

Activity Report 2024



FINOS
**Finanzombudsstelle
Schweiz**

In accordance with Article 86 of the Financial Services Act (FinSA), Finanzombudsstelle Schweiz (FINOS) is required to publish an annual activity report.

Zürich, 5 September 2025

Beyzade Han
Ombudsman



Imprint

Association: Finanzombudsstelle Schweiz (FINOS)
Talstrasse 20
CH-8001 Zürich
Switzerland

Contact: +41 - 44 552 08 00
info@finos.ch
www.finos.ch

Activity Report 2024

In this activity report, we look back on the 2024 financial year. The fact that we are only publishing it now, with some delay, is due to the very high workload our ombudsman's office experienced at times. The report highlights the issues we focused on in particular, the hurdles we had to overcome and our successes. Our efforts are always focused on our commitment to fair out-of-court solutions that benefit both financial service providers and their clients.

In 2024, the changes in the financial sector continued to have a noticeable impact on our ombudsman's office. Despite the absence of new regulatory requirements, numerous financial service providers once again registered or deregistered, which resulted in a corresponding administrative burden for our ombudsman's office. These changes appear to be due to the ongoing structural adjustments within the financial services industry in Switzerland. The requirements for an entry in a Swiss adviser register are significantly lower than those for a license from the Swiss Financial Market Supervisory Authority (FINMA). We assume that the changes we have been observing for some times are related to this. Looking only at financial service providers based in Switzerland, it can be seen that prudentially supervised financial service providers account for 54% of those leaving our ombudsman's office, compared with 46% for financial service providers registered in a Swiss adviser register. In contrast, 65% of new registrations are financial service providers listed in the register of advisers, compared to 35% that are subject to prudential supervision.

Last year, our ombudsman's office recorded a total of 89 deregistrations. Of these, 73% concerned companies based in Switzerland and 27% companies from abroad. In addition to the deregistrations, eight financial service providers were excluded for non-payment of the base fee, half of which were based in Switzerland.

In addition to the deregistrations and exclusions, there were numerous new registrations last year. With 104 new registrations, the number of deregistrations was exceeded. As a result, contrary to our expectations, the number of financial service providers registered with us continued to rise in the course of 2024. At the end of 2024, 1,131 financial service providers were registered with us, representing an increase of seven.

Of the financial service providers affiliated at the end of 2024, 68% (+1% compared with the previous year) were based in Switzerland, while 32% (-1%) were based abroad.

The five countries with the most financial service providers based abroad were the United Kingdom (excluding the Channel Islands) with 110, the United States with 72, Germany with 31, China (Hong Kong) with 19 and Luxembourg with 18 affiliated financial service providers. In total, the affiliated financial service providers come from 33 different countries.

Processing registrations and deregistrations and administering existing financial service providers took up a significant portion of our resources. In addition to these administrative tasks, our main focus was put on reviewing

conciliation requests and conducting conciliation proceedings.

Conciliation proceedings

Our conciliation team was once again confronted with a wide range of issues last year.

A regular check of whether financial service providers have complied with their contracts with clients has become an in-

tegral part of our work. Thanks to our growing experience, we are now able to assess such cases more quickly and reliably. In doing so, we repeatedly find that comprehensive knowledge of financial markets and in-depth knowledge of individual asset classes and financial instruments are essential in order to make a sound assessment.

Another area of concern is fraud, where the responsibility of a bank is repeatedly called into question. The 23 banks affiliated with our ombudsman's office are repeatedly faced with the question of whether fraudulent outflows of money could have been detected by the bank and prevented by timely measures. This also brings the IT security standards used by banks into focus. Are they up to date, or does a deficiency in this area justify liability on the part of the bank? Questions such as these illustrate the diversity of issues dealt with by our ombudsman's office. The various topics related to conciliation enquiries and proceedings are challenging, but they also make our work varied and help us to expand our expertise.

Number of conciliation enquiries

In the 2024 reporting year, our ombudsman's office received 93 conciliation enquiries. This means that the number of requests more than

doubled compared to the previous year (45). Although the number of conciliation enquiries fluctuates greatly from year to year, our impression is that the ombudsman's offices for the financial sector, which were newly established in 2020, are increasingly establishing themselves

as recognised bodies for out-of-court dispute resolution in Switzerland and are therefore being used more frequently. A new

record in conciliation enquiries is foreseeable for 2025.

Preliminary investigations

For each conciliation enquiry, preliminary clarifications are carried out before a decision is made on whether to initiate a conciliation procedure. During this phase, the financial service provider concerned does not incur any costs, as these expenses are covered by the annual base fee.

Requirements for proceedings

It should be noted at this point that a conciliation procedure can only be initiated if a financial loss has occurred and the client has previously attempted to resolve the problem directly with the financial services provider and no other authority has yet taken action in this matter.

These criteria are checked when a conciliation enquiry is submitted via our website. If the criteria are not met, the person is informed of the reasons during the application process. For data protection reasons, these requests are not recorded and are not included in the above-mentioned conciliation enquiries for the past year. We therefore assume that the actual number of requests was significantly higher. Only those requests that are examined in detail by an employee of our ombudsman's office are

statistically recorded. Our ombudsman's office declared itself not responsible for 80 conciliation enquiries. Either the requirements for a conciliation procedure were not met or the dispute could already be settled during the preliminary clarifications through the intervention of the ombudsman's office. In these cases, it was not necessary to open a procedure.

As the costs of a conciliation procedure are borne by the financial service providers concerned, our ombudsman's office carefully examines whether it is necessary to initiate such proceedings. At the same time, financial service providers are often interested in settling a dispute during the preliminary clarification phase, which is still free of charge for them.

The following are some of the reasons why no conciliation procedure was initiated in the 2024 reporting year despite an enquiry.

No financial loss

In the past year, clients contacted our ombudsman's office even though they had not yet suffered any financial loss. However, it is not possible to involve our ombudsman's office before a damage has occurred. Here is a practical example: in connection with a new contractual relationship, a client believed that the investment strategy had been set incorrectly for him, whereby the asset manager had not yet made any investments at that point. In this case, it is clear that there is no basis for a conciliation procedure, as no financial loss had yet been incurred. The incorrect investment strategy had not yet been applied. In such cases, we recommend contacting the financial service provider directly and clarifying the situation bilaterally.

More difficult to assess were cases in which, despite a correct investment strategy, no investments were made by the asset manager within

the framework of a discretionary mandate, or in which investments were reduced "too early" in retrospect. We had several cases in which clients complained about lost profits. It should be noted that a discretionary mandate generally allows the financial services provider to make investment decisions independently. They usually have discretionary powers in their activities, which in most cases also allow them to significantly reduce portfolio risks. Even if such a reduction in risk proves to be disadvantageous in retrospect, we believe that in most cases no claim for damages can be derived from this. However, if a minimum investment quota has been contractually agreed or if the financial services provider has failed to invest the client's assets over a longer period of time without reason or through pure negligence, the situation is different. As is so often the case, everything depends on the specific circumstances of each individual case. The particular challenge for our ombudsman's office is to clarify the facts in such a way that the specifics of each case are taken into account appropriately and the right conclusions are made.

Residence outside Switzerland

Our ombudsman's office is responsible for all clients of Swiss financial service providers. However, in the case of foreign financial service providers, it is only responsible for clients who are resident in Switzerland. In situations where neither the client nor the financial service provider is based in Switzerland, our ombudsman's office is not permitted to take action. In the reporting year, there were again several cases in which we had to declare ourselves not responsible for this reason. In such cases, an ombudsman's office abroad is usually responsible so that clients still have a comparable point of contact.

Lack of efforts to find a solution

In some cases, our ombudsman's office initially declared that it was not responsible because neither the clients nor the financial service providers had made sufficient efforts to find a bilateral solution. In such cases, however, we point out that a new request can be submitted if the search for a solution fails without us. Often, however, the parties are able to reach an agreement at this stage - not least because the possibility of our ombudsman's office becoming involved at a later stage provides an additional incentive for some financial service providers to resolve their differences at this stage.

No misconduct

If our preliminary investigation shows that there has been no misconduct on the part of the financial services provider, no conciliation procedure will be initiated. We explain our decision to these clients in detail, albeit they do not always agree with it. In such cases, we only contact the financial services providers if we require further information from them to clarify the facts.

Low threshold for conciliation

One of the central services provided by our ombudsman's office are the preliminary investigations that are carried out before a conciliation procedure is initiated. As already mentioned, these are covered by the annual fee. For clients of financial service providers, the initiation of a conciliation request and the procedure itself are free of charge. This ensures uncomplicated access to a conciliation procedure. At the same time, our ombudsman's office carefully checks whether the requirements are met in order to avoid unnecessary procedures.

Conciliation procedure

The number of new conciliation procedures opened in the 2024 reporting year was 14 (previous year seven). Of these, three (previous year six) were successfully settled. Six proceedings were still pending at the end of 2024 and five proceedings were closed without an agreement being reached.

Reduction in the base fee

The continued efficient organisation of our ombudsman's office and the number of affiliated financial service providers enabled a further reduction in the base fee. After it had already been reduced to CHF 500 in two steps in 2023 and 2024, the Board decided, in view of the solid financial situation at the end of 2024, to reduce the base fee again for 2025 to CHF 480. A further reduction for 2026 is under discussion, although no decision has yet been taken by the Board.

We would like to thank everyone involved for their trust. We will continue to work hard in the future to promote out-of-court solutions that are viable for all parties.

Beyzade Han
Ombudsman