

## **Present**

From industry:

- Brian Hartzler, RBS
- Trevor Matthews, Friends Provident
- Keith Morris, Sabre
- Deanna Oppenheimer, Barclays
- John Pollock, Legal & General
- Helen Weir, Lloyds Banking

From ombudsman service:

- Chris Kelly, chairman
- Natalie Ceeney, chief ombudsman
- David Thomas, corporate director

## **Apologies**

From industry

- Simon Hudson, Tenet Group
- David Stewart, Coventry Building Society

From ombudsman service

- Tony Boorman, decisions director

## **Membership**

David Richardson from Swiss Re has moved on, and has left the steering group. But there are still three insurer members, as Trevor Matthews joined the group at the previous meeting.

## **Ombudsman service's draft plan and 2011-12 budget**

The chief ombudsman outlined the main points of the draft, which will be published for consultation in January 2011.

The group discussed possible drivers for complaint volumes during 2011-12, but recognised that predicting complaint volumes is a very inexact science.

The group noted and welcomed the ombudsman service's drive to contain costs.

The group discussed the need for increased reserves in view of likely volatilities. It was agreed that there needed to be transparency on how reserves were used, to ensure they were used appropriately to cover volatility risk and not to mask any 'business as usual' issues.

The ombudsman service board would consider the most effective way to do this, and would ensure that it monitored the use of reserves to ensure they were used only to cover volatilities.

Many parties shared an interest in identifying early any systemic issues which could lead to mass claims and responding to them in an effective and appropriate way.

In relation to the service's priorities, most of the issues had been discussed at the previous meeting.

The group welcomed the ombudsman service's plans to invest in IT to streamline processes, and its commitment to working towards creating an electronic portal to enable smooth transfers of

information electronically. The service would liaise with major users about this, building on helpful work done elsewhere.

## **Transparency**

The chief ombudsman expanded on the ombudsman service's direction of travel in relation to transparency, mentioned in the plan.

This included the extent to which individual ombudsman decisions and certain communications with the regulator might be published.

The group accepted that increased transparency was appropriate, though it raised some potential consequences that would require careful consideration.

Implementation issues included the accessibility of the format in which information (including published data) was produced and what material might need to be redacted, particularly relating to the need to manage personal privacy.

There was discussion around the degree to which publication of the ombudsman service's thoughts on emerging trends or the actions of particular financial businesses (in correspondence with the regulator) could lead to potentially unwarranted reputational damage.

Another concern was around unintended consequences, and the degree to which exposing case details could lead to other parties exploiting issues to generate new complaint areas.

The ombudsman service's technical notes were based on cases decided, and so could not be subject to consultation. But the service would consider possible ways in which stakeholder comments on clarity could be taken into account.

The ombudsman service would continue to engage with stakeholders as its plans developed, but recognised that industry and consumer stakeholders might have differing views.

## **The group's work**

The group reviewed its first four meetings. The group agreed that it worked best where issues were cross-sectoral, and should retain a cross-sectoral membership – and that the discussions were worthwhile and productive.

## **Next meeting**

The next meeting has been scheduled for 9.30 on Monday 14 March 2010.