

## Board Meeting 13

10.30am Wednesday 20<sup>th</sup> July 2016

Guernsey Registry, Market Building, Fountain Street, St Peter Port, GY1 3GX

In these and future minutes:

- CED = Committee for Economic Development, Guernsey
- CIFO = Channel Islands Financial Ombudsman, joint operation of Jersey OFSO and Guernsey OFSO
- EDD = Economic Development Department, Tourism, Sport and Culture, Jersey
- Guernsey OFSO = Office of the Financial Services Ombudsman established by law in Guernsey
- Jersey OFSO = Office of the Financial Services Ombudsman established by law in Jersey
- GIBA = Guernsey International Business Association
- UK FOS = UK Financial Ombudsman Service
- OBSI = Ombudsman for Banking Services and Investments (Canada).

## 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)

### In attendance:

Douglas Melville (DM), Principal Ombudsman and Chief Executive  
Sophie Watkins (SW), Manager of Administration and Stakeholder Management

### Apologies:

None

1	<p><b>Minutes of the last meeting</b></p> <p>The board approved the minutes of the last meeting, subject to removal of duplicated text in item 3.</p>	Action
2	<p><b>Approval of previous Board decisions</b></p> <p>The board approved the previous decision by email approving the planned approach to late zero-rating and collection of 2015 levies payable.</p>	

3	<p><b>Guernsey OFSO</b></p> <p>The board noted its previous decisions by email approving:</p> <ul style="list-style-type: none"> <li>▪ the 2015 annual report and accounts;</li> <li>▪ the 2016 Levy Schemes;</li> <li>▪ the prior Board minutes for publication on the CIFO website.</li> </ul> <p>The board noted the CIFO annual public meeting that took place at St James Concert and Assembly Hall 19 July 1600-1700 and its meeting with the Guernsey Committee for Economic Development at 9am on 20<sup>th</sup> July 2016.</p>	
4	<p><b>Jersey OFSO</b></p> <p>The board noted its previous decisions by email approving:</p> <ul style="list-style-type: none"> <li>▪ the 2015 annual report and accounts;</li> <li>▪ the 2016 Levy Schemes;</li> <li>▪ the prior Board minutes for publication on the CIFO website.</li> </ul> <p>The board noted the planned CIFO annual public meeting at The Royal Yacht hotel on 21<sup>st</sup> July 1600-1700.</p>	
5	<p><b>Guernsey States actions</b></p> <p>The board noted:</p> <ul style="list-style-type: none"> <li>▪ the reported approval of CED on 9 June 2016 of the CIFO recommended extension of the 50:50 cost-sharing between Jersey and Guernsey OFSOs;</li> <li>▪ that CED staff are starting on the necessary legislative amendments;</li> <li>▪ The position on the sharing of sensitive information such as suspicious activity reports.</li> </ul>	
6	<p><b>Jersey States actions</b></p> <p>The board noted:</p> <ul style="list-style-type: none"> <li>▪ the letter of 8<sup>th</sup> Jul 2016 from the Minister for Economic Development, Tourism, Sport and Culture confirming that EDD will proceed with the legislative changes recommended by CIFO to the Financial Services Ombudsman (Case-fee and Levy) (Jersey) Regulations 2015 and that EDD will update the Memorandum of Understanding with the CED;</li> <li>▪ that CIFO staff have met with EDD and the legislative draftsman to discuss the required changes;</li> <li>▪ The position on the sharing of sensitive information such as suspicious activity reports.</li> </ul>	
7	<p><b>Chief Executive's Report</b></p> <p>The board noted the Chief Executive's report and in particular:</p> <ul style="list-style-type: none"> <li>▪ that, while CIFO is seeking to clarify some aspects relating to the financial services that are within the remit of CIFO in discussions with CED, EDD and the Financial Services Commissions (FSCs), the decision about whether a specific complaint is within mandate is for the ombudsman alone;</li> </ul>	

	<ul style="list-style-type: none"> <li>▪ the written assurance received from the Jersey Appointments Commission in a letter dated 24 June 2016 regarding the independence of the Principal Ombudsman role and that similar assurances have been sought, via EDD, from the States Employment Board;</li> <li>▪ the ongoing plans for the board to meet with the boards of the FSCs and for the Chair and Principal Ombudsman to visit the States of Alderney and the Chief Pleas of Sark;</li> <li>▪ the GFSC's plans for a consultation paper on the proposed lending and credit regulatory framework in Guernsey;</li> <li>▪ the research findings on CIFO in the Deloitte's Compliance (Jersey) Survey 2015/6;</li> <li>▪ the consultation by the Jersey Law Commission on administrative redress;</li> <li>▪ the additional work invoiced by the auditors and accountants in respect of the 2015 accounts and audit, for further discussion internally and with the suppliers;</li> <li>▪ that in the event of complaints to CIFO indicating there may be systemic issues of interest to the regulator, CIFO staff should take the appropriate action under the Memoranda of Understanding with the regulators, including (where appropriate) a formal letter highlighting the issue;</li> <li>▪ that the new case management system is up and running at OBSI and CIFO is waiting to receive the code. A request for proposals is being prepared for IT suppliers.</li> </ul> <p>With respect to the items relevant to CIFO in the revised Jersey Financial Services Commission's proposed codes of practice, the board suggested CIFO staff should identify any different approaches being taken by the Guernsey and Jersey Financial Services Commissions in requirements relating to CIFO and complaint handling in general for discussion in regular meetings.</p> <p><b>Second quarter of 2016 complaints data</b></p> <p>With respect to the second quarter of 2016 complaints data, the board requested that the complaint handlers attend the next board meeting to give some insight and general examples of casework.</p> <p>The board noted the number of complaints over 90 days and requested verbal information on the stage these are at in future. The board requested management consider reducing the time limit for financial services providers to provide information from 30 days to 14 days, with provision for providers to request extra time if necessary.</p>	<p>DM / DG / SW</p> <p>DM</p> <p>DM</p> <p>DM DM</p>
8	<p><b>Finance</b></p>	
8.1	<p><b>CIFO Q1 and Q2 financial accounts</b></p> <p>The board was not able to consider the quarterly reports as they were not received in time from the outside supplier.</p>	

8.2	<p><b>CIFO cashflow update</b></p> <p>The board noted that it would need to collect 2017 levies in March / April 2017 in order to protect the operating reserve and, to avoid an excess of conservatism, instructed that the cash flow projections should reflect historical actual expenditures, not only the budget, to more accurately project CIFO's future cash flow position.</p>	
8.3	<p><b>Update on 2015 and 2016 levy collection</b></p> <p>The board noted the update and requested that for 2016 collection, further effort is put into following up unpaid levy notices and sending to debt collection sooner.</p>	
8.4	<p><b>Insurance</b></p> <p>The board requested that details of the travel insurance cover are circulated to directors.</p> <p>The board requested that management clarify with the insurance brokers the coverage under the Directors and Officers policy in the light of the statutory limitation of liability and confirm the extent to which the legal costs of judicial review would be covered under this policy.</p>	<p>SW</p> <p>SW</p>
8.5	<p><b>Renewal of line of credit</b></p> <p>The board did not approve the renewal of the bank line of credit as there should be no need for this facility going forward given the operating reserve in place.</p>	
9	<p><b>CIFO activities plan</b></p> <p>The board noted that there was no further action required in respect of the court rules issue.</p>	
10	<p><b>Policy items</b></p> <p><b>Plan for publication of ombudsman decisions and case studies</b></p> <p>The board considered a paper on the publication plan for ombudsman decisions and case studies and requested the Chair and the Principal Ombudsman develop it further, considering:</p> <ul style="list-style-type: none"> <li>▪ linking the data on complaints, the case studies and determinations;</li> <li>▪ referencing the sector, product and issues lists;</li> <li>▪ using a taxonomy that is useful for users;</li> <li>▪ single or multiple routes to a determination.</li> </ul> <p><b>Awards of interest to complainants</b></p> <p>The board noted the paper and considered that, as it relates to determinations, it is a matter for the Principal Ombudsman to decide and no consultation is required.</p>	<p>DM / DT</p>

11	<p><b>2017 board and other meetings</b></p> <p>Management to use a scheduling tool (eg. Doodle.com) to find suitable dates for 2017 board meetings, avoiding school holidays and 1<sup>st</sup> Thursdays and Tuesdays of the month. Key dates to fit with statutory requirements are ideally in the first half of April, around the end of October and in early July.</p> <p>A date has been fixed for a meeting with the GFSC Commissioners. The Chair to write formally to the JFSC Chair to suggest a meeting with the Commissioners, or if not possible the JFSC Chair plus local Commissioners.</p>	<p>DM / SW</p> <p>DT</p>
	<p>Approved at board meeting 14 on 20<sup>th</sup> October 2016</p> <p>Chairman</p>	