

Meeting of the industry steering group (banking)

4 November 2015

present

from the banking sector:

- Ashok Vaswani, Barclays
- Steve Pateman, Santander
- Les Matheson, Royal Bank of Scotland
- Francesca McDonagh, HSBC

from the Financial Ombudsman Service:

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

apologies:

- David Oldfield, Lloyds
- Alison Robb, Nationwide Building Society
- Chris Newkirk, Capital One plc

welcome and introductions

The chairman welcomed the group and thanked the members for attending.

complaints handling and the year ahead

The chief ombudsman and chief executive reported on some of the main developments at the service since the last meeting, including FCA approval of the ombudsman service as an ADR entity and the work that had been done to improve access to the service for consumers and businesses. The group also reflected on some of the significant external developments over the last year, such as the Supreme Court's decision in Plevin and the FCA's PPI statement.

The group heard that financial ombudsman service has started its plan and budget cycle and was presented with the service's projections for 2016/17. The group then discussed the various factors that could impact on volumes in the coming business year.

The chief ombudsman and chief executive explained that forecasting this year will be particularly challenging due to the uncertainties still in play around PPI, the potential impact of new rules on complaint handling and proposed changes to the regulation of claims management companies.

The group heard that the ombudsman service expected cases in general casework to remain broadly stable in 2016/17 and expected complaints about packaged bank accounts to steadily reduce. In terms of the budget, the ombudsman service explained that it expected to be able to reduce the overall amount of money it raises from the industry next year and to freeze case fees.

The group agreed that the picture was uncertain and that the ombudsman service was likely to be dealing with complaints about PPI for some time to come. The group was

content with the early proposals for the budget, including the impact on the ombudsman's reserves, and looked forward to having the opportunity to respond formally once the consultation had been published in December.

service development

The director of engagement thanked the group for its continued support. She explained that, as this work progressed, the ombudsman service would need to consider whether its charging arrangements continued to be fair. This was welcomed by the group, which suggested that, where possible, charges should incentivise the earlier handling of complaints.

The group discussed the need to continue working together on PPI complaints during the FCA's consultation on the Plevin decision and potential timebar to avoid any further delays and backlogs.

AOB

There was no other business the group wished to discuss.

next meeting

The next meeting will be held in six months.