

Financial Ombudsman Service Limited

MINUTES

MINUTES of the meeting of the directors, held at held at South Quay Plaza, 183 Marsh Wall, London, E14 9SR on Tuesday, 23 July at 9.00 am

Present	Nick Montagu (NM)	chairman
	Maeve Sherlock (MS)	director
	Gwyn Burr (GB).	director
	Julian Lee (JL)	director
	Pat Stafford (PS)	director
In attendance	Natalie Ceeney (NC)	chief executive and chief ombudsman
	Tony Boorman (TB)	deputy chief executive and deputy chief ombudsman
	Julia Cavanagh (JC)	finance and performance director
	David Cresswell (DC)	communications and customer insight director
	Caroline Wayman (CW)	legal director
	Jacquie Wiggett	HR & organisational development director
	Alison Hoyland (AH)	board secretary & head, CEO's office (minutes)

Apologies for absence

An apology for absence was noted for Alan Jenkins.

0/1307 Executive update

The Board noted the update from members of the executive on their respective areas, with some further discussion on the following:

leadership development

As part of succession planning, and a commitment to ongoing career development, leadership development programmes were being designed for a number of senior staff who had been assessed as having the potential to progress further, including to the executive level.

Managers and senior leaders had recently attended a 'leadership' event, the focus of which had been how the ombudsman could continue to meet the needs of its customers and the leadership skills required here, as well as more generally. The feedback had been overwhelmingly positive, and the Board commended DC and his team for all their hard work in putting on such a successful event.

next external review

It had been agreed that the ombudsman's next tri-ennial independent review would be externally facing and would look at changes likely in the wider operating environment, and in wider society more generally, over the next decade – and the implications for the service. The process to identify potential candidates to carry out the review was underway, and the chairman would be involved in the final selection.

ombudsmen appointments

The Board noted the latest ombudsmen appointments.

Outreach

The ombudsman's accessibility outreach work continued to focus on engaging harder to reach people, who were less aware or understanding of the help the ombudsman

service could provide. This work included trying to get a better understanding of where such people went to for help, to inform the ombudsman's continuing efforts to meet the needs and expectations of all customers who could benefit from the service.

1/1307 Minutes and approvals

The minutes of the Board meeting held on 19 June were approved.

JL gave an oral update on the Audit Committee meeting held on 17 July, the main business of which had been to consider the directors' report and financial statements for 2012/13, ahead of it coming to the July Board for final sign-off.

2/1307 Matters arising

Matters arising were picked up in the substantive business before the Board.

3/1307 Assurance framework

fos/13/07/03

At the previous month's discussion on Board governance, it had been agreed that an assurance framework, setting out formally how the Board was assured on various matters, would be helpful and would be in keeping with best practice on documenting assurance processes and procedures.

The executive had since undertaken a review of the different assurance matters, ranging from areas of corporate risk to core systems and processes. It had mapped these against the different means and mechanisms by which assurance was given and had drawn up an assurance matrix, which had shown that generally robust assurance mechanisms were in place, although there was scope for strengthening in places

The Board confirmed that the matrix was a helpful summary of how it was assured on matters which called for planned assurance: others would come to the Board for assurance as and when appropriate. The framework would be kept under review and updated, as necessary.

actions

- timetable to be drawn up for annual assurance items
- assurance matrix to be included as an annex to the quarter-end service performance reports to the Board
- the framework approach would be reviewed annually at the annual governance review Board meeting

4/1307 Annual assurance reports

fos/13/07/04

The assurance framework discussed under the previous item included a number of assurance matters on which annual summary reports would come to the Board.

Reports on three of these areas had been completed and so were ready for review by the Board. The remainder for this year would come to the December Board, and a timetable would be drawn up for the following year's annual reports.

Health and safety

In reviewing the health and safety report for the year, the Board noted that as the ombudsman grew to meet the rising demand for its help, it was imperative that it adopted practices and procedures commensurate with its operations today, including on health and safety. Reflecting this, the ombudsman had taken on a health and safety specialist who was reviewing all relevant practices and procedures and implementing a programme of improvement, centring on better documentation and communication to staff: no major gaps in health and safety practice had been

identified.

The Board agreed that while appropriate practices and procedures were essential, so too was their communication to staff. The ombudsman had a number of ways in which it kept staff updated on policies, including through awareness training, executive briefings, articles in the staff bulletin and focus pieces on the intranet.

actions

- an update on the ombudsman's performance against key health and safety risks to be brought back to a later Board, and a summary roundup to be included in future annual reports

Environmental impact

The ombudsman service recognised the importance of appropriate environmental policies, and staff wanted environmental sustainability to be high on the agenda. Working with the Carbon Trust, the service had developed a five-year carbon management plan and had set an ambitious target of reducing its relative carbon emissions by 30% over the period. Again, effective communication to staff was key; an environmental committee had been established to help raise awareness across the organisation and lead a variety of environmentally focussed projects and initiatives.

Access and inclusion

As a statutory body, public-service provider and employer, there was no question about the ombudsman's commitment to meeting the legislative and "best practice" requirements in this area, applying this both to its service to external customers and to the way it treated its staff. By seeking to excel in all aspects of diversity and inclusion, the ombudsman service stood the best possible chance of delivering excellent service to its customers and attracting the best possible talent into its employment.

Evidence of the service's commitment included its published equality standard and action plan and the strategic priorities it had adopted which were aimed at putting equality and access at the heart of everything it did. Working with the Employers Network for Equality and Inclusion, it was now looking to build on an earlier 'gold standard' award and be accredited as 'Leaders in Diversity' – which would establish it as an ambassador and role model of inclusion at the national level.

The Board reaffirmed its strongest possible support for the service's efforts in this area and its wish to be kept abreast of any significant developments or initiatives.

5/1307 Q1 service and performance and outlook

fos/13/07/05

Service performance in the first quarter had been strong, with more cases being resolved and, therefore, more consumers getting answers, than anticipated. This was particularly pleasing as performance had exceeded expectation despite new staff being taken on at the same time and the call that this had on existing staff's time in helping to train and mentor them.

In PPI, the high number of case resolutions had been helped by some of the larger businesses taking a look again at their stance on previously rejected cases in the light of the ombudsman's approach. However, even without these high volume resolutions involving one or two businesses, the number of cases resolved in the first quarter was still ahead of the target for the period.

The higher than anticipated number of case resolutions had helped to make some inroad into the existing caseload, which unprecedented volumes of incoming cases had seen rise year-on-year. The ombudsman's financial position also remained

strong consequently and staff continued to feel engaged and rate organisational culture and commitment to inclusion highly, factors which were reflected clearly in the high staff retention rate for the quarter.

Heading into the next quarter, and the remainder of the year, much uncertainty still remained around incoming case volumes in particular. Timeliness in PPI, and elsewhere for older cases, customer satisfaction and service quality would continue to be priority focus areas.

6/1307 Risk

fos/13/07/06

The Board noted the register of major corporate risks, which the executive had reviewed and revised in the light of the current challenges facing the organisation, and those that it might expect to face looking ahead. Inevitably, many of the risks were linked to the continuing high demand for the service's help and it needing to be adequately resourced, as well as more broadly in relation, for example, to the wider external environment and customer/societal expectation and behaviour.

The Board agreed that the risks identified looked appropriate, as did the mitigating plans and management strategies.

7/1307 2012/13 directors' report & financial statements

fos/13/07/07

The Audit Committee Chair, JL, outlined the role of the Board in approving the directors' report & financial statements. The Audit Committee had reviewed the detail of the report and the audit findings at its meeting on 17 July 2013 and, subject to a few changes to the text to make it clearer in places, had approved the report for consideration by the Board.

The Board confirmed that it was content to approve the signing of:

- the directors' report and financial statements
- the statement of disclosure of information to the auditors; and
- the letter of representation to the auditors.

Once signed-off by the auditors, the report & financial statements would be filed at Companies House and published on the ombudsman's website.

Any other business

There was no other business.