

Transformation Committee – Terms of Reference

(Updated September 2024)

1. Constitution

- 1.1. The Transformation Committee is constituted as a committee of the Board of the Financial Ombudsman Service Limited.
- 1.2. It has been established on a time-limited basis with its ongoing need being subject to periodic review by the Nomination Committee.
- 1.3. The Transformation committee's terms of reference ("ToR") may be amended at any time by the Nomination Committee.

2. Authority

The committee is authorised by the Board to:

- 2.1. Undertake business within its ToR.
- 2.2. Seek any information it requires from any employee (all employees are directed to cooperate with any request made by the committee).
- 2.3. Obtain external legal or other professional advice.
- 2.4. Secure the attendance of anyone it considers has relevant experience, expertise or knowledge.

3. Membership

- 3.1. The committee shall be appointed by the Nomination Committee from amongst the Board membership and shall consist of not less than three members.
- 3.2. The Chair of the committee shall be appointed by the Nomination Committee.
- 3.3. In the absence of the committee chairman, the remaining members present shall elect one of their number to chair the meeting.
- 3.4. A member of the Chief Finance & Risk Officer's team or the Chief Operating Officer's team will provide secretariat support to the committee.

4. Meetings

- 4.1. Meetings shall be held at least three times a year at appropriate times in line with the cycle of the regular business it considers, and as otherwise required.
- 4.2. The quorum necessary for the transaction of the business of the committee shall be at least two committee members.
- 4.3. Only members of the committee have the right to attend committee meetings. Other individuals, including other Board, executive and staff members, may be invited by the Chair to attend all or part of any meeting as and when appropriate.
- 4.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and the supporting papers, shall be forwarded to each member of the committee and any other person required to attend, no later than five working days before the date of the meeting.

5. Minutes of meetings

- 5.1. A member of the Chief Finance & Risk Officer's team or the Chief Operating Officer's team shall minute the proceedings and decisions of all committee meetings, including the names of those present.
- 5.2. Where possible, the minutes shall be prepared for the Chair's review within five working days of the meeting.
- 5.3. The Chair will provide an oral update on committee business at the next Board meeting and minutes will be shared, once approved.

6. Responsibilities

The committee shall:

- 6.1. Provide strategic oversight of significant transformation investment, which is:
 - Expenditure approved by the Board at the time of setting the annual budget and/or the three-year plan, to support delivery of the strategic ambition of the Service
 - Change that will have a high impact, taking into account interdependencies with other change and technology programmes, resource demand, the potential for reputational risk and the cost and complexity of the change
 - The committee additionally reserves the right to include other projects which could be considered transformational though not falling into the categories above
- 6.2. In the execution of strategic oversight, be a sounding board and provide challenge and guidance regarding:
 - Customer outcomes: there is alignment to the customer experience strategy for the Service
 - Operational processes and performance: the impact on the customer and the employee journey is clear, beneficial and has regard to relevant regulation
 - Technology: the system architecture design choice aligns to, or enhances, the technology strategy
 - Financials: investment is appropriately budgeted and benefits from this investment can be articulated and/or measured
 - Risk appetite: the impact of changes in understood in the context of the Service's risk appetite and risk mitigation is in place where appropriate
- 6.3. Monitor the progress of the delivery of transformation projects in regard to cost, time, quality and outcomes, through:
 - Review of the health of the overall transformation portfolio: milestone status, risks issues
 - Periodic risk-based project deep dives
 - Independent third-party assurance reports
- 6.4. Ensure value for money is achieved, with outcomes delivered aligning to the strategy of the Service and in proportion to the level of investment made, through:
 - Review of commitments at appropriate points in the project lifecycle

- Review of post-implementation benefits realisation

7. Approval and reporting procedures

The committee shall:

- 7.1. Approve investments, contracts or changes which fall within the responsibilities of the Transformation Committee and the delegations agreed by the Nomination Committee
- 7.2. Make recommendations to the Board on matters requiring Board approval
- 7.3. Make recommendations to the Board on any area within its remit where action or improvement is needed.
- 7.4. Produce an annual summary on its activities for submission to the Board and for inclusion in the Directors' annual report.

8. Other matters

The committee shall:

- 8.1. Have access to sufficient resources to carry out its duties, including access to the Chief Finance & Risk Officer's team or Chief Operating Officer's team for assistance, as required.
- 8.2. Ensure members have appropriate skills and expertise, enhancing the committee with independent members as appropriate, making appropriate recommendations to the Nomination Committee (reviews to assess need will be conducted periodically).
- 8.3. Oversee any investigation of activities which are within its ToR.
- 8.4. Review its performance, constitution and ToR periodically (at least annually), and put forward any changes to its ToR to the Nomination Committee for approval.