

Meeting of the industry steering group (insurance)

11 November 2019

Present from insurance businesses:

- Cristina Nestares, Admiral
- Jon Dye, Allianz
- Angela Darlington, Aviva
- Claudio Gienal, AXA
- Penny James, Direct Line Group
- Steve Treloar, LV
- Antonio Lorenzo, Lloyds Banking Group
- Tulsi Naidu, Zurich

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

Apologies:

- Baroness Zahida Manzoor, Chair, Financial Ombudsman Service
- Andy Watson, Ageas
- Mark Summerfield, Co-operative Insurance
- Bernie Hickman, Legal & General Insurance
- Lindsay Sinclair, NFU Mutual
- Scott Egan, RSA Group
- Susan McInnes, Standard Life

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 PPI deadline in August, its longer-term strategic planning, and the launch of the new website which allows for increased responsiveness to user needs. It was acknowledged that the PPI update was helpful context for the discussions, and some of the group would also be impacted by the deadline. The ombudsman service reminded the group of the publication of its funding consultation and reflected on how helpful it had been to discuss this at the ABI board meeting. It then updated the group on the appointment of Baroness Manzoor as the new Chair for 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.

The group discussed subsidence claims which had increased since the extreme weather of 2018, and how the ombudsman service has been engaging with the industry to understand its potential impact on complaints volumes. It was noted that subsidence claims may increase with a more active housing market (as more home surveys are carried out), so the industry might expect to see an increase in claims if the housing market picks up.

More broadly the group discussed the ombudsman service's work with a range of stakeholders – this included the work done around the collapse of Thomas Cook in which insurers played a role.

The ombudsman service reflected upon the continuing trend of complexity in its casework, including complaints about fraud and scams as well as issues relating to insurance pricing. On the latter point, it was noted that while complaints hadn't increased, the regulator's work in this area, as well as that of claims management companies, could affect future complaints volumes.

One insurer remarked on what they saw as a growing trend in inappropriate customer contact, and the challenges of balancing with supporting their customers while protecting staff.

The ombudsman service also updated the group on the complaints received 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.

The ombudsman service outlined its current expectations for the remainder of the financial year and spoke about 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 ombudsman service also spoke about the work undertaken 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.