



Financial  
Ombudsman  
Service

**meeting of the industry steering group (banking)**  
22 October 2012

**present**

from the banking sector:

Joe Garner, HSBC  
Antonio Simoes, HSBC  
Charlotte Hogg, Santander  
Graeme Hughes, Nationwide  
Ashok Vaswani, Barclays  
Ross McEwan, RBS

from the financial ombudsman service:

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

apologies:

Alison Brittain, Lloyds Banking Group  
Brian Cole, Capital One

**welcome and introductions**

The chairman welcomed new members of the group – Ross McEwan (RBS) and Antonio Simoes (HSBC). He noted that Joe Garner would be leaving the group and thanked him for his generous contribution to the work of the group.

**planning for the future**

The chairman explained that forecasting future workload was critically important and welcomed the opportunity to share with industry representatives its thoughts on likely future demand.

The group noted that there had been a significant increase in the number of complaints about PPI to the Ombudsman in 2012/13, which now exceeded planned capacity, and dominated the service's workload. As the Ombudsman was now receiving around 5,000 new PPI complaints a week, there was agreement that a sensible planning assumption for the service for 2013/14 was to assume that this level of demand was likely to continue. The group recognised that this would require the Ombudsman to significantly improve its capacity so that it could resolve complaints at this level, which was likely to mean expanding capacity by around another 1,000 staff.

It was noted that the number of non-PPI complaints about banking coming to the Ombudsman had also risen. The group's opinion was that this was likely to be as a

result of the current trust and confidence issues from consumers, as well as a rise in awareness of how to raise a formal complaint to the service.

The group went on to discuss what this would mean for the ombudsman's capacity and future funding arrangements. There was consensus that the Ombudsman Service's proposed new funding arrangements were a positive step forward. Moving the large banking groups to a 'group fee arrangement' would reduce income volatility and mean that the total sum raised from all financial services firms would be lower than otherwise required, because lower levels of reserves would be required. The chairman thanked the group for this feedback, which would be discussed further by the ombudsman's board and then subject to formal consultation in the new year.

### **other issues**

The group discussed ways in which the ombudsman could help improve trust and confidence in financial services. Members suggested that the Ombudsman should be confident about contributing to the current debate about financial services – which would benefit from a thoughtful, evidence-based contribution.

### **next meeting**

The next meeting would take place in six months and would be likely to consider the Ombudsman's annual review.