

## Minutes – Consumer Liaison Group

13 July 2022 - Meeting held at Exchange Tower, London and via Microsoft Teams

Financial Ombudsman Service attendees	Consumer Liaison Group attendees
Colin Douglas, Interim Executive Director of Communications David Bainbridge, Head of External Relations (Chair) John Wightman, Ombudsman Leader Siobhan Kelly, Ombudsman Leader Pritie Billimoria, Policy and Communications Manager Roger Charles, Policy and Communications Adviser	Sarah-Jayne Dunn, <b>Citizens Advice Scotland</b> Sally Dray, <b>Money Saving Expert</b> Aiden Greenall, <b>Citizens Advice</b> David Hawkes, <b>Advice UK</b> Tony Herbert, <b>Which?</b> Chris Lees, <b>MMHPI</b> Sonia Payne, <b>European Consumer Centre</b> Keith Richards, <b>FCA Consumer Panel</b> Meg Van Rooyen, <b>Money Advice Trust</b> Michael Royce, <b>MaPS</b> Olivia Sizeland, <b>The Money Charity</b> David Southgate, <b>Age UK</b> Laura Toffolo, <b>Citizens Advice Scotland</b>

<b>Unable to attend/apologies</b>	Adam Butler, <b>StepChange</b> ; Jonathan Shaw, <b>Christians Against Poverty</b> ; Scott Kennerley, <b>Consumer Council Northern Ireland (CCNI)</b> ; Jenny Redman, <b>CCNI</b> ; Sian Williams, <b>Toynbee Hall</b> ; Nikki Bond, <b>Money &amp; Mental Health Policy Institute</b> ; Leonora Miles, <b>Macmillan</b> ; Bob Winnington, <b>Money Advice Liaison Group</b> ; Rachel Beddow, <b>Citizens Advice</b> ; Nazia Ali, <b>FCA Consumer Panel</b> ; Alastair Reed, <b>Which?</b>
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Item	Agenda
1.	Welcome and introductions
2.	Key updates from the Financial Ombudsman Service
3.	Update on work on gambling harms
4.	Open discussion reflecting on impact of the current economic environment and rising living costs
5.	AOB and closing remarks

## 1. Welcome

1.1 The Chair welcomed attendees to the meeting.

## 2. Key updates from the Financial Ombudsman Service

- 2.1 The Financial Ombudsman Service reminded attendees about the appointment of Abby Thomas as its new Chief Executive and Chief Ombudsman. It confirmed that Nausicaa Delfas would continue to lead the organisation until Abby takes up her position. It also confirmed that further senior level appointments would soon be announced.
- 2.2 The Financial Ombudsman Service highlighted that the backlog of unallocated cases had fallen from around 90,000 to just over 37,000. The organisation also confirmed that it had almost completely dealt with its oldest cases (those over 18 months old - except for those which couldn't be progressed because of e.g. legal action), which had led to an increase in the median time for the resolution of complaints.
- 2.3 Looking ahead, the Financial Ombudsman Service confirmed it would continue focussing on bringing down the backlog of complaints. It also reported seeing less complaints so far this year than initially forecasted.
- 2.4 The Financial Ombudsman Service provided an overview of its future funding model discussion paper, outlining why this was being considered. It explained that one part of the discussion paper was examining the case fee and more generally incentivising good behaviours. As part of this, the paper examines proposals about charging professional representatives a fee for submitting complaints. Attendees were encouraged to share their thoughts by responding to the discussion paper.
- 2.5 One attendee referred to a specific proposal in the ideas considered but not proposing to take forward section of the paper. This was to charge a higher fee for cases where the Financial Ombudsman Service finds in favour of the consumer in line with the 'polluter pays' model – they asked why this was considered but deemed not viable to take forward.
- 2.6 The Financial Ombudsman Service explained that the discussion paper outlines its concerns. There was a risk that by linking a higher fee to the outcome that this proposal could create a perception that there was a financial incentive for the organisation to uphold complaints - but it remained open to feedback on this and other points.

## 3. Update on gambling harms

- 3.1 The Financial Ombudsman Service updated on what it was seeing in its casework in relation to gambling related issues and was interested to hear from attendees about what they were seeing on the frontline. One attendee suggested that financial firms should do more to help staff by providing training, guidance on when to step-in and designing tools to help spot gambling habits.
- 3.2 The group agreed to keep in touch with the Financial Ombudsman Service and share any further thoughts or trends that develop as this was a live issue.

#### **4. Discussion - impact of the current economic environment and rising living costs**

- 4.1 The Financial Ombudsman Service invited attendees to share their insights – so it could seek to understand the issues consumers and small businesses might face with financial businesses in light of the current economic position and rising living costs.
- 4.2 Several attendees reported an increase in call volumes to their helplines, with customers highlighting that they were spending longer in queues when calling other organisations such as utility companies.
- 4.3 There was a sense that people were struggling and seeking help with energy/utility/council tax bills rather than credit issues. Some attendees also reported a growth in the number of customers with deficit budgets and a trend towards rising foodbank referrals.
- 4.4 One attendee has seen an increase in consumers, who are using riskier, high-cost credit to pay for food and this was translating into being contacted by creditors. Buy now pay later was also mentioned as an area of concern as consumers were, again, using this method to pay for essentials such as food.
- 4.5 More generally, attendees expressed concerns that it was becoming difficult to recruit (and retain) debt advisers during a time of growing demand from consumers. They were also concerned that the current economic climate, and the struggles faced by some, could lead to a rise in mental health issues.

#### **5. AOB and closing remarks**

- 5.1 One attendee shared a [video link](#) which provides useful insight into the situation on the frontline for many debt charities and consumers.
- 5.2 The Chair thanked all attendees for their input and closed the meeting.