



Emma Reynolds MP
Economic Secretary to the Treasury
1 Horse Guards Road
London
SW1A 2HQ

28th April 2025

Dear Emma,

The lack of confidence being created in the British financial services sector by the Financial Ombudsman Service (FOS).

Congratulations on your return to the House of Commons and recent appointment to your new role at HM Treasury. I write in my capacity as head of a financial planning network. We advise customers on pensions, investments, mortgages and life cover.

I understand that you will shortly be conducting a review of the FOS. The way that the FOS interacts with advice firms is central to the success or failure of our industry – and thousands of jobs across the country. That's why I wanted to take this opportunity to provide you with some information to help you in that task.

I have read the HM Treasury Policy Paper "*New approach to ensure regulators and regulation support growth*" and was pleased that it identifies possible areas of concern with the FOS, as I agree these need to be addressed.

There is one particularly important and positive point I would like to make. The FCA has shown that it does support growth and wants to increase confidence for firms in our industry. However, the FCA's efforts are likely to be thwarted unless there is a corresponding change in culture from the FOS.

The Paper highlighted the following areas of possible concern:

1. Whether the framework in which the FOS operates has resulted in it acting, at times, as a quasi-regulator.
2. Whether the FOS is applying today's standards to actions that have taken place in the past.



3. Whether the practices that have grown up over time on compensation are still suitable.

We strongly believe that each point is a real area of concern and fully support HM Treasury reviewing these closely. Further, we should be delighted to meet you and/or work with your officials to discuss all three in more detail.

In the meantime, I have included an appendix to this letter that addresses each of the three points. Our complaint handling staff have helped in compiling this, and they have previous experience from several other firms, in addition to ours. Together, we hope this helps provide a good overall summary of the problems being faced by the financial planning industry.

In summary, there is definitely a problem in the way the FOS operates. It does operate as a quasi-regulator, which won't promote confidence or support growth in our industry. This means that it will be the FOS – rather than the FCA – that will be the most significant regulatory barrier that firms will have to jump. Unless there is real change in the way the FOS operates then, try as it might, the FCA's attempts at helping the industry will have little impact.

I hope that this letter and the appendix enclosed provides you with some useful extra information for your review. Many other financial planning firms would undoubtedly be grateful too, if changes could be made at the FOS to make the current system fairer – which would create jobs, boost investment and improve quality of life across the country.

Yours sincerely,

Ahmed Bawa
Managing Director
Rosemount Financial Solutions (IFA) Ltd

Enc Detailed response on HM Treasury Policy Paper *"New approach to ensure regulators and regulation support growth"*