

'Time and Trouble' awards and corrective action for brokers

This guidance sets out our approach to 'Time and Trouble' awards by exploring general decision-making principles and financial awards for corrective action. In sharing our approach, we hope to help brokers in considering how they might better deal with complaints directly.

General decision-making principles

Our main aim is to resolve disputes in a way that restores customers to their pre-problem position.

Where it's possible we'll ask brokers to correct what went wrong. This can include making awards that recognise the financial impact of an error. **We call this 'Corrective Action'.**

Brokers should be able to address most problems. However, there are consequences such as time spent complaining, frustration, worry, or upset, which we sometimes prescribe financial awards to acknowledge. We call these **'Time and Trouble' awards.**

Our conclusions aren't designed to punish the broker, but to award the microbusiness based on the **impact** of the problem.

Corrective Action, Time and Trouble awards, and Impact are explored in more detail below:

Corrective Action

Where we conclude that a microbusiness has been treated unfairly, we'll require a resolution that returns them to their pre-problem position. Examples of such corrective action include:

- Covering the difference between the tariff that could have been achieved and what was charged due to mis-selling
- Covering expenses incurred as a result of a broker's error or omission (e.g., bank charges)
- Clearing unreasonable charges and incorrectly applied fees.

For example, where a broker mis-sold a contract resulting in a microbusiness missing out on lower tariffs it would be appropriate for the broker to:

- arrange for them to exit their contract, and
- make a payment to cover the extra amount the microbusiness had to pay on the higher priced contract

'Time and Trouble' awards

If a customer has been put to time and trouble by a broker error or omission, it might be appropriate for them to provide an apology and / or a financial award. We base the appropriate award on certain criteria.

Time

'Time' refers to the inconvenience, hassle, and irritation caused to a microbusiness by a broker's actions

Examples of their time being negatively impacted could include:

- Having to call their broker repeatedly to request information, report a problem or make a change to their account
- Spending an unreasonable amount of time trying to resolve the problem
- Not receiving (appropriate) responses to complaints or requests and having to follow up.

Trouble

'Trouble' refers to the disappointment, worry, anxiety or upset caused by a brokers behaviour

Examples of broker behaviour being the cause of trouble might include:

- Referring the microbusiness's account to a debt collection company even though they had paid up to date, or had disputed charges that should have been on hold

- Sending a large, unexpected payment demand to the microbusiness, which was either incorrect or unfair
- Repeatedly calling the microbusiness when they'd requested no further contact
- Sharing the microbusiness's sensitive personal information with an unauthorised third party.

Impact

Our awards recognise the impact of the problem on the microbusiness, not the perceived scale of the broker error. The same mistake can impact microbusinesses in very different ways.

Examples of how broker behaviour might impact microbusinesses differently could include:

A broker sending a large incorrect payment demand might impact a microbusiness in financial difficulty much more than one in excellent financial shape

The frustration, uncertainty and worry caused by the broker failing to make a promised call back regarding the payment demand, would likely have a more detrimental impact on the microbusiness in financial difficulty than the one in excellent financial shape.

Corrective action awards

Corrective action awards should reflect the impact of the time and trouble suffered. Whilst there's an element of subjectivity and judgement involved, our Dispute Resolution Executives assess the appropriate level of time and trouble using a matrix. This correlates the significance of time and trouble suffered with the relevant award up to a maximum of £500. Whilst we may prescribe corrective action financial awards above this level, it would be rare to award above £500 for time and trouble alone.

Summary

- There are two categories of financial award – corrective action and, time and trouble
- For both categories, awards are based on the impact on the microbusiness and not the perceived scale of broker error or omission
- Whilst time and trouble awards can be subjective, our Dispute Resolution Executives are guided by a time and trouble matrix