

## EXCHANGE WITHOUT CAPTURE: THE UK FINANCIAL OMBUDSMAN SERVICE'S STRUGGLE FOR ACCEPTED DOMAIN

SHARON GILAD

First published: 24 October 2008

<https://doi.org/10.1111/j.1467-9299.2008.00713.x>

Citations: 19

### Abstract

This article explores the formation of public organizations' 'domain perception', that is, their internal interpretation and external articulation of their role and its boundaries. The analysis is based on non-participant observation research of the UK Financial Ombudsman Service (FOS), and archival research of its predecessor organization, which handled consumer complaints regarding the retail selling of financial products. I show that the FOS's articulation of its domain emphasized the strictly individual and confidential nature of its complaint handling, rather than formulation of general principles to guide firms' sale practices. This domain perception embodied an implicit exchange between the ombudsman and the retail financial industry on behalf of consumers, and distinguished the ombudsman's role from that of the Financial Services Authority and the civil courts. The case is employed as means for theory building regarding the nature of public organizations' domain perceptions and the process by which such constructs develop in regulatory contexts.

### REFERENCES

Bernstein, M.H. 1955. *Regulating Business by Independent Commission*. Princeton, NJ: Princeton University Press.

[Web of Science®](#) | [Google Scholar](#)

Birds, J. and C. Graham. 1992. *Complaints Against Insurance Companies*. Sheffield: Faculty of Law, University of Sheffield Press.

[Web of Science®](#) | [Google Scholar](#)

Birkinshaw, P. 1995. *Grievances, Remedies and the State*, 2nd edn. London: Sweet & Maxwell.

[Google Scholar](#)

---

Black, J. 1997. *Rules and Regulators*. Oxford: The Clarendon Press.

[Google Scholar](#)

---

BIOA (British and Irish Ombudsman Association). 1995. *British and Irish Ombudsman Conference*. Scarman House, University of Warwick, 16–17 November. London: British and Irish Ombudsman Association.

[Google Scholar](#)

---

Carpenter, D.P. 2001. The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862–1928, *Princeton Studies in American Politics*. Princeton, NJ: Princeton University Press.

[Google Scholar](#)

---

Carpenter, D.P. 2004. 'Protection without Capture: Product Approval by a Politically Responsive, Learning Regulator', *American Political Science Review*, 98, 4, 613–31.

[Web of Science®](#) | [Google Scholar](#)

---

Clarke, M. 1999. *Citizen's Financial Futures: the Regulation of Retail Investment Financial Services in Britain*. Aldershot: Ashgate.

[Google Scholar](#)

---

Dutton, J.E. and J.M. Dukerich. 1991. 'Keeping an Eye on the Mirror - Image and Identity in Organizational Adaptation', *Academy of Management Journal*, 34, 3, 517–54.

[Web of Science®](#) | [Google Scholar](#)

---

Dutton, J.E., J.M. Dukerich and C.V. Harquail. 1994. 'Organizational Images and Member Identification', *Administrative Science Quarterly*, 39, 2, 239–63.

[Web of Science®](#) | [Google Scholar](#)

---

FOS (Financial Ombudsman Service) (Great Britain). 2006. *Annual Review and Report & Financial Statements: 1 April 2005 to 31 March 2006*. London: Financial Ombudsman Service.

[Google Scholar](#)

---

FSA (Financial Services Authority) and FOS (Financial Ombudsman Service). 2004. *FSMA 2 year review: Financial Ombudsman Service Consultation Paper 4/12*. The Financial Services Authority.

[Google Scholar](#)

Gilad, S. 2006. *'An Intra-organisational Perspective on the Role of Consumer Complaint Handling in the UK Retail Investment Regulatory Regime (1981-2004)'*, DPhil Thesis, University of Oxford.

[Google Scholar](#)

---

Harlow, C. and R. Rawlings. 1997. *Law and Administration*, 2nd edn, Law in Context. London: Butterworths.

[Google Scholar](#)

---

Insurance Ombudsman Bureau. *The Insurance Ombudsman: Annual Report and Case Review*. London: Insurance Ombudsman Bureau, 1982-1990.

[Google Scholar](#)

---

Insurance Ombudsman Bureau. 1991. *The Insurance Ombudsman: Annual Report*. London: Insurance Ombudsman Bureau, 1991-1994.

[Google Scholar](#)

---

James, R. 1997. *Private Ombudsmen and Public Law, Socio-legal Studies Series*. Aldershot: Dartmouth.

[Google Scholar](#)

---

Kaufman, H. 1960. *The Forest Ranger - a Study in Administrative Behavior*. Washington DC: Johns Hopkins University Press.

[Google Scholar](#)

---

Meyer, J.W. and B. Rowan. 1991. 'Institutionalized Organizations: Formal Structure as Myth and Ceremony', in W.W. Powell and P. DiMaggio (eds), *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press, pp. 41-62.

[Web of Science®](#) | [Google Scholar](#)

---

Moore, M.H. 1995. *Creating Public Value: Strategic Management in Government*. Cambridge, MA: Harvard University Press.

[Google Scholar](#)

---

Noll, R.G. 1985. 'Government Regulatory Behavior - a Multidisciplinary Survey and Synthesis', in R.G. Noll (ed.), *Regulatory Policy and the Social Sciences*. Berkeley, CA: University of California Press.

[Google Scholar](#)

---

Olson, M.K. 1995. 'Regulatory Agency Discretion among Competing Industries - inside the FDA', *Journal of Law Economics, and Organization*, 11, 2, 379-405.

[Web of Science®](#) | [Google Scholar](#)

---

Olson, M. 1996. 'Substitution in Regulatory Agencies: FDA Enforcement Alternatives', *Journal of Law, Economics, and Organization*, 12, 2, 376-407.

[Web of Science®](#) | [Google Scholar](#)

---

Peltzman, S. 1976. 'Toward a More General Theory of Regulation', *Journal of Law and Economics*, 19, 2, 211-40.

[Web of Science®](#) | [Google Scholar](#)

---

Pfeffer, J. and G.R. Salancik. 1978. *The External Control of Organizations: a Resource Dependence Perspective*. New York: Harper & Row.

[Google Scholar](#)

---

W.W. Powell and P. DiMaggio (eds). 1991. *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press.

[Google Scholar](#)

---

Samuel, A. 2005. *Consumer Complaints and Compensation: A Guide for the Financial Services Market*. Surrey: City & Financial Publishing.

[Google Scholar](#)

---

Selznick, P. 1966. *TVA and the Grass Roots - a Study in the Sociology of Formal Organization*. New York: Harper & Row.

[Google Scholar](#)

---

Seneviratne, M. 2002. *Ombudsmen: Public Services and Administrative Justice, Law in Context*. London: Butterworths.

[Google Scholar](#)

---

Seneviratne, M. and S. Cracknell. 1988. 'Consumer Complaints in Public-Sector Services', *Public Administration*, 66, 2, 181-93.

[Web of Science®](#) | [Google Scholar](#)

---

Stigler, G. 1971. 'The Theory of Economic Regulation', *Bell Journal of Economics and Management Science*, 2, 3-21.

[Web of Science®](#) | [Google Scholar](#)

United Kingdom Ombudsman Association. 1991. *United Kingdom Ombudsman Conference*. Manor Hotel, Meriden 17–18 October. London: United Kingdom Ombudsman Association.

[Google Scholar](#)

Wilson, J.Q. 1989. *Bureaucracy: What Government Agencies Do and Why They Do It*. New York: Basic Books.

[Google Scholar](#)

Yin, R.K. 2003. *Case Study Research: Design and Methods*, 3rd edn. Thousand Oaks, CA: Sage.

[Google Scholar](#)

## Citing Literature



[Download PDF](#)

### ABOUT WILEY ONLINE LIBRARY

[Privacy Policy](#)

[Terms of Use](#)

[About Cookies](#)

[Manage Cookies](#)

[Accessibility](#)

[Wiley Research DE&I Statement and Publishing Policies](#)

[Developing World Access](#)

### HELP & SUPPORT

[Contact Us](#)

[Training and Support](#)

[DMCA & Reporting Piracy](#)

### OPPORTUNITIES

[Subscription Agents](#)

[Advertisers & Corporate Partners](#)

### CONNECT WITH WILEY

[The Wiley Network](#)

[Wiley Press Room](#)

