

Financial Ombudsman Service Limited

MINUTES

MINUTES of the ninety fourth meeting of the directors, held at Langshott Manor, Horley, Surrey on 19 June 2008

Present	Chris Kelly Alan Cook Joe Garner John Howard Elaine Kempson Kate Lampard Julian Lee Roger Sanders Maeve Sherlock	chairman
	Walter Merricks	chief ombudsman
In attendance	Tony Boorman Barbara Cheney David Cresswell Roy Hewlett Jeremy Kean Peter Stansfield David Thomas	decisions director company secretary communications director operations director finance & IT director HR director corporate director

The meeting was held during the board's annual off-site strategy planning meeting.

1. Minutes of the meeting held on 14 May 2008

The minutes of the meeting held on 14 May 2008 were approved as an accurate record of the meeting.

2. Caseload

The board considered the current estimates for new cases and case closures in 2008/09. It was anticipated that the original forecast of 90,000 new cases would be exceeded by at least 20,000 complaints. This increase was due to a significant number of complaints about payment protection insurance (PPI) and card charges which constituted 25% and 15% of the total caseload respectively.

A number of measures had been taken to increase resources to achieve the target of closing 110,000 cases in 2008/09.

The board considered a paper about the steps that should be taken to tackle the broader questions raised by the influx of PPI cases. It was concerned about the effect of large numbers of similar cases all involving the same product on the operational efficiency of the Service. It also considered the role of the ombudsman service as part of the regulatory framework in dealing with large volumes of 'same product' complaints.

As the ombudsman service was continuing to receive large numbers of PPI complaints, a significant proportion of which were being upheld, there appeared to be systemic issues in relation to PPI. The board therefore decided that the ombudsman service should write formally to the FSA to invite it to consider *wider implications* action on the basis that individual consumer complaints were not the most appropriate way in which to deal with what appeared to be a systemic problem.

3. Hunt Review

The corporate director presented a paper about the Service's approach to the main issues arising from the Hunt Review which also included draft policy statements on accessibility and transparency. He pointed out that the impact on case-handling resources and the potential financial costs would both have to be taken into account when considering Hunt's recommendations.

Following a discussion about the key themes arising from the Hunt Review it was agreed that -

- a) the name of the Financial Ombudsman Service would not be changed
- b) in respect of telephone accessibility, further investigations should be carried out on the impact for mobile phone users and ways in which the new telephone system could interact with technology
- c) extended hours should be introduced in the Consumer Contact Division in a phased manner
- d) systems for helping vulnerable consumers would be reviewed and enhanced
- e) the proposal that ombudsmen's awards be quantified should be further explored
- f) it was inappropriate for a representative from the FSA routinely to attend board meetings
- g) summary minutes of board meetings should be published on the website
- h) assessments of the cost of enhancing accessibility and transparency should be made.

It was also agreed that policy statements on accessibility and transparency should be published in July.