

Minutes – Board Meeting on 27 November 2023

<p>Board attendees</p> <p>The Baroness Manzoor CBE, Chairman Jacob Abboud, Director Bill Castell, Director Nigel Fretwell, Director Shrinivas Honap, Director Ruth Leak, Director Sarah Lee, Director</p>	<p>Executive attendees</p> <p>Abby Thomas, CEO/Chief Ombudsman James Dipple-Johnstone, Deputy Chief Ombudsman Jane Cosgrove, Chief People Officer</p>
<p>Other Financial Ombudsman Service attendees</p> <p>Kaushik Bhattacharya, Director of Operational Planning & Performance (KB) Chandra Hirani, Head of Strategic Finance (CH) Mark Sceeny, Head of Business Management (MS)</p>	
<p>External attendees</p> <p>George Culmer, Chairman, Aviva plc (item 8 – guest speaker) Sella Mak, Director of Regulatory Policy, Aviva plc (item 8)</p>	
<p>Apologies</p> <p>Karl Khan, Chief Operating Officer Jenny Simmonds, Chief Finance & Risk Officer and Company Secretary</p>	

1. Introduction and approval of agenda

- 1.1. The meeting was called to order at 10.15am by The Lady Manzoor, Chairman.
- 1.2. The agenda was approved as presented.

2. Conflicts of interest

- 2.1. No conflicts of interest were declared.

3. Approval of board minutes

- 3.1. The minutes of the previous Board meeting held on 30 October 2023 were reviewed and approved subject to minor amendments.

4. Actions log

- 4.1. The actions log was approved subject to minor amendments.

5. CEO/Chief Ombudsman's report

- 5.1. The Board noted that there were delays with delivering the Digital Portal, but the Executive Directors (**EDs**) are looking at solutions. They noted that the external assurance report on the Digital Portal had reached similar conclusions on the reasons for delays. The EDs will present our Digital and Data Strategy at the

January Board meeting/awayday. **Action: CEO and COO.**

5.2. The Board noted the Lessons Learned summary about the Digital Portal and requested that the full report be circulated. **Action: KB for the COO.**

6. Operational performance report (COO)

6.1. The Board noted the COO's operational performance report.

6.2. Activity Based Management has proved a success and will be extended within casework areas first and then trialled in enabling areas. KB will know the timeline for this by January. The Board requested that future reports include roll rates for 12-month-old cases, and a flow through to the year end. **Action: KB for the COO.**

6.3. The respective performance of casework directorates was noted by the Board and plans were discussed for ensuring consistent performances across the service, for example, recruiting additional staff, reducing the decisions queue, adopting new casework tools and ways of working etc.

7. Finance and risk report (CFRO)

7.1. The Board noted the CFRO's Finance and Risk Report.

7.2. For 2024/25 reports, the Board requested a paper on the 3-year cashflow forecast for the purpose of planning reserves. The Board want to discuss the reserves policy and look at future modelling; and suggested looking at fixed costs and potential one-off risks separately from reserves, taking into account Regional Hubs and lower Central London costs. **Action: CH for the CFRO.**

7.3. The Board noted that the current forecast in 2024/25 was roughly 2/3rd casework and 1/3rd enabling areas. Zero-based budgeting is the approach adopted to reduce the overhead costs further.

7.4. The Board noted that improved productivity was key in improving efficiency and value-for-money and requested that effective performance be supported and improved.

8. Paper on reserves utilisation (CFRO)

8.1. The CFRO's paper on reserves utilisation was noted.

8.2. The Board discussed the feedback on reserves from the Oversight Committee of the Financial Conduct Authority (**FCA**) on 14 November 2023 and noted that this topic would return to the Board in Q4 following feedback from the consultation on the 2024/25 Plan & Budget. **Action: CH for the CFRO.**

8.3. The Board also requested an update on certain costs accrued by a third-party IT supplier. **Action: CH for the CFRO.**

9. Casework policy and strategy (DCO)

9.1. The Board noted the DCO's report on casework policy and strategy.

10. Paper on Technical Panel (DCO)

10.1. The Board noted and discussed the paper, which explored options for establishing

a panel of technical experts to assist caseworkers with certain specialist topics that arise in, for example, construction cases, medical cases, actuarial calculations, etc. The Board agreed with the direction of travel (where such expertise was appropriate) but recommended exploring options such as a call off agreement rather than a standing panel. **Action: DCO.**

11. Paper on extending jurisdiction (DCO)

11.1. The Board noted the DCO's paper on potentially extending the voluntary jurisdiction to cover business complainants that were presently outside our compulsory jurisdiction due to their size and resources but covered by the soon-retiring Business Banking Resolution Service (**BBRS**). There was a constructive discussion on the potential risks and benefits — but the Board decided this was not an area they wanted to explore further. The Board decided that expanding the voluntary jurisdiction in this manner would absorb too much organisational capacity, which would be better devoted to the delivery of our transformation agenda to improve and deliver service standards for our current complainant base, i.e. consumers, charities and trusts plus small/micro-enterprises (covering 99% of businesses).

12. HR report (CPO)

- 12.1. The Board noted the CPO's update report and requested that the draft bonus scheme for the framework and options for 2024/25 should be discussed at the January Board meeting to enable implementation from 1 April 2024. **Action: CPO.**
- 12.2. The Board also noted that Regional Hubs were attracting new staff who had wide-ranging experience and had quickly gained competence. The location and people/reward strategies are to be considered holistically in January taking account (amongst other things) of Regional-Hub costs, accountabilities, and future FTE requirements over the next three years – to be aligned with workforce strategy, finance/costs strategy, IT/Data strategy, and location strategy as part of the overall 3-year organisational design. **Action (already in progress): CEO**
- 12.3. The CPO also gave an update on the set up of her new permanent team.

13. Sub-committee reports

- 13.1 The minutes from the Audit, Risk & Compliance Committee (**ARAC**) of 12 October 2023 were approved.
- 13.2 The Chair of ARAC noted that he had held discussion with the Director of IT Delivery about significant increases in ransomware attacks in the UK generally. He also noted a desire for the National Audit Office (**NAO**) to speed up the process of auditing and signing-off our Annual Report & Accounts (which had only been completed this year on 23 November 2023).

14. Guest speaker

- 14.1. The Chairman of Aviva plc, George Culmer, discussed the work of Aviva in the UK and abroad; the impact of regulatory changes such as the FCA's Consumer Duty; and the benefits of maintaining good working relationships with FOS caseworkers. Mr Culmer also discussed setting up a bilateral meeting with the group CEO of Aviva and our CEO/Chief Ombudsman and a chair-to-chair meeting between him and The Lady Manzoor. **Action: MS.**

15. AOB and next meeting

- 15.1 There was no other business.
- 15.2 The next Board meeting is scheduled for **29 and 30 January 2024** in London and will include a 'strategy day' on the 29th.

16. Adjournment

- 16.1. The meeting was adjourned at 13:30.