



**THE INDEPENDENT ASSESSOR'S  
ANNUAL REPORT  
2020-2021**

## TO THE BOARD OF THE FINANCIAL OMBUDSMAN SERVICE

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This Annual Report covers a period with 2 distinguishing features. It comes from an Independent Assessor who had only been in role for 5 months of it - preceded by a short inter-regnum and, rather more significantly, has been defined by a global pandemic.

I came into post at the end of October 2020. Referrals to me have shown a small decrease on the previous year but there is an increased proportion of cases with recommendations attached where complaint and case handling has been found wanting. Time will tell if this is a sustained trend.

There are some broad contextual matters worth mentioning before looking at the data.

The complaints referred to me (516) represent 12.3% of all service complaints and so the conclusions drawn have to be seen in that light. Every one of them is in a context of backlog and delays which gives immediate justification for grievance but where this is driven by demand and restricted resources, there is no redress or remedy. This puts the Service and my office on the back foot in trying to provide solutions and customer satisfaction. Addressing this issue is, in my view, the only way to relieve the growing pressure on the Service, likely to be reflected in complaint and referral numbers.

There are also a few changes I am seeking to introduce. Firstly, I currently have insufficient data to analyse the characteristics of those dissatisfied customers coming to me and so have a very limited picture of any systemic issues. I plan to gather this information for the coming year. Secondly, I am seeking to make the "Learning Points" broader and of wider application for the Service with the intention of having maximum positive impact. And thirdly, referral rights to me are being revised to make it clear that I do not pick up an investigation until the case is closed.

My report will highlight important areas for improvement, although, it needs to be put into perspective. The Service has resolved 247,916 cases and I have reviewed 0.2% of the 1.7% of cases where customers raised concerns about the handling of their case to the Service.

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#### Complaints investigated by me

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	2020-2021	2019-2020	2018-2019
<b>Satisfactory</b>	<b>33%</b>	<b>34%</b>	<b>46%</b>
<b>Unsatisfactory</b>	<b>67%</b>	<b>66%</b>	<b>54%</b>
<b>Recommendations and/or Learning points</b>	<b>25%</b>	<b>23%</b>	<b>24%</b>

The Service seems to have remained constant in relation to service complaints handled satisfactorily.

- *What the Service did well*

Complaints about professionalism, competence and attitude of staff continue to remain extremely low, currently accounting for less than 1% of complaints to my office. Generally, I have been pleased with staff attitude to customers during the calls I have listened to – especially in handling the more challenging cases.

- *Complaints I found unsatisfactory*

Of the complaints that I found to be unsatisfactory, 78% related to concerns about communication and timeliness. I am sure it will come as no surprise to the Service that these are the two main areas of focus of my review and for service improvement.

#### Overall complaint themes

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A comparison of the top three complaint themes against the previous year indicates the main reasons customers have approached me:

<b>This year 2020/21</b>		<b>Last year 2019/2020</b>	
Communication	34%	Communication	57%
Timeliness	31%	Timeliness	21%
Adequacy of Investigation	13%	Fairness and Impartiality	12%

Last year the top three themes accounted for 90% of concerns brought to my office however, this year the top three only account for 78%. This shows that there has been more of a spread of reasons for which customers remain unhappy. Fairness and Impartiality accounts for 12.5% of concerns brought to my office so when rounding ties in third place with Adequacy of Investigation.

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As such I have looked into the top four concerns brought to my office in the hope of driving learning for the Service.

**Communication** – continues to be of concern. Whilst it has significantly dropped from 57% of complaints referred to my office to 34%, it still is the number one reason for which customers remain unhappy. This concern is also clearly and inextricably linked to timeliness.

The main types of communication complaints my office has seen have related to:

- Failure to provide any update
- Failure to provide meaningful updates
- Failing to respond to emails
- Failing to respond to correspondence in a prompt and timely manner
- Failing to call customers, when a telephone call has specifically been requested

Last year the Service introduced standard timescales for updating customers, providing different timescales depending on the stage of the case. This could account for some of the reduction of complaints in this category. Whilst I understand that the Service wanted to embed its policy it may be time for the Service to move to publishing its communication standards on its website, so that customers are fully aware of when and how often they should be hearing from the Service.

**Timeliness** – has been on a steady rise this financial year and now accounts for 31% of complaints to my office, competing with communication for the most significant concern.

Since the heights of the PPI influx, timeliness has not been the most complained about area – however, if the steady rise continues it is likely to reappear in the top position in the next financial year.

It is disappointing to see that backlogs occur at each stage of the complaint process, notably in allocation to a case handler and to an Ombudsman. It is understandable that the pandemic has impacted the Service both in its internal workforce and also the number of customers seeking its help.

By way of background when reviewing cases, I accept that delays referable only to resources are unavoidable. This may not be a sustainable position into the future. Of the 31% of cases that I have classified as timeliness as being the customer's primary complaint, I have made recommendations in 22% therefore highlighting the need for case handler and Ombudsman to progress cases as quickly as possible, especially given customers' considerable wait to have their cases allocated.

Examples of the avoidable delays where I have made recommendations are:

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- 11 months on an Ombudsman desk with no visible progress during that time.
- Case handler's absence for extended period of time without the cases being reallocated.
- Failure to chase the business for required information
- Case handlers sitting on cases, failing to introduce themselves or not taking any action for weeks/months after the case has been allocated.
- Case handlers re-requesting information already held on file

**Adequacy of Investigation** - is the third most complained about issue brought to my office. This has not featured in the top 3 for many years. I have looked into this issue further and it seems that in Q1 and Q2 only 11 complaints were categorised as this however in Q3 and Q4 57 cases were classified under this concern. This is an area for the Service to focus on – as customers perception of the adequacy of the investigation is key to legitimacy.

Of the cases brought to my office about the adequacy of the investigation of the case, I found 38% to be satisfactory. 42% were unsatisfactory without a recommendation and 19% unsatisfactory with a recommendation and/or learning point.

The most common concerns in this category were:

- All of the customer's complaint points were not considered
- The Service didn't consider the evidence provided by the customer
- The Service staff didn't have adequate training or the knowledge to understand and deal with the customer's complaint.

**Fairness and Impartiality** – concerns about this category account for approximately 12.5% of complaints. Of these cases I found 77% were handled satisfactorily. I found 23% (15 cases) had not been handled satisfactorily and I made a recommendation and a learning point in 8 cases. I have closely reviewed all cases where I have made recommendations/learning points and whilst the customer's primary concern was regarding the Service's fairness and impartiality, the recommendations I have made related to timeliness and communication. I have found no failings by the Service in this area, which is pleasing as fairness must be at the very heart of what the Ombudsman Service represents. Customers' main causes for concern under this heading have been:

- The other side have been given countless extensions whereas the complainant has been given one short deadline to adhere to, for information or responses.
- The Service has not provided the evidence it has relied on to reach an outcome – in some instances due to confidentiality.
- The Service communication with the financial business has been more 'friendly' than that with the customer.

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So, whilst I have no concerns that the Service is fair and impartial in its handling of its customers' cases, it is vital that customers' perception of the Service is one of fairness. The Service should look to these areas to see if it can do more to improve how it is perceived.

Learning Points

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This is one of the areas in which I am seeking to make changes. Moving forward I shall be separating 'Feedback' and 'Learning Point' to ensure that each and every case that I see can be learnt from, as appropriate. I will review these regularly and group them together to find thematic and systemic trends to ensure wider impact.

The points under this category are made up of both what I will be classifying as 'Feedback' and 'Learning Points' in the future. I have summarised these under the different complaint categories.

- **Communication**
  - The Service should be mindful before making promises to customers to ensure they can be fulfilled.
  - The Service shouldn't give advice which the Service might be liable for if relied upon.
  - In certain instances, it is important for the Service to explain the implications of accepting a Final Decision.
  - The Service's update templates are impersonal and could be more tailored to the individual and the case.
  - Call handlers should be aware of noisy backgrounds when speaking to customers about sensitive matters.
  
- **Timeliness**
  - The Service should not give false hope and should provide real timescales.
  - The Service must make sure to identify cases as a priority by not only flagging up on the case system as a priority, but also taking positive action to progress it as such. The file should be checked when the consumer chases for a progress update to spot whether the prioritisation hasn't in fact happened and to swiftly make sure it does.
  
- **Adequacy of investigation**
  - The Service must lead the investigation and not allow representatives or other parties to dictate the course of the investigation.
  - The Service must not allow a customer's conduct to cloud judgement on issues raised.
  - The Service must set boundaries of what is within its power – by being overly helpful it may give customers false expectation of what it can do.

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- The Service must ensure content such as video footage that is provided by a party is saved to the case management system to reduce the risk of it not being available later, especially given the current delays.
- **Adherence to FOS process**
  - The Service, when considering trouble and upset must think about the personal impact that any poor service has had on the individual.
  - The Service must ensure that cases do not fall through the net when staff are on extended leave.
  - The Service's approach to sharing information that a party has deemed confidential/sensitive seems inconsistent and problematic for everyone involved. It may want to revise its internal guidance.
  - It is important that the Service's staff are aware of the Independent Assessor's remit so as to manage customers' expectations when coming to my office.
- **Fairness**
  - The Service should ensure that the file is fully reflective of the case history as if all communication is not on file it may appear that the Service has something to hide and is not being even-handed.
- **Conduct**
  - When there is a change of case handlers the Service must prepare the customer and manage expectations to ensure a smooth transition, especially if there is to be a change of outcome in the assessments.
  - The Service must ensure that process doesn't take precedence over listening to a customer's frustrations.

#### Complaints rejected by me

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767 customers contacted me to consider complaints I was not able to review. This is very similar to the number of complaints I rejected last year.

The complaints were rejected for the following reasons:

- 43% of these were because the case was ongoing – a 10% decrease when compared to the last financial year.
- 20% of these were because I found the complaint to be about the merits of the case.
- 10% of these were because the customer had referred the complaint to my office out of time – i.e. not within the three-month deadline given by the Service.



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- 12% were because the customer had yet to make a complaint to the Service. My Terms of Reference clearly state that the Service must be given the opportunity to look into matters first before I can get involved.
- The remaining 15% were rejected for other miscellaneous reasons.

#### Areas to focus on

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- *Vulnerable customers*

Following on from last year, this office has continued to monitor how the Service treats vulnerable customers. Out of the 516 service complaints reviewed, 36 involved vulnerable customers. This is a significant dip in comparison to last year's 80 service complaints reviewed by my office and indicates that the Service did take on the feedback provided and made genuine changes to provide a better level of service where vulnerable customers are concerned.

Although the rate of service complaints involving vulnerable customers has dropped by more than half, 78% of them were still unsatisfactory, which means the customer had a valid reason to complain about the service received. These figures are slightly higher than the previous year's report (75%). 54% of all unsatisfactory complaints were about the Service's communication and recommendations were made on two of those. This was followed by timeliness at 29%, which is in line with the overall complaint themes mentioned earlier in this report.

Of the 78% considered to be unsatisfactorily handled, recommendations were made on *and/or* learning points provided in 39%; which means the Service took the appropriate steps to put things right for the customer on 60% of complaints.

Although it still has some way to go, I am pleased the Service has continued to focus on vulnerable customers and has found ways to provide them with a better customer journey. I am aware of a specialist team that has been put together in 2019 that specifically deals with vulnerable customers. Those staff are able to dedicate the necessary time and attention to relevant customers and meet their needs by doing so. The Service needs to continue its focus on its most vulnerable customers and ensure that appropriate steps are taken to ensure a smooth journey. I look forward to seeing what wider impact this team and related efforts from the Service will continue to have, not only with vulnerable customers but as a whole.

- *Stepping in early*

This year the office stepped-in early on 6 cases, which is only a fraction of last year's 50. I am pleased to say there were no further recommendations and only one learning point for the Service. In three of the unsatisfactory complaints, it was found



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the Service had addressed them appropriately. As per the previous year, communication continues to lead the causes of concern.

**Looking forward**

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In signing off this Annual Report, I would like to extend my thanks to the Service and the Board for a warm welcome and for their openness - without which I couldn't function.

It is clear that the Service has a very strong customer ethos and demonstrates clear concern and regret when customers are let down. I also sense some frustration when those handling cases feel unable to help or improve the situation - and concern when addressing the presenting issues is beyond the capabilities and arguably the function of the service.

My cautionary note would be to watch that the clear need for process does not dominate and so diminish the experience and impact for customers. And that language does not become a barrier to communication.