

## Meeting of the industry steering group (banking) 17 May 2017

present

from the banking sector:

- Javier San Félix, Santander
- David Oldfield, Lloyds Banking Group
- Tony Prestedge, Nationwide Building Society
- Amy Lenander, Capital One

from the Financial Ombudsman Service:

- Sir Nicholas Montagu, KCB, chairman
- Caroline Wayman, chief ombudsman and chief executive
- Annette Lovell, director of engagement

apologies:

- Les Matheson, Royal Bank of Scotland Group
- Ashok Vaswani, Barclays
- Francesca McDonagh, HSBC

### **welcome and introductions**

The chairman welcomed the group and thanked those present for attending.

### **2016/2017 – reflecting on the past year**

The chief ombudsman and chief executive talked the group through the themes and trends the ombudsman service has seen over the last year, ahead of publishing its annual review in June.

It was noted that the ombudsman service had once again seen significant complaint volumes throughout the year (albeit slightly less than the previous year). It was also a year of considerable uncertainty – most notably while the ombudsman service waited for the FCA's final guidance about the handling of PPI complaints affected by the Supreme Court's decision in the case of *Plevin v Paragon Personal Finance Ltd*.

The decrease in the volume of PPI cases was discussed (although it still represented a significant portion of the workload), as was the overall reduction in packaged bank account cases compared with the previous year. This was contrasted with the growth of complaints about current accounts and credit cards.

### **current trends and market developments**

The group was invited to share the themes and trends that they were seeing, in terms of the volume and nature of complaints.

There was wide support amongst the group for the ombudsman service's flexible working model that has been rolled out over the course of the last year. The ombudsman service welcomed the cooperation shown by businesses during this process.

The group reported ongoing concerns over fraud and its evolving forms in the banking sector, as well as the complexity involved in dealing with fraud cases. The group also highlighted the challenges and opportunities presented by Open Banking, and discussed complaints about motor finance including personal contract purchases (PCPs).

The uncertainty over complaint volumes for the coming year – due to the as yet unknown impact of the FCA's final guidance on *Plevin* cases and subsequent communications campaign – was also discussed.

### **Board-commissioned independent review**

The chairman introduced the theme and rationale for the ombudsman service's next Board-commissioned independent review. He invited the group to discuss medium-term technological, societal and economic developments, and where financial services – and indeed the ombudsman service – sits within that landscape. The group indicated broad support for the review.

### **next meeting**

The next meeting will be held on 2 November, with many members of the group having already confirmed their attendance.