

Minutes – Consumer Liaison Group Meeting

When	Friday 19 January 2024 10.00-11.30
Where	Microsoft Teams
Internal attendees	External attendees
Abby Thomas Dara Meunier Rachel Lam Matthew Belcher Maya Eyre	<p>David Southgate, Consumer & Financial Services Policy Manager, Age UK</p> <p>Sarah-Jayne Dunn, Policy Manager, Citizens Advice Scotland</p> <p>Sean Breen, Head of Financial Services, Consumer Council Northern Ireland</p> <p>Johnny Timpson, FCA Consumer Panel</p> <p>Bob Winnington, CEO, Money Advice Liaison Group</p> <p>Michael Royce, Senior Policy and Prepositions Manager, Money and Pensions Service</p> <p>Meg Van Rooyen, Policy Manager, Money Advice Trust</p> <p>Chris Lees, Senior Research Officer, MMHPI</p> <p>Marianna Panteli, Money Saving Expert</p> <p>Francesca Ferrier, Technology-Facilitated Abuse and Economic Empowerment Team Service Manager, Refuge</p> <p>Lauren Garrett, Financial Services Manager, Surviving Economic Abuse</p> <p>Rushaa Hamid, Research Manager, Toynbee Hall</p> <p>Alastair Reed, Policy Adviser, Which?</p> <p>Sinéad Campbell, Head of Money Debt and Quality, Advice NI</p>

Unable to attend/apologies	David Hawkes, Advice UK; Chloe Maughan, Citizens Advice; Peter Costello, Money Advice Scotland; Olivia Sizeland, The Money Charity
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Item	Agenda
1.	Welcome and introductions
2.	Key updates from the Financial Ombudsman Service
3.	Discussion on our Plans and Budget consultation
4.	Discussion on consumer issues in the insurance industry with presentations from attendees
5.	AOB and closing remarks

1. Welcome

1.1 The Chair welcomed attendees to the meeting.

2. Key updates from the Financial Ombudsman Service

2.1 The Financial Ombudsman Service's goal for this financial year is to keep quality and improve pace. In the last year, the Financial Ombudsman Service has increased quality scores alongside reducing the average time it takes to resolve a complaint.

2.2 The Financial Ombudsman Service has been achieving this through better tools and technology, as well as through specialising its teams. It has built in the needs of vulnerable consumers through training and is always considering additional ways to further develop that strength.

2.3 The Financial Ombudsman Service has published some decisions on Motor Finance Commission cases with clear guidance and its expectations for firms. There are a number of cases in that area which are being worked through. The service offered to engage with key stakeholders including consumer groups and charities on this matter.

3. Discussion on our Plans and Budget consultation

3.1 The Financial Ombudsman Service is consulting until 30 January 2024, on the possibility of charging professional representatives. It is doing a lot of key engagement with stakeholders and working closely with government and regulatory powers to get as much feedback as possible.

3.2 The vast majority of consumers come to the Financial Ombudsman directly, with its key points being that it is accessible, easy to use, timely and free. The Financial Ombudsman Service sees some of the benefits professional representatives can provide, especially for those with different needs. However, the Financial Ombudsman Service is dedicated to providing that support to consumers in understanding the merits of their case. Additionally, the Financial Ombudsman Service believes a good outcome for consumers means they receive 100% of the award they're entitled to.

3.3 Any fees potentially charged to professional representatives would not apply to charities or friends and family providing assistance. Attendees were generally supportive of the

proposal to charge professional representatives but had some concerns about professional representatives passing the cost of a complaint onto the consumer. The Financial Ombudsman Service mentioned it would continue to engage with regulatory powers to help mitigate that risk. Some attendees added that regulators should consider reducing the percentage professional representatives can take from awards received by the consumer.

4. Discussion on consumer issues in the insurance industry with presentations from attendees

- 4.1 The Financial Ombudsman Service said it had received a significant increase in insurance cases in the last year, particularly in buildings and motor insurance. Delay in claims has driven some of this increase, which has been impacted by wider issues such as accessing parts or materials. We've also seen an increase in pricing complaints, although volumes of these complaints remain low.
- 4.2 MMHPI presented on issues with insurance for people with mental health conditions. Their research showed that people with mental health issues can face higher premiums, exclusions for their condition and declines, which all have a negative impact on their finances and mental health.
- 4.3 SEA presented on the challenges faced by victim-survivors of economic abuse and specifically the barriers in accessing and ending life insurance. The industry default is for couples to be offered joint coverage, which can be difficult to separate as it requires joint consent. SEA have heard from some victim-survivors that they feel insurers and practices in the sector can contribute to the harm they experience by not responding to their needs.
- 4.4 Which? presented on distrust in the insurance industry. Their research has focused on whether consumers are getting what they need from products and value for money. The research has shown high claim rejection rates, increased complaints referred to the Financial Ombudsman Service and rising uphold rates.

5. AOB and closing remarks

- 5.1 The Financial Ombudsman Service expressed that this was a very thought provoking and interesting discussion. The service is reviewing how future engagement with consumer groups will look like with the idea of hosting smaller more focused roundtables. Feedback from attendees is welcome.
- 5.2 The Chair thanked all attendees for their input and closed the meeting.