

Financial Ombudsman Service Limited

MINUTES

MINUTES of the ninety third meeting of the directors, held at South Quay Plaza, 183 Marsh Wall, London E14 9SR on 14 May 2008 at 9.30 am

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| Present | Chris Kelly | chairman |
| | Alan Cook Joe Garner John Howard Elaine Kempson Kate Lampard Julian Lee Roger Sanders Maeve Sherlock | |
| | Walter Merricks | chief ombudsman |
| In attendance | Barbara Cheney | company secretary |
| | Tony Boorman | decisions director |
| | Roy Hewlett | operations director |
| | David Thomas | corporate director |
| | David Cresswell | communications director (item 2) |
| | Paul Bentall | general counsel (item 5) |

1. Minutes of the meeting held on 9 April 2008

The minutes of the meeting held on 9 April 2008 were approved as an accurate record of the meeting.

2. Annual review

In presenting the printed, colour version of the *annual review*, the communications director reminded the board that it provided a mix of numerous and different messages for a widely diverse audience.

Subject to consideration of the points made about general style during the discussion, the board approved the *annual review 2007/08* for publication.

The chairman thanked the communications director for the hard work that had gone into the preparation of the *annual review*.

3. Caseload

The decisions director reported that an outsourcing provider had been appointed to undertake a pilot project which was due to start on 19 May. A report about the outcome of the pilot phase would be presented to the board by the end of the summer.

4. Policy report

a) Bank charges

The board discussed the key findings in the recent court judgment in the bank charge 'test case'. The anticipated increase in complaints as a result of the media coverage of the judgment had not materialised. It was noted that it was a complex situation and a legal resolution was the only satisfactory way to reach a conclusion.

b) Payment protection insurance (PPI)

The board noted the briefing paper about the Service's approach to PPI complaints. It was confirmed that the anticipated reduction in complaints in the current year had not yet materialised. Discussions had been on-going for some time with major firms and trade bodies but cases were continuing to come in. About 2,300 new complaints had been received in April alone.

The board understood that estimating the future workload was difficult, particularly in the context of surges of similar complaints all relating to the same products. However it asked for a plan to be prepared of best estimates of new cases and the resources required to deal with them.

c) Publication of firm-specific complaint data

The corporate director confirmed that the FSA's paper on regulatory transparency and publication of complaints data was now due to be published on 19 May.

d) FSA Retail Distribution Review (RDR)

The Service had agreed to attend an FSA sponsored round table discussion about the RDR provided that consumers, as well as industry, were represented.

e) Pensions jurisdiction

The corporate director provided an update on discussions about the proposed merger with the Pensions Ombudsman.

5. Roles and responsibilities of the legal department

Paul Bentall, the general counsel, gave a presentation about the roles and responsibilities of the legal department, which included its key objectives, its people, range of work, cost of litigation, training & development, external liaison and future issues.

He explained that there was a trend towards employing a smaller central team that was becoming less involved with the provision of advice about casework but having a greater input into legal strategic issues. The use of secondees from external organisations was also being considered.

6. Board strategic planning meeting

The chairman suggested a number of topics for discussion at the forthcoming planning meeting on 18 and 19 June.

There being no other business, the meeting ended at 11.35 am.