

The background of the cover is a teal color with a complex, low-poly geometric pattern. The pattern consists of various shades of teal and light blue, creating a textured, crystalline effect. The shapes are angular and layered, giving a sense of depth and movement.

**THE INDEPENDENT ASSESSOR'S
ANNUAL REPORT
2021-2022**

TO THE BOARD OF THE FINANCIAL OMBUDSMAN SERVICE

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

During the financial year 2021/2022 the Service received 4,131 service complaints, of which I investigated 568. This shows that for the most part customers that raised complaints were either satisfied with the Service's response or didn't have a complaint that I could review.

To add further context, the Service has resolved 218,740 cases and 1.9% of those customers complained about the service and only 0.3% remained unhappy and escalated their complaint to me.

The complaints referred to me represent 14% of all service complaints and so the conclusions drawn have to be seen in that light. It is also important to consider the context; the Service still has significant backlogs and delays, which set cases off to a poor start. The customer journey and level of satisfaction tend to start on the backfoot, having to wait a significant time for cases to be allocated at each stage of the process. The Service has reduced its backlogs but still has some way to go in some areas to ensure a fast and efficient service from the start. I am pleased to see this is part of the strategic measures the Service has put into place for the new financial year.

Complaints investigated by me

	2021-2022	2020-2021	2019-2020
Satisfactory	35%	33%	34%
Unsatisfactory	20%	67%	66%
Unsatisfactory + Recommendations and/or Learning points	45%	25%	23%

The Service has remained constant in relation to service complaints handled satisfactorily. However there has been a big shift in cases for which I have made recommendations and/or issued learning points.

- *What the Service did well*

Professionalism and staff attitude are very rarely the main focus of the complaint and customers are generally not complaining about these issues. The Service's staff continue to do their best to help customers, although not always for the best for the customer or the case – I will refer to this later in my report.

TO THE BOARD OF THE FINANCIAL OMBUDSMAN SERVICE

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

- *Complaints I found unsatisfactory*

Of the complaints that I found to be unsatisfactory, 70% 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

Below is a comparison of the top three complaint themes against the previous year.

This year 2021/22		Last year 2020/21	
Adequacy of Investigation	35%	Communication	34%
Timeliness	25%	Timeliness	31%
Adherence to FOS process	16%	Adequacy of Investigation	13%

As the Service is aware, customers' concerns about the adequacy of investigation have been on a steady rise for the last two financial years – the trend has continued, and this is now the number one issue. The Service has an opportunity here to consider what its customers expect from the investigation, to set boundaries and explain limitations at an early stage so customers are not left disappointed.

I have expanded how I review and report on complaints. Due to the constraints of a legacy database system my office previously only considered the customer's main complaint. However, I believe it's important to consider a wider scope. Accordingly, I now not only record the complaint from the customer's perspective, as listed above, but also the Service's primary failing, as I have found through my Review. These can often be at odds and are as follows:

This year 2021/22		Last year 2020/21	
Communication	32%	Communication	34%
Timeliness	14%	Timeliness	31%
Adequacy of Investigation	7%	Adequacy of Investigation	13%
Adherence to FOS Process	7%	Fairness and Impartiality	12%

I have explored the top four themes this year as the third and fourth are very close and this enables a wider perspective.

Communication – continues to be the main issue the Service should seek to improve on. Of the Reviews where I have found communication to be unsatisfactory, I have made recommendations and or learning points on 70%, which highlights the Service has failed to adequately put things right in the vast majority of cases.

TO THE BOARD OF THE FINANCIAL OMBUDSMAN SERVICE

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

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

- Not adhering to the customer's preferred method of contact
- Not informing customers, in detail, why cases have been put on hold
- Not providing updates, in line with the Service's communication standards
- Not responding to email promptly and at times, not at all
- Not returning customers' calls
- Tone of telephone calls
- Typographical errors in correspondence, views, and final decision – which impact the customer's view of a thorough and efficient investigation

On multiple occasions I have seen cases that have been put on hold, but customers have not been given a detailed explanation as to why. If for example a case has been judicially reviewed which affects a pool of other customers, transparency is key for good customer service.

Timeliness – the data continues to show that there is a need to address the backlogs and to provide customers with the fast and efficient service they expect – at the very least customers should be given realistic timescales and be updated before these expire. This ties in with the need to maintain a consistently high level of communication, with explanation for delays. These issues continue to hold the quality of service back. In the 77 cases in which I found timeliness to be an issue, I made recommendations on 68%. The main issues I have found in this category are as follows:

- Poor case management
- Failure to request all evidence/information needed at the same time
- Multiple case handlers being allocated, needing to start the investigation afresh
- Failure to let customers know in a timely manner that their case is not one the Service can consider
- On occasion, too long with an Ombudsman without any visible progression
- Absent case handlers without the case being reallocated by the manager
- Case handlers failing to correctly review a file and re-requesting information already held

One critical area the Service might reconsider its approach on is jurisdiction issues. It cannot be right that a customer has to wait lengthy periods (on some occasions over a year) to be told their case does not fall within the Service's remit. To manage customers' expectations, and the customer journey as a whole, an early indication of this likely outcome should be given to customers at the very least.

TO THE BOARD OF THE FINANCIAL OMBUDSMAN SERVICE

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

I understand that the pandemic and high demand has led to backlogs. However, until these issues are fully resolved by the Service it will continue to be on the backfoot when addressing service complaints.

Adequacy of Investigation – is the single most complained about issue and possibly the most concerning as investigating complaints is the very core of the Service's function and legitimacy. It is imperative therefore that customers experience a thorough and adequate investigation. The most common complaint I see from customers is that the Service has not addressed all the issues raised. Through my Reviews, I have seen case handlers contacting customers and alongside their introduction, highlighting the concerns that their investigation will cover – I consider this to be good practice which should be standard.

In addition to being the most complained of area by customers, adequacy of investigation falls in third place of those where I have found service failings. I have found 7% of cases (42 cases) where there was a failing in the adequacy of investigation and have taken time to thoroughly review cases under this heading.

Of the 42 cases where I found a service failing, I made recommendations and/or learning points in 88% of the cases. This means only 12% of these cases were adequately dealt with in the service complaint process, before reaching my office. This also means that customers that contacted me for a review under this category had valid reason to.

The areas of concern under this category are:

- All evidence/information needed to reach an outcome was not on file when the case handler completed an assessment (example, terms and conditions covering the correct period)
- All of the customer's complaint points were not considered or an explanation given as to why they would not be considered
- Complaints passing between a number of case handlers meaning that information from the customer was missed.
- Inconsistency in approach highlighted by the customer

The Service's two-stage process ensures a fresh review and where this results in a change of outcome, provisional decisions should be used as feedback and learning for the case handler to ensure development and future consistency within the Service.

As well as explaining limitations to customers at an early stage, the Service should continue to focus on improving its investigations and also consider where appropriate, additional training/coaching.

TO THE BOARD OF THE FINANCIAL OMBUDSMAN SERVICE

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

Adherence to FOS Process – this is a wide category and can be either the Service's failure to adhere to its correct processes or where the Service has stuck to its process at the expense of adapting to its customers' specific needs.

Adherence to process was the main service failing in 38 case of the cases I considered this financial year. Of them I made recommendations and/or learning points on 71% of the cases.

The main areas of concerns here are:

- Failure to adhere to service complaint process, procedures, and timescales.
- Failing to make exceptions to or adapt process which would make the customer journey easier
- Incorrect information regarding processes, such as referral to my office
- Information requests, considering when natural justice should apply or when a full SAR is needed

The Service has a vast amount of information/guidance available to its staff online. However, it may be worth considering additional refresher training in the above-mentioned areas.

Themes and trends

The practice now is to share such general observations with the Service to see if they resonate and if so, what action can be taken to address them. Those actions are recorded and monitored for completion and impact and discussed quarterly with the Service as well as reported to the Quality Committee.

The matters covered this year are as follows:

Case recording and management

Cases identified a need for consistency and accuracy and a clearer identification and management of multiple cases from one complainant. Also, a need to ensure information on the case management system (Phoenix) is clear and readily available to call handlers.

Communication

Attention was drawn to the need for an adaptable tone and style and consideration of the most effective method of communication. I have also identified instances of the use of overly defensive language and approaches.

Unreasonable Behaviour Policy

Incidences of inconsistent application of this policy were identified and it has since been reviewed by the Service.

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

Prolonged Cases

Cases were identified where it was felt they could have been concluded sooner – especially where the outcome is clear. Cases were also highlighted where there had been a group hold for policy or legal reasons. There were also cases where the needs of the customer were not fully identified so the service given missed the mark for an extended period.

Changes of opinion

There were cases where this could have been handled better for the customer.

Multiple case handlers, handover of cases between staff and staff absence

Areas for improvement were thrown up by reviews, to ensure a smoother customer journey and avoidance of unnecessary delay. Practice can be confusing and often upsetting to customers and they do not appreciate the difference between pre and post allocation treatment. The need has also been highlighted for a system to pick up emails which continue to be sent to an absent or departed staff member.

Process for allocating cases

This can be drawn out and so delay the case getting off the blocks. This could be smoother to reduce the frustration experienced by customers.

Role and remit

It was evident that this is not clear to all customers and it would help the passage of cases and customer satisfaction, were it made so. This included the finality of the Final Decision and being clearer about this from the start.

Impact of general policy decisions

There were cases where these resulted in individual customers feeling let down and misled, undermining trust and confidence in the Service.

Customer experiences brick wall

This concerned the Service repeating rules but failing to appreciate and answer legitimate challenges – appearing defensive and evasive.

Perceived lack of fairness in the process

The example here is where the same Ombudsman advised the case handler and also issued the Final Decision – the fact that this is acceptable within the process does not shift the perception of unfairness – especially where the case handler has indicated that a shift in view is unlikely. The process should be reviewed.

Importance of keeping promises and honouring commitments

This is an obvious point in customer service but is not always observed. It was also highlighted that any departure from process should be justifiable, explained and supported by an audit trail. Furthermore, whilst actions taken ahead of deadline

TO THE BOARD OF THE FINANCIAL OMBUDSMAN SERVICE

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

would generally be a good thing in terms of timeliness, it is not the case if it comes as a surprise, wrongfooting the customer and depriving them of a window to act or submit material/comment.

Data transfer

Some data has been lost on transferring cases from one system to another.

Fairness as between the parties

There have been cases where the perception that businesses are treated more favourably has been borne out and it appears, they have been afforded more leniency and leeway over deadlines.

Complaints rejected by me

Throughout the financial year 674 customers contacted me to consider complaints I was not able to review. This is very similar to the number of complaints rejected in previous years.

The complaints were rejected for the following reasons:

- 276 cases – 41% of these were because the case was ongoing – a 2% decrease when compared to the last financial year.
- 139 cases – 21% of these were because I found the complaint to be about the merits of the case.
- 54 cases – 8% of these were because the customer had referred the complaint to my office out of time.
- 84 cases – 12% were because the customer had yet to make a complaint to the Service. My Terms of Reference state that the Service must be given the opportunity to look into matters before I can get involved.
- 121 cases – 18% were rejected by me for other miscellaneous reasons, e.g. missing complaint points, only copied into correspondence and further information needed by either party.

I hope to see a significant decrease in complaints referred to me when they are still being investigated by the Service. With my thanks to the Board, my terms of reference and referral rights were changed in February 2022, so that customers are advised to refer their concerns only after the conclusion of their case. I hope this results in a smoother customer journey.

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

A closer look

- *Vulnerable customers*

Ensuring the Service is accessible to all is imperative. In 2019 the Service put together specialist teams to deal with its most vulnerable and/or challenging customers. This is an area I have taken a keen interest in, to ensure the Service is doing its best for customers who may need it the most.

During the financial year 2021/22 this area resolved 544 cases. There were 68 service complaints and 15 of these complaints were escalated to my office. From my Reviews, I can see that the staff at the Service continue to try to help its most vulnerable customers. However, I have found on occasion that in trying to help too much the case handlers have achieved the opposite. The Service should be mindful of its role and when it is necessary to signpost to other organisations. In many of these cases I have found that the customer's need is to get an answer on their case as quickly as possible, so they are able to deal with a related issued that does not fall into the Service's remit.

- *Stepping in early*

This year my office stepped-in early on 5 cases, which is consistent with the last financial year (6 cases). In 3 of the 5 cases I found the Service had acted appropriately. However, in 2 of the 5 cases I found the case had been handled unsatisfactorily and I made recommendations in both. Where the Service could and should have done more is in relation to communications – issues should have been made clearer to the customers. As already mentioned, there is still work for the Service to do in this area.

- *Service complaint reviews*

Over the last few years, the Service has completely changed its service complaint process. It has gone from a three-stage process (a manager's response, a senior manager's response and a response to me in the form of a memo) to a one-stage response (a manager's response – as in most complaints the Service does not provide a full response to my office). Thus far, I would commend the Service in creating change that enables its staff to focus on getting resolution for customers. However, I would take the opportunity to remind the Service that it now has only one opportunity to put things right for its customers before I issue my Review. I will be monitoring this area in the coming financial year.

THE INDEPENDENT ASSESSOR'S ANNUAL REPORT 2021-2022

Looking forward

I would like to extend my thanks to the Service and the Board for their continuing support and openness to my work and its outcomes. It is crucial that the learning to be derived from complaints and my reviews is put to effective use and ultimately reduces the causes for complaint and improves the overall customer journey.

It is encouraging to see the development of actions as a result and the commitment to monitor their effectiveness. It is also heartening to see the focus of the Service on continuous improvement which should reduce the time taken in resolving matters for customers.

I sense that process is still understandably central to the Service but am hopeful that it will be modified so as to accommodate flexibility and pragmatism as it is applied to individuals with specific needs and expectations.

With regards to my service, I intend to pursue further digitalisation of our process to enable greater efficiency and ease of collecting and analysing resulting data.

In the meantime - and despite the size of the office meaning we are incredibly sensitive to small changes in both demand and supply, we have managed to reduce our turnaround time for customers and aim to improve further.