

Banks can 'ignore' complaints until 2009



John French, Solicitor in our Litigation Department, says –

City watchdog the Financial Services Authority (FSA) has announced that banks will be allowed to 'ignore' complaints about unauthorised charges until 26 January 2009.

This comes just a week after the Office of Fair Trading (OFT) published a report showing that the UK's high street banks make a total of £2.6 billion each year from their customers having insufficient funds in their accounts.

According to a local solicitor, however, the FSA's decision to apply this time window (called a 'waiver') is not as bad for customers as it first seem. "It is connected with the OFT's desire to challenge the level of fees the banks charge – up to £40 for each bounced payment or unauthorised withdrawal," says John.

"A test case is currently underway at the High Court to establish if such levels of charges are fair, and the FSA is giving banks permission to wait until this is resolved before they address complaints. At the moment, though, people can claim charges dating right back to July 2001. After the waiver is lifted, however, it's likely that there will be a six-year limit on claims, so we'd recommend that you get any historical claims in before next January."

While there are several online sources of pro forma letters that unhappy bank customers can use to send to their bank (such as www.bankcharges.info) professional legal advice can also be useful in some more complex cases.

"Our Litigation law experts can help you with any litigious matters. John continues "Call us to set up a meeting."