

Meeting of the industry steering group (banking)

2 November 2017

present

from the banking sector:

- Vim Maru, Lloyds Banking Group
- Stuart Haire, HSBC
- Amy Lenander, Capital One
- Tony Prestedge, Nationwide Building Society
- Les Matheson, Royal Bank of Scotland Group (by phone)

from the Financial Ombudsman Service:

- Sir Nicholas Montagu, chairman
- Caroline Wayman, chief ombudsman and chief executive
- Annette Lovell, director of engagement

apologies:

- Ashok Vaswani, Barclays
- Javier San Felix, Santander

welcome and introductions

The chairman welcomed the group and thanked those present for attending.

2017/2018 – the year so far

The director of engagement talked the group through some of the trends from the current business year. The group heard that, based on current trends, the ombudsman service expects to receive the 180,000 new PPI complaints anticipated in its plans for 2017/2018. Attendees noted that they had seen a moderate increase in new PPI complaints since the start of the FCA communications campaign, and that this included an increase in “No PPI” cases.

The group also heard that the ombudsman service now expects to receive 257,000 new non-PPI complaints – a small increase on the 250,000 anticipated in its plans for 2017/2018. It was explained that this has been driven by a higher than anticipated volume of short-term lending complaints as well as an increase in general banking complaints. The group also noted the steep fall in the number of new complaints about packaged bank accounts and commented that this reflected the work the ombudsman service had done to inform claims management companies of its approach.

The group was supportive of the changes the ombudsman service has made to its casework model in order to resolve complaints more quickly, noting that it had benefits for consumers as well as being cost-effective.

plans and projections for 2018/2019

The chief ombudsman and chief executive outlined the ombudsman service’s initial projections for the coming business year. Attendees agreed it was too soon to gauge the

impact of the FCA's latest PPI policy statement and that in light of this, the service's projection of 250,000 new PPI complaints seemed prudent.

The group agreed that it was sensible that the ombudsman service would want to consider how it is funded in a post-PPI world.

The group also discussed a number of market developments that could potentially impact on the ombudsman service in the future. These included Open Banking, the second Payment Services Directive, the General Data Protection Regulation and immigration checks on current account holders.

AOB and closing remarks

No further business was raised by the attendees.

next meeting

It was agreed that the group would meet again in six months.