



Redress Pathways and Risk Team,
Financial Conduct Authority,
12 Endeavour Square, London
E20 1JN

7th May 2026

To Redress Pathways and Risk Team,

CP26/9: Modernising the redress system

All Together Money is the trading name of the Association of British Credit Unions Limited (ABCUL) and welcomes the opportunity to respond to this consultation. We are the primary trade association for credit unions in Great Britain. All Together Money represents a diverse range of credit unions varying significantly in size and capacity from small volunteer-led organisations to larger, professionally staffed credit unions.

All Together Money's members typically operate with low complaint volumes and a strong emphasis on early engagement, fair outcomes and member trust. Our response to CP26/9 is informed by this sector-wide perspective and focuses on ensuring that the proposed reforms deliver proportionality, predictability and efficient use of Ombudsman and firm resources, while maintaining access to redress for consumers.

Credit unions are co-operative societies that provide financial services – primarily savings and loan facilities – to their member-owners. They are registered as co-operative societies under the Co-operatives and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. As deposit-takers, they are dual-regulated by the Prudential Regulation Authority and the Financial Conduct Authority. Since their inception in Britain in 1964, credit unions have been closely associated with anti-poverty and financial inclusion.

They tend to provide savings and loan facilities to those with limited or no access to financial services from mainstream providers, generally due to low income

Association of British Credit Unions Limited
(trading as All Together Money | The credit union movement)
Holyoake House, Hanover Street, Manchester M60 0AS

T: 0161 832 3694 | F: 0161 832 3706 | E: info@alltogethermoney.coop
alltogethermoney.coop

Chief Executive Officer Matt Bland
Industrial and Provident Societies Act | Reg No. 23136R



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and/or a lack of a developed credit profile. They have been a central element of numerous government and philanthropic initiatives to extend financial inclusion and address the lack of adequate provision of affordable credit and secure savings facilities for large sections of the population. Credit unions are capped in the interest they can charge at 42.6% APR under the Credit Union Act 1979 and provide credit in competition with high-cost lenders. There are over 215 credit unions active in Great Britain today, serving more than 1.5 million members and managing approximately £2.7 billion in assets. They range from mid-sized businesses employing up to 50 staff to small, volunteer-led organisations.

Consultation Response

Question 1: Do you agree with the proposed rules to introduce a registration stage (pre-registration and registration stages), as set out in the Appendix? If not, please give evidence or reasons as to why not.

We broadly agree with the proposed rules to introduce a registration stage, comprising of pre-registration and registration. For credit unions, who for the most part don't receive large complaints volumes, but where applicable a clearer front-end process should help ensure that complaints only progress to investigation where they are sufficiently developed and supported by relevant information. This should reduce unnecessary escalation, support proportionality, and allow Ombudsman resources to be focused on cases that are genuinely ready to be investigated. The introduction of a registration stage also has the potential to improve outcomes for complainants by clarifying expectation at an earlier point and reducing the likelihood of complaints progressing on an unclear or incomplete basis.

However, we consider it essential that the registration and pre-registration stages remain clearly distinct from the investigation phase. For credit unions, particularly smaller and volunteer-led organisations, there is a risk that increasingly detailed information requests at registration could create a de facto investigation before a case has formally progressed. This would undermine the intended efficiency

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benefits of the reforms and place disproportionate burden on firms with limited complaints-handling resource.

Question 2: Do you agree with the proposal for the Financial Ombudsman to assess whether a case is ready to investigate within the registration stage, recognising that it will develop and publish further supporting guidance to support the rules in due course? If not, please give reasons or evidence as to why not

We agree that the Financial Ombudsman Service (FOS) should assess whether a case is ready to investigate within the registration stage, supported by further guidance. The assessment should focus on whether the key factual issues are sufficiently clear and whether the firm has had a reasonable opportunity to engage with the substance of the complaint. This assessment should not operate as a barrier to access, but rather as a means of ensuring that investigations are effective, focused and fair to both parties involved. Clear, proportionate guidance will be essential to ensure consistent application and to avoid creating uncertainty for consumers or firms.

We also note that “readiness to investigate” will require careful and consistent interpretation. In particular, it will be important that cases are not held at registration for extended periods while further information is sought, as this would introduce delay and uncertainty for both complainants and firms. Clear expectations around timeliness and proportionality at this stage will be critical to ensuring the registration process improves, rather than complicates, complaint resolution.

Question 3: Do you have any other comments, data, evidence, or suggestions regarding the proposed registration stage?

We would encourage the FOS to consider how decisions taken at the registration stage are communicated, particularly where the complaint does not proceed. Clear explanations will be important in maintaining confidence in the system and helping complainants to understand next steps. For firms, transparency around

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the reasons a complaint has or has not progressed will assist with internal learning and complaints-handling improvements.

More generally, we would caution against the registration stage evolving differently across case types or firm sizes. Given the diversity of firms within the Ombudsman's jurisdiction, including credit unions, consistent application and transparent communication will be essential to avoid perceptions of arbitrariness and to maintain confidence in the redress system.

Question 4: Do you agree that the Financial Ombudsman should retain the ability to dismiss complaints that are frivolous or vexatious? If not, please give evidence or reasons as to why not.

We agree that the FOS should retain the ability to dismiss complaints that are frivolous or vexatious. For credit unions, even a small number of unmeritorious complaints can absorb a disproportionate amount of time and resource. Retaining this dismissal ground helps ensure that the Ombudsman's role as an accessible dispute resolution service does not inadvertently incentivise misuse of the system.

We would stress that this power should be accompanied by clear internal safeguards, particularly where vulnerability or communication barriers may affect a complainant's conduct. For credit unions, which often rely on close member relationships and small frontline teams, it is important that the threshold for dismissal on these grounds is applied consistently and remains a last resort, rather than a routine case-management tool.

Question 5: Do you agree that the Financial Ombudsman should be able to dismiss complaints where complainants have acted vexatiously, abusively or otherwise unreasonably? If not, please give evidence or reasons as to why not.

We broadly agree, provided that this power continues to be exercised carefully and proportionately. All Together Money supports the principle of accessible redress, particularly for vulnerable consumers. However, the system must also

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protect Ombudsman staff from behaviour that undermines effective engagement or creates unnecessary delay. Clear threshold and consistent application will be important in maintaining trust.

Question 6: Do you agree that the Financial Ombudsman should be able to dismiss complaints where the respondent has reviewed the subject matter of the complaint in accordance with (a) the regulatory standards for the review of such transactions prevailing at the time of the review; or (b) any formal regulatory requirement, standard or guidance published by the FCA or other regulator in respect of that type of complaint? If not, please give evidence or reasons as to why not.

We broadly agree with this proposal. Where credit unions, for example have undertaken reviews in good faith and in line with applicable regulatory expectations at the time, it is appropriate that this is taken in account. This supports predictability and avoids discouraging firms from engaging proactively with complaints or regulatory reviews for fear that those efforts may later be disregarded.

In our view, it is particularly important that the Ombudsman avoids applying hindsight when considering such reviews. Credit unions must be able to rely on regulatory standards and guidance as they stood at the relevant time, without concern that subsequent changes in expectations will retrospectively reopen settled matters.

Question 7: Do you agree that the Financial Ombudsman should be able to dismiss complaints where, the Financial Ombudsman is satisfied, having considered its responsibilities under s. 404B FSMA, the respondent has reviewed the subject matter of the complaint in accordance with a consumer redress scheme? If not, please give evidence or reasons as to why not.

We agree in principle. Formal consumer redress schemes are designed to deliver consistent and comprehensive outcomes, allowing complaints that fall squarely within such schemes to be reopened risks duplications, inconsistent outcomes and unnecessary complexity, without clear benefit for consumers or firms.

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Question 8: Do you agree that the Financial Ombudsman should be able to bring finality by dismissing complaints where the subject matter of the complaint has previously been considered or excluded under the Financial Ombudsman Service? If not, please give evidence or reasons as to why not.

We broadly agree. Finality is a key component of a fair and effective redress system. While it is important that genuinely new factual evidence can be considered, repeated considerations of the same underlying issue undermine certainty for credit unions and in the system more broadly.

We also consider finality important from a system-wide perspective. Repeated consideration of the same underlying issues risks diverting Ombudsman resource away from first-time complainants and more substantive disputes, ultimately reducing overall access to redress.

Question 9: Do you agree with the addition of 'factual' into the existing rule? If not, please give evidence or reasons as to why not.

We agree. The clarification helps distinguish between new information and new argument. It provides helpful certainty for firms and complainants alike and supports the principle that complaints should be resolved on the basis of evidence rather than evolving interpretations of the same facts.

Question 10: Do you agree that the Financial Ombudsman should be able to dismiss complaints where the subject matter of the complaint has been dealt with, or is being dealt with, by a comparable complaints scheme, regulatory or law enforcement body or dispute resolution process? If not, please give evidence or reasons as to why not.

We agree and support a coherent regulatory and dispute-resolution landscape. Where another competent body is already dealing with the substance of a complaint, duplication risks confusion, inconsistent outcomes and unnecessary burden on all parties.

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Question 11: Do you agree that the Financial Ombudsman should be able to dismiss complaints where the complaint has been or is the subject of court proceedings? If not, please give evidence or reasons as to why not.

We agree, the Financial Ombudsman Service plays an important role as an informal alternative to the courts. Clear boundaries between judicial processes and Ombudsman consideration help preserve that role and reduce the risk of parallel or conflicting determinations.

Question 12: Do you agree that the Financial Ombudsman should be able to dismiss complaints that are more appropriate for court, arbitration or another complaint scheme or dispute resolution process? If not, please give evidence or reasons as to why not.

We broadly agree, subject to appropriate safeguards. This power should continue to be exercised with sensitivity to access-to-justice considerations, particularly where consumers may face barriers to pursuing other routes. Clear reasoning will be essential where complaints are dismissed on this basis.

Question 13: Do you agree with reintroducing a dismissal ground for complaints about employment matters from an employee, or employees, of a respondent? If not, please give evidence or reasons as to why not.

We agree, employment disputes are outside the core scope of the Financial Ombudsman Service and are more appropriately addressed through specialist employment law frameworks. Reintroducing this dismissal ground provides clarity and helps maintain focus on financial services disputes.

Question 14: Do you agree with reintroducing a dismissal ground for complaints purely about investment performance? If not, please give evidence or reasons as to why not.

We agree as while this has limited direct relevance for credit unions, it supports clearer boundaries around the Ombudsman's jurisdiction and helps manage

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expectations about the types of outcomes the service can appropriately consider.

Question 15: Do you agree with reintroducing a dismissal ground for complaints relating to a respondent's discretion under a will or private trust. If not, please give evidence or reasons as to why not.

These matters are not connected to the core activities of credit unions and are more appropriately dealt with through the courts. Reintroducing this dismissal ground supports clarity and legal certainty.

Question 16: Do you agree that the Financial Ombudsman should be able to dismiss complaints where there is more than one eligible complainant, but they have not all consented to the complaint? If not, please give evidence or reasons as to why not.

We agree, where it would be inappropriate to proceed without such consent. In the credit union context, complaints may involve joint accounts, guarantors or other shared arrangements. Proceeding without the involvement of all relevant parties risks unfair or incomplete outcomes.

Question 17: Do you agree that the Financial Ombudsman should be able to dismiss complaints for other compelling reasons? If not, please give evidence or reasons as to why not.

We agree, a flexible residual ground is necessary to ensure that the Ombudsman can respond proportionately to unusual or complex circumstances that do not fit neatly within prescriptive categories.

That said, we would consider residual ground to be one of the most sensitive elements of the proposals. Its use should therefore be accompanied by a high degree of transparency, including clear reasoning in individual cases and periodic publication of anonymised examples. Without this, there is a risk that discretion could be applied unevenly, undermining predictability for firms and confidence in the redress framework.

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Question 18: Do you agree with the examples that are proposed for DISP 3.3.4D G? If not, please give evidence or reasons as to why not.

We broadly agree; the examples provide helpful insight into how the Ombudsman may apply the “other compelling reasons” ground in practice and should assist firms and complainants in understanding how discretion may be exercised.

Question 19: Do you think the six examples that are proposed as guidance for other compelling reasons in DISP 3.3.4D G should instead be separate rules in their own right?

We would consider it appropriate for these examples to remain as guidance rather than standalone rules. Guidance allows for flexibility and judgement, which is particularly important given the diversity of firms within the Ombudsman’s jurisdiction, including credit unions.

Question 20: Do you agree with the Financial Ombudsman’s proposed changes to DISP 3 (as set out in the Appendix)? If not, please give evidence or reasons as to why not.

We agree. Taken together, the proposals should improve efficiency, consistency and proportionality within the redress system, while maintaining its accessibility and fairness for consumers.

Question 21: Do you agree with the proposed changes to DISP 3.6.4R? If not, please give reasons or evidence as to why not.

We agree. Clarifying that the Ombudsman should have regard only to the standards, requirements and good industry practice applicable at the time of the act or omission provides important legal certainty. This is particularly important for smaller firms, which need clarity in order to manage risk and plan sustainably. Overall, we support the direction of travel set out in CP26/9 but considers that the success of the reforms will depend heavily on careful implementation. In particular, maintaining proportionality for credit unions, ensuring consistency in

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the use of discretion, and avoiding procedural drift at the registration stage will be critical to delivering a redress system that is both accessible and sustainable.

Kind regards,

A handwritten signature in black ink that reads 'Natalie McQuade'.

Natalie McQuade
Head of Advocacy and Regulatory Affairs
All Together Money – The credit union movement

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