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FOS complaints newsletter

January 2026

In this 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 second quarter of 2025 covering 1 July to 30 September 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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Contents

- 1 Trends
- 2 Total Complaints Data 2018 to 2025
- 3 Pensions
- 4 Occupational Pension Transfers (OPTs)
- 5 Advice complaints
- 6 Residential mortgages
- 7 Claims Management Companies (CMCs)
- 8 Other FOS developments
- 8 Relevant RPC blogs

Trends

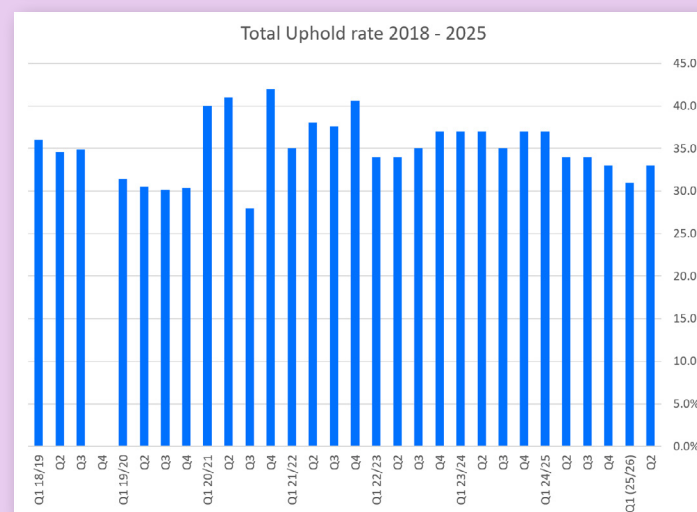
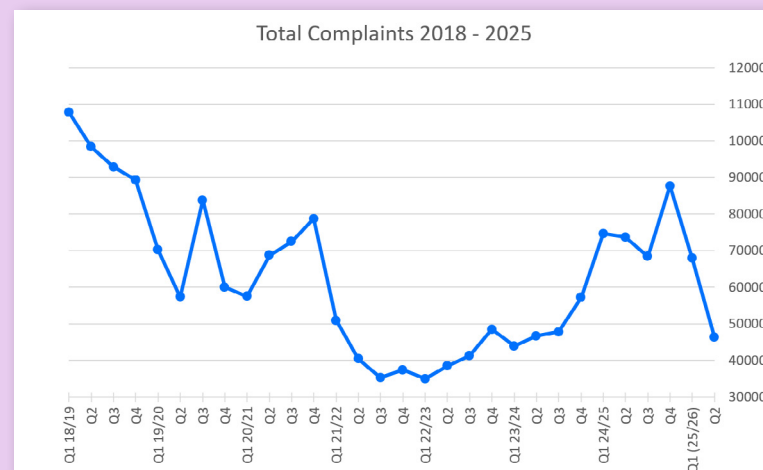
Item		Detail
The complaints data in this newsletter covers FOS Q2 (July to September) but the developments we have seen for the period July to December 2025 include:		
1	Charges for professional representatives	The number of complaints brought by law firms and claims management companies (CMCs) to the FOS has fallen dramatically since the introduction of a new case fee; professional representatives can now bring 10 complaints before being charged a case fee of £250 (with half of this being refunded if the complaint is upheld).
2	Motor Hire Purchase complaints	There has been a notable decrease in Motor Hire Purchase complaints, declining from 24,300 in Q1 2025 to only 4,300 in Q2 2025. This decrease is likely attributable to the Supreme Court’s decision on vehicle finance commissions handed down at the start of April 2025 and subsequent announcement of a redress scheme under s.404 of FSMA.
3	FOS strategic priorities for a fairer and improved service	FOS has also set out their strategic priorities for a fairer and improved service. This signals a renewed focus on reform and enhanced service delivery. FOS emphasises its commitment to modernising operations, with a particular drive to streamline case-handling processes and deliver swifter, more consistent decisions. This modernisation effort is underpinned by investment in new technology and a review of internal procedures, aiming to make the service more efficient and accessible. Central to the FOS’ plans is a pledge to improve the experience for both consumers and financial businesses. The organisation is placing greater emphasis on clear communication and transparency, ensuring that its processes are easier to navigate and that parties involved in disputes are kept well informed throughout. FOS also highlights the importance of collaboration, engaging with industry bodies and consumer groups to ensure its approach remains relevant and responsive to the evolving financial landscape. Looking ahead, the FOS’ objectives for the next year include adapting to new types of complaints and responding to changing consumer needs. The service reiterates its core commitment to impartiality and fairness, striving to deliver balanced outcomes for all parties. These reforms and forward-looking plans reflect the FOS’ goal to drive positive change within the financial dispute resolution sector, reinforcing its role as a trusted resource for both consumers and businesses.
4	2026/27 Plans & Budget consultation	The FOS has published its proposals for the next financial year which include (a) increasing case fees and levies; (b) a shift from a free case allowance to a monetary credit value and (c) billing changes and continued redress system reform rollout with the FCA and Treasury. The consultation is open until 21 January 2026.

Total Complaints Data 2018 to 2025

There has been a drop in complaints received by FOS between Q1 2025/2026 and Q2 2025/2026, and if current complaint volumes continue, complaints overall are on course to be significantly lower than in 2024/2025. The latest data set shows that, across all financial products and complaint categories, FOS upheld 33% of all resolved complaints, which is slightly higher than the previous quarter.

The second quarter of 2025/2026 FOS saw:

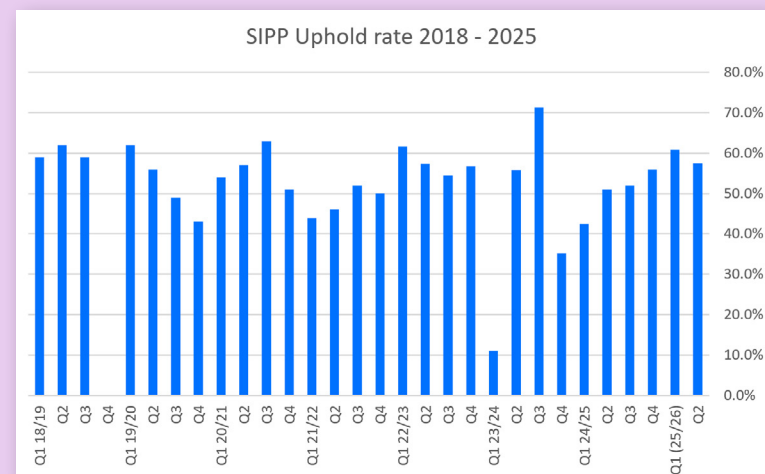
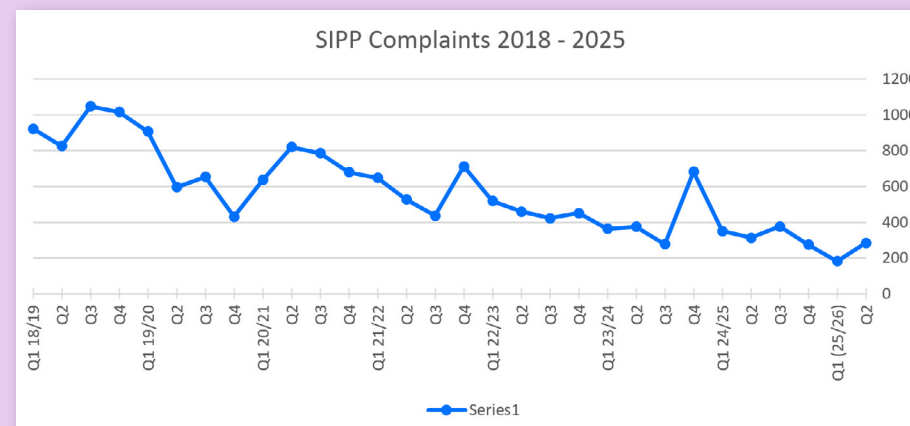
- Total new complaints: 46,300 (down from the 68,029 new complaints made in the first quarter 2025/2026, and significantly less than the 73,692 total new complaints made during the same period in 2024/2025).
- Average uphold rate: 33%
- The most complained about product was current accounts.



Pensions

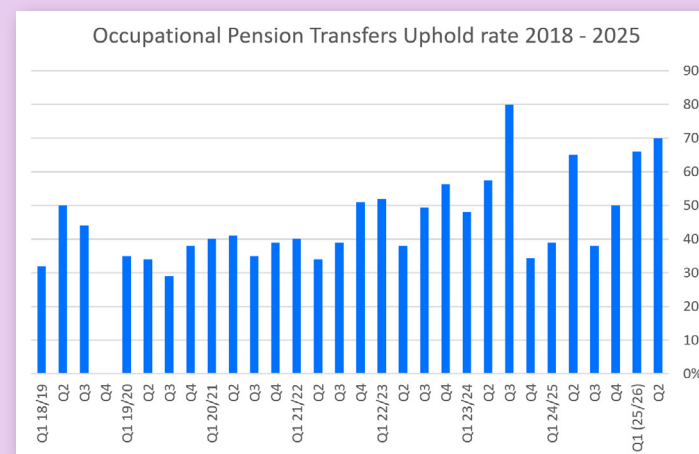
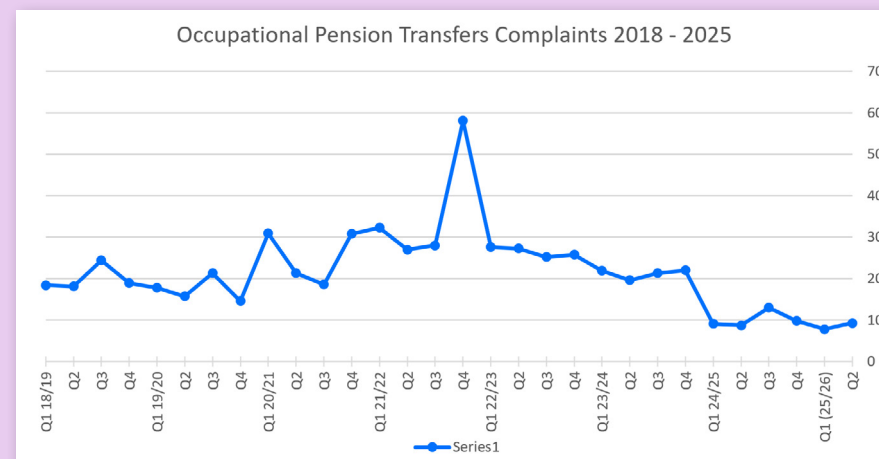
SIPPs

- In Q2 of 2025/2026, there were 285 new cases (down from 182 new cases in Q1 of 2025/2026) with an average uphold rate of 57.5% (down from 60.9% in Q1 of 2025/2026).
- In the same period in of 2024/2025 (Q2) there were 313 new cases with an average uphold rate of 50.9%.
- The number of complaints about SIPPs in Q2 of 2025/2026 has dropped slightly 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 57.5% for Q2 of 2025/2026).



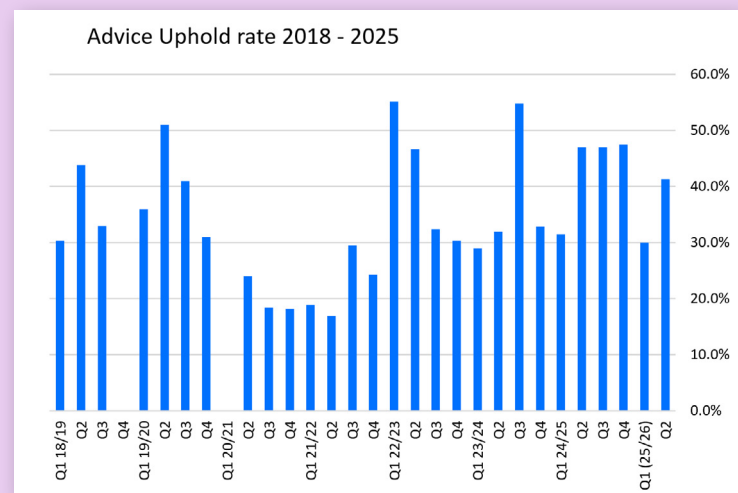
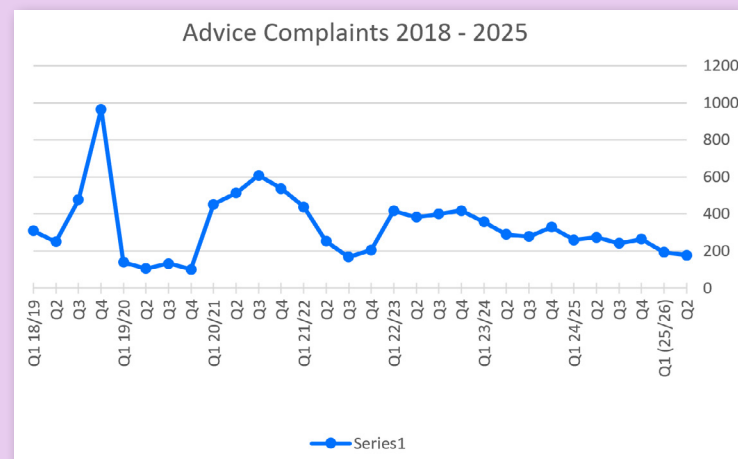
Occupational Pension Transfers (OPTs)

- In Q2 of 2025/2026, there were 93 new cases (down from 78 new cases in Q1 of 2024/2025) with an average uphold of 70% (up from an average uphold rate of 66% in Q1 of 2025/2026).
- In the same period of 2024/2025 (Q2) there were 87 new cases with an average uphold rate of 65%.
- This category does not necessarily capture all occupational pension transfer complaints as complaints regarding advice to transfer out of defined benefit schemes may fall under the advice complaint category.



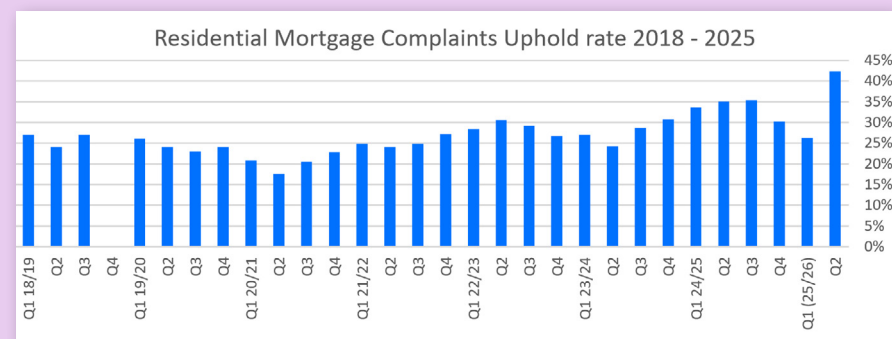
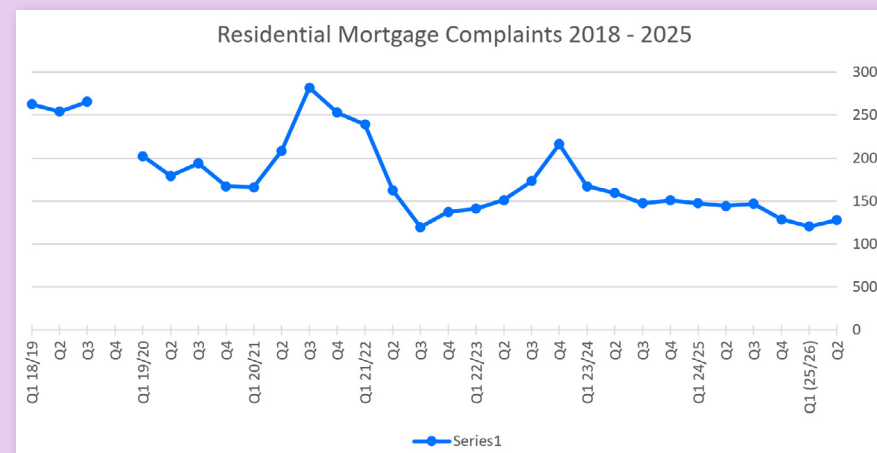
Advice complaints

- In Q2 of 2025/2026, there were 178 new cases (down from 194 new cases in Q1 of 2025/2026) with an average uphold of 41.3% (down from 30% in Q1 of 2025/2026).
- In the same period of 2024/2025 (Q2) there were 274 new cases with an average uphold rate of 47%.



Residential mortgages

- In Q2 of 2025/2026, there were 1,279 new cases (up from 1,206 new cases in Q1 of 2025/2026) with an average uphold of 42% (significantly higher than the 26% in Q1 of 2025/2026).
- In the same period of 2024/2025 (Q2) there were 1,442 new cases with an average uphold rate of 35%.
- This category relates to all complaints regarding residential mortgages, including bridging loans, first charge mortgages, help to buy loans and second charge loans. The volume of complaints has remained broadly consistent over the years, with the number of complaints being fairly high.



Claims Management Companies (CMCs)

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



Other FOS developments

- A new interest rate now applies to compensation awarded by the FOS for cases referred from 1 January 2026. In brief, the default interest rate has been revised to track the Bank of England's base rate plus one percentage point.
- As part of the FOS's plans and budget for 2026-2027, the FOS has opened consultation on a 4.6% increase to the case fee for 2026 (to £680), with the deadline for comments set for 21 January 2026.

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.

Relevant RPC blogs



rpclegal.com