

**Meeting of the industry steering group  
(trade associations)**

4 November 2019

Present from the trade associations:

- Hugh Savill, Association of British Insurers
- Martin Shaw, Association of Financial Mutuals
- Robert Sinclair, Association of Mortgage Intermediaries
- Steve White, British Insurance Brokers Association
- Robin Fieth, Building Societies Association
- Jason Wassell, Consumer Finance Association
- Peter Wallwork, Credit Services Association
- Fiona Hoyle, Finance and Leasing Association
- Pat Bennett, Investment and Life Assurance Group
- Ian Cornwall, Personal Investment Management & Financial Advice Association
- Eric Leenders, UK Finance
- Mike Conroy, UK Finance

Present from the Financial Ombudsman Service:

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

Apologies:

- Greg Stevens, Consumer Credit Trade Association

**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. The ombudsman service reminded the group of the publication of its funding consultation, noting that it launched that day and reminding the group of the engagement that had already taken place. It also 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. It also heard about the complaints received in the small business and claims management jurisdictions.

The ombudsman service spoke about increases across consumer credit and its wider work to share insight from complaints involving debt and affordability. The group also heard about the ombudsman service's work with a range of stakeholders, with examples around the British Steel Pensions Fund and the collapse of Thomas Cook.

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, insurance pricing and due diligence issues in self-invested personal pensions.

### **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. There was also a discussion about how the service aims to show any potential impact and communicate any planned changes effectively to all regulated businesses.

In discussing the proposals and feedback some of the group shared their own experiences of the challenges involved with developing and maintaining sustainable funding.

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

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 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 claims management activity and some trade bodies suggested that the service would receive fewer CMC represented complaints in the future.

Some of the group thought the service may see increases in complaints related to protection products and cases related to the move away from the London Interbank Offered Rate (LIBOR) interest rate benchmark.