

Financial Ombudsman Service Limited

MINUTES

MINUTES of the meeting of the directors, held at Exchange Tower, London, E14 9GE on Wednesday, 24 April at 9.00 am

Present	Nick Montagu (NM)	chairman
	Maeve Sherlock (MS)	director
	Gwyn Burr (GB)	director
	Alan Jenkins (AJ)	director
	Julian Lee (JL)	director
	Pat Stafford (PS)	director
In attendance	Natalie Ceeney (NC)	chief executive and chief ombudsman
	Tony Boorman (TB)	deputy chief executive and deputy chief ombudsman
	Julia Cavanagh (JC)	finance and performance director
	David Cresswell (DC)	communications and customer insight director (to item 4)
	Chris McDermott (CMcD)	operations director (to item 4)
	Alison Hoyland (AH)	board secretary & head, CEO's office (minutes)

ombudsmen appointments

The Board noted NM's approval of the latest ombudsmen appointments. NM acknowledged the continuing high calibre of appointees coming through; NC added that candidates for all roles, including ombudsman roles, were looking increasingly to the ombudsman as an employer of choice.

0/1304 Executive update

The update from members of the executive on their respective areas was noted, with some further discussion on the following:

Meeting with the Economic Secretary to the Treasury

NC and TB had attended an introductory meeting with the new Economic Secretary, Sajid Javid. The Minister had agreed that it would be helpful to visit the ombudsman service in due course, to see what it did first hand, and to talk to staff about the work that they did.

Outreach work

Increasingly, messages to raise awareness and promote accessibility were being channelled through other trusted parties, to whom consumers tended to relate in their wider lives, including advocates of consumer rights in the media and public eye.

1/1304 Minutes and approvals

The minutes of the Board meeting held on 20 March 2013 were approved, and the note of the meeting of the audit committee held on 26 February 2013 was noted.

2/1304 Matters arising

2013/14 plan & budget

- NC had written to the main stakeholder respondents about the ombudsman service's plans for the year ahead and had picked up on individual aspects of responses, where relevant. A series of industry stakeholder meetings were coming up, as part of the ombudsman's continued commitment to working with businesses to talk about its work and working together to achieve good customer service all round.

- The FSA had approved the ombudsman's budget at its meeting later in the afternoon on 20 March; subsequent to which, the ombudsman had published the feedback it had received to its consultation, alongside the final approved budget.

2013/14 development objectives

- TB had amended the development objectives in line with the March Board discussion and drawn up a summary time line.

Other matters arising were picked up in substantive business before the Board

3/1304 2012/13 service and performance report

fos/13/04/03

Quarterly service performance reports had provided the Board with assurance about how the ombudsman was doing; the end of year report was a helpful round-up of overall performance and the final position was as expected. The year had been our busiest yet – we had received 92% more cases overall, and 140% more Payment Protection Insurance (PPI) cases, on the year before.

Inevitably, resources had been stretched, as new staff had been taken on and experienced staff had devoted time to help train them up. Work plans in PPI had also been revised, and resources diverted to deal with very significant increases in call and post volumes. Consequently, the ombudsman had not been able to resolve as many cases as it had hoped to do, and cases had taken longer to resolve than planned. Encouragingly though, the time taken to resolve non-PPI cases had improved on the year before, despite timeliness being impacted by determined efforts during the year to also resolve in addition as many of the most complex and oldest of cases.

The Board acknowledged how much had been achieved, despite ever increasing numbers of cases and a continued commitment to a large change programme; staff had risen admirably to the challenges and were to be commended. Members confirmed the importance of the Board's oversight of performance on a continuing basis, and were reassured by the executive team's analysis and close scrutiny of what the service was seeing and how it should respond.

4/1304 annual review

fos/13/04/04

The annual review was the ombudsman's external presentation of what it had seen and done during the year. The annual review for 2012/13 was being prepared for publication towards the end of May.

Following on from the discussion under the previous item on the service's end of year performance report, the Board was taken through the highlights and headlines to give some background and context, before being asked to provide comments on the text of the annual review itself.

In reviewing the past year, the Board agreed that the past year's experience supported a continued emphasis on innovation and flexibility in case-handling approaches, to respond effectively to different types of complaints and changing customer needs and expectations.

Board members would send DC comments on the draft text in the next couple weeks, before being asked to sign it off in final form at the May Board.

5/1304 PPI resource update

fos/13/04/05

In its oversight of the ombudsman's planning work to meet PPI demands, the Board had agreed that a multi-year perspective needed to be taken on the management of the PPI workload, including in relation to staffing and resourcing. Responding to this, an analysis had been prepared tracking recruitment and resource planning over time, against different volume and case progression scenarios.

While all scenarios showed that the current year's plans were appropriate, recruitment and resourcing would be kept under review so that the plans could be adapted, as necessary, to match the latest analysis of likely caseloads.

JL and AJ provided further assurance to the Board on the appropriateness of the plans, having reviewed the detail of the analysis work in their capacity as critical friends to the PPI programme board.

6/1304 Implementing the Financial Services Act 2012

fos/13/04/06

The memorandum and articles of association of the ombudsman service had been revised to bring it up to date, including in relation to the new legislative provisions in the recently enacted Financial Services Act 2012.

AJ raised a few points of detail which would be picked up with legal colleagues, ahead of a final draft being put to the Board for final sign-off for submission to the FCA board for approval.

action

- NC and CW to pick up AJ's points of detail and finalise the memorandum and articles of association, ahead of Board sign-off (the timing of which would determine if this was done between meetings, or at the next Board's meeting).

Any other business

- The annual Board evaluation exercise was due; surveys would be sent out to Board members immediately after the meeting.

There being no other business, the meeting ended at 11.45.