

Financial Ombudsman Service Limited

MINUTES

MINUTES of the meeting of the directors, held at Exchange Tower, 1 Harbour Exchange, E14 9SR on Wednesday 25 November 2015 at 09.00

Present	Nick Montagu	chairman
	Gerard Connell	director
	Alan Jenkins	director
	Maeve Sherlock	director
	Pat Stafford	director
	Gil Whitehead	director
In attendance	Caroline Wayman	chief executive and chief ombudsman
	Julia Cavanagh	chief finance officer
	David Cresswell	director of strategy
	Chris McDermott	chief operating officer
	Annette Lovell	director of engagement
	Richard Thompson	principal ombudsman & quality director
	Garry Wilkinson	principal ombudsman & director of new services
	Alison Hoyland	board secretary & head of CEO's office (minutes)

Apologies for absence

There were no apologies.

1-4/1510 Board minutes and committee updates

The Board approved the note of the meeting held on 22 October 2015.

Matters arising

Matters arising were picked up in the formal business before the Board.

Chairman's update

The ombudsman service related business in which the chairman had been involved, included:

- Chairman and other senior-level industry meetings as part of the usual pre-consultation engagement on the service's plans and budget for the next financial year; and
- attendance at the FCA oversight committee, again as part of the plan and budget cycle.

Chief ombudsman and chief executive's update

The chief executive updated the Board on a number of organisational developments since the last meeting, including:

- progress on the next two insight reports – one on age-related complaints and one on pay day lending as a follow-up to an earlier report – both were due to be published in the next couple of weeks;
- the service's work in the local community, including Caroline's participation in a local charity initiative to support disadvantaged women to improve basic skills in reading, writing, conversation and spelling; and
- litigation cases of note.

5/1511 Service development**fos/15/11/05**

The programme of work to develop and modernise the service to ensure it remained aligned with the needs of customers and to secure its future relevance and sustainability was progressing well. Work was now underway to take forward the learning from the pilots and trials and to establish a number of new casework teams, working in agile ways, better able to respond efficiently and effectively to the work received.

The governance arrangements for the service development programme included Board member attendance at steering committee meetings which would provide the forum for more detailed scrutiny of particular aspects of the programme, as appropriate. The committee would be best placed to determine, therefore, those matters on which the whole Board would want to satisfy itself, as well as any matters that might be better suited to the audit committee. More generally, regular updates would come to the Board on the programme's progress.

6/1511 2016/17 plan, budget & fees**fos/15/11/06**

At its October meeting, the Board agreed the broad parameters within which the ombudsman service was preparing its 2016/17 budget for public consultation, noting, in particular, the uncertainty in the external environment surrounding PPI (which, in the main, concerned the possibility of regulatory rule changes) and how this might impact future case volumes.

Further analysis and pre-consultation discussions with industry representatives since then continued to support the high-level planning assumptions around the work the ombudsman service might expect to receive. General casework volumes were expected to remain pretty stable, save for packaged bank account cases which were expected to be much reduced (though early feedback suggested that this was an area where uncertainties about future volumes remained).

While the longer term picture was difficult to track with any degree of certainty, the ombudsman service was doing much to put itself in the best possible position to be able to respond to future levels of demand for its help effectively and efficiently. It was in a strong financial position (a position which included the reserves it held), it was undertaking a programme of work to develop the service and ensure its future relevance and sustainability and it was committed to robust cost management, continuing the drive for efficiency and ensuring value for money.

The overall budget remained largely unchanged to that presented for review at the October Board, save for some small adjustments to match the consultancy budget to that for the current financial year and to reflect lower premises and facilities costs.

In concluding its discussions, the Board agreed that the ombudsman service should proceed to present its budget and fee plans to the FCA Board on 3 December. Subject to FCA approval, the plan and budget would be published for consultation shortly after that. The Board would have the opportunity to take a final view on the budget against the latest forecasts and responses to the consultation, when it was asked to approve it in March.

action

- any further comments on the draft consultation document to be provided before week ending 27/11.

7/1511 Information-sharing with the FCA**fos/15/11/07**

An assurance update was provided on information-sharing and cooperation with the FCA for the first six months of the financial year.

Subject to a couple of minor amendments, the Board also agreed a revised memorandum of understanding (MoU) between the ombudsman and the regulator,

setting out the statutory obligations and how the two bodies cooperated with one another. The MoU had been updated to reflect the FCA's new regulatory responsibilities for consumer credit and the implementation of the ADR directive.

8/1511 Complaint- handling rule changes

fos/15/11/08

A previous change to the complaint -handling rules had introduced requirements for financial businesses to send a summary resolution communication to the consumer in certain circumstances where a complaint was resolved early on in the process. The FCA had subsequently identified the need for some consequential rule changes, to make it clear that there was no need for businesses to provide a separate written acknowledgement as well. The FCA was making the necessary changes to the compulsory jurisdiction rules and the ombudsman service Board agreed to make (subject to FCA approval) the equivalent change in relation to the voluntary jurisdiction.

There being no other business, the meeting ended at 13.00