



Financial  
Ombudsman  
Service

**meeting of the industry steering group (insurance)**  
5 November 2012

**present**

from the insurance sector:

Andy Briggs, Friends Life  
Rob Devey, Prudential UK and Europe  
Paul Evans, AXA UK  
Paul Geddes, Direct Line Group  
Trevor Matthews, Aviva UK  
Toby Strauss, Lloyds Banking Group

from the financial ombudsman service:

Nick Montagu, chairman  
Natalie Ceeney, chief ombudsman  
Tony Boorman, deputy chief ombudsman  
Annette Lovell, lead ombudsman

apologies:

Adrian Brown, RSA  
David Nich, Standard Life  
Lindsay Sinclair, NFU Mutual Insurance Society  
Barry Tootell, Co-operative  
Nigel Wilson, Legal and General

**welcome and introductions**

The chairman warmly welcomed members to the meeting.

**action points and matters arising**

The chairman thanked Paul Evans for his note about awards for distress and inconvenience, to which a full reply had been sent.

A number of “working together” events had been held which included sessions on non-disclosure and misrepresentation, and the ombudsman’s fair and reasonable remit.

**planning for the future**

The chairman explained that forecasting future workload was very important for the ombudsman service and said that he welcomed the opportunity to share early thinking with the industry groups and to understand their views.

The group noted that the ombudsman had seen an increase in the number of insurance complaints, with a wide variation in uphold rates across different product

groups and they discussed the possible reasons for this. The group were interested to see further historic data about the number of new complaints received by the ombudsman, corrected for GDP, in order to understand the extent to which economic activity was a driver of complaints.

*Action: the ombudsman to consider what further information is available.*

The firms said they were experiencing an overall fall in the number of complaints being received, but agreed that there were issues which might lead to higher referrals to the ombudsman. These included the effects of weather during 2012, economic conditions, the increasing impact of claims management companies and the implications of the "Test Achats" case (which would change the way in which gender could be considered in pricing policies). There was broad agreement that planning for a 5% increase in both general insurance and investment was a reasonable assumption.

There was some discussion about what further capacity would be required by the ombudsman and how this should be funded. The group agreed that the proposal to move towards a "group case-fee" arrangement was the right step to take, noting that it was helpful in reducing volatility and avoided the need to seek funding for an increase in reserves from all firms.

The chairman explained that the matter would be discussed further by the board and, in the usual way, subject to public consultation early in the new year.

#### **other issues**

The group noted that legislation supporting the publication of ombudsman decisions was likely to come into effect in 2013. Some of the group suggested working together to develop a shared narrative which made the most of the opportunity.

The group also discussed the importance of improving trust and confidence in financial services.

#### **next meeting**

It was agreed that the next meeting would take place in May 2013 and would include a discussion about the ombudsman's annual review.