have been concerns raised regarding the pricing of mortgages in some complaints. It was noted that mortgage rates offered by banks in the Channel Islands were generally higher than those available in the United Kingdom, including lenders from within the same banking group. This generated complaints that highlighted a degree of confusion about the relationship between Channel Islands-based banks and their UK counterparts, how they are regulated, and the different commercial platform of the Channel Islands mortgage market. In general, CIFO will not review complaints about the pricing of a financial service product subject to customer receipt of suitable disclosure.



## BANKING CASE STUDIES



[Loss of funds due to fraudulent crypto currency investment](#)



[Forex and crypto currency scammers dupe complainant into fraudulent investment](#)



[Bank's failure to act on complainant's investment instructions results in loss](#)



[Bank's refusal to reimburse fraud loss leads to complaint](#)



[Bank's inability to act on a transfer instruction causes complainant losses](#)



[Fraudsters use an email intercept to trick complainants into sending money](#)



[Forex and crypto currency scammers dupe complainant into fraudulent investment](#)



[Investment broker dupes complainant into investing in a Ponzi scheme](#)



[CIFO unable to investigate fraud complaints due to an ineligible complainant](#)



[Unauthorised transaction on complainant's account leads to losses](#)

# Sector Observations & Case Studies



## INSURANCE

CIFO saw a decrease in insurance complaints during 2024. The most common type of insurance complaint received in 2024 was home emergency insurance, particularly boiler repair claims. These complaints arise from a single Guernsey-based FSP established because of the relocation to Guernsey of several related UK insurance providers. CIFO noted that, while the complaints levels remained high, the FSP handling of these insurance complaints had notably improved.

CIFO continued to see health insurance complaints involving private medical insurance and the non-payment or delayed payment of medical claims. CIFO also identified an increase in complaints about delays and errors in the processing of claim payments due to issues within insurance companies' own internal payment systems.

CIFO has reviewed a number of life insurance complaints related to mis-selling of life insurance plans. Some of these life insurance plans were set-up and mis-sold by financial advisers as long-term savings plans. Due to the duration of their term and fee structures, these plans were not suitable for the customer.

In recent times CIFO has received an increasing number of queries and potential complaints about UK insurance providers. A number of these providers work with Jersey or Guernsey brokers who sell insurance policies to Islanders, but with the insurance providers having no presence and no authorised licence to operate in the Islands. CIFO does not have jurisdiction over such overseas FSPs. To ensure consumers and any potential complainants are sign-posted correctly, CIFO has provided guidance to relevant FSPs and has undertaken training of its own case handling team to ensure complainants are properly directed to the most appropriate complaints body in the appropriate jurisdiction.



# Sector Observations & Case Studies



## INSURANCE CASE STUDIES



CIFO unable to investigate complaint as it was received outside of CIFO's time limits



Misdiagnosed boiler insurance claim causes complainant's losses



Complainant charged for home emergency insurance policy cancellation



Delays with pet insurance claim causes complainant distress



Home emergency insurance claim rejected because boiler considered to be 'beyond economic repair' (BER)



Whole of life insurance plan's terms and conditions lead to misunderstanding



Rejected insurance claim because watch was not in policyholder's possession when stolen



Delays in establishing boiler insurance cover causes loss and complaint



Poor administration and inadequate complaint handling in relation to a rejected insurance claim causes distress & inconvenience

# Sector Observations & Case Studies



## INVESTMENTS/FUNDS

Historically, unsuitable investment advice figured prominently in the complaints referred to CIFO by investors. In 2024, complaints in the investments/funds sector were mostly due to processing errors, poor administration or delay. CIFO received some complaints where complainants were provided with online investment accounts that offered complainants an opportunity to manage their own investments directly, but it transpired that these products would only allow sight of a complainant's total investment value and not the underlying individual asset values.

CIFO also received some complaints against investment managers, mostly related to high administration costs and inappropriate management of investment portfolios. Some complaints were made due to a misunderstanding of the nature of market fluctuations and the effects they would have on a complainant's investment portfolio.



[Issue with an investment transfer causes complainant's distress & inconvenience](#)



[Complainant's investment instructions not followed by investment manager](#)



[Complainant's investment losses believed to be due to investment manager](#)



[Complainant believed investment accounts were poorly administered](#)



[Early cancellation of investment scheme leads to complainant's losses](#)

# Sector Observations & Case Studies



## PENSIONS

The complaints closed in 2024 involving pension issues mostly related to private pension products and were often about poor administration or delays in transferring pension assets between different plans. The lack of adequate disclosure of fees and charges and incorrect pension details were also common complaint issues. Missing or inappropriately handled pension transfer documentation was a common complaint theme.



[Complainant was inadequately advised of pension trust charges](#)



[Complainant's confusion regarding transfer terms of inherited pension trust leads to losses](#)



[Delays in complainant's commutation and transfer of pension benefits and lost pension instructions](#)



[Incorrect pension information leads to complainant's losses](#)



[Delays with pension payment leads to complainant's distress and inconvenience](#)



## NON-BANK MONEY SERVICES/CREDIT

In 2024, CIFO did not receive many complaints from this sector. The complaints resolved were commonly related to a lack of clarity regarding fees and charges, mostly interest charged or paid. Some of these complaints were due to loan providers not appropriately acting on complainants' instructions, leading to a build-up of loan arrears which resulted in additional charges.

CIFO also observed an increase in complaints about debt collection and enforcement. Specifically, when complainants defaulted on their loans and lenders were forced to seek court enforcement of the debt, complainants believed that resorting to court enforcement was excessive. In some cases, CIFO noted that the lenders had been unable to contact complainants who had moved without informing their lender.



[Complainant's mortgage account instructions not followed causing loss](#)



[Complainant purchased a car still the subject of an existing hire purchase credit agreement](#)



[CIFO contacted because of complainant's rejected mortgage application](#)



[Complainant believed loans were irresponsibly granted and inappropriately collected](#)



[Complainant told to take out a loan to buy a car with a specific loan provider](#)



# Performance Report

The following performance report provides a view of CIFO's operational performance in 2024.



# A message from the Principal Ombudsman



Complaints handling offers a fascinating window on any sector of business activity, especially one as dynamic as retail financial services. In 2024, CIFO experienced the usual range of external forces such as increases in complaints volumes, operating pressures from continued inflation (though certainly at reduced levels compared with recent years), and evolving government and regulator priorities.

Perhaps more unique to 2024 were some themes that challenged our ability to deliver on the core mission of our statutory mandate. Arguably the largest was the explosive growth in the number of complaints involving losses due to fraud. While the overall number of cases may seem modest compared to larger Ombudsman services in jurisdictions like the UK, CIFO's cases involving fraud, where both the consumer and their bank are victims, have increased 195% over the past year. In addition, the nature of fraud complaints demonstrates a variety of underlying types of attack and systemic issues that raise significant questions for industry, regulators, dispute resolution bodies like CIFO, and the general public.

CIFO's informal approach to resolving complaints relies on the voluntary cooperation of FSPs. We continue to see complaints where the evidence we need to perform our statutory role cannot be obtained on a timely basis, and, sometimes, not at all. Our ability to compel the production of evidence is limited and referrals to the Attorney Generals of either Island for non-cooperation is intended to be an option of last resort. This raises the question of whether our mandate is well-suited to these, thankfully, rare situations. CIFO will reflect on these challenges and consult with the Government of Jersey and States of Guernsey before deciding how to proceed to ensure that these complaints are handled appropriately.

Finally, in 2024 we started to see complaints relating to automobile financing that echo the emerging situation in the UK, currently under determination by the UK courts on appeal. Historical practices involving the payment of undisclosed variable commissions, now banned in the UK, appear to have been present in the Channel Islands. As lending and credit is now regulated in Guernsey and soon will be in Jersey, this will undoubtedly be an area where the observations CIFO brings forward based on our complaints experience will inform the regulation of market conduct across the Channel Islands going forward.

From an operating perspective, to provide the additional discretionary capacity required to address the increased complaints volumes, and to bring new areas of experience and expertise to our team, we welcomed two new contract Ombudsman practitioners to CIFO, Greg Barham and David Bird. Each brings a valuable and extensive mix of dispute resolution experience with the UK Financial Ombudsman Service and other financial bodies in the UK. We also want to thank Mandy Maycock, who left our panel of contract Ombudsman practitioners in 2024 to focus on other priorities. We look forward to working with her again in the future.

As we start 2025, we welcome Charlotte Brambilla to the CIFO team in the new role of Head of Legal, Policy & Compliance to provide legal and policy analysis and guidance to our entire team and to help build a compliance culture based on robust and well-documented policies and procedures.

To our entire team, our staff in the Channel Islands, our contract Ombudsman practitioners in the UK, and our Board of Directors that oversees and guides us, thank you for your continued efforts to deliver CIFO's mission to provide consumers and Channel Island FSPs alike with an independent complaint resolution mechanism founded on the much valued and hallmark Ombudsman's test of fairness and reasonability set out in our law.

**Douglas Melville**  
Principal Ombudsman & Chief Executive  
30 April 2025

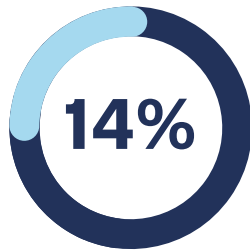
## COMPLAINTS



**577**  
COMPLAINTS  
RECEIVED

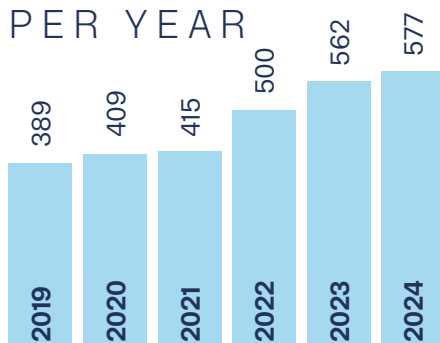


**2.6%**  
INCREASE  
in complaint volumes  
from 2023



COMPLAINTS  
WERE CLOSED  
within a month of when  
they were received

### COMPLAINTS RECEIVED PER YEAR



## CASES



**340**  
CASES CLOSED

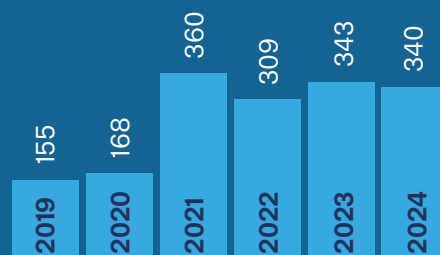


**0.87%**  
FEWER CASES  
CLOSED  
than in 2023



CASES WERE  
RESOLVED  
without needing a Final  
Ombudsman Decision

### CASES RESOLVED PER YEAR





# Performance Analysis

CIFO continues to receive an increasing number of complaints year-on-year. Adding to the operational impact of growing volumes is the fact that CIFO continues to experience inadequate complaint handling by FSPs. This leaves CIFO to review complaints that arguably could have been resolved by the provider with their customer.



# £831,868\*

CIFO AWARDED IN COMPENSATION

Incomplete and late delivery to CIFO of requested complaint files is also an on-going issue that affects the timeliness of complaint investigation and resolution. As part of our published case handling processes, FSPs are given 14 days to provide their complaint file and assessment in response to a complaint brought against them. Some FSPs are routinely missing CIFO's deadline. In 2024, 60 days was the average time that FSPs took to respond to us, with some taking as long as 300 days. This 2024 average is an increase of 29 days from 2023. This unnecessarily increases the cost of CIFO's complaints resolution function which, in turn, impacts the cost of CIFO operations and the industry levy imposed across all industry stakeholders.

In 2024, CIFO reported no data breaches in either Jersey or Guernsey.





CIFO received three service complaints during 2024 that were escalated to the Chair of the Board to ensure appropriate Board oversight of CIFO's performance of its statutory mandate. Service complaints can be a useful means to identify areas for improvement. While the Chair did not find serious fault in any of those cases, the complaints identified some issues to do with CIFO's jurisdiction, record keeping, and complainant communications which have been pursued to improve our service to complainants.

\* Does not include amounts paid by FSPs in voluntary settlement of a complaint.



## PERFORMANCE REPORT (CONT.)

# Performance Analysis

## Year End Performance Framework

	AIM	2024 OBJECTIVES	WHAT WE DID	OUTCOME	RATING
OPERATIONAL	Soft Telephone System	Add ability to record telephone calls.	CIFO introduced a soft telephone system.	The telephone system enables CIFO to record and transcribe telephone conversations.	
	Reduce CIFO's Environmental Impact	Continue to implement measures to reduce CIFO's impact on the environment.	Clean beach event for all CIFO staff and offset CIFO's carbon emissions from CIFO's Board and staff travel by donating to local Channel Islands environmental initiatives.	Reduced CIFO's impact on the environment.	
	Review the implementation of AI	To provide CIFO staff with tools to increase efficiency.	We reviewed how AI could support our workflow tasks and processes and identified the associated risks.	We provided detailed data protection and risk analysis reports for CIFO's Board to review with a view to selectively introducing AI-based operational enhancements in 2025.	
	Make sure CIFO is fulfilling its core function	Evaluate whether the organisation is achieving sufficient throughput of its cases.	Continue to obtain weekly data for management and team to review case file throughput. Reports provided to the Board on case closures and timeliness.	CIFO is looking to review its quality assurance checks for case handling in 2025 to supplement existing throughput analysis.	
	Publish CIFO's key performance indicators for complaints resolution	Collate performance data, review any issues with publishing.	Obtained data at key performance stages with timeliness targets throughout CIFO's end-to-end complaint handling process.	Highlights of the data have been published in this report. Further detailed data publication continues to be under review.	
PEOPLE	Staff levels	Optimise flexibility to deal with increased complaint volumes.	Recruited additional contract Ombudsman practitioners to supplement the Jersey-based team.	CIFO increased its case handling and decision-making capacity.	
	Public and Private Occupational Pensions	Prepared for the addition to CIFO's mandate by training staff.	Completed staff training.	Proposed changes to CIFO's mandate to include Jersey public sector pensions were deprioritised by the new Government of Jersey. No timeframe identified.	
	Changes to CIFO's complaint form	To ensure that CIFO staff can quickly and easily identify the merits of a complaint.	CIFO reviewed some additions and amendments.	CIFO did not implement the identified amendments and has added this as an objective to complete in 2025.	

# STAKEHOLDER RELATIONS

AIM	2024 OBJECTIVES	WHAT WE DID	OUTCOME	RATING
Improve industry customer service and stakeholder relations	To provide stakeholders with CIFO's approach to complaint handling and best practices.	CIFO completed several events for industry, regulators, and consumer bodies.	Stakeholders had an increased understanding of what they can do to increase customer satisfaction and of how CIFO can assist with this. Ongoing engagement is required.	
Consult on CIFO's Finance Model	To seek stakeholder input regarding potential changes to CIFO's funding structure in light of the proposed new additions to CIFO's mandate and changes to the proportional complaints volumes between different financial sectors, especially insurance and banking.	CIFO drafted a new funding structure discussion paper, but delays in the Government of Jersey's plans to expand CIFO's mandate and increase in the proportion of complaints about banking prompted a deferral of the planned funding review.	CIFO will keep the circumstances under review that may prompt a resumption of the previously proposed funding review.	
Monitor proposed legislative changes which could affect CIFO's mandate (especially Guernsey secondary pension, Jersey occupational pensions and Jersey lending/credit legislation)	To continue to obtain clarity about proposed legislative changes that would affect CIFO's mandate.	Continued to provide feedback to government, industry and regulators regarding proposed changes.	CIFO mandate for Guernsey secondary pension scheme clarified. Proposed Jersey lending and credit legislation provides greater market clarity. Currently CIFO is awaiting the occupational pensions and lending/credit legislation to be approved.	
Complainant survey	To obtain complainant experience feedback on CIFO's process.	CIFO reviewed numerous options for a new complainant survey. Implementation deferred to 2025 due to capacity considerations.	CIFO will implement a complainant survey in 2025.	



Completed



In progress



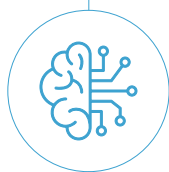
Not completed

# Performance Analysis

## CIFO'S 2025 Objectives

Adequate staffing is a key objective for 2025 to ensure CIFO can continue to handle its increasing complaint volumes and the challenges of new and evolving areas of complaint, such as fraud and scam complaints or complaints involving suspicious activity reports (SARs). CIFO will also look to implement the following objectives:

### Operational



#### AI Implementation

Continue to improve our operational infrastructure with enhanced adoption of technology by assessing adoption of Microsoft Co-Pilot to facilitate the use of AI to support certain functions of our case management handling and operational needs.



#### Ombudsman Association Validation

Prepare for 2026 Ombudsman Association renewal of CIFO's accreditation to continue to undertake work in preparation for the accreditation process which maps CIFO's performance against the OA's key performance requirements for an independent ombudsman service.



#### Operations Management

Monitor case inventory levels and seek to resolve issues causing current inventory growth with the key focus being on the operational impact management of FSP's delays in providing complaint file and evidence, responding to mediation proposals, and complex and new emerging complaint types.

### People



#### People Programme

Deliver on the people programme support staff culture and staff retention - benchmark staff salaries and benefits and undertake staff survey to ensure CIFO remains an employer of choice.



# Performance Analysis

## CIFO'S 2025 Objectives (cont.)

### Stakeholder Relations



#### Improve User Experience

Improve user experience by building and implementing an automated user survey function into case management closing process to inform service improvement opportunities.



#### Stakeholder Engagement

Enhance stakeholder engagement by applying additional resources to increase delivery of in-person and virtual stakeholder engagement to further enhance CIFO's service delivery and reach.



#### CIFO Mandate

Monitor impact of the new consumer credit regimes in the islands and other policy developments in the Islands to ensure CIFO's statutory frameworks are fit for purpose.



#### Funding Model

Monitor and maintain current CIFO funding levels and fairness of levy allocation and review trends in complaint and case types, any user distortions arising, and determine if a funding review is required.



#### Reporting KPIs

Review current KPIs and KPI reporting to build new KPIs which align more closely to the case management performance milestones within CIFO's control as well as those which reflect on user behaviours. Determine how these should be reported and used to improve CIFO services.

# Business Risks

CIFO's Board of Directors meets regularly to provide strategic guidance and oversight for the organisation. The Board of Directors reviews various categories of risk at each meeting, including operational risk (financial risks, case management resourcing risk and external risks that may impact CIFO's ability to perform its statutory mandate), people risk (including recruitment and retention of suitably qualified staff in a competitive markets) and stakeholder relations risk (comprising the governments, regulators, industry, and consumer and public groups across the Channel Islands).

A comprehensive risk assessment methodology and dashboard provides a continuous perspective for CIFO's Board of Directors on the risks affecting CIFO, rated for both inherent and residual risk, and noting risk mitigation measures that are in place. These are reviewed quarterly.

The most significant risks identified by management at the end of 2024 remained the same as the previous year and are set out in the Business Risks table (page 27). The table also includes the risk implications, the controls and mitigation in place, and an assessment of the risk trend and whether this is stable or has increased or decreased during 2024.



# Business Risks

OPERATIONAL

PEOPLE

STAKEHOLDER RELATIONS

RISK	RISK IMPLICATIONS	CONTROLS	MITIGANTS	RISK TREND
<b>Insufficient financial resources due to complaint surge</b>	This could affect CIFO's ability to meet short-term obligations and create a need for additional intra-year funding that could undermine CIFO's reputation with funding stakeholders.	Regular Board oversight of financial reports, cash flow projections, and complaint handling statistics.	Maintenance of an operating reserve as determined by the Board of Directors each year and replenished, as required, through CIFO's annual budget and levy setting process. £250,000 operating line of credit with CIFO's bank for use only with the Board of Directors' prior approval. Ability to issue an intra-year supplemental levy notice (subject to consultation), if required, or accelerated invoicing of case fees.	Stable
<b>Judicial review (JR) of CIFO decision</b>	This could result in unplanned legal expenses and potentially a court judgment against CIFO. The intra-year financial impact of JR legal costs could be significant if not covered by insurance. In case of an unsuccessful defence of a JR, award of an FSP's costs against CIFO could be significant if not covered by insurance. Loss of a JR could also undermine CIFO's reputation with stakeholders.	Controls include CIFO's insurance cover for legal costs and internal decision quality control policies and procedures.	Quality control measures in place regarding preparation of CIFO ombudsman determinations (final decisions). Director and officer liability policy in place that includes coverage for legal costs arising from a JR. Maintenance of an operating reserve as determined by the Board of Directors each year and replenished, as required, through CIFO's annual budget and levy setting process. £250,000 operating line of credit with CIFO's bank for use only with Board of Directors' prior approval.	Stable
<b>Data breach</b>	This could lead to the compromise of CIFO core systems, loss of case file data, or exposure of sensitive complainant or FSP information that could undermine CIFO's operating capability, reputation with stakeholders, and possible public sanction by data protection regulators.	Controls include regular staff training on data protection and cybersecurity practices and external review of CIFO's cybersecurity status.	IT infrastructure and policies developed with outside expert input. Cloud-based file storage accessed via 2-factor authentication. Cyber Essentials Plus advanced cybersecurity certification in 2019. Ongoing external assessment on a quarterly basis. Regular staff training in cybersecurity policies, procedures, and good practice. Annual independent audits to reconfirm cybersecurity certification (last conducted in 2023). Insurance coverage in place for liability and remediation costs associated with a data breach.	Stable
<b>Insufficient case handling resources or poor-quality case handling</b>	This could undermine CIFO's ability to effectively respond to complaint volumes and maintain credibility with stakeholders.	Regular reporting to Board on inbound complaints, timeliness, productivity, output, and financial resources.	Availability of experienced financial ombudsman resources on contract as required. Ongoing staff training in essential skills and subject matter areas. Regular contact with key industry stakeholders regarding their internal complaints experience (early warning system).	Increased
<b>Challenges in recruitment and retention of suitable qualified employees</b>	This could impact on CIFO operations and result in poor user outcomes for complainants and FSPs.	Use of external provider to undertake assessment of staff culture and provide recommendations to the Board and contract with outsourced HR function.	Building a People Programme to make CIFO an attractive place to work and undertaken team development sessions with assistance of external provider.	Stable
<b>Financed by Stakeholders</b>	CIFO is funded by annual levies and case fees paid by financial services providers who have complaints referred to CIFO	Maintain a high level of stakeholder outreach to identify any issues.	Transparent communication with all stakeholders, and publish CIFO's objectives, data, and time-frames at regular intervals.	Stable

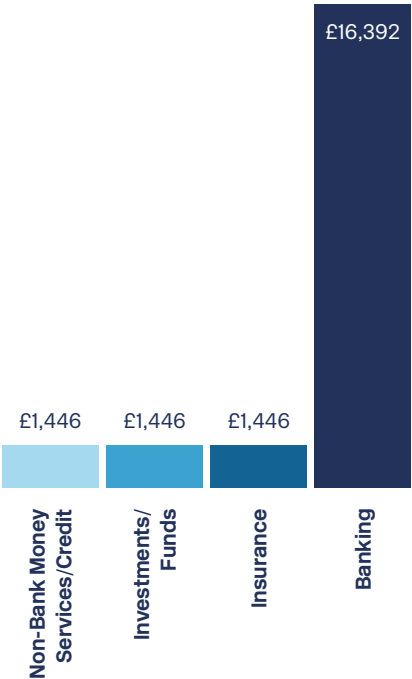
# Financial Performance

## Levies and Case Fees

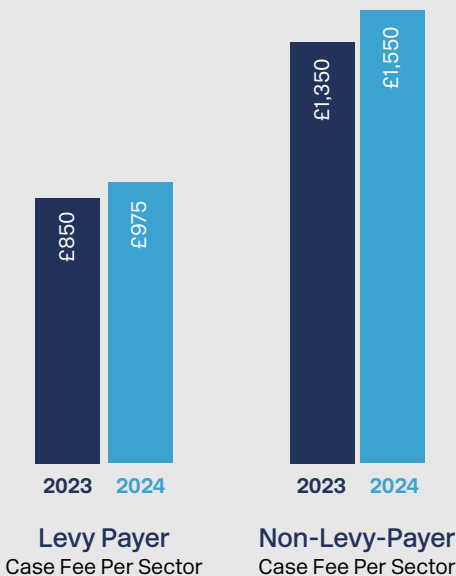
CIFO consults annually on its levy which is calculated using the annual budgeted expenditure, plus any required top-up of operating reserves, minus the anticipated case fee income for the year. CIFO's consultations have provided CIFO with valuable feedback. From the consultation regarding the 2024 levies, CIFO received suggestions to provide more in-depth details explaining why CIFO required an increase in funding. CIFO's 2023 annual report gave a more detailed financial performance report, which is being continued in this report for 2024. CIFO's Board is responsible for ensuring CIFO has the resources required to perform its statutory mandate.

The chart shows the levy each FSP paid in 2024 depending on their financial sector. This is split between sectors and applies to both Jersey and Guernsey FSPs.

## ANNUAL INDIVIDUAL FSP LEVY



## CASE FEE PAYABLE PER IN-MANDATE COMPLAINT REFERRED TO CIFO



In 2024 case fees for levy paying FSPs increased by 15% to £975 and case fees for non-levy-paying FSPs increased by 15% to £1,550. These changes came into force from 1 January 2024. CIFO's Board indicated its intention to continue to review the proportion of total funding obtained from case fees. The graph details the increase in case fees applicable to all financial sectors for both Jersey and Guernsey-based FSPs.

The graph shows the case fee paid per in-mandate case reviewed depending upon whether the FSP was a levy-payer or not.



# Financial Performance

## Expense Management

At the end of 2024, CIFO had a £78,000 surplus over budget. Income had a £64K deficit to budget, mainly due to the non-receipt of budgeted levies from Jersey public sector occupational pension plans. The legislation to bring these into CIFO's mandate did not proceed as anticipated. Expenditure had a £142,000 surplus. The main expenditure differences from CIFO's budget were due to the individual variances noted below.

### Governance

£5,000 under budget

This was due to a decrease in CIFO's Board travel for meetings during 2024.

### Salaries

£94,000 under budget

CIFO budgeted for and advertised for a Head of Legal, Policy & Compliance staff position in 2024. As the budgeted position remained vacant for the whole of 2024 and was only filled in early 2025, CIFO's 2024 staff salary expenditure reflected this underspend.

### Staff-Related Expenses

£36,000 under budget

CIFO's staff healthcare, social security and pension costs were all lower due to the budgeted Head of Legal, Policy & Compliance position which was not filled until early 2025. CIFO's expenditure on staff training was also 50% below budget.

### Administration Expenses

£6,000 under budget

CIFO's year-over-year insurance cost increases were lower than budgeted.

### Property Expenses

£2,000 over budget

CIFO implemented a new softphone system during the year to enable call recordings and transcription. Previously the phone system was provided by the landlord as part of CIFO's serviced office environment.

### Outsourced Services

£3,000 under budget

Information technology support costs were lower than budgeted.

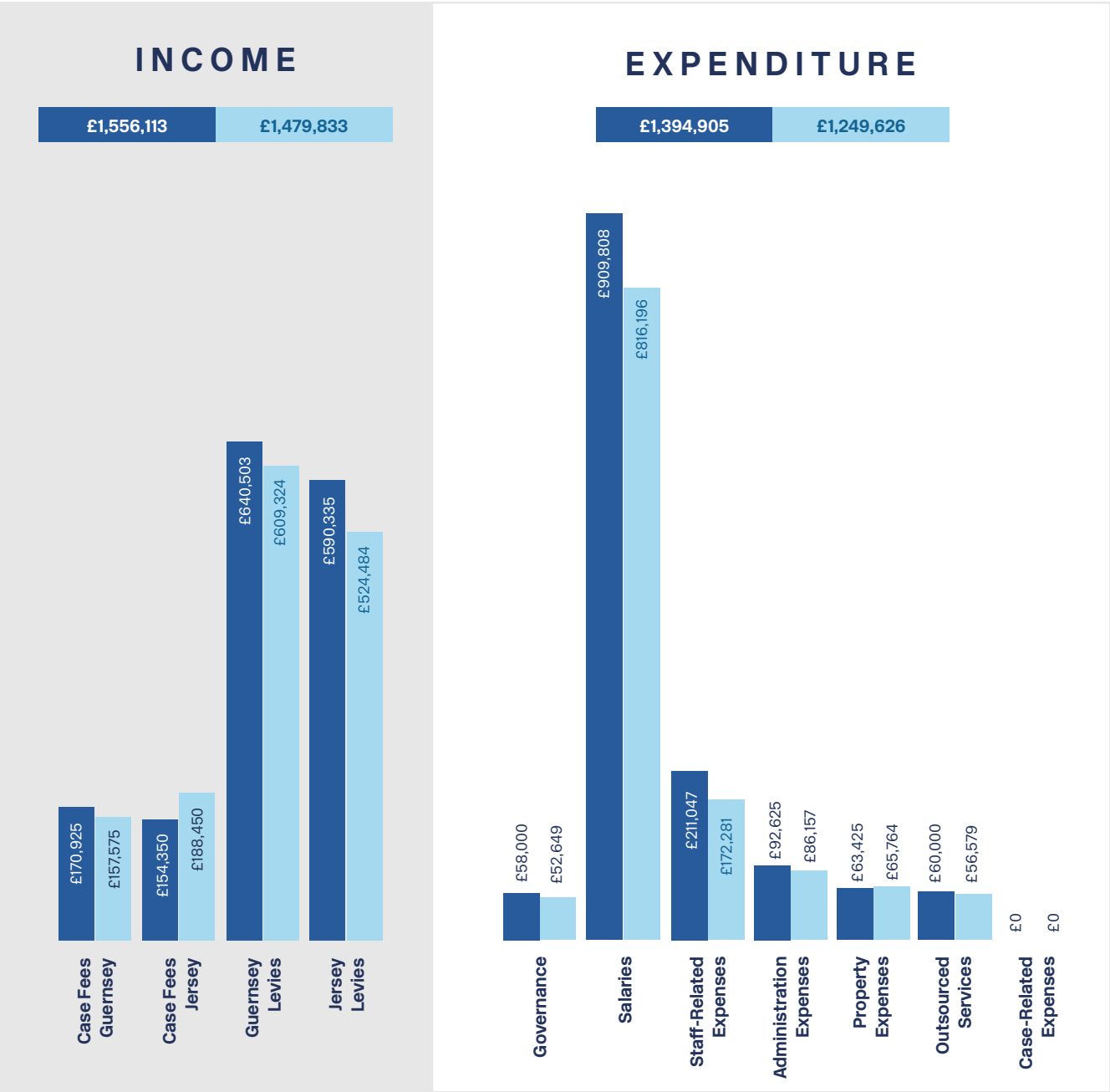
### Case-Related Expenses

These costs are not budgeted for as they are generally unknown and only arise if CIFO requires external expertise to resolve specific complaints referred to CIFO. There were no case-related expenses incurred during 2024.

# Financial Performance

## CIFO Financial Data

Budget  
Actual



# Environmental Report

In 2023, CIFO published its first environmental report. Since then, CIFO has remained focused on the environmental impact of its operations. CIFO is committed to reducing the impact, both directly through its operations, and indirectly through the purchase of products and services, travel, and its choice of partnerships. CIFO's environmentally sustainable practices are listed below:

- ✔ Monitor and manage its environmental performance and work toward targets set to reduce adverse impacts.
- ✔ Comply with relevant governments' environmental policies, practices, regulations and legislation, and industry-specific legislation.
- ✔ Reduce the consumption of natural resources in daily operations including water, paper, and energy and maximise the recycling of resources by encouraging staff to use more green methods.
- ✔ Commit to the prevention of pollution to the environment and continual improvement to minimise the environmental impact of our operation.
- ✔ Minimise pollution by taking steps to limit carbon emissions resulting from vehicles and air travel. Where travel is required, CIFO will offset the carbon emissions by investing in Channel Islands-based environmentally sustainable initiatives.
- ✔ Where possible, encourage our suppliers to meet high standards of environmental stewardship. CIFO will opt for more environmentally sustainable products and partnerships, by reviewing suppliers' environmental plans/policies before committing to expenditure.
- ✔ Communicate this plan to all employees, contractors, suppliers, and other stakeholders, as well as make this plan available to the public.
- ✔ Report on CIFO's environmental performance in both internal and external communications, where relevant.
- ✔ Review this policy annually against targets and measure performance as part of that review.

# Environmental Report

CIFO has an information technology provider (Prosperity 24/7) that is committed to progressively reducing their environmental impact. While the adoption of artificial intelligence is set to greatly increase energy consumption globally, Prosperity 24/7 acknowledges the potential of data analytics and machine-learning to optimise an organisation's energy consumption. Prosperity 24/7 has set goals to achieve a 20% reduction in carbon emission and to reduce its energy consumption by 10% over the next 5 years. They also encourage clients to adopt Cloud computing to benefit from hyperscale computing and Microsoft's commitment to be a carbon negative, water positive, zero waste company by 2030. CIFO's landlord (Polygon Group) is also dedicated to progressively reviewing, implementing, and improving their performance against environmental, social and governance impacts.

CIFO's inter-island travel and travel outside of the Islands undertaken by its officers and its board for board meetings, training and stakeholder engagement is the most significant source of its environmental impact. With the introduction of remote working and hybrid working by the Jersey office mid-2024 there has been a reduction in environmental impact of the office derived from staff's commute to work. However, as a pan island office, a certain level of air travel will always be required to maintain its service and engagement with its relevant stakeholders. Also, it is important that its staff

are able to continue to benefit from certain in-person networking opportunities offered by the training and conferences they attend. The table below provides an estimate of the carbon emitted from the air travel between the Islands and overseas.

To help offset CIFO's carbon footprint, CIFO's Board has allocated annual funding to donate to local Channel Islands environmental initiatives and projects. In 2024 CIFO supported the following:

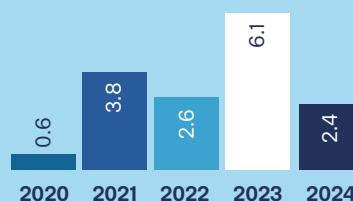
## In the Bailiwick of Guernsey:

- Guernsey Trees for Life
- La Société Guernesiaise Nature Section
- Grow Limited
- Alderney Wildlife Trust – Living Seas
- The Clean Earth Trust
- The Pollinator Project
- Guernsey Bailiwick Bat Survey

## In Jersey:

- Jersey Trees for Life
- Société Jersiaise Nigel Quérée Environment Award
- Grow Jersey
- Jersey Marine Conservation
- Acorn Enterprises
- Jersey Pollinator Project – Parish of St Helier Pollinator Patches
- Jersey Bat Group

## CARBON FOOTPRINT FOR FLIGHTS IN TONNES



This is based on the [www.carbonfootprint.com](http://www.carbonfootprint.com) (carbon footprint calculator), which provides an estimate only.





# Accountability Report

The purpose of this report is to demonstrate how CIFO has implemented principles of good governance.

## ACCOUNTABILITY REPORT (CONT.)

# A message from the Chair



The Channel Islands Financial Ombudsman has no control over the number of complaints with which it has to deal: as an organisation, we are required by law to resolve however many complaints we receive, as promptly and thoroughly as we can. This poses a dilemma: should we resource ourselves to deal with a worst-case scenario, and risk over-capacity and overcharging those who fund us? Or should we keep our capacity and fees optimistically low, and risk building a backlog of complaints and further costs down the line?

Over 9 full years of operational experience have helped us navigate this dilemma. The combination of a core Jersey-based Ombudsmen and staff, coupled with UK-based contract Ombudsmen who can be called upon to increase capacity and provide additional expertise, have enabled us to avoid the backlogs which have bedevilled Ombudsmen in other jurisdictions, while containing our fixed costs. That, coupled with the rebuilding of our reserves to six months' expenditure, means that we have entered 2025 in a good position to face whatever the future may bring – including what seems to be an inexorable upward trend in complaints.

The Board carefully monitors CIFO's budget, works to ensure that the costs fall upon FSPs fairly – we have again increased the 'user pays' element of our fees so that the burden falls upon those organisations which generate the most complaints – and keeps an eye upon the size of the caseload to ensure that the Principal Ombudsman has the resources he needs to maintain our service levels.

During 2024 we have overseen the implementation of operational improvements which were recommended by the external review we commissioned in 2023, and continued to engage with our stakeholders in Government, consumer organisations, regulators, and FSPs, with whom we enjoy constructive relationships. We are quietly confident that our model is holding up well and continues to provide a service to reassure consumers and enhance confidence in financial services in the Channel Islands.

I want to thank my fellow Board members for their engagement, support and good humour, and to thank Doug, his staff team, and the contract Ombudsmen for their work in ensuring that CIFO ended 2024 in a strong position.

**Antony Townsend**  
Chair, CIFO Board of Directors  
30 April 2025

# Governance Report

## Role and Effectiveness of CIFO'S Board

CIFO's Board is accountable for the effective oversight of the operations of CIFO and protects the independence of the CIFO team in the performance of its mandate. This independence ensures that the decisions made by an Ombudsman appointed by the CIFO Board are not influenced by industry, regulators, government, other stakeholder groups, even the CIFO Board of Directors itself. Every quarter, CIFO's Board reviews a risk dashboard which provides a continually updated perspective on the risks affecting CIFO, rated for both inherent and residual risk, and noting risk mitigation measures in place.

## CIFO's Board

CIFO is committed to the continued transparency of its operations. The expenses of the Chair and Directors, as well as those of the Principal Ombudsman are posted on CIFO's website, [here](#). Chair and Director remuneration and attendance at Board of Directors' meetings are provided in this annual report. Minutes of the Board of Directors' meetings are posted on CIFO's website, [here](#). In 2024, Rob Girard, CIFO's Vice-Chair was re-appointed for an additional three-year term as Director.

# The Board

(as of April 2025)



### Antony Townsend

Current roles include Chair of the Determinations Panel of the UK Pensions Regulator (TPR), and Chair of Entrust (the regulator of the Landfill Communities Fund in England and Northern Ireland). He brings deep experience in complaints handling and regulation. He previously served as the UK's Financial Regulators Complaints Commissioner, Director of the Ombudsman Association, Chair of the UK and Ireland Regulatory Board of the Royal Institute of Chartered Surveyors, Chair of the Regulation Board of the Association of Chartered Certified Accountants, and Deputy Chair of the UK Professional Standards Authority for Health and Social Care. Antony is also a former Chief Executive of the Solicitors Regulation Authority and General Dental Council in the UK. In the first part of his career, he was a policy civil servant in the UK Home Office working primarily on criminal justice issues.



### Rob Girard

Is a Fellow of the Chartered Institute of Bankers with extensive banking experience in previous roles including Country Head and Director of Institutional Banking for RBS International/NatWest International in Guernsey and a Board Director of the NatWest Group Global Captive Insurer. A committee member of the Association of Guernsey Banks for over 10 years, Rob is also a former member of the Juvenile Panel of Guernsey's Royal Court. Rob is Chair of the Guernsey Banks Deposit Compensation Scheme, a Commissioner of the Guernsey Financial Services Commission, and a Director of JamesCo 750 Ltd.



### Jennifer Carnegie

Is the co-founder and Chief Operating Officer of the strategic leadership consultancy firm Amicus Limited. She is also Chair of Jersey Development Company and on the Board of Jersey Business Ltd. Jennifer has held several other non-executive directorships with commercial organisations, was formerly President of the Jersey Chamber of Commerce and was a Jersey Appointments Commissioner. In former executive roles Jennifer was Chief People Officer for Digicel, a global telecommunications provider and was an industrial engineer and global director of learning and development for Mars incorporated, a multinational manufacturer.



### Hayley North

Is the Managing Director of Rose & North Ltd which she founded in 2012. Hayley has over 25 years' experience in financial services including working for Barclays and Bank of America. As a Fellow of the Personal Finance Society, and Chartered Financial Planner, she regularly presents at conferences as well as frequently contributing to the Daily Telegraph's Money Makeover segments. Hayley has also been nominated for and won a number of financial awards, mostly in the professional adviser and financial advice spaces.



## ACCOUNTABILITY REPORT (CONT.)

# Governance Report

## CIFO BOARD ATTENDANCE & REMUNERATION

Board Member	Position	Board Attendance	Attendance Rate	Total 2024 Pay	Bonuses and other incentives	Start Date	End Date
Antony Townsend	Chair	4/4	100%	£24,000	NIL	31-Jan-22	31-Jan-26
Jennifer Carnegie	Director	3/4	75%	£7,500	NIL	31-Jan-23	31-Jan-27
Rob Girard	Vice-Chair	4/4	100%	£7,500	NIL	31-Jan-22	31-Jan-28
Hayley North	Director	4/4	100%	£7,500	NIL	31-Jan-23	31-Jan-28

## CIFO BOARD REGISTER OF INTERESTS

Board Member	Paid Employments/Consultancy	Company	Other Public Appointments	Unpaid appointments in charitable/other body
Antony Townsend	<b>Chair</b> , Determinations Panel of the UK Pensions Regulator <b>Chair</b> , Entrust (Landfill Communities Fund regulator in England and Northern Ireland) <b>Chair</b> , Strategic Advisory Board, Bar Tribunals and Adjudication Service UK <b>Independent Investigator</b> , Independent Complaints and Grievance Service, House of Commons UK <b>Independent Investigator</b> , Financial Conduct Authority	<b>Director</b> , Environmental Trust Scheme Regulatory Body		
Jennifer Carnegie	<b>Non-executive director</b> , Jersey Business <b>Chair</b> , Jersey Development Company	<b>Director</b> , Amicus Limited		
Rob Girard	<b>Chair</b> , Guernsey Banking Deposit Compensation Scheme <b>Commissioner</b> , Guernsey Financial Services Commission	<b>Director</b> , JamesCo 750 Limited	<b>Fellow</b> , Chartered Institute Of Bankers	
Hayley North		<b>Director</b> , Rose & North Ltd		<b>Member</b> , Investment Association's Sectors Committee

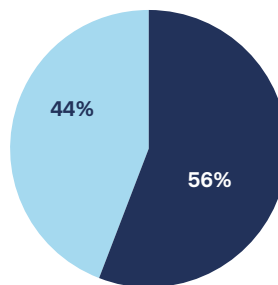
# Staff Report

Our colleagues join us with experience gained in a variety of areas, including financial services, law, accountancy, law enforcement, and regulation. CIFO is committed to an inclusive workplace where those who work with us share our values and are dedicated to resolving disputes fairly and impartially. CIFO regularly reviews staff compensation and benefits against comparable employers. All new permanent appointments are made following an open recruitment process. Our management team as of 3 February 2025 consists of the Principal Ombudsman and Chief Executive, an Ombudsman and Head of Complaints Resolution, a Head of Finance and Administration, and a Head of Legal, Policy & Compliance.

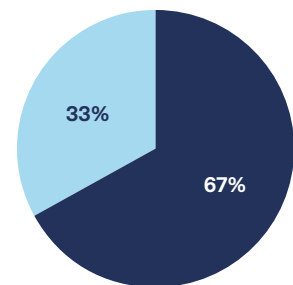
During 2024, CIFO retained the services of six experienced Ombudsman contractors on a consultancy basis, an increase of two from the prior year. At the end of 2024, one of the six Ombudsman contractors withdrew their services and was replaced by two additional Ombudsman contractors. The reactive nature of our work means that there will be periods when the volume and complexity of complaints referred to CIFO varies. Like many small organisations, it is more cost-effective for CIFO to bring in experienced capacity when needed, rather than make permanent additional hires. With more than 100 years' collective experience, the Ombudsman contractors provide valuable capacity for CIFO to draw upon, not only as additional case handling capacity, but also for input into complex case reviews or emerging issues for the organisation. They also provide training and mentoring for their Jersey-based colleagues. At the end of 2024, CIFO had a permanent team of nine members, supplemented by seven Ombudsman contractors.

CIFO also relies upon outsourced services including IT support, cyber-security, legal advice, human resources, and website maintenance and development.

9 Permanent Employees  
and 7 Contract Ombudsmen



3 Members of CIFO  
Management



■ Male ■ Female

## Employee Development

CIFO is committed to allocating part of its annual budget to employee development. All members of the complaints resolution team undergo initial and ongoing training tailored to their specific needs and requirements. In 2024, CIFO staff also participated in a team workshop where staff completed a Predictive Index Psychometric Assessment to provide staff with the tools to work together as a more effective team.

## Employee Wellbeing

CIFO values its employees' wellbeing and health and safety. All CIFO staff are provided with health insurance and have access to virtual doctors and employee wellbeing programmes as part of the health insurance plans. To improve staff wellbeing, CIFO also implemented a death in service benefit and flexible working conditions for all staff in 2024.

# 2024 Audited Financial Statements

CHANNEL ISLANDS

## CONTACT

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Channel Islands JE4 9QG

**Jersey:** 01534 669800

**Guernsey:** 01481 722218

**International:** +44 1534 669800

[www.ci-fo.org](http://www.ci-fo.org)

[enquiries@ci-fo.org](mailto:enquiries@ci-fo.org)

## AUDITORS

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Jersey

**Jersey:** 01534 816000

[www.rsm.global/channelislands](http://www.rsm.global/channelislands)

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**CHANNEL ISLANDS FINANCIAL OMBUDSMAN**  
**Audited financial statements**  
**for the year ended**  
**31 December 2024**

## **CHANNEL ISLANDS FINANCIAL OMBUDSMAN**

### **INFORMATION**

The financial statements of the Channel Islands Financial Ombudsman are the combined financial statements of the Office of Financial Services Ombudsman Guernsey and the Office of the Financial Services Ombudsman Jersey, referred to in the body of the financial statements as the OFSOs.

<b>Directors</b>	Antony Townsend - Chair Robert Girard Jennifer Carnegie Hayley North
<b>Administration Office</b>	Channel Islands Financial Ombudsman No 3 The Forum Grenville Street St Helier Jersey JE2 4UF
<b>Independent auditors</b>	RSM Channel Islands (Audit) Limited PO Box 179 13/14 Esplanade St Helier Jersey JE4 9RJ
<b>Principal Ombudsman</b>	Douglas Melville



## **CHANNEL ISLANDS FINANCIAL OMBUDSMAN**

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**CHANNEL ISLANDS FINANCIAL OMBUDSMAN  
CHAIR'S STATEMENT  
for the year ended 31 December 2024**

**1**

The Chair presents his statement on the 2024 accounts.

The Channel Islands Financial Ombudsman ("CIFO") is the joint operation of the Offices of the Financial Services Ombudsman (the "OFSOs") established by the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 and the Financial Services Ombudsman (Jersey) Law 2014. The joint operation is provided for in a Memorandum of Understanding between the States of Guernsey and the States of Jersey and in the relevant legislation in each Bailiwick.

These financial statements are prepared on a combined basis to reflect the joint operation. Expenses are covered by amounts raised from relevant financial services providers through annual levies, charged on the same basis in each Bailiwick, plus case fees.

Income for 2024 increased due to an increase in billable case fees. While there was an increase in expenditure due to inflation, there was an operating surplus at the end of the 2024.

The accumulated surplus at the end of 2024 represents the operating reserve. This represents six months of reserves intended to provide a buffer to cover the unforeseeable volatility inherent in a demand-led case-working organisation, and to guard against the risk of irrecoverable legal expenses.

**Antony Townsend  
Chair**

The directors present their report and the financial statements for the year ended 31 December 2024.

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 and the Financial Services Ombudsman (Jersey) Law 2014 require the directors to prepare financial statements for each financial year. Under those laws they have elected to prepare the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and applicable law.

Under the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 and the Financial Services Ombudsman (Jersey) Law 2014 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Offices of the Financial Services Ombudsman ("OFSOs") and the profit or loss of the OFSOs for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess OFSOs' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the OFSOs or to cease operations, or have no realistic alternative but to do so; and
- submit the financial statements and report to the Guernsey Committee for Economic Development (the "Committee") and the Jersey Minister for Sustainable Economic Development, (the "Minister") not later than 4 months after the end of each financial year.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the OFSOs' transactions and disclose with reasonable accuracy at any time the financial position of the OFSOs and enable them to ensure that the financial statements comply with the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 and the Financial Services Ombudsman (Jersey) Law 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the OFSOs and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the OFSOs' website. Legislation in Guernsey and Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **PRINCIPAL ACTIVITY**

The OFSOs' primary function is to ensure that complaints about financial services are resolved:

- independently, and in a fair and reasonable manner;
- effectively, quickly, with minimum formality, and so as to offer an alternative to court proceedings that is more accessible for complainants; and
- by the most appropriate means, whether by mediation, referral to another forum, determination by an Ombudsman or in any other manner.

## **RESULTS**

The Statement of Income and Retained Earnings for the year is set out on page 7.

## **DIRECTORS**

The directors who held office during the year were:

Antony Townsend - Chair  
Robert Girard  
Jennifer Carnegie  
Hayley North

## **DISCLOSURE OF INFORMATION TO THE AUDITOR**

Each of the persons who are directors at the time when this Report of the Directors is approved has confirmed that:

## **INDEPENDENT AUDITOR**

RSM Channel Islands (Audit) Limited was appointed as auditor on 29 June 2020.

This report was approved by the board on 17 April 2025 and signed on its behalf.

**Director**

## **INDEPENDENT AUDITOR'S REPORT TO THE MINISTER FOR ECONOMIC SUSTAINABLE ECONOMIC DEVELOPMENT OF THE STATES OF JERSEY (THE "MINISTER") AND THE COMMITTEE FOR ECONOMIC DEVELOPMENT OF THE STATES OF GUERNSEY (THE "COMMITTEE")**

### **Opinion**

We have audited the financial statements of the Channel Islands Financial Ombudsman (the "Body Corporate") which comprise the statement of financial position as at 31 December 2024, and the statement of income and retained earnings and statement of cash flows for the year then ended, and notes 1 to 13 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Body Corporate as at 31 December 2024 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the Financial Services Ombudsman (Jersey) Law 2014 and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this report. We are independent of the Body Corporate in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey and Guernsey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Body Corporate's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information, which comprises the Chairman's Statement and the Report of the Directors. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the terms of our engagement require us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



## **INDEPENDENT AUDITOR'S REPORT TO THE MINISTER FOR ECONOMIC SUSTAINABLE ECONOMIC DEVELOPMENT OF THE STATES OF JERSEY (THE "MINISTER") AND THE COMMITTEE FOR ECONOMIC DEVELOPMENT OF THE STATES OF GUERNSEY (THE "COMMITTEE") (continued)**

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Body Corporate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to cease operations of the Body Corporate or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Body Corporate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Body Corporate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Body Corporate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is explained below.

The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MINISTER FOR ECONOMIC SUSTAINABLE ECONOMIC DEVELOPMENT OF THE STATES OF JERSEY (THE "MINISTER") AND THE COMMITTEE FOR ECONOMIC DEVELOPMENT OF THE STATES OF GUERNSEY (THE "COMMITTEE") (continued)**

**The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the Body Corporate's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

We obtained an understanding of the legal and regulatory frameworks that the Body Corporate operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. These included compliance with Financial Services Ombudsman (Jersey) Law 2014 and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014.

Our testing included, but was not limited to:

- enquiries of management regarding known or suspect instances of non-compliance with laws and regulations;
- enquiries of management regarding known or suspect instances of irregularities, including fraud;
- undertaking analytical procedures to identify unusual or unexpected relationships;
- review of minutes of Board meetings throughout the year;
- testing the appropriateness of journal entries and other adjustments; and
- agreement of the financial statements disclosures to underlying supporting documentation.

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatement of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). However, the principal responsibility for ensuring that the financial statements are free from material misstatement, whether caused by fraud or error, rests with the directors who should not rely on the audit to discharge those functions.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the Minister and the Committee in accordance with Schedule 2 Article (4)(1)(5)(a) of the Financial Services Ombudsman (Jersey) Law 2014 and Schedule 1(5)(4)(a) of the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 respectively. Our audit work has been undertaken so that we might state to the Minister and the Committee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Body Corporate, the Minister and the Committee, for our audit work, for this report, or for the opinions we have formed.

**Philip Crosby  
For & on behalf of  
RSM Channel Islands (Audit) Limited  
Chartered Accountants  
Jersey, C.I.**

**22 April 2025**

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**for the year ended 31 December 2024**

	Notes	2024 GBP	2023 GBP
Revenue	3	<u>1,479,833</u>	<u>1,305,821</u>
<b>Gross surplus</b>		1,479,833	1,305,821
Administrative expenses	4	<u>(1,249,626)</u>	<u>(1,224,697)</u>
Operating surplus		230,207	81,124
Interest receivable		7,443	3,915
<b>Surplus for year</b>		<u>237,650</u>	<u>85,039</u>
<b>Retained earnings brought forward</b>		479,886	394,847
<b>Retained earnings carried forward</b>		<u><u>717,536</u></u>	<u><u>479,886</u></u>

All the items dealt with in arriving at the above results relate to continuing operations.

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2024**

	Notes	2024		2023	
		GBP	GBP	GBP	GBP
<b>Fixed assets</b>					
Intangible assets	5		7,831		14,393
Tangible assets	5		<u>5,281</u>		<u>2,983</u>
			13,112		17,376
<b>Current assets</b>					
Unbilled case fees	6	79,600		75,600	
Debtors and prepayments	7	21,350		22,114	
Cash and cash equivalents	8	<u>652,846</u>		<u>414,747</u>	
		<u>753,796</u>		<u>512,461</u>	
<b>Creditors: Amounts falling due within one year</b>					
Creditors and accruals	9	<u>49,372</u>		<u>49,951</u>	
		<u>49,372</u>		<u>49,951</u>	
<b>Net current assets</b>			704,424		462,510
<b>Net assets</b>			<u>717,536</u>		<u>479,886</u>
<b>Capital and reserves</b>					
Accumulated surplus	11		<u>717,536</u>		<u>479,886</u>
			<u>717,536</u>		<u>479,886</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 April 2025.

**Director**

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2024

	Notes	2024 GBP	2023 GBP
<b>Cash flows from operating activities</b>			
Surplus / (deficit) for year		237,650	85,039
<b>Adjustments for:</b>			
Interest receivable		(7,443)	(3,915)
Depreciation / amortisation	5	8,290	9,556
(Increase)/decrease in unbilled case fees		(4,000)	49,200
Decrease/(increase) in debtors and prepayments		764	(2,218)
(Decrease)/increase in creditors and accruals		(579)	1,160
<b>Net cash used in operating activities</b>		<u>234,682</u>	<u>138,822</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets	5	(4,026)	(3,195)
Interest received		7,443	3,915
<b>Net cash used in investing activities</b>		<u>3,417</u>	<u>720</u>
<b>Net increase in cash and cash equivalents</b>		238,099	139,542
Cash and cash equivalents at the beginning of the year		414,747	275,205
<b>Cash and cash equivalents at the end of of the year</b>		<u>652,846</u>	<u>414,747</u>
<b>Cash and cash equivalents at the end of the year comprise:</b>			
Cash and cash equivalents	8	<u>652,846</u>	<u>414,747</u>

**Net debt reconciliation**

	As at 1 Jan 2024 GBP	Cash flows GBP	As at 31 Dec 2024 GBP
<b>Cash and cash equivalents</b>			
Cash	414,747	238,099	652,846
Overdrafts	-	-	-
Cash equivalents	-	-	-
	<u>414,747</u>	<u>238,099</u>	<u>652,846</u>

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.



## **1 Accounting policies**

A summary of the principal accounting policies, all of which have been consistently applied throughout the period, and the preceding year, is set out below.

### **1.1 Basis of preparation of financial statements**

The financial statements of the Channel Islands Financial Ombudsman are the combined financial statements of the Office of Financial Services Ombudsman Guernsey and the Office of the Financial Services Ombudsman Jersey, referred to in the body of the financial statements as the OFSOs.

The financial statements have been prepared on the historical cost basis and in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the OFSOs' accounting policies (see note 2).

### **1.2 Going concern**

The OFSOs continue to adopt the going concern basis in preparing their financial statements for the following reasons:

- All statutory aspects of the mandate are in place making the OFSOs mandatory;
- There is statutory ability to levy industry to cover operating costs;
- There is a strong cash position and prudent operating reserves;
- Case files and associated case fee income are in line with expectations; and
- As regards the pan-Channel Islands joint operation of the OFSOs, there is a Memorandum of Understanding in place between the Guernsey Committee for Economic Development and the Jersey Minister for Sustainable Economic Development.

### **1.3 Revenue**

The intent underpinning the design of the OFSOs funding regime is to charge on a basis that is transparent, fair and simple to administer.

The Financial Services Ombudsman (Case-fee and Levies) (Bailiwick of Guernsey) Order 2015, as amended by the Financial Services Ombudsman (Case-fee and Levies) (Bailiwick of Guernsey) (Amendment) Order 2018 and the Financial Services Ombudsman (Case-fee and Levy) (Jersey) Regulations 2015, as amended by the Financial Services Ombudsman (Case-fee, Levy and Budget-Amendments) (Jersey) Regulations 2018, provided for the OFSOs to prescribe schemes for case fees and levies to be paid by certain financial services providers in respect of the expenses of the OFSOs.

## CHANNEL ISLANDS FINANCIAL OMBUDSMAN

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

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#### 1 Accounting policies - continued

##### 1.3 Revenue - continued

###### Sources of revenue

The principal sources of revenue are annual levies and case fees.

###### Annual levy

The detail regarding the levies for 2024 is set out in the Financial Services Ombudsman Levy Scheme (Bailiwick of Guernsey) 2024 (the '2024 Guernsey Levy Scheme') and the Financial Services Ombudsman Levy Scheme (Jersey) 2024 (the '2024 Jersey Levy Scheme'). The detail regarding the levies for 2023 is set out in the Financial Services Ombudsman Levy Scheme (Bailiwick of Guernsey) 2023 (the '2023 Guernsey Levy Scheme') and the Financial Services Ombudsman Levy Scheme (Jersey) 2023 (the '2023 Jersey Levy Scheme').

The OFSOs' levies are payable by 'Registered Providers', as defined in the Financial Services Ombudsman (Case-fee and Levies) (Bailiwick of Guernsey) Order 2015 and the Financial Services Ombudsman (Case-fee and Levy) (Jersey) Regulations 2015. Broadly these are providers that are required to register with the Guernsey and Jersey Financial Services Commissions ("the Commissions") or are licensed or hold a certificate or a permit under the regulatory laws as specified. Data on registered providers is provided by the Commissions to the OFSOs, as set out in the Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 and the Financial Services Ombudsman (Jersey) Law 2014.

The 2024 levy was payable per sector of activity, for which, on 8 January 2024, a provider was registered with or held a licence, permit or certificate from the Commissions, unless the Registered Provider was entitled to zero-rating in accordance with the 2024 Guernsey Levy Scheme or 2024 Jersey Levy Scheme. Levy notices were sent out from March to July 2024 and Registered Providers were required to pay to the OFSOs the levy as specified in the levy notice, unless they have certified as zero-rated in accordance with the procedure specified in the levy notice.

The levies raised the funding required for the operation of the OFSOs in 2024. In setting the amount to be raised in levies the OFSOs' board was mindful of the need to manage the reserves. The total levy amount required was £1,180,255 an increase of 9% of the total levy required for 2023.

Levy income is recognised in the period to which the levy relates. No adjustment is made in respect of any changes to providers' licences after 8 January 2024, with any changes in providers' licences coming into effect from the 2025 year of assessment.

Actual 2024 levy amounts per sector:

	<b>GBP</b>
Banking	590,112
Insurance and/or general insurance mediation business	179,304
Investment business and/or fund functionary	214,008
Money service business	57,840
Lending, credit and finance providers	54,948
Registered credit provider	37,596

## **CHANNEL ISLANDS FINANCIAL OMBUDSMAN**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024**

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#### **1 Accounting policies - continued**

##### **1.3 Revenue - continued**

###### **Case fees**

Case fees are set in the Financial Services Ombudsman Fee Scheme (Bailiwick of Guernsey) 2024 and the Financial Services Ombudsman Fee Scheme (Jersey) 2024. Case fees are charged on a fixed basis irrespective of the outcome and the time and other costs incurred relating to the specific case. Each financial services provider ("FSP") must pay to the OFSO a case fee for each complaint against the provider that is referred to the OFSO, unless, in the opinion of an ombudsman:

The amount of the case fee for each complaint received on or after 1 January 2024 is:

- £nil for Community Savings Limited;
- £975 for any registered provider that is liable to pay a levy; and
- £1,550 for any other provider.

###### **Case fee income**

Case fee income is recognised when it is billable. A complaint becomes billable once it has completed the initial jurisdictional checks and has not been rejected as ineligible or for other reasons in accordance with the legislation. Ordinarily, the OFSO will invoice any case fees quarterly in arrears. If any provider accumulates 10 or more cases since the previous case fee invoice the OFSO may issue an interim case fee invoice.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2024**

**1 Accounting policies - continued**

**1.4 Intangible and tangible assets**

Intangible assets are predominantly the OFSOs' website and brand and its bespoke complaint management system ("CMS"). These assets are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 5 years.

The estimated useful lives for intangible assets are as follows:

Website and brand	5 years
Complaint management system	5 years

Intangible asset amortisation commences upon commissioning of the asset in question.

Tangible assets comprise computer equipment. These assets are initially recognised at their purchase price, including any incidental costs of acquisition. Depreciation is calculated to write down the net book value on a straight-line basis over the expected useful economic life of the asset.

The estimated useful life for tangible assets is 4 years.

The board's policy is only to capitalise costs over £1,000 in total per item.

**1.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts (if applicable) that are repayable on demand and form an integral part of OFSOs' cash management.

**1 Accounting policies - continued**

**1.6 Financial instruments**

Financial instruments are classified as basic or other financial instruments in accordance with Section 11 and 12 of FRS 102. Basic financial instruments include unbilled case fees, debtors and prepayments, cash and cash equivalents, creditors and accruals. There are no other financial instruments in these financial statements.

**(i) Financial assets**

Unbilled case fees and debtors are recognised initially at the transaction price adjusted for attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Financial assets measured at amortised cost are assessed at the end of each reporting period for impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

Financial assets are derecognised when the contractual rights to cash flows from the asset expire or are settled.

**(ii) Financial liabilities**

Creditors and accruals are recognised initially at the transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired.

**(iii) Offsetting**

Financial assets and liabilities (and related income and expenses) are only offset and the net amounts presented in the Statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

No financial assets and liabilities have been offset at the year end date.

**(iv) Amortised cost**

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation, using the effective interest method, of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.



**1 Accounting policies - continued**

**1.6 Financial instruments - continued**

**(v) Impairment of assets**

At each reporting date, assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of income and retained earnings.

**1.7 Taxation**

The income of the OFSOs is not subject to income tax under the Income Tax (Guernsey) Law 1975 or the Income Tax (Jersey) Law 1961.

**1.8 Foreign currency translation**

**Functional and presentation currency**

The OFSOs' functional and presentational currency is pound sterling because that is the currency of the primary economic environment in which the OFSOs' operate.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings.

**1.9 Finance costs**

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1 Accounting policies - continued**

**1.10 Pensions**

The OFSOs provide membership to an outsourced defined contribution plan for its employees. A defined contribution plan is a pension plan under which the OFSOs pay fixed contributions into a separate entity. Once the contributions and administration fees have been paid, the OFSOs have no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown within creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the OFSOs' in independently administered funds.

**1.11 Interest receivable and similar income**

Interest receivable is recognised in the Statement of income and retained earnings using the effective interest method.

**1.12 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**1.13 Rents**

Rentals under licence agreements are charged to the Statement of income and retained earnings on a straight-line basis over the term of the agreement.

**1.14 Expenses**

Expenses are accounted for on an accruals basis.

**2 Judgements in applying accounting policies and key sources of estimation uncertainty**

Recoverability of unbilled case fees and debtors are the key areas of judgement.

In assessing unbilled income recoverability, management have considered each entity's awareness of the OFSOs' case fee and levy schemes and whether the entity to be billed is still in operation.

In assessing debtor recoverability management have considered any certifications regarding zero rating, whether the entity is still in operation and whether the entity is still a Registered Provider (see note 1.3).

## CHANNEL ISLANDS FINANCIAL OMBUDSMAN

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

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#### 3 Analysis of revenue

An analysis of revenue is provided below:

	2024 GBP	2023 GBP
<b>Case fees</b>		
Guernsey OFSO	157,575	141,950
Jersey OFSO	188,450	122,250
<b>Levies</b>		
Guernsey OFSO	609,324	541,518
Jersey OFSO	524,484	500,103
	<u>1,479,833</u>	<u>1,305,821</u>

#### Contingent asset

A portion of the time costs (salaries) of the Principal Ombudsman and Case Manager will be charged against eligible pension providers when the new Jersey occupational pension legislation comes in to effect, currently timeline is uncertain. The time spent during 2022 and 2023 was recorded and monitored and it is more likely than not that an inflow of benefits will occur once the legislation is in place. The amount recorded for the year was £Nil (2023 £16,535), which has been expensed in the year as required by FRS102 Section 21.

## CHANNEL ISLANDS FINANCIAL OMBUDSMAN

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

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#### 4 Administrative expenses

	2024 GBP	2023 GBP
Directors' remuneration	46,500	47,125
Strategic consultant	-	1,500
Governance costs	6,148	29,979
Staff salaries	731,605	698,063
Contract case handlers	84,591	109,670
Employer social security	38,808	33,622
Staff pension costs	67,124	56,918
Staff training & ESG initiatives	22,139	14,829
Hotels, travel, subsistence	8,618	5,601
IT costs	51,002	50,084
HR costs	5,577	9,516
Case-related costs	-	5,559
Auditor's remuneration	23,500	25,391
Bad debts	850	1,232
Reversal of bad debt	-	(1,028)
Rent and rates	61,425	55,755
Insurances	52,830	45,129
Recruitment and licence fees	20	692
Stationery	208	178
Postage	334	417
Telephone	3,775	1,420
General office expenses	7,388	7,164
Trade subscriptions and CPD	6,580	6,360
Bank charges	1,201	1,191
Line of credit charge	2,500	2,500
Administration costs	18,613	6,248
Depreciation / amortisation expense	8,290	9,556
Loss on forex	-	26
	<u>1,249,626</u>	<u>1,224,697</u>

# CHANNEL ISLANDS FINANCIAL OMBUDSMAN

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

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### 5 Intangible and tangible assets

	Tangible Computer equipment GBP	Intangible Website and Brand GBP	Intangible Complaint Management system GBP	Total GBP
<b>Cost</b>				
At 1 January 2024	5,839	25,830	55,360	87,029
Additions in year	4,026	-	-	4,026
At 31 December 2024	9,865	25,830	55,360	91,055
<b>Depreciation / amortisation</b>				
At 1 January 2024	2,856	19,267	47,530	69,653
Charge for year	1,728	2,357	4,205	8,290
At 31 December 2024	4,584	21,624	51,735	77,943
<b>Net book value</b>				
At 31 December 2024	5,281	4,206	3,625	13,112
At 31 December 2023	2,983	6,563	7,830	17,376

### 6 Unbilled case fees

	2024 GBP	2023 GBP
Case fees (see note 1.3)	79,600	75,600

### 7 Debtors and prepayments

	2024 GBP	2023 GBP
Trade debtors	1,803	3,832
Bad debt provision	(1,232)	(1,232)
Prepayments	20,779	19,514
	21,350	22,114

## CHANNEL ISLANDS FINANCIAL OMBUDSMAN

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

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#### 7 Debtors and prepayments - continued

During the year, the directors provided against the amounts disclosed below:

	2024 GBP	2023 GBP
Balance at the start of year	1,232	-
Additions	-	1,232
Balance at end of year	1,232	1,232

The debt is in relation to the 2022 levy.

#### 8 Cash and cash equivalents

	2024 GBP	2023 GBP
Cash at bank	652,846	414,747

The OFSOs share one current account and one deposit account under the account name "The Offices of the Financial Services Ombudsman - CI". The current account has an unutilised overdraft facility of £250,000 (2023: £250,000).

The current account has a corporate card facility of £20,000 (2023: £20,000).

#### 9 Creditors and accruals

	2024 GBP	2023 GBP
Accruals	23,514	24,255
Trade and other creditors	25,858	25,696
	49,372	49,951

There is no unused annual leave as at 31 December 2024 (2023 £nil).

#### 10 Financial instruments

	2024 GBP	2023 GBP
<b>Financial assets</b>		
Financial assets measured at amortised cost	753,796	512,461
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(49,372)	(49,951)



## CHANNEL ISLANDS FINANCIAL OMBUDSMAN

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

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#### 11 Accumulated surplus

The accumulated surplus includes all current and prior period retained surpluses and deficits.

The Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 and the Financial Services Ombudsman (Jersey) Law 2014 states that the OFSO may, in accordance with any guidelines set by the Minister for Treasury and Resources:

- (a) accumulate a reserve of such amount as it considers necessary, and
- (b) invest that reserve and any of its other funds and resources that are not immediately required for the performance of its functions.

#### 12 Other financial commitments

On 14 December 2021 the OFSOs entered into an licensed office agreement with Polygon Serviced Offices Limited (previously Vantage Innovation Limited) for an annual rental of £55,755, fixed until 31 December 2023. A new agreement was entered into on 4 December 2023 for an annual rental of £61,425 fixed until 31 December 2025. The agreement has been classified as an operating lease. The future commitments are as follows:

	2024 GBP	2023 GBP
Due within one year	61,425	61,331
Due 1 - 5 years	-	61,331
	<hr/> 61,425	<hr/> 122,662

#### 13 Related party transactions

During the year, board remuneration of £24,000 (2023: £22,625) was paid to Antony Townsend, the chair and £22,500 (2023: £23,125) was paid to the non-executive directors. No amounts were outstanding at the year end (2023: £nil).

The principal ombudsman is considered to be key management personnel. Remuneration in respect of the principal ombudsman comprises a salary of £231,448 (2023: £213,479), pension contributions of £27,774 (2023: £25,617) and insurance costs of £12,000 (2023: £12,000) At the year end the principal ombudsman owed CIFO £Nil (2023: £6,030 in respect of part of their 2024 annual leave entitlement being taken in 2023).

During 2024 CIFO engaged with similar organisations, to ensure staff salaries and benefits were inline with market rates. This exercise will be undertaken again in 2025. The board are satisfied that CIFO salaries and benefits are fair and that pay equity is being met.

