

Money matters. For many people retirement is now more a question of when to go on a hiking trip in the Andes than how to knit a tea cosy. But exciting new challenges and life-style changes can be expensive. So money is likely to be at the fore-front of your mind. We hope that things run smoothly with your finances, but if you do have a problem with a bank, insurance company or other financial firm where can you turn?

the Financial Ombudsman Service dealt with over half a million enquiries from consumers – and around a third of these were from people over 55 years old.”

“While mistakes and misunderstandings can happen with any kind of business – money-related problems can be a particular worry. People sometimes tell me they feel nervous making a complaint – especially when it’s about a big institution. But if something does go wrong, it’s important to let the firm know. The good news is that the earlier you contact the firm to tell them that there’s a problem, the quicker and easier it usually is for them to put things right.”

“If the firm has already had a chance to deal with your complaint, but you remain unhappy – the ombudsman service may be able to step in and help. Our service was set up by law – it’s free to use and we’re completely independent. We look carefully at what’s happened and consider both sides of the story. If we decide the firm was in the right, we’ll explain why that’s the case. But if you have lost out because of something the firm has done, we have powers to order the firm to put things right.”

The ombudsman was recently asked to investigate the case of 59 year old widow, Jean Yardley. Jean’s husband died unexpectedly – just a few months before she planned to retire. Unsure whether to continue with her retirement plans; Jean went to see a financial adviser to discuss her finances. In particular, she wanted advice on what to do with the £50,000 she had received from her husband’s life

insurance policy. Jean explained that she didn’t have much in the way of other savings and she would need access to the £50,000 in order to help fund her retirement.

Following her meeting with the adviser, Jean invested her money in a “personal investment plan” (a type of investment bond). A few months later, when her retirement plans were confirmed, she contacted her adviser to say that she now needed access to her money. She was very surprised and upset to find that the amount she got back was less than the amount she had invested, making it difficult for her to continue

with her plans for retirement. After complaining unsuccessfully to the adviser, Mrs Yardley contacted the ombudsman service.

We investigated the matter and while we agreed that the investment plan had been invested in relatively low-risk funds, it was still possible to lose money – as Mrs Yardley had discovered. And, in view of her personal circumstances, placing the majority of Mrs Yardley’s savings in a single medium- to long-term investment did not seem to us to represent well-balanced financial planning on the part of the adviser.



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Retirement Today talks to Peter Cook from the Financial Ombudsman Service to find out more about the free service that resolves complaints between consumers and financial firms....

Peter Cook is one of the ombudsman’s small team of technical experts who goes out into the community to explain the ombudsman’s role in settling financial disputes. Peter explains “I’ve worked for the ombudsman service since it was set up in 2001. In that time, I’ve seen the full range of complaints we deal with – from pensions to pet insurance and credit cards to critical illness insurance. In the last year alone

We told the firm to refund Mrs Yardley’s money and to add interest for the period of time it was invested, at the same interest rate as her bank’s savings account.

While I hope that you never need to use the ombudsman service – it’s important to know we’re here and can help ■

For more information on the ombudsman’s work in resolving financial complaints visit www.financial-ombudsman.org.uk or phone 0845 080 180