



Adrian Dally
Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

31st July 2006

Dear Mr Dally,

Response to DP06/2 FOS funding review

The Depositary and Trustee Association (DATA) represents all depositaries and trustees of UK-based authorised unit trusts and open-ended investment companies (OEICs). At the end of May 2006, the members of DATA were responsible for safeguarding £366.7 billion of funds under management.

We have reviewed the proposals in DP06/2 and are pleased to provide you with our comments.

DATA agree that the existence of a properly funded ombudsman scheme contributes to consumer confidence in financial services. To that end, DATA believe that it is still appropriate to maintain the link between the number of cases referred to the FOS and the charge made to the designated fee block.

In answer to Question 6 DATA members have previously paid the minimum charge for the relevant fee block and we note that there is no mention of the minimum fee concept being carried forward in the new proposals. We would welcome clarification from FSA whether the minimum fee basis will be included in the new proposal.

DATA members would support either Option A, maintaining the status quo, or Option B, introduction of a fixed fee split between case and annual fees. We believe the benefit of familiarity and that the existence of an annual fee helps to put the FOS on the sound footing it requires outweigh any perceived shortcomings. DATA would not support Option C as this proposal would remove the link between cases generated and the cost passed on to the industry.

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We would ask FSA to consider further discussion, once responses to the discussion paper have been analysed, to enable the choice of options to be narrowed and further detailed comparisons to be made.

Yours sincerely,

David England
DATA Chairman