



Financial
Ombudsman
Service

Meeting of the industry steering group (insurance)

26 November 2018

Present from the insurance sector:

- Paul Geddes, Direct Line Group
- Bernie Hickman, Legal & General Insurance
- Steve Lewis, RSA
- Antonio Lorenzo, Lloyds Banking Group

From the Financial Ombudsman Service:

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

Apologies:

- Lindsay Sinclair, NFU Mutual
- Barry O'Dwyer, Standard Life
- Mark Summerfield, Co-op Insurance
- Colm Holmes, Aviva UK GI
- Andy Briggs, Aviva
- Claudio Gienal, AXA

Welcome and introductions

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

The year so far

The chief ombudsman and chief executive talked the group through some of the trends from the current business year. The group was also given an update on the implementation of the recommendations from the independent review of the service earlier in the year. The group then reflected on the importance of getting things right for consumers, and how organisations can continue to do the right thing.

The group spoke about issues of insurance pricing and the steps needed to improve in this area. It was suggested that in the short-term firms might see an uplift of complaints in this area.

The meeting heard of the general uplift in volumes and acknowledged the importance of people feeling confident and able to bring complaints. The role of claims management companies driving demand to the ombudsman service was discussed. It was agreed that further insight in this area would be helpful.

Looking forward

The group discussed the changes to the ombudsman service's jurisdiction which will see an expansion of its SME jurisdiction and bring CMCs under its remit from 1 April 2019. The group offered to share with the ombudsman service its insight and experience from working with SMEs. The group also agreed it would be useful to have early insight into the trends the ombudsman service sees from its expanded jurisdiction.

The ombudsman service shared its forecasts for 2019/2020 with the group. The meeting heard that the general increase in complaints the service had been experiencing was expected to continue into 2019/2020.

Following the discussion around forecasting, the meeting focused on dealing with the volatility and uncertainty in the market.

The group heard of the ombudsman service's plans to manage variable staffing costs and continued focus on achieving efficiencies. The ombudsman service also explained that, while it was not yet the right time to make any fundamental changes to its funding structure, it will need to raise additional funds next year – possibly through an increase to the general levy.

The meeting closed with a conversation around the funding principles of the ombudsman service.

Next meeting

It was agreed that the group would meet again in 2019.