

meeting of the industry steering group (insurance)

13 May 2013



present

from the insurance sector:

Rob Devey, Prudential
Paul Evans, AXA UK
Adrian Brown, RSA
Toby Strauss, Lloyds Banking Group

from the Financial Ombudsman Service:

Sir Nicholas Montagu, chairman
Natalie Ceeney, chief ombudsman
Tony Boorman, decisions director

apologies:

Andy Briggs, Friends Life
Paul Geddes, Direct Line Group
David Nish, Standard Life
Lindsay Sinclair, NFU Mutual Insurance Society
Robin Spencer, Aviva
Mark Summerfield, Co-operative
Nigel Wilson, Legal & General

welcome and introductions

The chairman warmly welcomed the group to the meeting.

complaints and moving forward

The ombudsman service is shortly due to publish its *annual review*. Sharing insight is a very important part of the ombudsman service's work and the chief ombudsman welcomed the opportunity to share some of the main themes with the group.

Last year the ombudsman service has seen an upward trajectory of case volumes across all areas. The biggest increase in complaints was in PPI, but the chief ombudsman was disappointed to note that increases were not isolated to PPI and had also been seen in most other complaint areas. The group discussed the importance of improving trust and confidence in financial services.

The ombudsman service highlighted both insurance and investment as areas where complaint volumes had risen. The group discussed data publication. The ombudsman service regularly publishes data on businesses' performance and explained that differing levels of performance had been seen between different insurance groups.

The discussion also covered the challenge of dealing with cases where fraud was suspected – and the approach to distress and inconvenience payments.

Discussing the drivers of complaints, the chief ombudsman emphasised the need for improvement and explained that businesses needed to reposition how they think about complaints – using them as a means of gaining insight into the quality of the service they are providing to their customers.

The chief ombudsman set out plans to transform the way complaints are handled by the ombudsman service in the future and its plans to look at new and innovative ways of working.

The group heard how the ombudsman service had recently piloted new ways of working, where cases were resolved over the phone more quickly and with the minimum of formality. In addition to new ways of working, the ombudsman service plans to replace traditional paper files with e-files. Businesses have supported this initiative and members of the group were enthusiastic about the transition to e-files and working with the ombudsman service as it moves towards this.

The group discussed what new ways of working might look like in practice. The chief ombudsman explained how dedicated teams could help resolve issues more quickly – with greater emphasis on “rapid resolution”, while maintaining the same quality standards. The group heard how this would work particularly effectively in the case of more straightforward complaint issues.

The group understood that this approach would require flexibility by both the ombudsman service and the businesses involved – but welcomed the idea of new ways of working.

next meeting

The next meeting will be held in six months.