

CMC expresses grave concern amid reports Abby Thomas ousted from Financial Ombudsman Service

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Allegiant Finance Services Condemns FOS's £250 Per-Claim Fee, Warning of Discriminatory Impact

Cheshire, 07 February 2025 – [Allegiant Finance Services](#), a leading Claims Management Company (CMC) that has reclaimed over £100 million for victims of unaffordable subprime lending, has expressed deep concern following today's Financial Ombudsman Service (FOS) announcement imposing a £250 fee per claim on CMCs. This decision comes amid reports that FOS CEO & Chief Ombudsman Abby Thomas has been ousted following internal disputes over claims management fees.

The newly confirmed £250 flat fee applies regardless of claim value—whether £50 or £300,000—a structure Allegiant warns will economically block access to professional representation for lower-value claims. This risks leaving vulnerable unaffordable lending victims without the option of professional support in disputes against lenders.

Discriminatory Impact on Financially Excluded Communities

Allegiant has long argued that the fee proposals disproportionately impact certain demographics, particularly those affected by unaffordable lending in the subprime sector. Studies, including *Fair4All Finance's Levelling the Playing Field [report](#)*, highlight that individuals from minority ethnic groups and financially excluded consumers are more likely to rely on high-cost credit. By making professional representation unviable for lower-value claims, the FOS fee structure **undermines** access to justice for those most in need.

FOS's release of an *Initial Equality Impact Assessment* today does little to reassure affected groups, with Allegiant describing it as a "ramshackle cherry-picked justification for discrimination" that disregards clear and obvious links between unaffordable lending and protected characteristics.

Allegiant Calls for Intervention

Allegiant's **Head of Product**, a former contractor within FOS's unaffordable lending team, warns:

"The £250 flat fee threatens to shut out consumers with modest claims, despite the fact that even small pay outs can be life-changing. This policy risks turning professional representation into a privilege reserved for high-value claims, like pensions and investments. The consultation response has ignored our objections entirely."

Jemma Marshall, Director at Allegiant, adds:

"This is discrimination in plain sight. FOS suggests consumers can complain directly, but the reality is that without CMCs, many simply wouldn't. Forcing out professional representatives will deny justice to those who need it most. I suspect Abby Thomas correctly identified this, and has paid with her job."

With the Treasury Select Committee set to question FOS's interim leader on Tuesday, Marshall urges MPs to scrutinise the policy's potentially unlawful impact. If any fee structure economically excludes lower-yield claims linked to protected characteristics, it must be revised or scrapped altogether. FOS' reluctance to implement a fee structure that removes economic barristers to representation for those with vulnerability cannot be justified, where other mechanisms were available to it.

Allegiant further argues that ensuring equality in access to justice aligns with Rachel Reeves' growth agenda, and that FOS must reform its approach to avoid pricing out claims management companies and, by extension, vulnerable consumers.

ENDS

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