Minutes – Board Meeting on 26 May 2026

Board attendees	Executive attendees
Liam Coleman, Interim Chair Jacob Abboud, Director Tracey Ashworth-Davies, Director Warren Buckley, Senior Independent Director Bill Castell, Director Shrinivas Honap, Director Vicky Sandry, Director	James Dipple-Johnstone, Interim Chief Ombudsman (CO) Jenny Simmonds, Interim Chief Executive Officer (CEO) Jane Cosgrove, Chief People Officer (CPO) Marc Harris, Chief Operating Officer (COO) 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 Paul George, Lead UK Partner, Board Excellence	
Apologies	
None	

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 met.

2. Conflicts of interest

2.1. No conflicts of interest were declared.

3. Approval of Board minutes

3.1. The Board reviewed and approved the minutes of the previous Board meeting held on 27 April.

4. Action log

4.1. Action 1 – the Board noted the launch of the FCA's review of the Claims Management Companies (CMCs) market, announced at the start of May. The Board welcomed the FCA intervention and agreed that the Financial Ombudsman Service will input into this review where necessary.

4.2. The Board noted the actions log.

5. Noting of subcommittee minutes

5.1. No subcommittee minutes were presented for noting.

5.2. The Reform and Customer Experience Committee Chair provided a verbal summary of the meeting held on 22 May.

5.3. The Board requested a summary of the subcommittee minutes be provided for future formal meetings, as opposed to the full minutes.

Action: The Private Office by 27 July 2026.

6. Update from Interim Chair

6.1. The Interim Chair discussed the recent casework visit by the Chair of the FCA Oversight Committee, highlighting positive feedback on case processes and wider casework challenges. The Interim Chair and the Chair of the FCA Oversight Committee met separately to discuss the relationship between the FCA and the Financial Ombudsman Service and the escalation of modernising redress reform matters to the Oversight Committee.

6.2. The Interim Chair thanked the Ombudsman Managing Director (OMD) and the teams involved in organising the visit.

6.3. The Interim Chair also provided an update on the recent meeting with HM Treasury.

7. Interim Chief Ombudsman and Interim CEO's report

7.1. The Interim Chief Executive Officer (CEO) confirmed that the Annual Report and Accounts 2025/26 is on track for completion before the Summer Recess with a review of the risk section to be discussed at the upcoming Audit, Risk and Compliance Committee (ARAC) meeting before it is shared with the Board for final approval.

7.2. The CEO confirmed that a further risk appetite session will be scheduled for the formal July Board meeting, to address the follow-on actions already captured in the Board actions from previous meetings.

7.3. The CEO provided a summary of the business continuity exercise for Gold and Silver Command groups which took place in April and agreed to circulate the final report once available.

7.4. The CEO provided an update on the Executive Development and Leadership Day sessions which took place in May.

7.5. The CO agreed to keep the Board updated on modernising redress reforms progress.

7.6. The Board noted the CEO/CO report.

8. Independent Assessor

8.1. The CO discussed proposals to the Independent Assessor (IA) role in order to allow greater focus on oversight, including feedback. The CO confirmed that the IA would attend the formal July Board meeting, as arranged, and recruitment would commence following this session.

8.2. The Board requested further clarity on the current areas under the IA's remit and assurance that proposed changes would maintain the IA's independence and credibility. The CO confirmed that the proposals will not diminish the role or independence of the IA and will allow further capacity for the IA to provide regular feedback to the organisation. The CEO also referenced the proposed changes to the pastoral care reporting line for the internal team supporting the IA (though still retaining independence from casework operations).

8.3. The Board also discussed the sustained increase in service complaints volumes and the importance of supporting the IA's team through the transitional period.

8.4. The Interim Chair and Senior Independent Director confirmed that they will separately discuss and confirm Board representation for the recruitment panel, subject to the availability of Board members and commitments to other ongoing recruitment processes for the Financial Ombudsman Service.

8.5. The Board approved the paper.

9. 2026/27 Bonus scheme

9.1. The CEO confirmed that previous Board feedback had been considered in arriving at the proposed principles and metrics for the 2026/27 bonus scheme, but that Executive discussion concluded it was not the right time for substantial re-design. The Chief People Officer (CPO) noted that the 2025/26 bonus scheme is the final year of a three-year bonus previously agreed by the Board and PeopleCo (formerly Remuneration Committee).

9.2. The Board agreed that current timings do not allow for fundamental changes to be made to the bonus scheme design and noted that alternative options suggested should be considered, along with further input, as part of the development for the 2027/28 bonus scheme.

9.3. The Board noted that the changes to the membership of the People Committee (PeopleCo) during the past year had limited the opportunities to consider a fundamentally new bonus scheme design and highlighted the importance of committee stability in progressing this work. The Board agreed that the use and design of any bonus scheme would be a priority for PeopleCo to solve by the end of the calendar year. PeopleCo will provide a proposed timetable for the 2027/28 scheme and report back to the Board by the end of H1 2026/27, including any associated risks. The Interim Chair also confirmed that a 2027/28 bonus scheme design will be included in the Chair objectives for the year.

Action: The Private Office (Board) and CPO (PeopleCo) by September Board meeting.

9.4. The Board discussed the alignment between reward and workforce, including a golden thread for the incentivisation approach across the organisation. The Ombudsman Managing Director (OMD) confirmed that a new balanced scorecard has been in place since 1 April, which incorporates not only activity-based measures but also timeliness and quality metrics.

9.5. The Board discussed productivity and performance targets, including the introduction of outcome-focused metrics under the revised scheme. The CEO confirmed that a dedicated session on productivity definitions and forecasting is planned for the informal Board meeting in June. The Board requested that forecasts for the remainder of the year are included as standard in the regular performance papers going forward.

Action: The FD by 22 June 2026.

9.6. The Board acknowledged that performance metrics and incentivisation levers vary across teams and agreed that it will be important to ensure relevance of outcome-focused metrics to teams.

9.7. The Board approved the 2026/27 bonus scheme as outlined in the paper and confirmed that PeopleCo will oversee the design of the 2027/28 bonus scheme.

10. Reports for noting

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

- Performance Report – the Board discussed the unallocated queue, which currently stands at five weeks. The OMD outlined mitigating actions and activities aimed at reducing the queue to three weeks by the start of H2. The Board requested an update at the end of H1 2026/27.

  Action: The FD/OMD by 28 September 2026.

- Corporate Dashboard – the Board noted that the volume of cases resolved by views had decreased and requested further insight into the dynamics at play. The OMD referenced the change to the target setting approach for investigators, focused on resolutions rather than views, and the support investigators were being given to achieve resolutions efficiently (e.g. telephone training) and the hoped for reduction this would also have on volumes referred to decision.
- Finance Report – the Finance Director (FD) reported that the implementation of the new billing system on 12 May had progressed smoothly. However, minor booking issues had impacted income accounted. The FD confirmed that there would be a “catch up” of income included in May YTD results, so reflected in the finance report for the next Board meeting.
- COO Report
- People Report
- Legal Update
- Communications Update

11. AOB and next meeting

11.1. The next formal Board Meeting is on 27 July 2026.

11.2. The next informal Board Meeting is on 22 June 2026.

12. Adjournment

12.1. The formal Board meeting was adjourned at 12.55pm.