

Financial Ombudsman service Limited

MINUTES

MINUTES of the meeting of the directors, held at RSA, 8 John Adam Street, London WC2N 6EZ on Wednesday 22 June 2011

Present	Chris Kelly	chairman
	Janet Gaymer	director
	Alan Jenkins	director
	Elaine Kempson	director
	Kate Lampard	director
	Julian Lee	director
	Roger Sanders	director
	Maeve Sherlock	director
	Pat Stafford	director
In attendance	Natalie Ceeney	chief executive & chief ombudsman (CEO)
	Tony Boorman	decisions director
	Julia Cavanagh	performance & finance director
	Barbara Cheney	company secretary
	David Thomas	corporate director
	Caroline Wayman	legal director (items 1-3)
	Jacquie Wiggett	HR & organisational development director (items 1-3)

1/1106 Apologies for absence

Apologies for absence were received from Simon Rouse and David Cresswell.

2/1106 Minutes

After making a minor adjustment, the minutes of the board meeting held on 10 May 2011 were approved as an accurate record of the meeting.

The board noted the draft minutes of the audit committee meeting that was held on 10 May 2011.

3/1106 Executive update

The board noted the update from the executive and discussed the following issues:

a) Payment protection insurance (PPI) complaints

The decisions director provided an update on the FSA's temporary extension of time for some of the major banks to deal with PPI complaints. He also explained the impact of the large volume of complaints on the service's operations and headcount.

Whilst any delay in complaint handling was to be avoided if possible, the board agreed that poor-quality casehandling arising from inadequately trained newly recruited staff would be indefensible. It also reaffirmed the importance of maintaining targets for non-PPI casework.

b) Regulatory reform

The board noted the decision director's update of 17 June about the publication of the Government's white paper and draft Bill proposing changes to the regulation of financial services: *A new approach to financial regulation, the blueprint for reform*.

4/1106 Board evaluation

fos/11/06/01

Geoffrey Shephard and Simon Osborne from ICSA Board Evaluation joined the meeting to present their board performance evaluation report. The board discussed their findings and the recommendations arising from the review.

5/1106 NAO review

fos/11/06/03

The chairman welcomed Alex Scharaschkin, Mark Wynniatt and Charlie Gluckman from the NAO to the meeting. He reaffirmed the importance of the review from which he hoped a good deal would be learned.

The board considered the NAO's report about its scoping visit earlier in the year and its proposals for the forthcoming review – *maintaining efficiency when dealing with change*. The NAO confirmed that the two key objectives of the review were to:

- a) draw conclusions on the service's operational efficiency and make recommendations on where improvements could be made; *and*
- b) assess the extent to which the change projects already underway at the service are on track to address the efficiency challenges identified.

It was agreed that the terms of reference would be finalised once the operations director had considered the timing of the review (in relation to its impact on the service's ability to handle the current high PPI workload) on his return from leave.

Action The board authorised the chairman to approve and sign the letter of engagement with the NAO.

5/1106 Rules instrument

fos/11/06/06

The board approved rules instrument FOS 2011/4 (FSA 2011/36) – Fees (Miscellaneous Amendments and Financial Ombudsman service Rules) (No 2) Instrument 2011

6/1106 Any other business

a) July board meeting

It was noted that there would be a number of important issues to discuss at the next board meeting on 20 July. The executive will liaise with specific board members in advance to discuss topics relevant to their areas of expertise in more depth. One of the items on the agenda will be consideration of potential sites for the service's office location after the current leases expire in November 2014. It was noted that there will be an opportunity to visit these sites before the meeting.

b) Directors' report and financial statements 2010/11

The draft directors report and financial statements 2010/11 will be considered by the audit committee on 4 July. Having made any amendments, the document will be circulated to the board on 5 July for comment.

c) Company secretary

As this was her last meeting before leaving the service on 14 July, the board thanked Barbara Cheney for her contribution over the past 11 years.

There being no other business, the meeting ended at 4.20 pm