

Minutes – Consumer Liaison Group

25 January 2023 - Meeting held at Exchange Tower, London and via Microsoft Teams

Financial Ombudsman Service attendees	Consumer Liaison Group attendees
Abby Thomas, Chief Executive and Chief Ombudsman James Dipple-Johnstone, Deputy Chief Ombudsman David Bainbridge, Head of Stakeholder Engagement John Wightman, Ombudsman Leader Dara Meunier, Policy and Communications Adviser	Sarah-Jayne Dunn, Citizens Advice Scotland Sally Dray, Money Saving Expert Emer Sheehy, Citizens Advice David Hawkes, Advice UK Fatima Bello, Which? Keith Richards, FCA Consumer Panel Meg Van Rooyen, Money Advice Trust Jackie Spencer, MaPS David Southgate, Age UK Francesca Ferrier, Refuge Lauren Garrett, SEA Scott Kennerly, CCNI

Unable to attend/apologies	Bob Winnington, MALG ; Peter Costello, Money Advice Scotland ; Chris Lees, MMHPI ; Adam Butler, StepChange ; Olivia Sizeland, The Money Charity ; Dr Xia Lin, Toynbee Hall ; Sonia Payne, UK International Consumer Centre
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Item	Agenda
1.	Welcome and introductions
2.	Key updates from the Financial Ombudsman Service
3.	Discussion on vulnerability and cost of living
5.	AOB and closing remarks

1. Welcome

1.1 The Chair welcomed attendees to the meeting.

2. Key updates from the Financial Ombudsman Service

2.1 The Financial Ombudsman Service advised attendees that the service has newly

appointed senior leadership team members including Deputy Chief Ombudsman, James Dipple-Johnstone and Chief Operating Officer, Karl Khan.

- 2.2 The Financial Ombudsman Service highlighted that it continues to work through the backlog of complaints. The organisation also mentioned the transformational change it is undertaking to improve efficiency by simplifying team structures as well as enhancing service delivery digitally with a self-serve online portal for consumers.
- 2.3 The Financial Ombudsman Service invited attendees to consider responding to the Plans and Budget consultation for 2023/2024 which closes on 31 January 2023.

3. Discussion - impact of the current economic environment and rising living costs

- 3.1 The Financial Ombudsman Service invited attendees to share their insights – so it could seek to understand the issues consumers and small businesses might face with firms considering the current economic position and rising living costs.
- 3.2 Most attendees reported more consumers are fatigued by the ongoing financial crisis and feeling too overwhelmed to seek support from firms and our service.
- 3.3 Many attendees also reiterated that people are struggling and seeking help with energy/utility/council tax bills rather than consumer credit issues.
- 3.4 Some attendees raised the capacity issue facing the debt advice sector with advisors experiencing a similar fatigue to consumers due to staff shortages and redundancies, issues retaining experienced staff, additional safeguarding concerns as well as more complex cases where usual debt solutions are less effective.
- 3.5 A couple of attendees provided insight into how the cost of living crisis is impacting survivors of economic abuse, notably they have seen an increase in complex forms of economic abuse including tech-facilitated abuse as well as an increase in the average survivor's debt. The Financial Ombudsman Service welcomed both attendees to share further feedback about their clients' experiences with the service.
- 3.6 One attendee predicted an uptick in lending forbearance issues rather than consumer credit concerns. They also mentioned receiving more enquiries about mortgage rates and arrears from consumers whereas SMEs are seeking support with rent and energy payments.
- 3.7 Another attendee emphasized contrasting financial landscapes across the UK with some regions only just receiving government energy support, pushing consumers to making unforeseen financial decisions such as resorting to illegal lending.
- 3.8 The Financial Ombudsman Service suggested focusing on Buy Now Pay Later at the next CLG meeting to understand what role this form of consumer credit plays in the economic crisis.

4. AOB and closing remarks

- 4.1 One attendee shared that insurance claims are the highest they have been for at least four years. They added that they are also seeing more victims of fraud use CMCs.
- 4.2 Attendees expressed support for the Financial Ombudsman Service's mandate for digital improvement but noted that the organisation should also maintain offline reporting routes and should ensure that the new digital access portal is safe for consumers especially those with vulnerable circumstances.
- 4.3 The Chair thanked all attendees for their input and closed the meeting.