

meeting of the industry steering group (trade association)

3 November 2014

present

from industry:

- David Sparkes, British Insurance Brokers Association
- Graham Peacop, UK Cards Association
- Robert Sinclair, Association of Mortgage Intermediaries
- Chris Hannant, Association of Professional Financial Advisers
- Hugh Savill, Association of British Insurers
- Eric Leenders, British Bankers Association
- Peter Wallwork, Credit Services Association
- Paul Smee, Council of Mortgage Lenders
- Stephen Sklaroff, Finance and Leasing Association
- Ian Cornwall, Wealth Management Association
- Clare Vicary, Financial Conduct Authority

from the Financial Ombudsman Service:

- Caroline Wayman, chief ombudsman and chief executive
- Richard Thompson, principal ombudsman
- Garry Wilkinson, director of new services

apologies:

- Martin Shaw, Association of Financial Mutuals
- Greg Stevens, Consumer Credit Trade Association
- Robin Fieth, Building Societies Association
- Keith Meeres, Investment and Life Assurance Group

welcome and introductions

The chief ombudsman and chief executive welcomed the group and thanked the members for attending.

complaints handling and the year ahead

The ombudsman service is preparing for its plan and budget. The principal ombudsman reflected on some of the key points from last year's plan and budget and current complaints volumes.

The group was told that the ombudsman continues to see small falls in complaint volumes in non-PPI areas and that Packaged Bank Account complaint volumes continue to increase, with a high proportion of these coming from claims management companies.

The group also heard that new PPI complaints have levelled off, although volumes remain significant and there are considerable uncertainties ahead. All of this suggested a range of plausible scenarios with anything between 80,000 and 200,000 new PPI complaints during 2015/2016, although the ombudsman's current central forecast was 120-150,000 which will stay under review as we continue to receive more data and insight from stakeholders. The



ombudsman is also preparing for the next phase in PPI, which will see more complex and hard-to-resolve issues come to the fore. The principal ombudsman explained that the service is working to develop its existing workforce to deal with these issues.

The group noted the possibilities of interest rate rises in the year ahead and discussed the potential impact on the market, in particular the impact on indebtedness, financial difficulties and how this may affect potential complaint volumes. The group agreed this was an area to monitor closely in light of the uncertainties it may produce.

The group agreed there was considerable uncertainty in forecasting future volumes but that the ombudsman's projection for future PPI complaints was reasonable.

service development

The director of new services talked to the group about some of the work underway to develop the service to reflect changes in how consumers interact with financial services – making resolution of disputes speedier, simpler and more straightforward. The group welcomed this and agreed that, where appropriate, more complaints should be resolved according to these principles. It was agreed that the ombudsman service would continue to work with firms to speed up the way cases are dealt with, removing unhelpful process barriers on all sides and improving the time it takes to resolve complaints.

next meeting

The next meeting will be held in six months.