

Financial Ombudsman Service Limited

MINUTES

MINUTES of the meeting of the directors, held at South Quay Plaza, 183 Marsh Wall, London E14 9SR on Wednesday 25 April at 9.30 am

Present	Nick Montagu (NM)	chairman
	Gwyn Burr (GB)	director
	Janet Gaymer (JG)	director
	Alan Jenkins (AJ)	director
	Elaine Kempson (EK)	director
	Julian Lee (JL)	director
	Roger Sanders (RS)	director
	Maeve Sherlock (MS)	director
Pat Stafford (PS)	director	
In attendance	Natalie Ceeney (NC)	chief executive and chief ombudsman
	Tony Boorman (TB)	decisions director
	Julia Cavanagh (JC)	performance & finance director and company secretary
	David Cresswell (DC)	communications and customer insight director
	Chris McDermott (CM)	operations director
	Caroline Wayman (CW)	legal director
	Jacquie Wiggett (JW)	HR & OD director (for executive update)
	Alison Hoyland (AH)	board secretary & head, CEO's office (minutes)

0/1204 Executive update

a) *PPI summit*

NC provided an update on the joint *Which?* and MoneySavingExpert.com summit on increasing consumer awareness on pursuing complaints about mis-sold Payment Protection Insurance (PPI) free, rather than through claims management companies (CMCs). The summit had also brought the parties together to consider improvements to businesses complaint handling and the regulation of CMCs.

b) *FSA*

NM had met Martin Wheatley, Managing Director, Conduct Business Unit, FSA and CEO designate, Financial Conduct Authority, on 23 April. Martin Wheatley had then visited the ombudsman service later the same day, spending some time in the Consumer Contact Division listening to calls and then meeting with senior colleagues on the liaison arrangements between the two organisations.

c) *Operational performance*

Performance in the first quarter of 2012/13 was expected to reflect a period of transition, while the professional leadership model, bringing ombudsmen and case-handling teams closer together, was embedded and the new intake of case-handling staff, including ombudsmen, were trained.

Plans were progressing well to extend the consumer helpline to 8pm during the week and staff were now being trained across the different business areas. The Service would keep its hours of operation under review, and further thought would be given to this at the Board's away day in September, where it would be reviewing how the Service might operate going forward.

d) *Olympic planning*

Internal auditors had reviewed the Service's plans for mitigating the potential for disruption during the Olympics. The final report was being prepared, but the auditors had indicated that the plans were in good shape and were well advanced. One or two matters had been brought to the Service's attention around, for example, its disaster recovery arrangements, which would be followed up.

e) *Accommodation*

The Service would update the Board in May on the latest position in relation to its accommodation in 2014, when the lease on its current accommodation ended.

1/1204 Minutes and approvals

The Board approved the minutes of the Board meeting held on 21 March.

2/1204 Matters arising

2012/13 – targets

The Board approved the finalised measures for 2012/13, which had been updated with the year-end baselines.

Casework issues

Since the last meeting, the Service had published a provisional decision in a 'lifetime' pet insurance case, which had been brought to the Board's attention at the previous meeting.

2012/13 budget

FSA had approved the Service's budget.

3/1204 Update on PPI planning

TB updated the Board on the progress being made on plans to build its capacity to deal with the expected PPI volumes. Most notably the first intake of new case-assessors had started their training and induction programme on 23 April

Detailed oversight was being maintained by the Project Steering Group, which included the project's 'critical friends', JL and AJ. The Steering Group had met on 19 April and had agreed with the latest analysis which raised the risk that volumes could be higher than forecast. Subject to the Board's approval, the Steering Group had concluded that the Service should seek to increase the number of case-assessors that it was planning to recruit and that it would be prudent to do so at a rate sufficient to meet the higher volumes and keep up with expected levels of staff turnover. The Steering Group was confident that the additional headcount would not require any extension to accommodation for the time-being.

The Board agreed that it would be prudent to plan for higher volumes than forecast originally and for a consequent increase in headcount. The Board would be kept updated as the planning work progressed, and at relevant points when decisions were required from them.

In concluding the update, TB advised the Board that focus was now turning to the next steps, after the initial operational phase had begun.

The Board confirmed its assurance about the programme's progress, the planning assumptions and the focus on the next steps. They acknowledged the significant progress that had been made over a short period of time and commended the executive and the teams involved for the achievements to date.

4/1204 Review of 2011/12 and implications for the year ahead

fos/12/04/04

The Board had been kept fully informed about the Service's performance throughout the year and the end of year position was as expected. The Board acknowledged how much had been achieved, despite receiving ever increasing numbers of cases and undergoing a large change programme.

Reflecting on performance and the impact of a number of external factors, the Board discussed some of the key issues from the last year, in terms of emerging trends, and factors for the future. Key themes discussed included:

- growing trust and impact – particularly the rising levels of trust in the service from both consumers and firms alike
- growing case complexity and the tendency for more cases to be 'harder fought'
- firms' attitude to complaint handling, and changes over the year
- innovation in service delivery
- external trends in consumer and firms' behaviour, and how the ombudsman service needed to respond.

The Board also reviewed the draft of the Annual Review, highlighting trends over the past year. Members confirmed that they would send DC their individual comments on the draft annual review by Tuesday 1 May, in time for publication on 22 May.

5/1204 The impact of Claims management companies (CMCs)

fos/12/04/05

The Board discussed the impact of CMCs on the work of the Service, how they were regulated currently, and the future role of CMCs and the wider context in terms of dispute resolution and legal and related services. They noted the work already under way to support better regulation of the CMC sector.

6/1204 Any other business

Board evaluation

The 2011/12 evaluation of *"the effectiveness of the board and its sub-committees"* was due. Following last year's external evaluation, this year's was being conducted internally and would be the basis for discussions about the Board's role and focus at the June away day.

Actions:

- Following the meeting, AH to email Board members links to relevant surveys.

There being no other business, the meeting ended at 12.30