

Equity release

ER1 2018-19 edition

Web update 5: 29 March 2019

Please note the following update to your copy of the **ER1** study text:

Financial Ombudsman Service – compensation limit

The FOS compensation limit is changing on 1 April 2019 (an increase from £150,000):

- An increase to £350,000 applies to complaints about actions or omissions by firms that occurred **on or after** 1 April 2019.
- A smaller increase to £160,000 applies to complaints about actions or omissions by firms that occurred **before** 1 April 2019, but which are referred to the FOS **after this date**.
- There is no change to the limit of £150,000 for any complaints referred to the FOS **before** 1 April 2019.
- The limit excludes any interest or costs.

This affects the following section(s):

- Chapter 3, section C5, page 3/11.
- Chapter 10, section B, page 10/6.

Financial Ombudsman Service – eligibility criteria

There are also changes to the FOS's definition of an eligible complainant from 1 April 2019. The list of eligible complainants now includes:

- a consumer;
- a micro-enterprise with fewer than ten employees and a turnover **or** balance sheet total of no more than €2m;
- a charity with an annual income of less than £6.5m;
- a trustee of a trust with a net asset value of less than £5m;
- a consumer buy-to-let (CBTL) consumer;
- a small business with an annual turnover of less than £6.5m and fewer than 50 employees **or** a balance sheet total of less than £5m; or
- a guarantor.

This affects the following section(s):

- Chapter 10, section B, page 10/5.