

## **consumer liaison-group meeting**

22 September 2011

### **present**

#### Financial Ombudsman Service:

- Caroline Mitchell, lead ombudsman – *chair*
- Annette Lovell, head of policy and public affairs
- Jacqueline Rees, head of knowledge and information
- Simon Rawle, ombudsman
- Debbie Enever, policy manager
- Louise Corley, policy adviser

#### from the consumer organisations:

- Graham Collett, FSCP secretariat
- Vera Cottrell, Which?
- Sue Edwards, Citizens Advice
- Helen Handzel, Consumer Credit Counselling Service
- Lucy Malenczuk, Age UK
- Julie McCurley, Northern Ireland Consumer Council
- Oliver Morgans, Consumer Focus
- Elisabetta Sciallis, Trading Standards
- Deborah Shields, Money Advice Trust
- Doug Taylor, Which?
- Claire Whyley, FSCP
- Robert Yuille, Money Advice Service

### **welcome and introductions**

Caroline Mitchell welcomed everyone to the meeting.

The minutes of the last meeting were accepted, subject to the date being amended to 24 June. The ombudsman service agreed to circulate a revised version showing the correct date.

The Group noted that the OFT's response to the Which? super-complaint on credit and debit card surcharges had been published.

### **regulatory reform – draft Bill**

Annette Lovell reminded the group that the draft Financial Services Bill was currently subject to pre-legislative scrutiny. On 15 September 2011 the ombudsman service had

given evidence to the joint scrutiny committee, along with the FSCS and the Money Advice Service.

It was noted that the Treasury Select Committee had announced an enquiry into FSA's accountability and had called for evidence to be submitted by 10 October. FSCP confirmed that it would be appearing along with the other panels on 20 October – and that the focus was likely to be on governance.

### **transparency**

The ombudsman service had recently published a consultation paper about the publication of ombudsman decisions. Caroline Mitchell gave a short presentation outlining the main issues and asked the group for their initial thoughts.

The group were broadly supportive of the proposal to publish ombudsman decisions, and raised several questions about the implementation.

There was a brief discussion about whether publication might deter consumers from referring complaints. The ombudsman service explained that it would be carrying out consumer research to understand the extent to which this could be an issue.

### **publication of complaints data**

The ombudsman service had published its latest complaints data, showing the number and outcome of the cases it had handled over the previous six months. Jacqueline Rees gave a presentation providing further information.

The group asked whether there were any plans to provide a further breakdown of the data, to highlight the number of complaints by market share. The ombudsman service noted that it did not have the appropriate expertise to assess or contextualise the market share held by financial businesses, and that such commentary on the data is more appropriate if done by others. There were no immediate plans to publish any further data.

The fall in the number of banking complaints was noted. Simon Rawle explained that this was not attributable to any one specific product area or business, but showed a general improvement across the board.

### **fee charging by debt-management companies**

Deborah Shields outlined concerns about a lack of transparency in relation to fee charging by debt-management companies. Deborah suggested that even if a debt-management business had not breached its strict regulatory obligations, it was questionable whether a business could ever be acting in the best interests of the consumer by charging a fee for a service which the consumer could access for free elsewhere.

Caroline Mitchell explained that complaints about claims-management companies do not fall within the remit of the ombudsman service – but that the service can refer any issues it sees in relation to these businesses to the Claims Management Regulator.

Simon Rawle added that the ombudsman can consider complaints about debt adjusters, and in doing so the ombudsman will look carefully at the OFT's guidance in relation to charging for a service.

It was noted that in Scotland there has been a move towards businesses advising consumers that they were able to access a similar service at no cost.

### **FSCP research on “straightforward outcome” products**

Graham Collett gave a short presentation on the panel's research into “straightforward outcome” products. He confirmed that the panel would be holding a round-table discussion on simplified advice in October.

Caroline Mitchell noted that the ABI conference in October would also be looking at the issue of simplified advice.

### **any other news**

The group confirmed that meetings every 3 to 4 months remained useful while there were significant issues to discuss, such as regulatory reform. It agreed that it would be useful to have the next meeting at a time when a contribution to the consultation on the ombudsman service's *plan and budget* could be made.