# Ombudsman independence

An ombudsman is an independent and impartial means of resolving disputes without having to go to court. It may be an individual or an organisation, like Ombudsman Services.

An ombudsman is not on the side of the consumer or the company - it will assess the facts of each individual case and offer an impartial decision.

## Changes in the law

In July 2015 new legislation came into force requiring all businesses in the UK to signpost their customers to independent redress for any unresolved complaints. If they don't use an alternative dispute resolution (ADR) scheme, like an ombudsman service, they must explain this to their customers.

## Ombudsman Services

Independence is at the heart of Ombudsman Services and how we operate. We have a chief ombudsman by whose authority all other officers make decisions.

We consider complaints against a background of natural justice. There are two main components to natural justice:

- No person can judge a case in which he or she is a party. He or she should have no personal interest in the outcome of the case and should not be biased.
- All parties in a dispute have the right to be heard.

## Ombudsman Association

The Ombudsman Association requires ombudsman schemes to adhere to certain principles before it will recognise them. One of these principles is independence. See the Ombudsman Association website for details: www.ombudsmanassociation.org.

## Credentials

We are approved by the appropriate competent authorities to provide a redress service in the sectors in which it operates. Full details of our credentials can be found on our website: http://www.ombudsman-services.org/our-credentials-os.html

## Governance

We are governed by a board of directors, on which non-executive directors are the majority. The board ensures our independence and has responsibility for appointing the chief ombudsman. Participating companies (those who are subject to investigation by Ombudsman Services) have no part in this board and no role in running our organisation. More information about the board is available on our website: http://www.ombudsman-services.org/the-board.html

## Non-executive directors

To be effective, a board should have a balance of skills and experience that reflects the different roles it performs. Non-executive directors are selected primarily on the basis of the role they are expected to fulfil. Selection is carried out by open competition.

To ensure independence, applicants who are (or have been) a director or senior employee of any participating company (or potential participating company), or who are (or have been) employed in any senior advisory capacity by any participating company (or potential participating company) within the preceding three years are excluded.

Our process for appointing non-executive directors is overseen by our nomination committee, which has as its members a combination of non-executive directors and an independent member (selected for their experience of the work of such a committee).

**Funding**

Our scheme is funded by a mixture of subscription fees and case fees; these are payable by the participating companies. The more complaints a company gets the more they pay giving them an incentive to improve. The participating companies have no say in the finance or operation of our organisation.

**Unbiased case handling**

It is common among ADR schemes that an ombudsman (or someone acting on his or her authority) does not handle a complaint about a company for which they have worked, or in which they have had an interest, until a reasonable amount of time has elapsed – usually three months.

Furthermore, in relation to property, an ombudsman (or someone acting on his or her behalf) must have left the sector for three years before making a decision on an estate agent, lettings agent or managing agent complaint.

We apply these rules at Ombudsman Services to all of our complaint handlers – ombudsmen, investigation officers and enquiry officers.

**For more information**

Visit our website
**www.ombudsman-services.org**

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