

Financial Ombudsman Service Limited

MINUTES

MINUTES of the meeting of the directors, held at South Quay Plaza, 183 Marsh Wall, London E14 9SR on Tuesday 21 February 2012 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
	Kate Lampard (KL)	director
	Julian Lee (JL)	director
	Roger Sanders (RS)	director
	Maeve Sherlock (MS)	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)	<i>communications and customer insight director (item 5)</i>
	Chris McDermott (CM)	operations director
	Caroline Wayman (CW)	legal director
	Alison Hoyland (AH)	board secretary & head, CEO's office (minutes)

Apologies for absence

An apology for absence was received from Pat Stafford.

0/1202 Executive update

The board noted:

- a) *'ombudsman news'*
The 100th edition of the Service's newsletter would be published on Friday; DC and his team were congratulated on its production.
- b) *Staff survey*
Emphasis was being placed by the executive team on harnessing the positive outcomes from the staff survey results and much effort was being put into maximising staff engagement.
- c) *Ombudsmen appointments*
NM's approval of the ombudsmen appointments, following the recent recruitment round. Further ombudsmen appointments would be put to NM for approval and then notified to the board in due course.
- d) *Financial Services Bill*
The legislation would require the Service and the new Financial Conduct Authority to publish a Memorandum of Understanding (MoU). To help parliamentarians and others understand what is proposed as the Bill passes

through the legislative process, the two organisations would be publishing a draft MoU the day after the board meeting, based on our current MoU but framed around the new financial regulatory framework.

Action TB to circulate the draft MoU to the board

e) *2012/13 plan & budget*

The consultation closed on 20 February. TB updated the board on the feedback, with more detail coming to the March board. As expected, for the most part, commentary concerned the proposals for an additional PPI case-fee. The board would be asked at its March meeting to discuss and approve the budget, which would be published with a summary of responses to the consultation.

f) *Continuous Improvement and operational excellence*

CM and his team would be driving improvements in customer service, through the promotion of operational excellence, including by focussing on learning the lessons coming out of the first phase of the continuous improvement programme and sharing best practice.

1/1202 Minutes and approvals

The minutes of the board meeting held on 25 January were approved.

2/1202 Matters arising

Interest on awards

The *decisions director* had provided a note to the board detailing the Service's approach to awarding interest, which the board noted with thanks.

Transparency

The Service had published its summary of responses to its discussion paper: '*transparency and publishing decisions: next steps*'.

3/1202 Priorities & "success measurement" for 2012/13

fos/12/02/03

The paper reflected the board's discussion at the December meeting of the service's initial thoughts on its priorities for 2012/13 and related targets and success measures. They had agreed that the priorities should continue to focus on the same development areas as the current year, and that, in the light of the PPI-dominated challenges facing the Service, the service should set targets that were stretching, but achievable. These targets would only be subject to review and reprioritisation with the board's approval, if success looked likely to be impacted by influences outside of the service's control.

In discussion, the following aspects were highlighted:

- 'quality' - which ran through the development priorities as a major theme;
- 'customer satisfaction' measures - which included a 'consumer advocacy' target which would use the standard 'net promoter' customer loyalty metric to measure how likely it was that consumers would recommend using the Service;
- 'equality and inclusion' measures, including one for collective assessment purposes which tracked how the Service was doing against the full extent of its equality and inclusion standard for the way it provided its services to its customers and the way it treated its staff. The benchmark and subsequent quarterly assessments would be undertaken by an independent adviser;
- 'operational' measures - which included a target for improving the time cases took to be resolved; the aim was resolve 50% (or more) of cases in less than three months by the end of the year. As now, other timeliness measures would be included in the management information (MI) pack to give the fuller picture in terms of the 'customer experience'. A 'median' timeliness measure would be included in the 2012/13 MI packs going forward.

The board noted that some of the key performance indicators (KPIs) were set to measure improvements against a year-end baseline and so would be finalised once the year-end data was available. The executive team confirmed that it would also review the corporate risk register against the priorities to make sure that the two were appropriately aligned.

The board approved the service's key development priorities for 2012/13 and the proposed KPIs, including which ones would be included for collective assessment purposes.

4/1202 Update on PPI planning

fos/12/02/04

The January board meeting had endorsed the Service's proposed operational approach for dealing with the significant volumes of PPI cases expected over the next two to three years. Progress on building the capacity to deal with high volumes of cases and on designing the operational approach was being overseen by a Project Steering Group, which included the project's 'critical friends', Board members, JL and AJ.

TB updated the Board on the current analysis of the expected workload, how its planning was progressing and provided an overview of the formal programme plan. CW went on to provide an overview of the operational approach that was being developed.

While recognising that significant challenges remained, including in relation to the wider environment outside of the Service's control, the Board remained convinced that the proposed approach to handling PPI cases remained right in the light of the expected volumes of cases. They noted that the project management oversight of the interdependencies between the different aspects of the planning work provided further assurance about the deliverability of the plans.

5/1202 Consumer videos: "*people like me*"

fos/12/02/05

At its September away day, the board had seen a number of consumer videos which the Service had commissioned to use as an internal training tool for its new and existing case-handling staff. They provided a catalyst for team discussions about where complaint handling fitted into consumers' lives.

DC said that, building on the impact of those short films, the Service had now produced a new set of consumer videos – primarily for an *external* audience. The videos featured a diverse range of consumers from different backgrounds – all talking positively about their own personal experience of using the Service. They would be put on the service's website in its "my story" section, as well as being used internally for training and awareness purposes.

Having watched the videos, the board commended DC on such a powerful set of videos which were certain to act as an effective form of 'advocacy' for the Service, and noted that the Service would continue to build its library of videos, featuring consumers from wide and varied backgrounds. They also affirmed their support for the service's continuing efforts to find ways of targeting messages for particular groups of consumers, to give them the confidence to complain to the service themselves, rather than paying a claims-management company to do it for them, or not at all.

6/1202 Any other business

The board thanked Kate Lampard who was leaving the board after 21 February 2012, having served as a non-executive director for 10 years and 7 years as chairman of the board's audit committee.

There being no other business, the meeting ended at 12.30