

## Minutes – Board Meeting on 24 February 2025

<b>Board attendees</b> The Baroness Manzoor CBE, Chairman Warren Buckley, Director Bill Castell, Director Nigel Fretwell, Director Shrinivas Honap, Director Sarah Lee, Director	<b>Executive attendees</b> James Dipple-Johnstone, Interim Chief Ombudsman ('CO') Jenny Simmonds, Interim Chief Executive Officer ('CEO') Marc Harris, Chief Operating Officer ('COO') Jane Cosgrove, Chief People Officer ('CPO')
<b>Other attendees</b> Mark Sceeny, Head of Private Office Nicholas Haigney, Head of Internal Audit Katie North, Business Manager	
<b>Apologies</b> Jacob Abboud, Director	

### 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. Nobody declared any conflict of interest.

### 3. Approval of board minutes

- 3.1. The Board reviewed and **approved** the minutes of the previous Board Meeting held on 28 January 2025, subject to minor changes.

### 4. Actions log

- 4.1. The Board requested clarity on progress of actions and to review and consolidate actions where appropriate. The Executive stated that some Board actions may also overlap with other Sub-Committee actions and agreed to provide a document with all open actions across Board and Sub-Committee meeting groups. **Action: CEO by 24 March 2025.**
- 4.2. The Board noted the open COO actions – a legacy from his predecessor – and requested for these to be either resolved by 24 March 2025 or covered in the action per item 4.1. **Action: COO by 24 March 2025.**
- 4.3. The Board requested disaggregated data on uphold rates, to include further reasons for redress (e.g. substantive payments, awards for delays, distress and inconvenience, loss of reputation, etc). **Action: COO by 24 March 2025.**

## 5. Noting of sub-committee minutes

- 5.1. The Transformation Committee ('TransCo') minutes of 12 November 2024 and 2 December 2024 were **noted** by the Board.

## 6. Chief Ombudsman and CEO's report

- 6.1. The Board **noted** the Chief Ombudsman and CEO's joint report.
- 6.2. The Board requested an update on differentiated fees and new billing system and supported that a paper go to TransCo in March 2025 (CEO noted it is scheduled for 3 March meeting) and then to be included for follow on discussion in the March 2025 Board Meeting.
- 6.3. The Board discussed the imminent billing regime for Claims Management Companies ('CMCs') and other professional representatives and requested an update on progress. The Executive Team confirmed that billing plans were progressing well and are on track for the 1 April 2025 deadline. The Executive Team highlighted the upcoming planning workshop, taking place on 27 February 2025, and will provide feedback from this session to the Board. **Action: CEO in the week commencing 3 March 2025.**
- 6.4. The Board discussed the cases submitted by CMCs, which will be subject to the new billing, including the details of a particular set of cases impacted exceptionally by the transition to the new FEES regime, which the Board agreed were a matter for ExCo consideration.

## 7. Call for Input (CO)

- 7.1. The Board **discussed** the responses to the joint Call for Input ('CFI') with the Financial Conduct Authority ('FCA'), which closed on 30 January 2025. The Board discussed the current workplan for assessing key themes and the proposals to share relevant information – in line with respective statutory obligations – with the FCA and HM Treasury ('HMT').
- 7.2. The Board noted that the engagement with external stakeholders has been positive and noted the ongoing 'policy sprints', which are taking place both internally and jointly with the FCA.
- 7.3. The Board discussed the consultation feedback and requested clarity on the determination metrics and a hierarchy of proposed changes, including short-term DISP-rule changes and long-term primary and secondary legislation changes. The Executive Team agreed to provide further information on decision-making criteria and principles at the March Board meeting. **Action: CO by 24 March 2025.**
- 7.4. The Board discussed ongoing engagement with the FCA and HMT, including the application and alignment of a mass redress framework and the interaction between the FCA's Consumer Duty and FOS's fair and reasonable jurisdiction. The Board agreed that options on proposed DISP and legislative changes should be shared with the FCA and HMT – in line with respective statutory obligations and objectives. The Board also agreed that, whilst some options may require Board approval (such as rule changes), they may not be subject to further consultation and agreed that the sequencing and timings of potential consultations should be raised with the FCA and HMT.
- 7.5. The Board discussed the impact of current case themes on CFI proposals (e.g. cases about s.140A of the Consumer Credit Act 1974) and agreed that this information should be shared with the FCA and HMT in line with statutory

obligations. **Action: CO.**

- 7.6. The Board discussed the resourcing levels required to respond to and implement the CFI proposals. The Chairman emphasised the importance of high-level resourcing and noted that analysis should be undertaken to identify and mandate resourcing requirements.
- 7.7. The Chairman asked the Executive Team to consider the pace of the CFI proposals and measure this against potential reputational and political risks.
- 7.8. The Board thanked all staff involved with the policy sprints and noted the overall progress so far.

## 8. Plan & Budget 2025/26 (CEO)

- 8.1. The Board **approved** the post-consultation 2025/26 Plan & Budget financials.
- 8.2. The Board noted that service standards reporting isn't always as clear as it could be, particularly when considering Motor Finance Commission ('MFC') cases and year-on-year ('YoY') data. The Chairman emphasised the importance of ensuring the same format across all papers and asked that metric definitions be reviewed to provide clarity and consistency. **Action: CEO and COO.**
- 8.3. The Board agreed that the data points used need to be more clear to understand improvements to the service standards, how these relate to recruitment levels, productivity levels, etc.
- 8.4. The Board noted that whilst the quarterly service standards were helpful to understand the proposed progression through the year, they should not be included in the final service standards table which should be a full year view. This table should also include data from the two previous financial years for a like-for-like comparison. **Action: CEO and COO.**
- 8.5. The Board requested a further narrative on service standards – including identifying the impact of MFC, definitions applied (particularly on the time horizon used in calculation) and assurance that annual comparisons are on a like-for-like basis. This is required to support an approval of the 2025/26 service standards at March Board. The Board also requested reassurance that the proposed targets are achievable and aligned to the assumptions in the financial budget. **Action: CEO and COO.**
- 8.6. The Board discussed transformation and requested clarity on the impact of transformation initiatives on the overall casehandling process and timeliness for a customer. **Action: CEO and COO.**
- 8.7. The Board discussed resourcing, recruitment plans and capabilities. The Board discussed opportunities to maximise capacity for the Academy. The Board also discussed other training and tools that could potentially help to speed up onboarding and to consider what interventions would be helpful to develop the required mindset of new staff to continually improve the efficiency of our service. The Board asked the Executive Team to review the necessity of activities and internal support that may currently affect pace and productivity, e.g. case clinics. The Board also requested input from teams across FOS to understand cultural dynamics and casework product priorities to help develop the proposed Academy training programme. **Action: CPO.**
- 8.8. The Board discussed the timing and sequencing of service standards discussions within the Plan & Budget. The Board noted that the proposed service standards should be discussed earlier to allow more time for Board feedback. To this end, the

Board requested that the 2026/27 service standards be included in the September 2025 Board meeting, which will sit alongside the first proposed discussion of the financial three-year plan and budget for 2026/27. **Action: CEO and COO by 22 September 2025.**

- 8.9. The Board did not approve the 2025/25 Plan & Budget service standards but requested an updated paper to incorporate the feedback set out above.

## 9. Internal Audit Plan (CEO)

- 9.1. The Board **approved** the Internal Audit Plan, which has changed to a six-month rolling review to reduce the number of in-year changes to the plan delivery.
- 9.2. The Board discussed the metrics for auditing reputational and strategic risks. The Board agreed that, whilst the metrics may not be auditable, it would be worth considering what might be possible to use as an internal governance measure.
- 9.3. The Board discussed the proposals to defer the internal audit of the online self-service portal, including security and access controls. The Board agreed that this audit should remain in the 2025/26 plan, and this could be revisited by end of H2 2025/25 by Audit, Risk and Compliance Committee ('ARAC') and ExCo. The Board supported the additional audits requested by ARAC, including the broader audit on Phoenix strategy, performance and assurance.

## 10. Papers for noting

- 10.1. The Board **noted** the following functional reports and other papers:
- Operational Performance (COO)
  - Transformation (COO)
  - Monthly finance report (CEO)
  - Risk update (CEO)
  - Monthly report on casework issues and litigation (CO)
  - Monthly HR report (CPO) – *the Board noted the inclusion of the headcount breakdown between the enabling functions and casework.*

## 11. AOB and next meeting

- 11.1. The Board noted the FCA's announcement on ongoing advice charging<sup>1</sup> and asked the Executive Team to monitor the situation.
- 11.2. The next Board Meeting is scheduled for **24 March 2025**.

## 12. Adjournment

- 12.1. The meeting was adjourned at 1.15pm.

---

<sup>1</sup> FCA publication – *Ongoing financial advice services* <https://www.fca.org.uk/publications/multi-firm-reviews/ongoing-financial-advice-services>