

Financial Ombudsman Service Limited

MINUTES

MINUTES of the meeting of the directors, held at South Quay Plaza, 183 Marsh Wall, London, E14 9SR on Thursday 20 December at 9.00 am

Present	Nick Montagu (NM)	chairman
	Gwyn Burr (GB)	director
	Janet Gaymer	director
	Alan Jenkins (AJ)	director
	Elaine Kempson	director
	Julian Lee (JL)	director
	Roger Sanders (RS)	director
	Maeve Sherlock (MS)	director
Pat Stafford (PS)	director	
In attendance	Natalie Ceeney (NC)	chief executive and chief ombudsman
	Tony Boorman (TB)	deputy chief executive and deputy chief ombudsman
	Julia Cavanagh (JC)	performance & finance director and company secretary
	Caroline Wayman (CW)	legal director
	Alison Hoyland (AH)	board secretary & head, CEO's office (minutes)

Apologies for absence

There were no apologies for absence.

0/1212 Executive update

Financial Services Act

The Act had received Royal Assent on 21 November. A paper would come to the February 2013 Board on those aspects relevant to the Ombudsman.

1/1212 Minutes and approvals

The Board approved the minutes of the meeting held on 22 November 2012 and noted the minutes of the remuneration and nomination committee on 14 November 2012.

2/1212 Matters arising

Matters arising were dealt with in substantive business before the Board.

3/1212 File review

fos/12/12/03

The *legal director* outlined the results from the annual case file review which the executive team and other senior ombudsman staff had undertaken, together with members of the Board. These annual reviews presented the Board with the opportunity to see at close quarters how the Ombudsman had handled a case and the 'quality' of the service provided. The review focussed on the 'customer service' element of the Ombudsman's quality assessment framework – one of three aspects of quality monitored closely (alongside 'getting to the heart of the issue' and 'getting the basics right'). The exercise also sought views on the Ombudsman's overall handling of each case and on ways in which the Ombudsman might change what it does to enhance or improve the service it provided.

The Board discussed the themes which had emerged from the review and the service improvement steps identified. Members agreed that the exercise was useful in giving them a 'feel' for the detailed work of the Service, and assurance that the executive and senior management were maintaining oversight of quality. They were clear that they should

continue with the exercise in its present form, supplemented by a half-yearly one undertaken by the newly formed quality assurance group, to which Board members, AJ and PS, acted as 'critical friends', and from lessons and themes would be fed back to the Board.

4/12/12 Service development plans

fos/12/12/04

In their discussions since October on the plans for the coming year, the Board had agreed that the Ombudsman would need to add significantly to its capacity to respond to the likely continuing dominance of its PPI caseload. The anticipated volumes and early planning on the operational response were reflected in the draft 2013/14 plan and budget, due to be published for consultation in January 2013.

A detailed analysis and plan for the Ombudsman's expansion needs and operational response would come to the February Board. The Board agreed that in the meantime, the existing arrangements for any decisions on accommodation to be delegated to the Chairman and PPI programme 'critical friends', Board members, JL and AJ, should continue.

Alongside the service development plans for PPI, the Ombudsman would also continue to look at organisational and service development more generally, to remain flexible and responsive to the types of cases coming to it and to changing customer needs.

The Board agreed that these two workstreams were so clearly interdependent that it made sense to extend the PPI programme Board's oversight to include service development more broadly.

5/12/12 2013/14 draft plan, budget and fees

fos/12/12/05

At its November meeting, the Board had agreed that the latest analysis of the likely volumes and profile of casework for the following year continued to support planning assumptions of modest increases in general case work, and continuing high volumes in PPI; and that the proposed changes to the way the Ombudsman recovered its costs also continued to stand up to scrutiny. These assumptions and funding proposals had therefore been put to the FSA's December Board, who approved them as the basis for consultation.

The Board reviewed the draft plan & budget and, subject to one or two amendments to provide some clarity on certain aspects of the paper, approved the 2013/14 plan and budget consultation document for publication in January 2013.

Final sign-off on the budget would be sought in March, in the light of feedback to the consultation paper and the latest analysis on casework volumes.

6/12/12 Verifying published data

fos/12/12/06

Data-sampling checks - undertaken after a number of other routine checks at different stages of the process - had been routinely undertaken by the Ombudsman's internal auditors since the publication of business-specific data on its website. Four years on, the process had become well embedded, with no substantive issues with the data ever having been found. The Ombudsman proposed, therefore, to substitute for these narrower checks, wider-ranging ones of the underlying controls and procedures around its published data. The Board agreed the proposals, noting that they had the support of the internal auditors and the Audit Committee, who had reviewed them at its meeting on 8 November 2012.

7/12/12 Any other business

Working with smaller-businesses

As noted at the October Board, as part of its customer insight work, the Ombudsman had produced a set of videos involving smaller businesses who tended to have fewer complaints (compared to big financial institutions) on their perceptions of the Service. These videos were being used for customer service training, alongside a companion set of consumer videos, to enhance understanding of the customers' perspective. The Board had planned to

view them at the December meeting, but a full agenda meant that they would now do so in the New Year.

Staff survey

Ombudsman staff had recently taken part in the Sunday Times 'Best Companies to Work For' survey. Although the organisation had yet to receive notification of its overall place compared to other organisations, it had received its own results which indicated a highly engaged workforce who enjoyed their work, recognised the investments being made and the value in which they were held. The headline results highlighted high engagement in a number of areas, including '*overall leadership*', '*giving something back*', and '*personal growth*'.

The results were particularly pleasing for a customer-facing organisation such as the Ombudsman, in terms of the positive impact an engaged and motivated workforce had on the quality of customer service provided. The Board commended the Service on the results which reflected its commitment to its staff and its customers.

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