

Minutes – Board Meeting on 26 January 2026

Board attendees Liam Coleman, Interim Chair Jacob Abboud, Director Tracey Ashworth-Davies, Director Warren Buckley, Director Bill Castell, Director Vicky Sandry, Director	Executive attendees 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) Rachel Lam, Ombudsman Managing Director (OMD) Chandra Hirani, Finance Director (FD)
Other attendees Phillipa Cook, Director of Corporate Governance and Strategy Katie North, Business Manager	
Apologies Shrinivas Honap, Director	

1. Introduction and approval of agenda

- 1.1. The meeting was called to order at 10.00am by Liam Coleman, Interim Chair.
- 1.2. The agenda was approved as presented and the quorum was reached.

2. Conflicts of interest

2.1 Tracey Ashworth-Davies declared a possible conflict of interest in her Non-Executive Director (NED) role at Chorley Building Society. The Interim Chair confirmed that this declaration had been noted but that this does not present a conflict with any items on the agenda and that Tracey Ashworth-Davies would not be required to recuse herself from any discussions.

3. Approval of board minutes

- 3.1. The Board reviewed and **approved** the minutes of the previous Board Meeting held on 24 November 2025 and the extra-ordinary Board Meeting on 13 January 2026.

4. Action Log (item 1.3)

- 4.1. The Board **noted** the Actions Log.
- 4.2. The Board were made aware that while the minutes from the extra-ordinary Board Meeting on 13 January were included for approval, the actions from this meeting were not included in the Action Log due to the proximity of the meetings. This will be updated and included for the February Board meeting.
- 4.3. The Board discussed the open action relating to the Time and Motion study and if this would create a material shift and impact on the final Plan and Budget 2026/27, due to be discussed at the February 2026 Board meeting. The Finance Director (FD) confirmed that no material shift is expected.

5. Noting of subcommittee minutes

- 5.1. The Remuneration Committee ('RemCo') minutes of the 10 November 2025 and the Transformation Committee ('TransCo') minutes of the 13 October 2025 were **noted** by the Board.

6. Update from Interim Chair

- 6.1. The Interim Chair discussed the progress made by the Interim Chief Ombudsman (CO) and team on the modernising redress reforms, including engagement with HM Treasury and FCA.
- 6.2. The Board noted that a number of the proposed changes are intended to be implemented through changes to DISP rules rather than legislation. The Board discussed the boundaries between the DISP rules and legislative changes, including the need to reflect stakeholder feedback and the importance of delivering reforms at pace.
- 6.3. The Interim Chair thanked the CO and the team for their continued work on the reforms.
- 6.4. The Board also noted the introduction of an updated skills matrix to support future Non-Executive Director recruitment and additional training. The Private Office will conduct individual sessions with the NEDs to complete the matrix, which will be returned to the Board for review. The Board also discussed this work feeding into the Board Effectiveness review planned for April.

7. Interim Chief Ombudsman and Interim CEO's report

Performance

- 7.1. The Interim CEO (CEO) provided a high-level update on Q3 performance, with further discussion taking place later in the meeting. It was noted that 3- and 6-month timeliness metrics for BAU cases are ahead of December YTD budget. However, Q3 resolutions performance was 23k (or 12%) lower than budget, though up 3.5% versus prior YTD. Headline reasons were outlined.
- 7.2. Forecasting BAU demand accurately at a level to then efficiently match casework skills and capacity remains an ongoing challenge. Whilst the overall BAU demand forecast has reasonable accuracy at a 4% variance, there are nuances which require greater sophistication by way of approach for more effective demand and resource fulfilment planning.
- 7.3. Whilst it was noted that intentional lower recruitment ended up being one of the drivers for fewer resolutions than planned (and so consequentially lower-case fee income), the CEO noted that recruitment plans were re-aligned during H1 of the year to an expected reduction in demand, taking a 'line of best fit' of scenarios. However, a different higher demand trajectory resulted and this, coupled with a different product mix in demand, meant too few casework FTE were in place to meet stock management targets.
- 7.4. The CEO discussed updates to the workforce and demand planning process, and reporting. Work continues to streamline the current end-to-end processes to improve transparency, aid better and more timely decision-making, remove inefficiencies and reduce hand-offs between teams.
- 7.5. The casework target setting approach is being revised (to launch for 2026/27) as

part of this stream-lining approach, to create clearer line of sight between individual performance and organisational targets.

- 7.6. The Board considered the question of an appropriate risk appetite in respect of the link (and timing) between work to deliver resolutions and case fee revenue received, as part of an overall risk appetite for financial stability and reserves.
- 7.7. The Board reflected on whether there could be further opportunities for technology to be leveraged, including artificial intelligence (AI), to ease resource pressures and improve efficiency. A new model office will be up and running in Q4 to test various changes proposed, including the updated target setting approach and continuous improvement initiatives to simplify casework processes.
- 7.8. The Board discussed the nature of preventative initiatives aimed at reducing the volume of cases needing to come to the Financial Ombudsman Service. It was noted that initiatives being pursued as part of the package of reforms, such as decision frameworks and thematic reviews, would support such prevention by helping financial businesses apply an established Financial Ombudsman Service approach as they deal with their customer complaints, meaning more cases are resolved fairly and effectively early on.
- 7.9. The CO also discussed emerging casework trends, notably increased complaints relating to investments in wind farms and Section 75 claims concerning spray foam insulation (including in social housing).

Staff survey results

- 7.10. The Board noted the improved results versus the prior year from the Annual Engagement Survey, with a higher response level providing a more representative view of the organisation. The Board congratulated the Executive on the improvements made, recognising this was achieved against an ongoing backdrop of uncertainty and members in interim roles.
- 7.11. The Executive Team have identified three priority areas for improvement through 2026/27, engaging with the Senior Leadership Team to agree on these. An update on cultural insight, actions and mitigations will be presented at RemCo in March 2026. **Action: The CPO by 2 March 2026.**
- 7.12. Overall, the Board **noted** the CO/CEO report.

8. Verbal Update on Reforms and ADR Regulation Changes

- 8.1. The CO provided an update on ongoing reforms and proposed changes to dismissal rules, in light of the removal of the Alternative Dispute Resolution (ADR) directive.

9. Board Sub-committees

- 9.1. The Interim Chair thanked the sub-committee Chairs for their input into the proposals.
- 9.2. The Board discussed the proposal to make changes to the Board sub-committees to ensure that correct support is in place for core BAU areas, as well as change activity, and allow for a more streamlined approach between Executive and Board agenda items and papers. The membership allocation of the proposed sub-committees was

- 11.6. The FD outlined a paper which clarified definitions of existing Service Standards for metrics forming part of the 2025/26 staff bonus, noting some features which may wish to be considered for amendment in 2026/27, but with the main focus being a proposed amendment to the 100% target for the productivity metric to better align with how the final 2025/26 budget was structured (a change in mix between BAU and MFC resolutions) that colleagues have been working to through the financial year (none of the other metrics were impacted). The CEO acknowledged that it was an oversight that this had not been raised at the start of 2025/26.
- 11.7. Following discussion of the various pros and cons, on balance the Board were firm that 100% targets should not be changed unless there was clear evidence that the organisation had been working towards a different 100% productivity target from the start of the financial year – evidence to then prompt further discussion.
- 11.8. The Board **did not** approve the proposed amendment to the 100% target for the productivity metric but agreed to delegate the decision to RemCo, with the next meeting taking place on 2 March 2026. **Action: The FD by 2 March 2026.**
- 11.9. It was confirmed that Section 140A cases currently fulfilled the definition of ‘unprogressable’ and would, therefore, be excluded from figures assessing achievement against targets until that changed.

12. Verbal Update on Consultation Feedback

- 12.1. The FD confirmed that the Plan and Budget 2026/27 consultation closed on 21 January 2026. The Executive Team are due to discuss the feedback on 29 January. The FD confirmed that the final Plan and Budget 2026/27 will be included at the February Board meeting.
- 12.2. Feedback received showed a sufficient level of comfort with the proposals, with differing views reflecting different parts of the financial services market and stakeholder groups. Challenges from respondents to key assumptions were discussed, including the volume of demand expected for complaints about the motor finance redress scheme and the volume of Deferred Payment Credit cases we might expect to receive – views were that we may have underestimated these volumes. The full range of feedback received will be summarised in a paper for February Board. **Action: The FD by 23 February 2026.**
- 12.3. The Board **noted** the verbal (and initial) update on the Plan and Budget 2026/27 consultation feedback.

13. Reports for noting

- 13.1. The Board **noted** the monthly reports for the following functional areas:
- Ombudsman Panel Appointments – Report
 - Corporate Dashboard
 - Finance Report
 - Risk Report
 - COO Report – The Board discussed the Documentation Production (Doc Prod) system and the Phoenix review scope which incorporates NED feedback.
 - Transformation
 - HR Report – The Board discussed attrition in The Academy. The CPO confirmed that further information on the turnover rate for those under 12 months of service

and the effectiveness of contingent recruitment will be put forward to RemCo for discussion.

- Litigation Update – The Board noted the increase in judicial reviews and want to ensure that the Litigation team is adequately resourced.
- Comms Update

14.AOB and next meeting

14.1. The next Board Meeting is on **23 February 2026**.

15.Adjournment

15.1. The meeting was adjourned at 12.55pm.