

**Board Meeting 23**  
**9.00am Tuesday 22<sup>nd</sup> January 2019**  
**CIFO office, St Helier**

**Minutes**  
**Board of Jersey OFSO**  
**Board of Guernsey OFSO**

**Present:**

David Thomas (DT) in the chair  
 John Curran (JC) – by telephone  
 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	<b>Minutes of the last meeting</b>	<b>Action</b>
	The board approved the minutes of the last meeting, subject to the amendment of a mis-typed date in bullet 3 of item 7.3.	SW
2	<b>Declaration of interests or potential conflict with respect to the agenda</b> None were declared.	
3	<b>Noting of previous board decisions</b> The board noted previous board decisions made by email: <ul style="list-style-type: none"> <li>▪ Approval of the Board response to CP14, 14 December 2018;</li> <li>▪ Approval of the 2019 levy consultation document and draft levy schemes for publication, 14 December 2018.</li> </ul>	
4	<b>Guernsey OFSO</b> The board noted previous board decisions made by email: <ul style="list-style-type: none"> <li>▪ Approval of the 2019 OFSO Guernsey budget and report to Guernsey CED, 25 October 2018;</li> <li>▪ Adoption of the 2019 OFSO Guernsey budget following Guernsey CED approval, 13 November 2018.</li> </ul>	

5	<p><b>Jersey OFSO</b></p> <p>The board noted previous board decisions made by email:</p> <ul style="list-style-type: none"> <li>▪ Approval of the 2019 OFSO Jersey budget and report to Jersey Minister, 25 October 2018;</li> <li>▪ Adoption of the 2019 OFSO Jersey budget following Jersey Ministerial approval, 13 November 2018.</li> </ul>	
6	<p><b>Guernsey States actions</b></p> <p>The board noted:</p> <ul style="list-style-type: none"> <li>▪ The approval of 2019 OFSO Guernsey budget by the Committee for Economic Development</li> <li>▪ The Financial Services Ombudsman (Bailiwick of Guernsey) (Amendment) Ordinance, 2018;</li> <li>▪ The Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) (Amendment) Order, 2018;</li> <li>▪ The revised Memorandum of Understanding (MoU) with the Jersey Minister for Economic Development, Tourism, Sport and Culture.</li> </ul>	
7	<p><b>Jersey States actions</b></p> <p>The board noted:</p> <ul style="list-style-type: none"> <li>▪ The approval of 2019 OFSO Jersey budget by the Minister for Economic Development, Tourism, Sport and Culture;</li> <li>▪ The Financial Services Ombudsman (Case-fee, Levy and Budget - Amendments) (Jersey) Regulations 2018;</li> <li>▪ The Revised Memorandum of Understanding (MoU) with the Guernsey Committee for Economic Development;</li> <li>▪ The Consultation on the proposed regulation of consumer lending;</li> <li>▪ The Consultation on the proposed regulation of pension business.</li> </ul>	
8	<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>▪ The information on 2018 complaint and case file volumes. The board will be monitoring the planned improvements in reducing the number of existing case files on hand. The board noted an erroneous reference to September 2018 in the summary chart;</li> <li>▪ The current legal activity in relation to a determined complaint including the resource implications, the preparations as regards a 'phoenix firm' situation, and funding issues and asked management to explore if the legislation would allow a future case fee scheme to provide for a supplemental case fee that could be charged for the supplemental costs of enforcement of an award in a determination (not the costs of a judicial review);</li> <li>▪ The update on multiple complaints;</li> <li>▪ As regards the planned updating and improvements to the legislation, that management need to ensure that the funding amendments are ringfenced as necessary so that this work proceeds in a timely way, even if the States take longer on other issues;</li> <li>▪ The staffing and current recruitment update. The board expressed its thanks to management for their efforts in managing the impact of this on the operation of CIFO.</li> <li>▪ As regards efficiency measures, the board requested management to consider issuing a specific request to financial services provider bodies,</li> </ul>	<p style="text-align: center;">DH</p> <p style="text-align: center;">DM / SW</p> <p style="text-align: center;">DM / SW</p> <p style="text-align: center;">DM / SW</p>

	<p>following up from the general request in the 2017 annual report, to request feedback and any efficiency suggestions;</p> <ul style="list-style-type: none"> <li>▪ The recent stakeholder meetings;</li> <li>▪ The hospitality register;</li> <li>▪ the media coverage;</li> <li>▪ the board calendar of activities and recommended that review of the financial controls is added, once these have been further developed by the new postholder;</li> <li>▪ the timing of the annual general meetings, in Guernsey on Tuesday 16 July and on Wednesday 17 July in Jersey;</li> <li>▪ Board meetings to start at 9.30am in future.</li> </ul>	<p>SW</p> <p>SW</p> <p>SW</p>
9	<b>Finance</b>	
9.1	<b>CIFO Q4 financial accounts and cashflow</b> The board noted the fourth quarter financial accounts.	
9.2	<p><b>Update on 2018 levy collection</b></p> <p>The board noted the update on the levy collection and considered the recoverability of the remaining outstanding debtors. The board agreed to write off G2018-159 as unrecoverable and to desist from further efforts to return the minor, historic over-payment by an ex-financial services provider.</p> <p>The board considered an application from a financial services provider in respect of the outstanding levy notice J2018 – 166 citing exceptional circumstances. The board noted:</p> <ul style="list-style-type: none"> <li>▪ the entity's comments regarding the date of receipt of the levy notice, which was delayed by considerations at an earlier board meeting and by use of an incorrect address;</li> <li>▪ that CIFO is reliant on the data provided by the Financial Services Commission;</li> <li>▪ the concerns and argument would be the same even if the notice had been received earlier and that it was not persuaded the circumstances warranted the waiving or variance of the levy, under paragraph 11 of the Financial Services Ombudsman Levy Scheme (Jersey) 2019, hence the levy remains due;</li> <li>▪ the entity should be given the link to CIFO current consultations and the newsletter sign-up.</li> </ul> <p>The board instructed management to add interest to G2018-029 and J2018-037, inform the regulators of the failure to settle these levy notices and to pursue legal action as necessary to recover the levy amounts.</p> <p>Further consideration of the recoverability of the remaining debtors will be brought back to the next board meeting.</p>	<p>SW</p> <p>SW</p> <p>SW</p>
9.3	<p><b>Update on 2019 levy collection</b></p> <p>The board noted the current consultation on the 2019 levies and the timetable. The board noted that the 2019 levy data recently received from the Jersey Financial Services Commission included some new information on bank licence surrenders which will impact on the 2019 bank levy amount and that management will notify the Jersey Bankers Association accordingly.</p> <p>The board noted that management would ensure that levy notices and invitation letters in respect of the levy would include information on how to sign</p>	<p>DM / SW</p>

	up for newsletters to keep apprised of consultations, to ensure that levy payers are informed on relevant consultations.	SW
9.4	<p><b>2018 audit plan</b></p> <p>The board noted the audit plan and proposed fee.</p> <p>The board noted from informal research by management with similar bodies that it is not clear CIFO could achieve savings by changing the choice of auditor and that it is not feasible to consider doing a request for proposals until the new financial accountant is in post. The board suggested that management evaluate the current auditors post-audit and have a further conversation on 2019 fees.</p>	DM / SW
9.5	<p><b>Financial controls paper</b></p> <p>The board considered the paper and all the recommendations were approved. Management are to add regular reviews of the controls to the board calendar, with the new financial accountant to progress the actions.</p> <p>The board noted that any further issuance of and access to credit cards must be under tight control, with the cards stored in the safe when not in use and a strict receipt policy and statement reconciliation.</p>	DM / SW
10	<p><b>Board review - Effectiveness</b></p> <p>The board considered and discussed the paper on effectiveness. The next review topic will be fairness.</p>	
11	<p><b>Proposed FSP-named summary statistics for publication</b></p> <p>The board considered an outline paper covering content, format and process. The board noted that the relevant legislative amendment had been passed in Jersey in March 2018, with the equivalent legislation in Guernsey in process but delayed.</p> <p>Management was asked to consider further or clarify certain areas regarding:</p> <ul style="list-style-type: none"> <li>▪ whether there is any constraint on the periods relating to the complaints that can be published, such as only data subsequent to the enabling legislation;</li> <li>▪ the process by which the data is verified and notified to respondents prior to publication;</li> <li>▪ Whether only cases or also complaints be shown for respondents;</li> <li>▪ Whether it is appropriate to segregate the data by sector or simply show all data for each respondent;</li> <li>▪ How to show complaints relating to trading names and subsidiaries within a group</li> <li>▪ Whether there would be any resourcing benefit to report on statistical subsets (only respondents with more than x complaints in a year) and whether this would be in keeping with the legal provisions;</li> <li>▪ Consider the frequency of publication with respect to resourcing and stakeholder relationships;</li> <li>▪ The consultative approach. To include a reminder to stakeholders of the reason for doing this (consider reference to UK FOS consultations in 2008/9) and consult on the format and process.</li> </ul> <p>Management agreed to meet with the Chair to consider the options and trade-offs before the next meeting.</p>	DM / SW
		DM/DH

12	<b>2018 Annual Report themes</b> The board noted and discussed the paper on proposed themes for the 2018 annual report.	
13	<b>Senior staff item</b> The board noted the new agreement, which was duly signed.	
14	<b>Other business</b> The new taxi account in Jersey was noted and details will be shared with directors.	SW
	Approved at board meeting 24 on 25 April 2019.  Chairman	