



RPC



FOS complaints newsletter

September 2025

In this FOS complaints newsletter, we look at recent developments which have already impacted, or are likely to impact, future developments and trends.

FOS complaints data runs from 1 April to 30 March. This newsletter focusses on the first quarter covering 1 April to 30 June 2025.

We look at total complaints at FOS but also drill down to specific areas – pensions (SIPPs and pension transfers), investment advice, residential mortgages and complaints against claims management companies.



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Trends

Item	Detail
The complaints data in this newsletter covers FOS Q1 (April to June) but the developments we have seen for the period March to August 2025 include:	
1 FOS reforms	<p>The Chancellor presented a package of reforms with the intention of stopping the FOS from acting as a 'quasi regulator' and returning it to its original role, being that of a simple, impartial dispute resolution service. The key proposals were covered in an FCA press release and include:</p> <ul style="list-style-type: none"> • FOS' 'fair and reasonable' test is to be retained but, in circumstances where a firm complied with the FCA's rules, this will mean FOS is required to determine that the firm has acted fairly and reasonably. This may add a greater degree of certainty for financial services firms. However, this ties in with a requirement that the FOS refers an issue to the FCA for determination where there is uncertainty about the application of FCA rules. In our experience, the FCA tends to take a fairly consumer friendly interpretation and so it is questionable if this change will mean a substantively different approach. • A proposal to introduce an 'absolute' limit of 10 years from the conduct complained of to bring complaints to the FOS. This is a welcome proposal, as it has long been a criticism that FOS complaints were not subject to a 'longstop' in the same way as a civil claim, albeit there are likely to be carve outs to any longstop. • It has also been confirmed that the interest rate applicable to some FOS awards will be changed from 8% to Bank of England Base rate +1% - this is another welcome change given that the standard 8% rate could feel punitive.
2 Charges for professional representatives	<p>FOS has decided to introduce charging for professional representatives who bring more than 10 complaints per year. This measure is intended to discourage claims management companies from wasting FOS' finite resources on dealing with poorly articulated complaints. It will be interesting to see whether this change has a bearing on complaint levels going forward.</p>
3 Vehicle Finance Commission	<p>The Supreme Court handed down judgment in Johnson v FirstRand Bank Limited. In a landmark ruling, and much to the delight of the consumer finance industry, the Supreme Court ruled that finance brokers (who in this case were motor dealers) do not owe a fiduciary duty to consumers and consumers are not entitled to claim back commission paid to a broker from the lender. The Financial Conduct Authority has confirmed that it will consult on a consumer redress scheme, with the consultation due in October this year. However, following the Supreme Court Judgment, the estimated level of redress has now reduced drastically to £9-18 billion.</p>
What to look out for in the next quarter:	
4 CMC case fees	<p>It will be interesting to see whether the introduction of CMC case fees results in fewer complaints being brought to FOS by professional representatives.</p>
5 Vehicle Finance Commission	<p>Following the outcome of the Supreme Court's decision, we await the FCA's consultation on a consumer redress scheme.</p>
6 Pure Protection Products	<p>The FCA has published a study into the pure protection market, but by the end of the year we are expecting the FCA's review of the pure protection market where it's looking at the market through the consumer duty lens including issues such as the distribution model for pure protection products.</p>

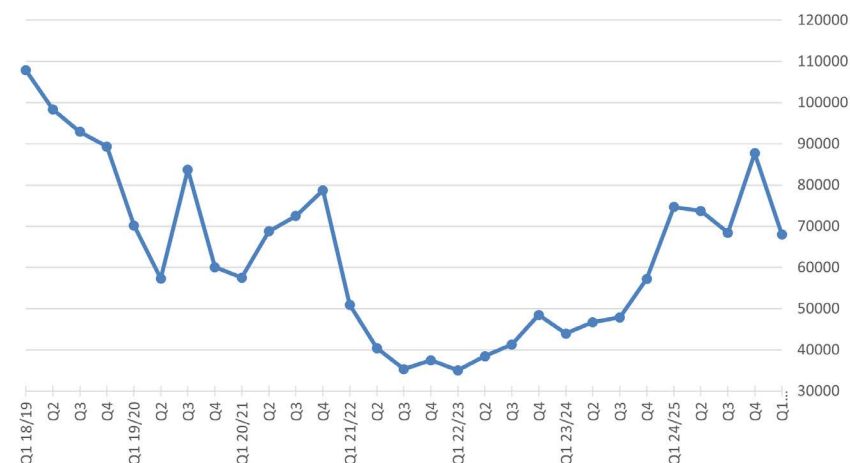
Total complaints referred to FOS – 2018 to 2025

There has been a drop in complaints received by FOS between Q4 2024/2025 and Q1 2025/2026, but if current complaint volumes continue, they are on course to be higher than in 2023/2024. Across all financial products and complaint issues, the latest data set shows FOS upheld 31% of all resolved complaints in favour of consumers, which is slightly lower than the previous quarter.

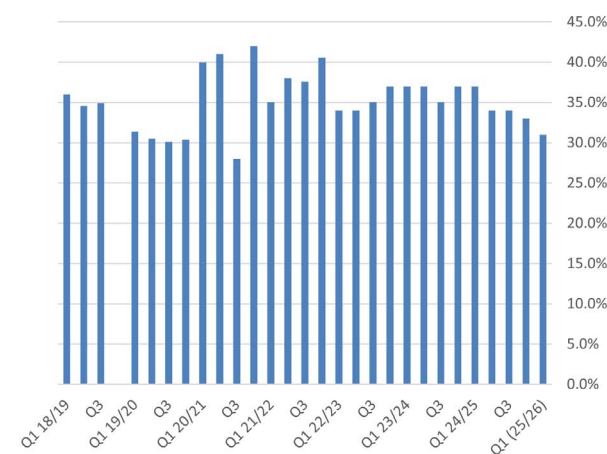
In first quarter of 2025/2026 FOS saw:

- **Total new complaints:** 68,029 (down from the 87,692 total new complaints made in the last quarter (in Q4 2025/2026) but significantly more than the 43,953 total new complaints made during the same period in 2023/2024 (in Q1 2023/2024).
- **Average uphold rate:** 31%
- **Most complained about products:** The most complained about issue – motor finance commission – albeit the number of complaints dropped from 37,200 cases in Q4 of 2024/2025 to 24,300 cases in Q1 of 2025/2026.

Total Complaints 2018 - 2025



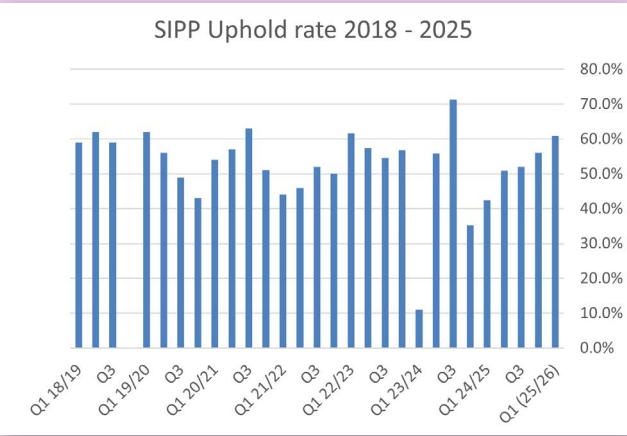
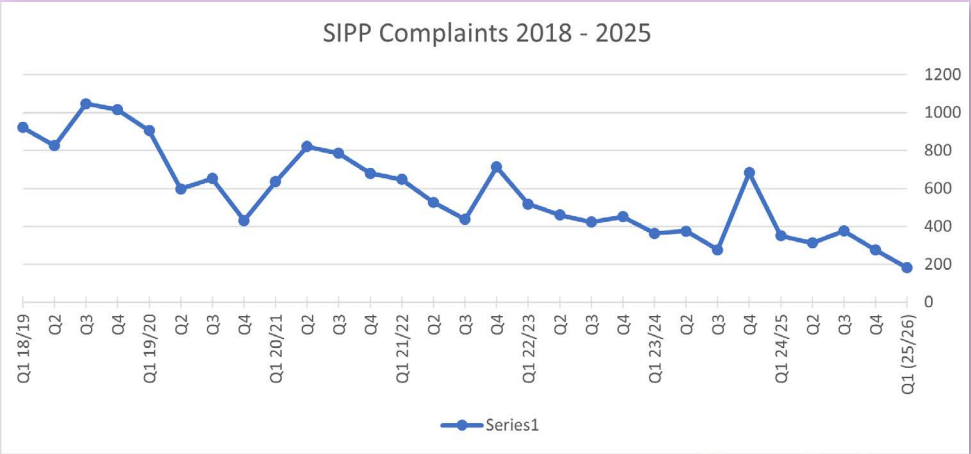
Total Uphold rate 2018 - 2025



Pensions

SIPPs

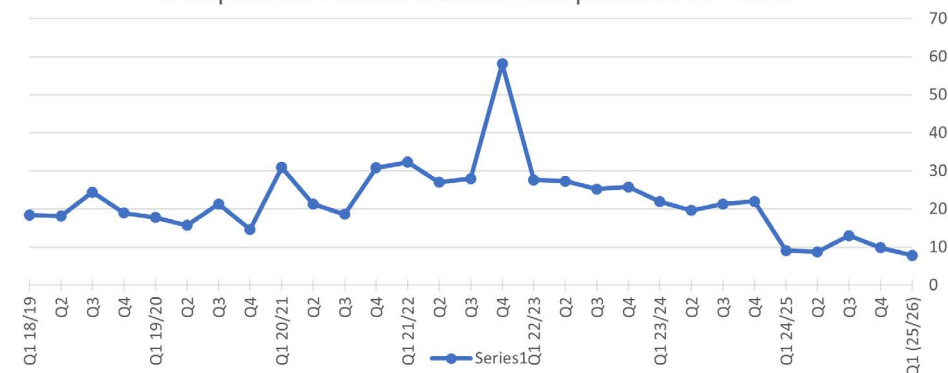
- In Q1 of 2025/2026, there were 182 new cases (down from 275 new cases in Q4 of 2024/2025) with an average uphold rate of 60.9% (up from 56% in Q4 of 2024/2025).
- In the same period in of 2023/2024 (Q1) there were 363 new cases with an average uphold rate of just 11%.
- The number of complaints about SIPPs in Q1 of 2025/2026 has dropped considerably from the average of 328.5 per quarter in 2024/2025, however, the average uphold rate has increased from 50.33% per quarter for 2024/2025 to 60.9% for Q1 of 2025/2026).



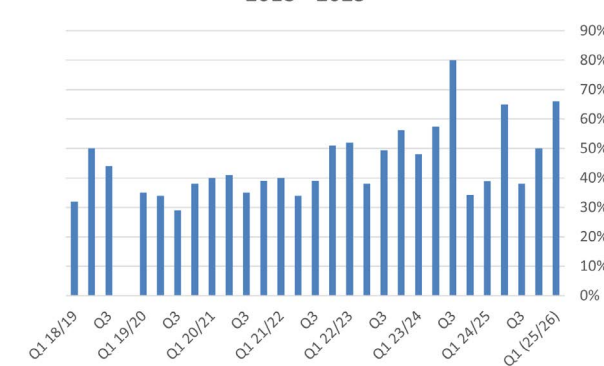
Occupational Pension Transfers (OPTs)

- In Q1 of 2025/2026, there were 78 new cases (up from 98 new cases in Q4 of 2024/2025) with an average uphold of 66% (up from an average uphold rate of 50% in Q4 of 2024/2025).
- In the same period of 2023/2024 (Q1) there were 219 new cases with an average uphold rate of 48%.
- This category does not necessarily capture all occupational pension transfer complaints being that complaints regarding advice to transfer out of defined benefit schemes may fall under the advice complaint category.

Occupational Pension Transfers Complaints 2018 - 2025



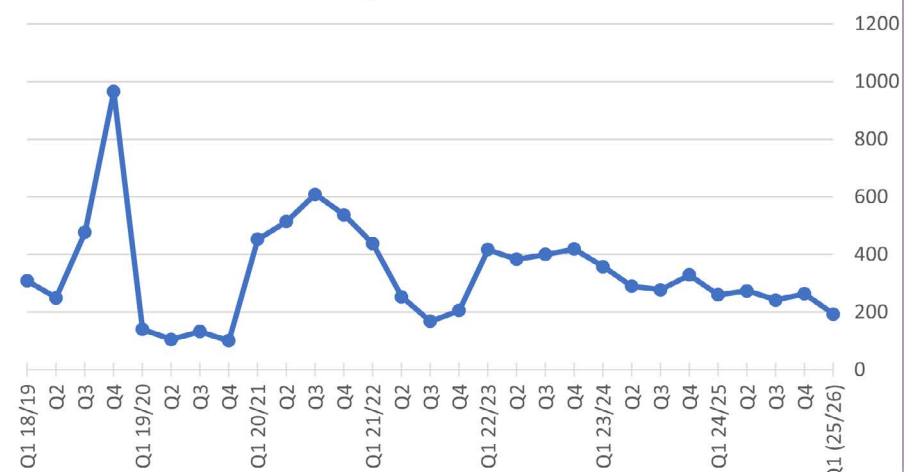
Occupational Pension Transfers Uphold rate 2018 - 2025



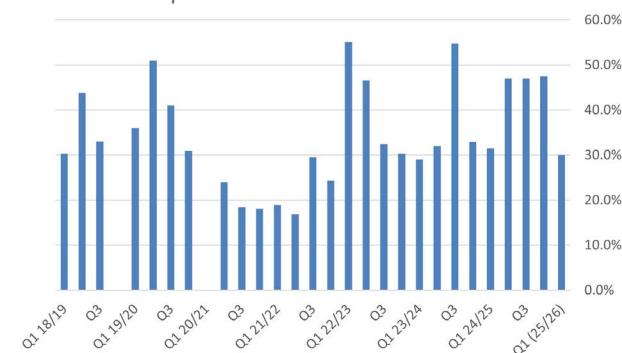
Advice complaints

- In Q1 of 2025/2026, there were 194 new cases (down from 264 new cases in Q4 of 2024/2025) with an average uphold of 30% (down from 47.5% in Q4 of 2024/2025).
- In the same period of 2023/2024 (Q1) there were 358 new cases with an average uphold rate of 29%.

Advice Complaints 2018 - 2025

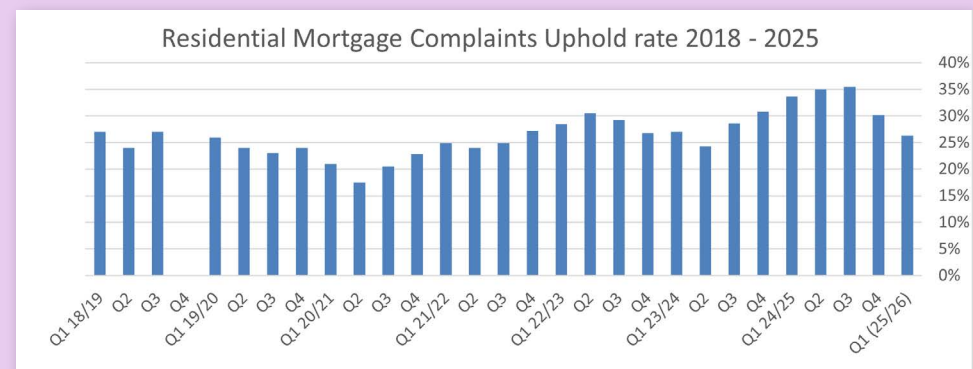
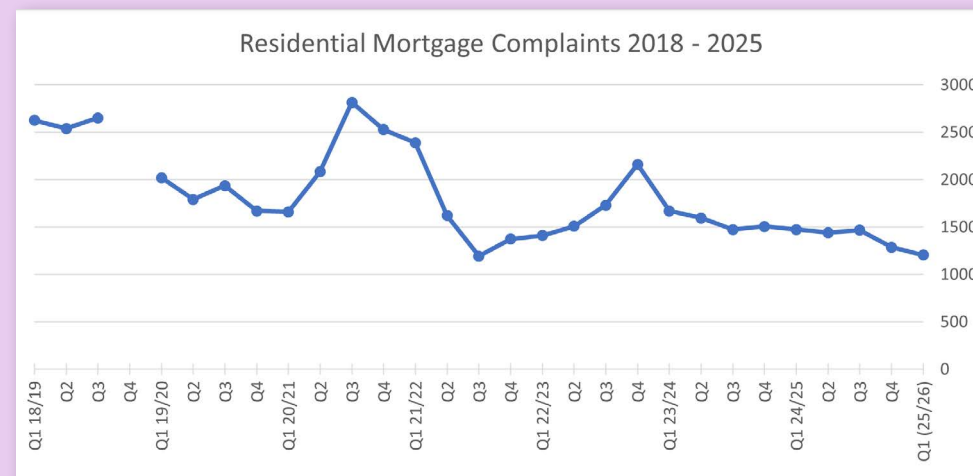


Advice Uphold rate 2018 - 2025



Residential mortgages

- In Q1 of 2025/2026, there were 1,206 new cases (down from 1,288 new cases in Q4 of 2024/2025) with an average uphold of 26% (down from 30.2% in Q4 of 2024/2025).
- In the same period of 2023/2024 (Q1) there were 1672 new cases with an average uphold rate of 27%.
- This category relates to all complaints regarding residential mortgages, to include bridging loans, first charge mortgages, help to buy loans and second charge loans. It has remained broadly consistent over the years generating a high number of complaints.



Claims Management Companies (CMCs)

- FOS has not yet published its complaints data relating to Claims Management Companies for Q1 of 2025/2026 (possibly because of low complaint volumes).
- In Q4 of 2025/2026, there were just 41 new cases with an average uphold of less than 30%.
- In the same period of 2023/2024 (Q1) there were 61 new cases with an average uphold rate of 45%.
- Numbers are relatively low with a sharp year on year decline from over 1,300 in 2019/2020 to just 113 in 2024/2025 (there was no data published for Q2 of 2024/2025).



Other FOS developments

March – June 2025

- Whilst FOS continue to see a high level of complaints brought by professional representatives particularly regarding hire purchase, credit cards and current accounts, they are on the decline and there are likely to be even fewer complaints brought through this channel in the next quarter as a result of the CMC charging rules.
- FOS’ data shows that the number of new cases concerning fraud and scams relating to authorised push payments has significantly dropped and anticipate that they will continue to do so.
- Complaints about motor hire purchase continue to be the most complained about product although there has been a significant reduction this quarter.

Relevant RPC blogs

Title	Date
Supreme Court upholds that fiduciaries must act with “single-minded loyalty toward their principals (or beneficiaries)”	22 April 2025
FOS’ jurisdiction - a judicial review with wider consequences?	30 May 2025
FOS to consult on interest – Is 8% too high?	6 June 2025
FCA considers motor finance redress scheme	13 June 2025

Note: gaps in the data result from (a) FOS not publishing Q4 complaints data until 2019/2020, and (b) FOS not publishing data for categories where there are 30 complaints or less. This means that for some areas the data is not perfect. Also FOS’ categorisation of products has not always remained consistent and again this may result in some small anomalies. The fact that there is a delay between complaints referred to FOS and uphold rates means that there is not a clear correlation between a spike in complaints and a spike in uphold rates – you can expect a slight drag in the data .

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