

Minutes – Banking Industry Steering Group

24 July 2023, hybrid meeting held via Microsoft Teams and in-person

Financial Ombudsman Service attendees	Industry attendees
Abby Thomas, Chief Executive & Chief Ombudsman (meeting chair) Pat Hurley, Ombudsman Director Richard West, Ombudsman Director Katie Doran, Ombudsman Leader Tim Archer, Ombudsman Director David Bainbridge, Head of Stakeholder and Regulatory Liaison Sean Orrick, Stakeholder and Regulatory Liaison Lead	Paul Marriot-Clarke, Barclays Jayne Opperman, Lloyds Raghu Narula, NatWest Mike Bamber, HSBC Stephen Noakes, Nationwide Enrique Alvarez, Santander Nick Slape, Co-Op Aisling Kane, Metro Bank Darren Carlile, Capital One Padraig Carton, Virgin Money Gerry Mallon, Tesco Bank Fran Ferrier, Refuge

Item	Agenda
1.	Welcome and introductions
2.	Key updates from the Financial Ombudsman Service
3.	Work on professional representatives (CMCs and SRA regulated representatives)
4.	Working together to make the casework process more efficient for all our customers
5.	Trends in our casework and emerging issues for the group (including consumer duty)
6.	Closing Remarks and AOB

1. Welcome

1.1 The Chair welcomed the attendees to the meeting.

2. Key updates from the Financial Ombudsman Service

2.1 The Financial Ombudsman Service recapped recent organisational changes, introduced the

new Ombudsman Directors, and explained that its focus was on resolving cases quicker whilst maintaining the quality of its work.

- 2.2 The Financial Ombudsman Service said that it had worked with the Financial Conduct Authority (FCA) and others to evolve the framework to meet the duty of cooperation that will be introduced through the Financial Services and Markets Bill. It explained that the revised Terms of Reference for the framework (which includes an annex setting out the statement of compliance with the new duty to co-operate) would be published on its website. The first Annual Report (since the refreshed wider implications framework) had been published and was available on the Service's website.
- 2.3 The Financial Ombudsman Service noted that some firms were keen to discuss civil disputes and payments made to accounts by fraud victims in their own name, and agreed to run sessions in the Autumn.

3. Professional Representatives – our insight and future charging arrangements

- 3.1 The Financial Ombudsman Service set out that representative-led complaints had remained steady at around 17.4%, and there had been a significant increase in fraud complaints from Solicitors Regulation Authority (SRA)-regulated law firms. It set out how its relationship with the SRA had improved through referrals, intelligence sharing, and their thematic review plans, and plans to do more to set expectations for professional representatives and firms, as well as reporting professional representatives to regulators.

4. Working together to make the casework process more efficient for all our customers

- 4.1 The Financial Ombudsman Service outlined work to reduce wait times and improve processes, in order to meet ambitious targets and casework timelines.

The Group discussed how banks could make better use of the outcomes codes process and learn from this approach, in order to resolve cases more quickly.

5. Trends in our casework and emerging issues for the group (including consumer duty)

Fraud and scams

- 5.1 The Financial Ombudsman Service noted that complaints about fraud and scams rose by 20% in 2022/23 with increased cases involving card payments to investment scams, particularly cryptocurrency, while the number of CRM Code complaints has reduced overall.
- 5.2 The Financial Services and Markets Bill will enable the Payment Systems Regulator (PSR) to direct firms to reimburse customers, leading discussions with relevant organisations like the National Economic Crime Centre and the Insolvency Service.

Mortgages

- 5.3 The Financial Ombudsman Service noted that it was keeping a close eye on the way interest rate rises and the general cost of living was impacting volumes of complaints being brought to the service. It noted the possibility that increased numbers of borrowers experiencing financial difficulties could drive more complaints to the service, and that new mortgage charter and subsequent rules changes would give borrowers more options and flexibility if they are starting to struggle with mortgage payments.

Consumer Duty

- 5.4 The Financial Ombudsman Service discussed the need for firms to enhance adjustments for

vulnerable customers under the Duty. There was a discussion on what banks and creditors were already doing or planning to do to make sure the outcomes for vulnerable customers are in line with the Consumer Duty.

6. Close

- 6.1 The chair closed the session, thanked attendees, and outlined next steps for follow-up and future engagement.