

## Minutes – Board Meeting on 23 June 2025

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

### 1. Introduction and approval of agenda

- 1.1. The meeting was called to order at 9.30am 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 27 May 2025.

### 4. Actions log

- 4.1. The Board **noted** the Actions Log.

### 5. Noting of sub-committee minutes and 'statement of responsibility'

- 5.1. The minutes of the Remuneration and People Subcommittee of 12 May 2025 were **noted** by the Board.
- 5.2. The Board also **noted** the Company Secretary's Statement of Responsibility – noting there were written and filed assurances from all Executive Directors – with regard to the 2024/25 Annual Report and Accounts. The Annual Report and Accounts was scheduled for signing by the Chairman at a meeting of the Audit, Risk and Compliance Subcommittee ('ARAC') on 25 June 2025.

### 6. Chief Ombudsman and CEO's report

- 6.1. The Board **noted** the Chief Ombudsman ('CO') and CEO's joint report.
- 6.2. The Board noted that there had been some issues with the case management system, which had resulted in a brief suspension in the issuing of initial assessments and ombudsman decisions (because, amongst other things, tracked changes were

potentially visible). Silver and Gold Commands had been set up and were now in the process of establishing the root cause alongside Microsoft. It was thought to be due to overloading of SharePoint with drafts. The Board noted that ARAC had been informed – but asked that, in future, the whole Board be notified if a situation were deemed serious enough to stand up Gold Command.

- 6.3. The CEO gave a readout from an awayday with a subset of the senior leadership team on 17 June 2025. This was reported as a positive and engaging day. It was designed to ensure that key leaders were fully aware of their responsibilities and the critical role-modelling they played in helping to change culture, reform, and modernise FOS so that it remained fit for the future. The team had successfully worked through exercises based on principles in the 'Hogan Development Survey' and 'Lencioni Model' – and this had provided a good indication as to where key leaders were currently standing on the cultural-change barometer.
- 6.4. With regard to billing for professional representatives, the Board expressed concern that 182 out of 511 cases had failed to trigger an invoice. However, the CEO reassured the Board that this was not a problem as there was a good manual workaround during the transition period (such billing having only started on 1 April 2025) as some outstanding system bugs were being fixed during the pre-agreed warranty period.
- 6.5. The Board noted the CO's comments that it was a very busy time for Casework. There were a lot of consumer-protection measures being introduced by HM Government and the Financial Conduct Authority ('FCA'), such as the regulation of Deferred Payment Credit (commonly known as 'Buy Now Pay Later'); the Advice Guidance Boundary Review on 'targeted support' for those who have savings but tend not to invest; and the regulation of cryptoassets. At the upcoming Board strategy session, the Executive Team would be able to gauge the Board's risk attitude in terms of whether FOS should take on such issues voluntarily before they become FCA-regulated and enter the compulsory jurisdiction.

## 7. Internal Audit Report

- 7.1. The Head of Internal Audit ('HIA') joined the meeting at 10.18am to present his Internal Audit Report, which the Board **noted**.
- 7.2. The Board noted that the HIA had only been able to give 'limited' assurance due to a number of significant deficiencies in management governance and controls, particularly in areas where the Board had a lower risk appetite. He reported there was a need for a detailed disaster recovery plan; management processes needed to be better linked to service standards and re-forecasting; and clearer lines of sight were needed between transformation spending and benefits. There had, however, been an improvement in management governance and controls since January 2025, when new leadership was put in place. When asked about his team's capacity for checking whether prior problems had been fixed, the HIA assured the Board that he would not close any actions until he had seen evidence that they were going in the right direction.
- 7.3. The Board noted that a cultural shift was required so that internal audit was seen as mandatory and not optional. The CEO stated that there were also capability gaps in certain areas, not just cultural ones – and there needed to be more discussion on how to address actions when they are received. It was a question of building capacity in, for example, IT architecture. It was also to the Board's credit that this internal audit function now existed. Going forwards, to note when things have moved on, control and change processes could be carried out via ARAC.
- 7.4. Whilst control awareness had improved significantly over the last year, there was

still a need to ensure controls are fixed and prioritised to avoid a state of flux or lose track of material issues. The Board therefore asked the HIA to build in audit touchpoints throughout the year. **Action: CEO, Q2 to Q4 of 2025/26.**

7.5. The Board thanked the HIA and his team for a good report and a fair assessment. The HIA departed at 10.34am.

## **8. Papers for noting**

8.1. The Board **noted** monthly reports for the following functional areas:

- Operational Performance (COO)
- Transformation (COO)
- Finance (CEO)
- Risk (CEO)
- Litigation (CO)
- HR (CPO)
- Communications (CO and CEO)

8.2. In addition, the Board noted a paper on a forthcoming statutory instrument about the regulation of Public Offer Platforms.

8.3. There were also two other papers to note: (1) a briefing note on an upcoming BBC programme about Motor Finance Commission; and (2) a copy of the papers for the FCA's Oversight Committee on 1 July 2025 (including the Chairman's Annual Assurance Letter).

## **9. AOB and next meeting**

9.1. There was no other business.

9.2. The next Board Meeting is on **21 July 2025**.

## **10. Adjournment**

10.1. The meeting was adjourned at 10.45am.