

Financial Ombudsman Service Limited

MINUTES

MINUTES of the meeting of the directors, held at South Quay Plaza, 183 Marsh Wall, London E14 9SR on Wednesday 23 November at 9.30 am

Present	Chris Kelly	chairman
	Gwyn Burr	director
	Janet Gaymer	director
	Alan Jenkins	director
	Elaine Kempson	director
	Kate Lampard	director
	Julian Lee	director
	Roger Sanders	director
	Maeve Sherlock	director
Pat Stafford	director	
In attendance	Natalie Ceeney	chief executive and chief ombudsman
	Tony Boorman	decisions director
	Julia Cavanagh	performance & finance director and company secretary
	David Cresswell	communications and customer insight director
	Caroline Wayman	legal director
	Jacquie Wiggett	HR & organisational development director
	David Thomas	lead ombudsman
Alison Hoyland	board secretary & head, CEO's office (minutes)	

Apologies for absence

There were no absences.

0/1111 Executive update

The board noted the update from the executive and discussed the following issues:

- a) *Operations director vacancy*
The post had been advertised.

- b) *Employee engagement*
The Board congratulated the communications' team on winning the bronze award in the "best employee engagement" category of the "annual intranet awards".

- c) *'ombudsman news'*
The Board was pleased to note the accolade the "readers' champion" at the Daily Record in Scotland had given 'ombudsman news', writing that their column was "inspired" by it and that it was "clear and easy to understand without being patronising", giving the journalist the feeling that the service was not "sitting in an ivory tower".

1/1111 Minutes and approvals

The minutes of the Board meeting held on 19 October 2011 were approved as an accurate record of the meeting, subject to one or two amendments to correct typographical errors.

The Board noted the draft minutes of the Nomination and Remuneration committee meeting held on 19 October 2011.

2/1111 Matters arising

Strengthening professional leadership

Board members noted that the service had placed an advert for ombudsmen recruitment in the Sunday Times at the weekend.

February 2012 Board meeting

The Board noted that no date suited all, but that 21/2 suited more.

action The Board Secretary to send an email confirming the February 2012 Board date.

3/1111 2012/13 Plan & Budget

fos/11/11/03a&b

The Board considered the Service's proposals for its 2012/13 plan & budget in the context of the work that it was expecting to receive.

In preparing its plans, the Service had met with senior industry stakeholders who had indicated that demand for the service next year was likely to be higher than the Service had estimated, and that it should prepare both for an increase in non-PPI complaints and a significant increase in PPI complaints. The Service had also discussed how the additional capacity required to manage an increasing PPI workload should be funded. The feedback suggested a broad consensus that it could be managed by adjusting the case fee arrangements, rather than making changes to the levy – and that, as far as possible, the costs should be allocated to those who had been responsible for PPI misselling.

The Board agreed therefore, subject to FSA approval, to the Service consulting in January on the introduction of a supplementary PPI case fee of £350 from 1 April 2012, payable on receipt of each new PPI case. In the interests of fairness, the Service would propose that this would not apply to the first 25 cases received and would not apply retrospectively.

While there remained huge volatility in the Service's potential demand levels, the Service would not be proposing an increase in its reserves and would aim to keep the compulsory levy flat and the standard case fee at £500. The consultation would flag that although the Service did not propose to raise the general levy for the compulsory jurisdiction or the standard case fee for 2012/13, it was unlikely that the Service would be able to do so again the following year. Factors included general inflationary pressures and significant changes to the case mix and complexity of the caseload.

4/1111 Any other business

- (a) The file review item would be carried over to a future Board meeting.
- (b) The new Chairman, Sir Nicholas Montagu, would be invited to observe the December 2011 and January 2012 Board meetings ahead of his Chairmanship commencing on 1 February 2012.

There being no other business, the meeting ended at 13.00.