

Board Meeting 11

9.00am – 2.00pm Thursday 14th January 2016

CIFO, 3 The Forum, Grenville Street, Floor 2 Boardroom, St Helier JE4 0WQ

Minutes

Board of Jersey OFSO

Board of Guernsey OFSO

Present:

David Thomas (DT) in the chair

John Curran (JC)

Debbie Guillou (DG)

John Mills (JM) – except for item 10

In attendance:

Douglas Melville (DM), Principal Ombudsman and CEO

Sophie Watkins (SW), Manager, Administration & Stakeholder Relations

For item 6.2.2 only: Lesley Averell, Audit Director, and Sandeep Lamba, Audit Manager, of KPMG

Apologies:

None

1	Minutes of last meeting The board noted a quorum was present. The minutes were approved.	
2	Guernsey OFSO The board noted that the 2016 OFSO budget had been submitted to and approved by the Commerce and Employment Department (CED) and that, once consultation paper 7 concludes on 15 th January 2016, OFSO would write to CED with a recommendation regarding the amendment of the Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) Order 2015.	
3	Jersey OFSO The board noted that the 2016 OFSO budget had been submitted to and approved by the Minister for Economic Development (EDD) and that, once consultation paper 7 concludes on 15 th January 2016, OFSO would write to EDD with a recommendation regarding the amendment of the Financial Services Ombudsman (Case-fee and Levy) (Jersey) Regulations 2015.	

4	Chief Executive's Report The board noted: • The progress on finalising the memoranda of understanding with the Guernsey and Jersey FSCs, which will be circulated to the board once signed. Letters should be drafted to the Chairmen of the FSCs thanking them for their assistance with the development of the MOUs. • Any involvement in working groups with stakeholders should recognise the impartiality of CIFO between providers and consumers, and CIFO should not be treated as representing consumers. As regards the GFSC project on regulation of credit, CIFO cannot do anything that appears to fetter its discretion in deciding future cases. Subject to this, and resource constraints, CIFO should seek to assist in an observer capacity. • The policy on consultation should be clarified. An otherwise open response can include a separate confidential section insofar as it is limited to data that are truly commercially sensitive, and that section will be redacted from any published version. • The identification of a useful independent external expert in the area of pension complaints and the issues regarding conflict of interest with local experts. • CIFO has been granted observer status with FIN-NET, the European Union network of financial alternative dispute resolution bodies. This appears to be the first inclusion of a Channel Islands body in discussions of an EU body. This has been welcomed by the Channel Islands Brussels Office, and CED and EDD will be advised. The board further noted that this should be reflected in the annual report; • The query over timings of board meetings with quarterly statistics on complaints and accounts and agreed that the board should meet quarterly (see item 9).	DM SW DM
5	Complaints volumes and quarterly analysis	

	The board noted the analysis of complaint volumes to date and the development of quarterly statistics for the board. The board requested: • ongoing monitoring of the volumes of rejections due to the 'starting date' for retrospection and the particular definitions of relevant financial services relating to collective investment funds; • that, on the summary sheet, the numbers were provided for complaints rejected at stage 3 and 4; • that type of complainant should be added to the data provided to the board on complaints (individual as consumer / individual as trustee / microenterprise / charity); • information to be included as to whether any of the same providers seem to be generating higher proportions of complaints; • that the data must be able to be analysed by island; • published data should not distinguish between the islands at the outset; • the time analysis should be in multiples of 90 days. The board noted: • Both the type of provider and the type of product should be recorded. The nature of the complaints should be classified at the end of the complaint process (as it is not necessarily clearly defined at the start of the complaint process). • Caution should be exercised regarding meeting in person with one party in the absence of the other, in order to uphold independence and to be fair to all parties. Where a party requests a meeting in which to provide and discuss documentation, CIFO staff should request the documents first, review and then contact by telephone if there are any queries; • The board's July meeting will consider proposals from the chief executive for: a unit cost measure; and research into satisfaction levels.	DM
6	Finance The board noted: • The cash flow update; • The options for a deposit account and approved the opening of an instant access account with HSBC, without the sweep option.	
6.1	2015 levy update The board noted the update on the 2015 levy collection. It recommended that the next statement of account to be sent to non-payers should be sent week beginning 18th January 2016. This should remind non-payers that interest is accruing at 6% pa from the due date. It should quote the amount of the interest as a daily rate (in cash terms) and say that interest must be added to the payment.	

	the cash flow report tabled at the meeting, the absence of any material liabilities on the balance sheet, and the entitlement enshrined in legislation to raise levies and fees to cover their expenses.	
7	CIFO activities plan The board noted the plan.	
8	Annual report 2015 The board discussed the paper on the annual report and noted the following areas needed to be included: • International relations (see item 4) • The implications for redress awards that there is not a compensation scheme for all areas of relevant business • Data integrity of licensee data from the regulators • The (high) proportion of complaints that are being settled on referral to CIFO, so that published ombudsman decisions may not be indicative of overall trends. • The expense of unavoidable overheads, such as the cost of raising the funding • Cases outside of jurisdiction ('starting date' and funds coverage) The board will be asked to update their biographical information and a photographer will be arranged for the next board meeting. The board agreed an annual meeting in relation to the annual report should be held for stakeholders generally plus individual meetings with CED / EDD and the FSCs. The timing should be arranged so as to align appropriately with the submission of the annual report and accounts to the States by CED and EDD.	SW DM / SW
9	Board dates The board reassessed the meeting dates for 2016. The proposed revised dates are: Tuesday 26th April 2016 (all day) - Jersey Tuesday 19th (pm) and Wednesday 20th (9am – 2pm) July - Guernsey Wednesday 19th (pm) and Thursday 20th (9am – 2pm) October Wednesday 18th (pm) and Thursday 19th (9am – 2pm) January 2017	SW
10	Any other business John Mills left the meeting. The board noted the update on jurisdictional issues relating to pensions in Jersey.	
	Approved at board meeting 12 on 26 th April 2016	
	Chairman	

