

Board Meeting 37

8.00am – 12:00pm Wednesday 27 July 2022

Les Vardes House

La Charroterie, St Peter Port, Guernsey

Minutes

Board of Jersey OFSO

Board of Guernsey OFSO

Operating jointly as the Channel Islands Financial Ombudsman (CIFO)

Present:

David Thomas (DT) in the chair

Robert Girard (RG)

Debbie Guillou (DG)

John Mills (JM)

Antony Townsend (AT)

In attendance:

Douglas Melville (DM), Principal Ombudsman & Chief Executive

Alison Finn (AF), Manager, Finance & Administration (by video conference)

Ross Symes (RS), Manager, Complaints Resolution (by video conference)

Apologies:

1 Approval of the Agenda

Approved

2 Declaration of interests or potential conflict with respect to the agenda

Interests declared by one director and one staff member with respect to the 2 Jersey public sector employee pension schemes.

3 Minutes of the last meeting

The board approved the minutes of the last meeting.

4 Previous board decisions by email to note

None this quarter

5 Board to note

Publication of Q1 2022 complaint statistics (12 May 2022)

Proposed meeting dates for 2022 and 2023

6	<p>Chief Executive’s Report</p> <p>The board noted the Chief Executive’s report and in particular:</p> <ul style="list-style-type: none"> • The election of a new Government in Jersey and the change in Minister with responsibility for CIFO. • The first phase of pension regulation in Jersey is complete • The challenges in establishing a funding model for the pension sector due to a lack of information provided to-date on the numbers of occupational pension plan providers, number of occupational pension plans and plan members, and complaint volumes, type and complexity. It was agreed to request further information on the sector and for current year time being spent by CIFO to be recorded to ensure current levy payers are not funding this pensions sector preparatory work, with the costs to be recoverable once a funding model is established to cover this area of activity. • Noting the balance of Guernsey and Jersey stakeholder engagement, DM advised on the outreach efforts in the Bailiwick of Guernsey. DM is doing a TED talk in Guernsey for the GFSC staff. • The thematic review undertaken by GFSC on pension transfers. • The appointment of a new CEO and Chief Ombudsman and two new top executive-level appointments at the UK Financial Ombudsman Service (UK FOS). • The possibility of collaboration between CIFO and UK FOS for training and development in pension complaint handling capacity and knowledge.
7	<p>Operations and case-related reports</p> <p>7.1 Operations report</p> <p>Q2 saw a reduction in inventory to below 100 complaints, for the first time since 2017. This is attributed to improved efficiencies introduced by the Manager, Complaints Resolution. 2 new members have joined the team with legal and casework experience filling vacancies on the team.</p> <p>7.2 Q2 2022 Complaint statistics</p> <p>The board noted the Q2 2022 Complaint statistics and approved them for publication.</p> <p>7.3 Timeliness metrics</p> <p>The board asked for an explanation as to the outliers indicated in Stages 2-5.</p> <p>Stage 2 - Assessment. These are due to appeals from complainants when their complaint is rejected as out of mandate, chasing of final response letters to ensure a complaint has been dealt with by the FSP, and FSPs referring complainants to CIFO prematurely.</p> <p>Stage 3 – FSPs’ response to CIFO requests for file information.</p> <p>Stage 4 - Allocation.</p> <p>Stage 5 - Case handling. Longstanding mass complaint now resolved</p>

7.4	<p>Update on 5 oldest cases</p> <p>The board found the report helpful and advised they would wish to see a report on the next 5 oldest cases next quarter and an update on any of these cases from this list that are not closed. It was noted that there are valid reasons for the delays in closing these cases which are being focused on and it is expected they will soon be resolved.</p>
7.5	<p>Case theme presentation – insurance complaints</p> <p>Due to technical difficulties joining the meeting remotely, this item was deferred until the next quarterly Board meeting.</p>
8	<p>Finance and Risk</p>
8.1	<p>Q2 2022 financial accounts</p> <p>The board noted the financial statements, and that the year-end deficit would be higher than budgeted due to an increase in salary costs which it was felt was necessary to successfully achieve the reduction of the previous complaint backlog.</p>
8.2	<p>Q2 2022 Cashflow analysis</p> <p>The board noted the cashflow analysis and that the year-end balance would be 20% lower than predicted, again due to the increase in salary costs. The board expressed confidence in the sufficiency of operating reserves to continue operations.</p>
8.3	<p>Levy update</p> <p>The board noted:</p> <ul style="list-style-type: none"> • The petty debt court judgment issued in respect of the remaining one 2021 unpaid levy was forwarded to the Viscount’s Office for enforcement. The Viscount advised there are insufficient funds remaining to enforce the debt. • The 2022 non-bank levies were issued on 30 June 2022 and, as at the date of the meeting, collection was ongoing with payment due by 28 July 2022.
8.4	<p>2023 Budget steer</p> <p>The budget process was explained to the new board members.</p> <p>Due to the steep rise in inflation, it was felt that an early review of the anticipated rise in the operating costs should take place.</p> <p>The anticipated overall increase was considered reflecting a June 2022 Jersey RPI figure of 7.9%. The board considered the rise in costs and the implications for the 2023 budget. The board noted the September 2022 RPI will be published prior to the next board meeting, this figure is expected to be higher than the June 2022 RPI.</p>
8.5	<p>Risk management</p> <p>The board noted the revised risk register. DG advised there were still some adjustments required in the net-risk ratings and would advise management accordingly.</p>

9	Governance and Policy
9.1	Update on board recruitment Interviews will take place after the meeting to identify a new director from 31 January 2023 to replace DG whose term comes to an end.
9.2	Annual stakeholder meeting The annual meeting will take place on 28 th July and will be a live video presentation followed by a Q&A session.
9.3	General update – quality metrics The board noted the indexes and the service complaint dealt with by DT in Q2.
9.4	Non-casework policies The board noted there were 8 policies to be approved and agreed a schedule for review.
9.5	Briefing on environmental policy options The board noted the reports provided and commented they found them useful and well presented. It was agreed that management would provide the board with options and recommendations for a process to develop an environment strategy for CIFO at the next meeting with a focus on quantifying and reducing CIFO's carbon footprint.
10	CIFO Consultations None in process.
11	Administration Nothing to discuss
12	AOB
13	In Camera – Nothing to discuss
	Approved at board meeting 38 on 1 November 2022. Chairman