

Meeting of the industry steering group (banking)

7 November 2019

Present from the banking businesses:

- Matt Hammerstein, Barclays UK
- Amy Lenander, Capital One UK
- Stuart Haire, HSBC UK
- Vim Maru, Lloyds Banking Group
- Craig Donaldson, Metro Bank
- Tony Prestedge, Nationwide Building Society
- Les Matheson, Royal Bank of Scotland Group
- Susan Allen, Santander
- Gerry Mallon, Tesco Bank

Present from the Financial Ombudsman Service:

- Caroline Wayman, Chief ombudsman and chief executive
- Annette Lovell, Director of strategy and engagement
- David Bainbridge, Head of external relations
- Richard West, Lead ombudsman

Apologies:

- Baroness Zahida Manzoor, Chair, Financial Ombudsman Service
- Andrew Bester, The Co-operative Bank
- David Duffy, CYBG
- Tom Blomfield, Monzo
- Debbie Crosbie, TSB

Welcome and introductions

The chief ombudsman welcomed the group and thanked those present for attending.

Updates from the ombudsman

The ombudsman service updated the group on recent developments, including the impact of the PPI deadline in August, its longer-term strategic planning, and the launch of the new website which allows for increased responsiveness to user needs. The ombudsman service reminded the group of the publication of its funding consultation and updated the group on the appointment of Baroness Manzoor as the new Chair of its Board.

Themes and trends from 2019/2020

The ombudsman service talked the group through some of the key themes from the year. The group heard that the service saw lower volumes of PPI complaints than expected but received significantly higher numbers of enquiries around the deadline. During the PPI discussion, some of the group talked about how they won't have finished dealing with

complaints until late 2020. On PPI, the group suggested they share with the ombudsman service their latest forecasts and any operational plans for dealing with these complaints.

As part of the discussion about trends, the group heard about the continuing trend of complexity in complaints, including in those complaints about fraud and scams.

The group talked in depth about what they were seeing in the fraud and scams area, focusing on authorised push payment scams. There was a discussion among the group about the balance between creating friction and protecting customers as well as sharing best practice. The ombudsman service reflected on the obligations that banks have had, both before and after the introduction of the Contingent Reimbursement Model Code.

The group received an update on the complaints received by the ombudsman service in the small business and claims management jurisdictions.

The ombudsman service's future funding arrangements

The ombudsman service reminded the group about the proposals for its funding arrangements, its overarching principles for a future funding model and summarised the feedback it had received on its consultation. It went on to explain the challenges it had encountered (including the volatility and complexity of casework) and that its current view was that rebalancing the current case fee to levy ratio would help meet those challenges.

Planning for 2020/2021 and the ombudsman service's future strategy

A discussion took place about the ombudsman service's current expectations for the remainder of the financial year and the context for planning for 2020/2021, including PPI and consumer credit complaint trends, increased complexity of casework and the necessity of flexibility to respond to volatility in demand for the service. The group were broadly in agreement with the ombudsman service's projections.

The ombudsman service also spoke about the work completed on its longer-term strategy and mentioned that further details will be published in its plans and budget for 2020/2021 and finalised in the next financial year.

Future trends and emerging issues

The group had a broader discussion about future trends with some in the group suggesting an increase in complaints associated with persistent debt.