

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 May at 9.30 am

Present	Nick Montagu (NM)	chairman
	Gwyn Burr (GB)	director
	Janet Gaymer (JG)	director
	Alan Jenkins (AJ)	director
	Elaine Kempson (EK)	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)	decisions director
	Julia Cavanagh (JC)	performance & finance director and company secretary
	Chris McDermott (CM)	operations director
	Caroline Wayman (CW)	legal director
	Alison Hoyland (AH)	board secretary & head, CEO's office (minutes)
	Tracey Campbell (TC)	head of property (for item 4/1205)
Graham Marsden (GM)	external project manager (for item 4/1205)	

0/1205 Executive update

2011/2012 Annual Review

The annual review was published on 22 May. Media focus had centred on the continuing record numbers of PPI complaints and the role of claims management companies (CMCs). For its part, the Service had emphasised the fact that there were still very large numbers of people who had been mis-sold PPI and who had yet to complain and that they could do so without the need to use fee-charging intermediaries.

The Board recorded its thanks to DC and his team on the production of an informative and comprehensive annual review.

PPI

The Board discussed the continued growth of PPI volumes, and the work that the ombudsman service was doing to manage its own workload, as well as support the overall complaints handling system.

Discussion also covered the possibility of creating a 'redress assurance scheme' – whereby businesses' offers of redress would be 'validated' independently to assure consumers that the firms were taking an approach in line with that of the ombudsman, and with FSA guidance. The service was currently discussing the scope for such a scheme, which the Board supported in principle, with consumer bodies, the industry and the FSA.

April operational performance

The volume of calls to the customer contact front-line were continuing to increase, with a current daily rate of 4,000 a day – double the number compared to the same time last year. While the increases were inevitably affecting customer service levels, these should improve as the new model for handling PPI complaints became operational.

On case-handling more generally, the new professional leadership model, bringing ombudsmen and case-handling teams closer together, was embedding and the new intake of case-handling staff, including ombudsmen, were being trained. This too should result in an upturn in operational performance before too long.

For the first time, more consumers had complained to the ombudsman service direct, rather than through CMCs, which could indicate a growing realisation that people did not need to pay someone to complain on their behalf.

1/1205 Minutes and approvals

The Board approved the minutes of the Board meeting held on 25 April and noted the minutes of the Quality Committee, also held on 25 April.

2/1205 Matters arising

Matters arising were picked up under the relevant substantive item.

3/1205 Olympic planning update

fos/12/05/03

The Board (and, in greater detail, the Audit Committee) had received regular updates on plans for mitigating the risk of disruption to operations during the Olympic and Paralympics games. The Service's plans had evolved over time as more (and clearer) information had become available from the relevant authorities.

The internal auditors had reviewed the plans and concluded that the Service was taking a considered approach and implementing appropriate plans. They had also found that some of the examples of good practice exceeded those seen in comparable organisations.

The Audit Committee had considered the report the previous week and, as Chairman, JL, felt able to give the Board assurance, which they accepted, about the steps being taken to maintain as near normal a service as possible during the games

4/1205 Property update

fos/12/05/04

In July last year, the Board agreed to proceed with plans to move from the Service's present accommodation to a preferred property location when its current lease expired in 2014, subject to the plans coming back to the Board before the finalising of the lease agreement. Much had changed since July last year, particularly in relation to the increased PPI resource, and it was right that the Service should review the options as they currently stood in relation to the properties it occupied and the preferred property.

In reaching a view on whether to continue as planned, the Board considered a number of factors, including:

- the terms, available space and flexibility of the preferred property;
- the terms, available space and flexibility of one the properties the Service currently occupied;
- an evaluation of the options, using the same scoring methodology previously approved by the Board, which had scored the preferred property highest;
- the property/space options in relation to accommodating the expanded PPI resource; and
- the impact on morale and well-being of the staff.

RS, who had acted as the Service's 'critical friend' on the project, assured the Board that the preferred property remained the best option for the Service, including when assessed against a number of scenarios. He was confident that as much flexibility as possible had been built in to this option, to minimise the risks associated with the uncertainty about exact space and accommodation needs in 2 to 3 years' time.

The Board confirmed its agreement to the Service proceeding with its preferred property and to delegate the signing of the lease to NM, JL and RS. They also expressed their appreciation of the excellent work undertaken on the project by Tracy Campbell, Head of Property, and her colleagues.

5/1205 PPI planning update and case-assessor visit

TB updated the Board on the progress in building the PPI capacity: highlights included:

- the completion of training for the first tranche of case-assessors;
- the first day of 'live' operations on 21 May; and
- on the same day, the second intake of case-assessors.

Following the start of operations, the Board took the opportunity to see the 'live' working environment and get a sense of the culture and feel among the teams. Their tour included listening to calls, seeing the case-handling process and meeting the teams.

In a brief discussion after the tour, Board members commented particularly on the strong learning environment, clear evidence that staff were living the values and were highly motivated and the high morale throughout the team. They recorded their recognition of the scale of the achievement - an extraordinary amount had been achieved in a short amount of time and the determination to deliver had been evident throughout.

There being no other business, the meeting ended at 12.45.