

2.16 Deputy M.R. Higgins of the Minister for Economic Development regarding a joint Financial Services Ombudsman with Guernsey:

Will the Minister advise Members of the current state of negotiations with the Guernsey authorities regarding a joint Financial Services Ombudsman? Will he explain the differences between the scope of the 2 existing schemes and advise when legislation will be lodged for consideration by the Assembly?

Senator A.J.H. Maclean (The Minister for Economic Development):

I am pleased to report that negotiations are progressing well with our counterparts in Guernsey regarding a joint Financial Services Ombudsman scheme. We in Jersey are currently working on a draft of the legislation while our colleagues in Guernsey are at the final stages of their industry consultation exercise due to their later start. At present, there are no significant differences regarding the proposed scope of the scheme across the Bailiwicks. It remains my intention to lodge proposals for consideration by this Assembly by the third quarter of this year.

2.16.1 Deputy M.R. Higgins:

This particular piece of legislation is already overdue because the Minister gave an undertaking that it was brought before the House before the end of 2011. In terms of the scope of the scheme, I believe that Guernsey is looking at watering down the trust provisions. Can the Minister confirm if that is the case?

Senator A.J.H. Maclean:

All I can say at this stage, which I mentioned a moment ago, is that Guernsey is currently at the consultation stage. Matters such as the one that the Deputy raises are being considered and I am sure we can update him at a later stage. I know the Deputy has been in contact with officers of the department and I am very happy for him to continue to liaise as this legislation is developed.

2.16.2 Deputy M.R. Higgins:

Just following through, is the Minister aware that the lack of a scheme is causing a problem, not only for individuals but it is also likely to bring the Island into disrepute? In the sense that certainly one Canadian investor and others are talking of approaching the national media about failures on the part of the Commission and the fact that we have not got a Financial Services Ombudsman scheme.

Senator A.J.H. Maclean:

I am afraid the Deputy appears to be sensationalising matters somewhat. I can say to Members that as far as the scheme is concerned, when it is introduced - and the target date now is 2014 for actual implementation - that the scheme would be retrospective to the date at which this Assembly took the decision to progress the matter of introducing a Financial Services Ombudsman. There is a 6-year period, so from the date of 2010 when this Assembly approved it, there would be a period of 6 years which would be covered.

2.16.3 Deputy M.R. Higgins:

Just a very quick one. It was originally agreed by the Island that it would be in 1998 - the Island gave an undertaking as part of the Edwards Review - that we would bring the scheme in. Should it not be backdated to then?

Senator A.J.H. Maclean:

The scheme that has been decided has been backdated to the point at which this Assembly made the decision to progress a Financial Services Ombudsman.

2.16.4 Senator L.J. Farnham:

Is the Minister aware of the very real co-operation that has existed between Jersey and Guernsey with the publication of the joint telephone directory?

The Bailiff:

Well, I am not sure that has got very much to do with the question under reference [**Laughter**] so I think we will perhaps pass that one. I see another Minister wishes to ask a question. Is that an equally friendly one?

2.16.5 Senator F. du H. Le Gresley:

It is a matter of opinion. Has the Minister considered referring any pressing cases which might meet the new criteria to the U.K. Financial Services Ombudsman service for adjudication?

Senator A.J.H. Maclean:

Clearly if the Senator is referring to cases with regard to mis-selling where the mis-selling has occurred in the U.K., they would be relevant under that particular scheme and I know of a number of cases that are being pursued in that way. If he has any other particular references that he would like me to be aware of, I am happy to discuss them with him.