

MINUTES

MINUTES of the meeting of the directors, held on Monday 3 February at 1.00pm

Present	Zahida Manzoor (ZM)	Chair of the board
	Gerard Connell (GC)	Director
	Alan Jenkins (AJ)	Director
	Sienna Veit (SV)	Director
	Jenny Watson (JW)	Director
	Diana Warwick (DW)	Director (from 1.15 pm)
In attendance	Caroline Wayman (CW)	Chief executive & chief ombudsman
	Julia Cavanagh (JC)	Chief finance officer
	Annette Lovell (AL)	Director of engagement
	Caroline Nugent (CN)	Director of HR&OD
	Garry Wilkinson (GW)	Principal ombudsman & director of new services
	Nicola Wadham (NW)	Chief Information Officer
	Alison Hoyland (AH)	Board secretary
	Megan Webster (MW)	Policy and communications manager
Apologies:	Richard Thompson (RT)	Principal ombudsman & director of quality

1-2/2002 Board and committee meetings:

The board:

- approved the note of the board meeting held on 27 November 2019
- noted the oral update of the audit committee meeting on 3 February 2020.

Matters arising

Since the previous meeting, the board had agreed rule changes in relation to exiting the European Union.

The board noted the latest appointments to the ombudsman panel which had been approved by the Chair.

The Financial Ombudsman Service had been announced as a top employer in Stonewalls' top 100 list for 2020, ranking at 35. The board noted its thanks and appreciation to staff for their hard work and commitment to diversity and inclusion. The board also commended the service for its latest diversity, inclusion and wellbeing report which would be published the following day.

All other matters would be picked up in the substantive business of the meeting.

Chief ombudsman and chief executive's update

fos/20/02/02

The board noted the chief ombudsman and chief executive had met with John Glen MP, Economic Secretary to the Treasury. They discussed a range of topics including key trends, the service's future strategy and the service's small and medium sized business jurisdiction which had been expanded on 1 April 2019.

Other key external engagement in the period had included meetings with

stakeholders representing financial businesses and consumers to discuss the service's plan and budget for 2020/21 and the development of its future strategy.

The Chair had also met with the other Chairs of the Financial Conduct Authority, Financial Services Compensation Scheme and the Money and Pensions Service to discuss strategic matters of mutual interest.

The board noted the new one-page over-view for the litigation report and agreed that it was a helpful summary of the more detailed litigation report it routinely received.

03/2002

2020/21 Budget

fos/20/02/03

At this stage in the budget cycle, the service continued to test and refine its budget assumptions. As part of that, the service had been continuing its engagement with key stakeholders and carrying out detailed bottom up planning. The assumptions remained largely unchanged from those set out for consultation, other than in relation to PPI resolutions, where the service was now proposing to resolve more cases than it had originally forecast.

The board noted the uncertain picture for PPI cases in the following financial year and that the service's operational plans allowed for a range of scenarios. The board agreed it would be prudent for the service's plan and budget to make it clear that resolving its budgeted number of PPI cases would depend on businesses and claims management companies co-operating with the service and applying the service's well-established approach to PPI cases. More generally, the board noted the service's commitment to reducing waiting times right across its casework and that was at the core of the budget and operational plans.

The board agreed the latest budget assumptions and noted the current assumptions would be reviewed in light of the responses to the service's consultation (which had closed on 31 January) and its ongoing engagement with stakeholders. A full analysis of the responses would be carried out before the budget was brought to the board in March for final sign-off and submission to the FCA for approval.

04/2002

2020/2021 strategic objectives and performance reporting

fos/20/02/04

Alongside the service's budget planning each year, the board was also asked to agree the annual performance reporting framework – comprising the service's strategic objectives, performance measures and underlying targets.

At its meeting in November 2019, the board had agreed the overarching strategic objectives and was now being asked to agree the performance measures, before completing the process in March when the board would be asked to agree the underlying targets.

In drawing up the proposed measures, which combined existing measures and a number of new measures, the service had taken a customer-centric approach. As the board had noted under the budget discussion, the service's plans for the following year were firmly focussed on ongoing performance improvements, at the centre of which was the aim to reduce customer wait times.

As the service continued to develop its future strategy, the service would take the opportunity to test and pilot different ways of viewing what success looked like and how to measure it.

Casework

New case volumes to date were significantly lower than anticipated – most significantly for PPI, where post deadline volumes were now expected to come through much later. The PPI tail was now expected to continue into 2020/2021. The service was now likely to receive more PPI cases than it would be able to resolve, due to the phasing of complaint volumes. For all other cases, while new case volumes were also lower overall, the service remained confident that it would continue to reduce waiting times and resolve more cases than it had received.

Good progress was being made on providing answers on some of the oldest cases and quality measures remained ahead of target (though the board noted customer satisfaction levels had dropped in the last quarter and would likely remain under pressure while customers were waiting longer than planned).

The board noted that reducing customer wait times across the board remained a key focus for the rest of the year and was central to plans for the following year. A crucial part of that would be the service's plans for recruitment. The board noted the service's resourcing strategy included enhancements to attraction, selection, direct and indirect sourcing and improving how it harnessed internal talent.

The board agreed the forecast position for the year end, that it would:

- receive 150,000 PPI cases and resolve 120,000
- receive 151,000 non-PPI cases and resolve 170,000

Risk review

The board noted the updates to the service's risk register. The annual step back exercise to set the risk themes and tolerance levels for 2020/2021 would be scheduled for either the March or April board meeting. The timing would allow for alignment with the strategic objectives for the next year and help ensure mitigating actions were focussed on helping the service achieve its overall strategic ambition and performance commitments.

AOB

The board noted that a member of staff, Priya Mitra, had sadly passed away. Priya had worked at the service for a number of years and would be remembered very fondly by many friends and colleagues at the service. The chief executive and chief ombudsman had written to Priya's family on behalf of the service, the executive and the board.