



Membership Rules for Participating Companies

These are the Membership Rules for Participating Companies, as cited at paragraph 2.1(c) of Ombudsman Services' Terms of Reference and as approved by the Board. The Rules contained herein shall apply to all Participating Companies who join Ombudsman Services unless provision to the contrary is made within any agreement or contract between Ombudsman Services and a Participating Company.

1 Duties of each Participating Company

1.1 Each Participating Company undertakes to:

- (a) Execute a deed poll (the "Deed Poll") or a Supply of Service Agreement or lodge an Application Form with Ombudsman Services (in the form set out by the Board from time to time) which shall enable a complainant to enforce any Remedy and/or Award directly against Participating Companies unless specified otherwise in the annex.
- (b) Ensure that it and, as appropriate, each of its relevant subsidiary undertakings complies with the obligations and duties of a Participating Company under the Terms of Reference, any relevant Annex, the Deed Poll, the Application Form or Supply of Service Agreement and/or otherwise in connection with Ombudsman Services.
- (c) Submit to the consideration by the Ombudsman and Ombudsman Services of any complaint to which it is a party, pursuant to and in accordance with Ombudsman Services' Terms of Reference and any relevant Annex;
- (d) Comply with any Final Decision (including any Remedy and Award) which, in accordance with the Terms of Reference and any relevant Annex, is made by the Ombudsman against it and is accepted by the Complainant and is therefore binding on it and the relevant Complainant under the Terms of Reference and any relevant Annex;
- (e) Maintain and operate an adequate internal complaints procedure for the resolution of complaints in relation to matters which could be the subject of consideration or investigation by the Ombudsman and Ombudsman Services, being a procedure under which the complaint, if not resolved is addressed by the dispatch of a deadlock letter (as defined in the Terms of Reference);
- (f) Provide information to Complainants about Ombudsman Services and encourage any such complaint, which is not resolved via its internal complaints procedure, to be dealt with under the jurisdiction of the Ombudsman and Ombudsman Services, including (without limitation) by giving due and reasonable consideration to any request by a Complainant for such Participating Company's written consent to abandon, stay or suspend any court proceedings, arbitration or other procedures;
- (g) Each Participating Company or, in accordance with an applicable Annex or other arrangement agreed in writing with Ombudsman Services, the relevant third party on such Participating Company's behalf, shall (within the relevant period from

time to time prescribed for such) pay to the Company such subscriptions and case fees as shall be demanded or imposed from time to time, by or on behalf of the Company, in accordance with such scales of subscriptions and case fees as shall (from time to time) be determined by the Company.

- (h) For the avoidance of doubt any such Deed Poll or Supply of Service Agreement executed prior to the date of the Terms of Reference and Membership Rules for Participating Companies, unless otherwise therein provided, shall continue to have full force and effect as if effected under these amended instruments.

2 Termination of Participating Company's membership

- 2.1 The Board shall have the right and discretion to remove a Participating Company from the Service with immediate effect upon written notice to such Participating Company in the event of such Participating Company ceasing trading, being wound up or dissolved by voluntary or involuntary proceedings, entering into a voluntary arrangement with its creditors or on the appointment of an administrator, administrative receiver, receiver or liquidator in respect of such Participating Company.
- 2.2 A Participating Company may also be removed from the Service for any persistent or serious failure to comply with the Terms of Reference provided that not less than 21 days' prior written notice has been sent to the Participating Company whose removal is proposed specifying the intention to execute such removal from the Service and the general nature of the grounds on which such removal is proposed. Such notice shall set out the procedure under which removal is being considered.
- 2.3 A Participating Company may only terminate its membership with Ombudsman Services by giving not less than six months' notice ending on the 31 December in writing to the Chief Ombudsman.
- 2.4 Termination of its participation in the Service by or removal of a Participating Company from the Service as provided for in Paragraphs 2.1, 2.2 and 2.3;
 - (a) shall not entitle the Participating Company to repayment of the whole or any part of any charge or case fee previously paid by it;
 - (b) shall be without prejudice to the Participating Company's liability to pay any charge or case fee which has become, or becomes, due and payable by it
 - (c) shall be without prejudice to any other accrued rights, entitlements, obligations and/or liabilities of the Participating Company ; and
 - (d) shall be without prejudice to the Participating Company's obligation to:
 - (i) comply with any Final Decision which, in accordance with the Terms of Reference, is made by the Ombudsman against it and is accepted by the Complainant and which is, therefore, binding on it in accordance with the Terms of Reference; and

- (ii) provide to the Complainant (within the period prescribed by the Terms of Reference and/or such Final Decision) any Remedy (including any Award) made under any such Final Decision, provided, in each case, that the complaint or dispute to which such Final Decision relates was made to the Ombudsman prior to such cessation;
 - (e) shall be without prejudice to the Participating Company's obligation to remain liable in respect of complaints or disputes against it, or with it, which originated whilst it was a Participating Company as if it remained a Participating Company.
- 2.5 Should a Service Sector, Trade Body or Trade Association decide to end its participation in the Service then;
- (a) each Participating Company (or, in accordance with the relevant Terms of Reference, the relevant third party on such Participating Company's behalf) shall be required to give not less than twelve months' notice ending on the 31 December in writing to the Chief Ombudsman;
 - (b) each Participating Company (or, in accordance with the relevant Terms of Reference, the relevant third party on such Participating Company's behalf) shall in addition be liable pro rata for all the Company's consequential expenditures arising from that termination including but not limited to the costs of redundancy, rental liabilities for property and equipment, and associated liabilities whenever arising from the Service for that Service Sector;
 - (c) each Participating Company (or, in accordance with the relevant Terms of Reference, the relevant third party on such Participating Company's behalf) of that Service Sector shall not be entitled to be reimbursed any funds of the Company held in reserve until all obligations incurred by virtue of 2.4 or this 2.5 have been satisfied and then only at the discretion of the Company pro rata in respect of any reserve to which the relevant Participating Company (or, in accordance with the relevant Terms of Reference, the relevant third party on such Participating Company's behalf) may be deemed to have contributed and the decision of the Company in the apportionment and identification of such reserves shall be final.
- 2.6 Ombudsman Services has the right to inform the appropriate Regulator and other redress schemes of a Participating Company's termination of its membership of Ombudsman Services and the reason for its termination.

3 Interpretation

- 3.1 The definitions set out within paragraph 13 of Ombudsman Services' Terms of Reference ("Interpretation") shall apply to these Membership Rules for Participating Companies.

28 August 2015