

meeting of the industry steering group
(insurance)
6 November 2013



present

from the insurance industry:

- Paul Geddes, Direct Line
- Paul Matthews, Standard Life plc
- Jackie Hunt, Prudential
- Paul Evans, AXA UK
- John Pollock, Legal and General Assurance Society

from the Financial Ombudsman Service:

- Nick Montagu, chairman
- Tony Boorman, deputy CEO and deputy chief ombudsman
- Richard Goodman, policy director

apologies:

- Toby Strauss, Lloyds Banking Group
- Nigel Wilson, Legal & General Group
- Andy Briggs, Friends Life Group Plc
- Lindsay Sinclair, NFU Mutual
- Adrian Brown, Royal & Sun Alliance
- Mark Summerfield, Cooperative Financial Services
- Maurice Tulloch, Aviva plc

welcome and introductions

The chairman welcomed the attendees to the meeting.

planning and forecasting

The ombudsman service is shortly due to open consultation on its budget for the financial year 2014/2015. Sharing insight with industry participants is a welcomed opportunity to review some of the main trends with the group.

This year PPI volumes remain high although new case numbers have gradually started slowing down in the past four months – however not as much as forecasted. The group noted there was still a large volume of PPI cases to resolve.

The group noted that the ombudsman is starting to consider its budget and plans for 2014/2015. Initial views were that despite some wider pressures, focus on complaint handling by firms should help ensure that complaint volumes to the ombudsman outside PPI remain mostly stable. In PPI, it is reasonable to assume a decline in volumes next year.

The financial prospects for next year and beyond were inevitably uncertain. The group wanted to be assured that the ombudsman had taken into account the medium and long-term costs of the PPI operation including once volumes declined. It was important that those costs were met by those most closely involved in PPI cases.

The ombudsman's chairman spoke to the group about the service's triennial review which is currently underway. The chairman explained that the review, which is carried out by the Future Foundation, will look at changes in consumer behaviour and how changes in the insurance sector might drive complaints handling behaviour. Industry (as well as consumer and other groups) had been invited to contribute.

The ombudsman emphasised that it continues to seek ways to improve the service to consumers by creating a better working relationship with the businesses. The group offered their insight and suggested other ways which may be an appropriate to collaborate in the future.

next meeting

The next meeting will be held in six months.