meeting of the industry steering-group (banking)

17 October 2011

Financial Ombudsman Service

present

from the banking sector:

- Alison Brittain, Lloyds Banking Group
- Brian Cole, Capital One
- Joe Garner, HSBC
- Brian Hartzer, RBS
- Charlotte Hogg, Santander
- Deanna Oppenheimer, Barclays

from the Financial Ombudsman Service:

- Chris Kelly, chairman
- Natalie Ceeney, chief ombudsman
- Tony Boorman, decisions director

apologies

- Graham Beale, Nationwide

welcome – and brief discussion of how we make these meetings most effective

The chairman welcomed members to the first meeting of the new industry steering-group (banking). He noted that the new arrangement was in response to feedback from the industry that discussion might be more effective if we had separate banking and insurance groups.

planning for 2012/2013

anticipated complaint volumes for 2012-13 – and emerging issues

The chief ombudsman noted that the service was starting to consider its plan and budget for 2012/2013, prior to public consultation in the new year. The group noted that the businesses represented on the group account for over half of the ombudsman service's workload – and that what these businesses are seeing, and what they forecast, will materially help the ombudsman service to plan ahead.

The role of claims managers in bringing complaints was noted. Many members felt there was a need for better regulation of claims managers and various options were discussed. Group members will consider this further.

The group discussed the likely trends in complaint volumes over the next twelve months – noting in particular the potential impact of wider economic conditions and the uncertain prospects around payment protection insurance (PPI) volumes. The ombudsman service would continue to engage with individual businesses about their forecast volumes for the coming year.

ombudsman service priorities for 2012/2013

The group noted that the ombudsman service's development priorities are currently to:

- deliver a trusted, fair and easy to use service – for everyone;
- put knowledge and expertise at the heart of everything we do;
- be flexible, reliable and effective;
- operate a "lean" and efficient organisation; *and*
- share our experience and insight – helping to prevent future problems

Most of these priorities are 'themes' which contain multi-year projects or "culture change" work. As 2011/2012 was about developing a strategy, and getting the leadership in place to deliver it, 2012/2013 will need to be focused on delivery. So a continued focus on the same themes is critical.

The group noted the significance of e-enablement in improving service and efficiency for everyone. Group members agreed to follow-up the discussions that the ombudsman service is having with group members, to implement a workable scheme for all parties.

the ombudsman service's funding model

The chief ombudsman briefly outlined the current funding model for the ombudsman service, details of which had been circulated to members in advance. She invited members to comment on whether they considered the current arrangements are fit for purpose and drive appropriate behaviours.

The differing needs of large and small businesses were noted. The possibility of *differing* charging schemes for large and smaller users was discussed. A range of views emerged around possible models. The ombudsman service will discuss options with group members and also brief the wider *industry funding forum*. Any changes to funding arrangements would probably not be implemented before April 2013.

In the interim, the group agreed to support a simplification of the invoicing arrangements for group members, in order to reduce administration costs.

transparency - update

It was noted that the Government has indicated it would like ombudsman decisions to be published – and has included a clause to that effect in the draft Bill. The ombudsman service is consulting on how publishing ombudsman decisions might work in practice. The group noted that there are potential benefits if the ombudsman service proactively releases objective, balanced and structured information.

The next steps would be for the board of the Financial Ombudsman Service to consider the feedback received during the consultation. The chairman encouraged all interested parties to respond to the consultation.

The group also noted the application of the *Freedom of Information Act* to the ombudsman service. A number of potential industry concerns were raised. The importance of complying with the Act – and the relevance of various exemptions in certain circumstances – were noted.

AOB and future topics

The group agreed that it had been a useful and productive meeting – and that it should meet again in about six months. It was noted that the new chair of the ombudsman service will be chairing the next meeting.

next meeting

The next meeting will be arranged for approximately six months time.