

Financial Ombudsman Service Limited

MINUTES

MINUTES of the ninety second meeting of the directors, held at South Quay Plaza, 183 Marsh Wall, London E14 9SR on 9 April 2008 at 9.30 am

Present	Chris Kelly Joe Garner Elaine Kempson Kate Lampard Julian Lee Roger Sanders Maeve Sherlock	chairman
	Walter Merricks	chief ombudsman
In attendance	Barbara Cheney Tony Boorman David Cresswell Roy Hewlett David Thomas Alison Hoyland Lord Hunt Chris Kenny Richard Hobbs Michael McManus Michael Barnes	company secretary decisions director communications director (items 1 – 4) operations director corporate director policy unit manager (part item 4) Hunt Review (part item 4) Hunt Review project manager (part item 4) Hunt Review project team (part item 4) Hunt Review project team (part item 4) independent assessor (item 6)

1. Apologies for absence

Apologies for absence were received from Alan Cook and John Howard.

2. Minutes of meetings held on 5 March 2008

The minutes of the board meeting held on 5 March 2008 were approved as an accurate record of the meeting.

The minutes of the meeting of the nomination and remuneration committee held on 5 March 2008 were noted.

3. Matters arising

The chief ombudsman reported that the budget for 2008/09 had been approved by the FSA board on 27 March 2008.

It was confirmed that discussions were continuing with the FSA about the flow of complaints about payment protection insurance. It was agreed that it was important that these discussions should continue as a matter of priority.

4. Hunt Review

The board considered Lord Hunt's report which contained many helpful proposals about the way forward in respect of accessibility and transparency in the years ahead. The report was particularly valuable as it was written by an independent person who had spoken to a wide range of stakeholders. In welcoming the report, it was acknowledged that

- the recommendations represented a large and difficult agenda that would take several years to implement
- some of the findings would require significant expenditure which would require prior consultation
- it was important to retain the fundamental principles under which the ombudsmen work and that, in following any of the recommendations, these must not be compromised.

Lord Hunt and his team joined the meeting.

The chairman thanked Lord Hunt and his team for their significant contribution to the Service's forward agenda and for addressing some longstanding issues, such as appeals and charges for complainants.

In response, Lord Hunt commended the board for commissioning the review and he expressed his gratitude to his own team for their assistance. He fully understood why the board had chosen to focus on accessibility and transparency.

There was a discussion about the prioritisation of the large number of recommendations in the report. Other important issues discussed included formulaic awards, timetables, advice about process and the establishment of an inter-active system which would provide data on the ombudsman's approach to various types of cases.

Lord Hunt and his team left the meeting.

The board agreed that -

- a) the report would be published later in the day, accompanied by a news release that welcomed the review,
- b) the next issue of *ombudsman news* (on 21 April) will include an initial reflection on the report,
- c) further comment will be made in the *annual review* which will be published in May,
- d) more detailed discussions and planning will form the main item on the planning meeting agenda on 19 June.

5. Publication of complaints data

The corporate director explained that the FSA was planning to publish a discussion paper about regulatory transparency later in April. One of the proposals was that it was minded to start publishing complaints data in the first half of 2009.

The board reiterated its commitment to full transparency but recognised the complexities and time that would be involved in the publication of complaints data. There could also be significant behavioural changes on the part of firms which could have a consequential impact on the volume and mix of the caseload.

6. Independent Assessor's Report

The independent assessor presented his annual report to the board. He confirmed that the volume and the nature of complaints referred to him were not matters of undue concern. There were no major issues to report and complaints about delay remained the most common problem. He confirmed that he liaised regularly with the service review manager to provide feedback on his findings. He also welcomed the more recent development of quarterly meetings with the corporate director and the service review manager.

The chairman thanked him for his report, and expressed the board's gratitude to him for his valuable work.

7. Caseload

The operations director confirmed that the outcome for the year 2007/08 was very much in line with the forecast he presented to the board at the previous meeting.

In addition to the resumption of recruitment, the board discussed the possibility of piloting the limited use of outsourcing to assist with peaks in workload. After considering the associated risks it was agreed that an outsourcing pilot scheme should proceed.

8. Policy Report

The policy report was noted.

9. HR Report

The board received the HR report for the six months to 31 March 2008.

There being no other business, the meeting ended at 12.40pm.