



ACTIVITY REPORT 2025

Financial Services Ombudsman (FINSOM) is a specialised mediation office for complaints handling and dispute resolution in commercial and work relations in the Swiss financial sector. FINSOM is recognised by the Federal Department of Finance (FDF) under the Financial Services Act (FinSA), in effect since 1st January 2020. It is also a member of INFO-Network¹ and an affiliate member of FIN-NET². Tax-exempt since 2018, FINSOM is the first public service mediation office in the Swiss financial sector. Its governance assures its independence from individuals, private interest groups and the public administration. This is FINSOM's public report on Commercial Mediation/FinSA for the civil year 2025 as required under art. 86 FinSA and art. 7 para. 2 Directive 2013/11/EU. For further information regarding FINSOM please visit : www.finsom.ch

¹ International Network of Financial Services Ombudsman Schemes (INFO-Network), <https://www.networkfso.org/>

² Financial Dispute Resolution Network (FIN-NET), https://finance.ec.europa.eu/consumer-finance-and-payments/retail-financial-services/financial-dispute-resolution-network-fin-net_en

Summary

Commercial Mediation/FinSA

page 3

In 2025, FINSOM handled 217 requests relating to Commercial Mediation/FinSA. Most complaints (92%) were refused, as FINSOM was not the competent body. Only 10 complaints were accepted for mediation.

Combating economic offences

page 5

Fraud may involve fake ombudsmen, and recognised mediation bodies may themselves fall victim to identity theft. When dealing with perpetrators operating from abroad, the Swiss authorities have limited means at their disposal. Prevention therefore also depends on clients exercising caution.

Commercial practices

page 6

There is a lack of information regarding the risks associated with unregulated instruments. Furthermore, it is not always possible for private clients to restrict their investment strategy to instruments intended for private investors. This may increase the risks of client dissatisfaction and loss of trust, encourage the development of instruments intended for professional investors at the expense of those intended for private investors, and hinder the development of services for retail clients. It should also be noted that providers' duty of care already applies to the selection of instruments.

Complaints handling and dispute resolution

page 7

Clients do not always know how to meet the access condition for commercial mediation under art. 75 para. 4 let. b FinSA. Differences in the level of professionalism among providers when handling client complaints are also observed. A clearly defined complaints policy and a transparent procedure facilitate risk management and contribute to protecting client trust as well as reducing dispute resolution costs.

Efficiency and effectiveness of commercial mediation

page 9

There is a need to reflect on the necessity, benefits, costs and risks of the current competition among several mediation bodies for financial services. Based on the feedback received to date, Switzerland's "unusual" choice of competitive mediation bodies appeals to neither clients nor financial service providers. Furthermore, the latter still do not have access to an efficient and effective dispute resolution mechanism, even though several bodies coexist.

contribution from affiliated providers (art. 80 FinSA). Any costs associated with the mediation procedure are borne by the provider concerned (art. 75 para. 1 FinSA). In the event of mediation, the procedure is also conducted remotely (by telephone, video conference or in writing); physical proximity is not required.

“FINSOM is a highly accessible mediation body.”

This ease of access influences the number of requests. However, FINSOM carries out a “preliminary review” of each complaint to verify the “access conditions” (art. 75 para. 4 FinSA) for mediation. These are not always met. In such cases, FINSOM refuses the mediation request and does not unnecessarily contact the opposing party. Similarly, FINSOM will not contact the opposing party and will not appoint a mediator if the mediation appears from the outset to have no prospect of success (art. 75 para. 7 FinSA), even if the access conditions are met.

If a complaint is refused, FINSOM directs the requester to another mediation body (where possible), a competent authority, or the concerned provider, for example. FINSOM may also suggest that the client consult a lawyer for assistance, if necessary.

If a request is admitted for mediation⁸, FINSOM organises the procedure by appointing a mediator and (possibly) an expert, ensuring the required technical skills (art. 84 para. 2 let. b FinSA). The mediation body also contributes to managing conflicts of interest risks. Among other things, it should ensure the independence of the mediator and the expert (art. 84 para. 2 let. a FinSA), in order to guarantee their impartiality and neutrality between the parties. Once the procedure is organised, FINSOM supervises its smooth running to ensure sound management of the mediation procedure’s operational risks.

If mediation is attempted, the procedure is generally limited to a maximum of 90 days. The 90-day limit may be extended with the agreement of the parties, provided there is a reasonable prospect of the procedure leading to a resolution.

High rate of rejected complaints

Of the 217 cases handled by FINSOM in 2025, there were 23 requests for information and 194 complaints, of which 61 concerned economic offences and only 30 concerned affiliated providers. Of the latter, 16 complaints were referred back to the provider because the client had not yet reasonably or constructively attempted to find a solution or reach an agreement with them.

As in previous years, FINSOM rejected most of the 194 complaints received in 2025, as it was not the “competent”⁹ mediation body. Where FINSOM was competent, the rejected requests did not meet the access conditions under art. 75 para. 4 FinSA. In such cases, the most common reason for rejection remains the condition set out under art. 75 para. 4 let. b FinSA.

“As in previous years, FINSOM rejected most of the 194 complaints received in 2025.”

Despite a slight increase in complaints concerning affiliated providers compared to the previous year, in 2025 only 10 complaints were admitted according to the conditions set out under art. 75 para. 4 FinSA.

Of the latter, 8 required the participation of the provider (art. 78 FinSA) and 6 concerned the same financial instrument provided by an unregulated foreign issuer and distributed from Switzerland to private investors.

⁸ Following a “preliminary examination” of the conditions set out in art. 75 para. 4 FinSA.

⁹ “Competent” as defined under art. 98 of the Financial Services Ordinance (FinSO) or FINSOM’s statutes.

Combating economic offences

Among the offences against property related to the Swiss financial sector brought to FINSOM's attention in 2025, several complaints concerned asset recovery fraud involving a supposed "ombudsman".

"Several complaints concerned asset recovery fraud involving a supposed "ombudsman"."

For example, FINSOM received numerous complaints and requests for information concerning a "Financial Services Ombudsman"¹⁰. The latter claims to be authorised by the Financial Conduct Authority (FCA) in the United Kingdom, with offices in Switzerland and Spain. This so-called ombudsman claims to offer debt recovery services as well as legal services. According to the cases handled by FINSOM, the people contacted by this so-called ombudsman were often victims of cryptocurrency fraud. This so-called ombudsman claimed to be able to recover the stolen funds.

In 2025, FINSOM also received several enquiries regarding the theft of its identity¹¹. On 5 August 2025, a wave of emails was reportedly sent using the @finsom.org and @finsom.co domains, as well as the FINSOM logo. The email claimed that FINSOM was conducting mediation proceedings initiated by a legal team and Interpol with a view to recovering assets in an imminent fraud case. Recipients were asked to click on a link to download information relating to the case.

In both cases, FINSOM filed a report with the competent authorities. However, as the domains (e.g. .com, .org, .net) fall under foreign jurisdiction and are registered abroad, Swiss authorities are limited in their ability to intervene. Unfortunately, blocking a domain and apprehending the perpetrators can take time, if at all possible.

According to explanations provided by the National Cyber Security Centre (NCSC) to FINSOM, *"in Switzerland, thanks to clear regulations, abusive domains under .ch and .swiss can be blocked much more quickly than foreign domains, the deactivation of which often depends on the willingness of foreign organisations and authorities to cooperate, as well as on the legal framework. As domains are mass-produced goods that are easily replaceable for fraudsters, Switzerland is increasingly focusing, in addition to rapid detection and notification, on preventive measures and stricter security requirements, for example as part of planned regulations similar to the European Cyber Resilience Act."*

"Swiss authorities are limited in their ability to intervene."

In light of the above, FINSOM emphasises that combating fraud in the financial sector does not rely solely on the efforts of financial institutions and judicial authorities, but also requires the active involvement of clients. Clients can find out more about the risks and possible protective measures from the NCSC and FINMA, amongst others.

¹⁰ <https://finsom.ch/alert-en-ombudsman-fs-co/>

¹¹ <https://finsom.ch/warning-finsom-identity-theft/>

Commercial practices

Based on the complaints processed, FINSOM notes that some retail clients with discretionary management mandates are terminating their mandates before the planned investment horizon. They then find that certain positions cannot be liquidated within the desired timeframe, which leads to dissatisfaction. These positions often involve unregulated financial instruments (or those intended for professional investors).

“Some retail clients with discretionary management mandates are terminating their mandates before the planned investment horizon”

If FINSOM was able to establish that a presentation of the risks to which the investment strategy exposes the client’s assets (art. 7 para. 2 let. b FinSO) had been provided, retail clients had not always been informed:

- Risks associated with the absence of regulatory measures designed to protect retail clients.
- The possibility of restricting a management or advisory mandate to instruments designed for private clients.
- Risks associated with the termination of the mandate before the agreed term.

“It is not always possible for private clients to restrict their investment strategy to regulated instruments”

FINSOM also notes that, although art. 6a CISO¹² expressly sets out certain information requirements at the point of sale, these are not always complied with when collective investment schemes are distributed.

FINSOM also notes that it is not always possible for private clients to restrict their investment strategy to regulated instruments (or those intended for private investors). Indeed, some financial institutions refuse such a restriction to regulated instruments, even though their market offerings are ultimately intended for private clients. The refusal of certain providers may also prevent others, serving the same clientele, from offering this option.

The above conditions may increase the risks of client dissatisfaction and loss of trust. They may also encourage the development of instruments designed for professional investors, to the detriment of instruments designed for retail investors. This may in turn hinder the development of services for retail clients.

From a practical perspective, FINSOM also reminds that providers’ duty of care already applies when they select instruments to suggest to clients or to place in their portfolios.

“Providers’ duty of care already applies when they select instruments”

When making this selection, it would be advisable to consider how the level of client protection – or lack thereof – may impact the risk of client dissatisfaction. Among other things, this risk is higher when the issuer (or the provider of the instrument) is not even subject to a duty to audit and publish its accounts and financial reports.

¹² Ordinance on Collective Investment Schemes (CISO)

Complaints handling and dispute resolution

“Clients do not always know how to proceed.”

Art. 75 para. 4 let. b FinSA stipulates, as a condition for access to FinSA mediation, that the client must “*credibly prove that they previously informed the financial service provider of their point of view and attempted to reach an agreement*”.

In other words, the client must have attempted to resolve the dispute directly with the provider concerned before turning to the mediation body. This condition presupposes, in turn, that the provider handles the client’s complaint and also seeks to reach a solution.

Before accepting or rejecting a complaint within its competence (art. 98 FinSO), FINSOM verifies this access condition by requiring clients to provide their correspondence with the provider, including the complaint and the response received.

This “preliminary review” of the correspondence between the parties reveals that dissatisfied clients:

- Sometimes threaten the provider with taking the matter to the mediation body as a means of exerting pressure. They may also contact the body and then return to the provider, suggesting that their case was upheld. Such behaviour can jeopardise the possibility of mediation, especially if the provider has already spent a considerable amount of time dealing with the complaint.
- Do not always know how to proceed to inform the provider of their grievances and attempt to find a solution with them. This can exacerbate their dissatisfaction and undermine their trust, while also compromising the assistance that the mediation body could provide.

This preliminary review also reveals differences in professionalism among providers when handling complaints. This observation does not apply solely to FINSOM’s affiliates; it also applies to providers concerned by rejected complaints referred to other mediation bodies.

Some providers have established a complaints policy that embodies the spirit of mediation. They communicate their complaints procedure and the competent body transparently, both internally and to clients. They also refer dissatisfied clients to the mediation body after having made reasonable, but unsuccessful, attempts to find a solution. Others limit themselves to meeting the few minimum legal requirements set out in the FinSA to obtain authorisation or registration. Some do not respond to client complaints at all, or respond without addressing the substance of the matter or seeking to understand the client’s perspective, and do not contribute to resolving the client’s dissatisfaction or the dispute.

Swiss financial sector regulation does not specify the complaints procedure enabling the client to inform the provider of their point of view and attempt to reach an agreement before referring the matter to the mediation body. Such precise regulation would, moreover, not be desirable. Without just cause, the legislator should not substitute itself for corporate governance bodies by defining rules that leave little room to establish internal policies and procedures freely. This restricts free competition.

That said, some foreign supervisory authorities are already supervising the implementation of complaints management policies and procedures, as a key measure for safeguarding client trust and improving client experience.

From a practical point of view, zero risk does not exist. It is better to be prepared to deal with potential dissatisfaction, especially as complaints can multiply when the same instrument has been distributed to several clients. In addition, a provider doesn’t always need several complaints for its business to be at risk of bankruptcy.

“A complaints policy and procedure can make all the difference”

A complaints policy and procedure can make all the difference, just as much as establishing “risk reserves” and transferring certain risks by taking out professional liability insurance.

Together, such internal measures make a significant contribution to enterprise risk management in addition to protecting client trust. Finally, such measures also help reduce the costs associated with dispute resolution, including mediation.

Efficiency and effectiveness of commercial mediation

“An assessment of the framework seems

appropriate, 5 years after the law came into force”

According to principle 12 (Handling of Complaints and Redress) of the G20 principles on the protection of consumers of financial products, adopted by the Organisation for Economic Co-operation and Development (OECD) in October 2011:

“Jurisdictions should ensure that consumers have access to adequate complaints handling and redress mechanisms that are accessible, affordable, independent, fair, accountable, timely and efficient. Technology may be leveraged to facilitate the effective design of these mechanisms, which should not impose unreasonable cost, delays or burdens on consumers. The needs of consumers, including those experiencing vulnerability, should be considered when designing and publicising complaints handling and redress mechanisms. In accordance with the above, financial services providers and intermediaries should have in place mechanisms for complaint handling and redress. Such mechanisms should allow providers to monitor and address systemic issues and support improved financial consumer outcomes. Recourse to an independent redress process should be available to address complaints that are not efficiently resolved via the financial services providers’ and intermediaries’ internal dispute resolution mechanisms. At a minimum, aggregate information with respect to complaints and their resolutions should be made public. Information relating to consumer complaints should be available to oversight bodies to support their supervisory or enforcement functions.”

Swiss regulation takes account of the above principle¹³. The FinSA is based on articles 95, 97, 98 and 122 para. 1 of the Federal Constitution (Cst)¹⁴. The legislator's objective (art. 1 FinSA) was *“to protect the clients of financial service providers and to establish comparable conditions for the provision of financial services by financial service providers, and thus contributes to enhancing the reputation and competitiveness of Switzerland's financial centre”*.

To this end, the FinSA regulates the marketing and sales activities of providers and facilitates access to a specialised mediation body, while referring to the provider’s prior complaints procedure (art. 75 para. 4 let. b FinSA). The question arises as to whether the current framework truly serves the law’s objective. An assessment of the framework seems appropriate, 5 years after the law came into force.

Currently, regulated providers finance the availability of several FinSA mediation bodies that compete for affiliations, in order to finance themselves (art. 80 FinSA) and be competent (art. 98 FinSA) to handle complaints. In addition, providers also finance the mediation procedure, or at least most of it (art. 75 para. 1 FinSA).

The purely administrative workload associated with managing affiliations and the costs this competition generates for regulated providers should be put into perspective against the volume of requests processed and rejected, as well as the volume of mediations conducted by these bodies.

The funding of the FinSA mediation body should also be viewed in the context of the objective of encouraging mediation (art. 74 FinSA) and the parties’ willingness to participate.

“Switzerland’s “unusual” approach does not seem to be popular with either clients or providers”

¹³ Example: section 1.7.4.3, FF 2015 8101 Message concerning the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA).

¹⁴ Art. 95 Cst Professional activities in the private sector, art. 97 Consumer protection, art. 98 Cst Banks and insurance companies, art. 122 Cst Civil law.

“FINSOM invites reflection on the necessity, interest, costs and risks of the current competition”.

While clients are encouraged to refer matters to the mediation body, providers may be less inclined to inform clients of the mediation body (art. 8 and 79 FinSA).

Providers can also easily be discouraged from participating in the procedure due to the costs they must bear, especially after having made efforts to handle the complaint and possibly also to satisfy the client.

The FinSA attempts to offset this discouragement through a duty to participate (art. 78 FinSA), which in practice resembles more of a duty to reply. This reply may simply consist of refusing to seek an agreement or a solution with the client. In such cases, mediation would be doomed to failure from the outset (art. 75 para. 7 FinSA).

Finally, FINSOM draws attention to the World Bank’s 2012 warning regarding the impact of competition among multiple commercial mediation bodies (or ombudsman offices) on their independence and impartiality:

“A few countries have the unusual idea of ‘competitive’ ombudsmen, where – subject to specified minimum standards – the financial industry is able to choose between two or more competing financial ombudsmen. Such a choice presents severe risks to independence and impartiality – because financial businesses may favour the ombudsman they consider likely to give businesses the best deal. It overlooks the role of financial ombudsmen as an alternative to the courts and creates one-sided competition – because, unlike the financial businesses, the consumers are not given any choice of ombudsman.”

Based on the feedback received to date, Switzerland’s “unusual” approach does not seem to be popular with either clients or providers. The latter still lack access to an efficient and effective dispute resolution mechanism, even though several bodies currently coexist. FINSOM invites reflection on the necessity, interest, costs and risks of the current competition between several mediation bodies for financial services.

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