

## Board Meeting 38

9.30am – 15.30pm Tuesday 1 November 2022

Forum 3

Grenville Street, St Helier, Jersey

### Minutes

Board of Jersey OFSO

Board of Guernsey OFSO

#### Present:

David Thomas (DT) in the chair  
Debbie Guillou (DG)  
John Mills (JM)  
Antony Townsend (AT)  
Robert Girard (RG)

#### In attendance:

Douglas Melville (DM), Principal Ombudsman and Chief Executive  
Alison Finn (AF), Manager, Finance and Administration  
Ross Symes (RS), Manager, Complaints Resolution  
Chris Bick (CB), Case Handler (Item 7.6 only)

#### Apologies:

1	<p><b>Approval of the Agenda</b></p> <p>Approved</p>
2	<p><b>Declaration of interests or potential conflict with respect to the agenda</b></p> <p>The board were asked to re-note from the previous board meeting that JM and DM's spouse serve on the board of the Jersey Public Sector Pensions Schemes. The Board noted that RG has been appointed to the board of the Guernsey Banking Deposit Compensation Scheme.</p>
3	<p><b>Minutes of the last meeting</b></p> <p>The board approved the minutes of the last meeting.</p>
4	<p><b>Previous board decisions by email to note</b></p> <p>None this quarter</p>
5	<p><b>Board to note</b></p> <p>Publication of Q2 2022 complaint statistics (issued 3 August 2022) CIFO Board calendar of activities (noted scheduled meeting dates for 2023)</p>

<p>6</p> <p>6.1</p> <p>6.2</p>	<p><b>Chief Executive’s Report</b></p> <p><b>Report for information and discussion</b></p> <p>The board noted the Chief Executive’s report and in particular:</p> <ul style="list-style-type: none"> <li>• The ongoing issues suffered by power of attorney (POA) holders, especially foreign POAs. CIFO has had discussion with various stakeholders which it hopes will decrease the numbers of issues arising.</li> <li>• The two meetings CIFO representatives have had this quarter with members of Guernsey CfeD. The meetings were cordial and constructive and demonstrate the level of engagement by the CfeD with CIFO’s work.</li> <li>• The Jersey C&amp;AG has prepared another draft report focused on the governance of arm’s length bodies. CIFO was included in the report and an advance draft of the CIFO references in the report was provided for comment.</li> <li>• The proposed meeting of the Chair and Principal Ombudsman with the JFSC commissioners has been postponed by the JFSC until 9 February.</li> <li>• The involvement of the UK Complaints Commissioner in a complaint where the complainant requested that the UK Financial Ombudsman Service refer a financial service provider (FSP) to the UK Financial Conduct Authority. It was suggested that it would be helpful if CIFO had formal power to refer FSPs to the GFSC and JFSC.</li> </ul> <p><b>Briefing on proposed OFSO (Jersey) occupational pensions mandate</b></p> <p>Drafting instructions regarding the proposed changes to CIFO’s legislation have been completed and submitted to the Legislative Drafting Office.</p> <p>CIFO have raised two main issues with the proposed changes.</p> <ul style="list-style-type: none"> <li>• The intention to treat pensions where no IFA has been involved in the purchase as investment business, therefore not allowing CIFO to deal with complaints under the new legislation about the administration of the pension by the provider if the pension has been bought directly and is then thought to have been unsuitable.</li> <li>• The proposed narrowing of the existing definition of a pension fund to a “Jersey tax approved fund”, by deleting the wider definition of provision for retirement (which aligns broadly with the definition for the UK Pensions Ombudsman).</li> </ul> <p>The board agreed that CIFO should provide input using case studies to ensure the government were aware of the consequences of their restricting the mandate in this way.</p> <p>The drafting instructions envisage that the inclusion of occupational pension complaints in CIFO’s mandate will not be retrospective.</p> <p>The board agreed that the time spent by DM and RS in 2022 and 2023 on the proposed legislation should be recorded and warehoused to be reclaimed by way of an establishment levy or similar arrangement for the occupational pensions jurisdiction.</p>
<p>7</p> <p>7.1</p>	<p><b>Operations and case-related reports</b></p> <p><b>Operations report</b></p> <p>Q3 saw a slight increase in inventory. This is attributed to the loss of a case handler in Q2. Management advised the intention was to maintain a case handling inventory of around 100. Q3’s period end inventory was 101.</p>

7.2 **Q3 2022 Complaint statistics**

The board noted the Q3 2022 Complaint statistics and approved them for publication.

7.3 **Timeliness metrics**

The board asked for an explanation as to the outliers in complaint handling stages 2-5.

Stage 2 - Assessment. These are due to appeals from complainants when their complaint is rejected as out of mandate and complaints being received that are premature as the FSP has not had sufficient time to deal with them.

Stage 3 - FSPs response.

Stage 4 - Allocation. FSP appeals against CIFO's mandate.

Stage 5 - Case handling. Old complex cases taking time to resolve.

7.4 **Update on 10 oldest cases**

The board found the report helpful and advised they would wish to see a report on the 10 oldest cases each quarter. It was noted that there are genuine good reasons for the delays in closing these cases and they are all being actively worked.

7.5 **Proposed case handling / intake and assessment performance assessment and management**

The board noted the paper was clear and concise. Two recommendations were made for inclusion in the assessment.

1. Recognise when you need to escalate
2. Confess errors quickly

7.6 **Case theme presentation**

A case handler joined the meeting to present case studies on different types of insurance complaints and commented on the issues CIFO is encountering with the FSPs when dealing with these complaints. The board noted this was an interesting and useful insight into what is happening in this space.

8 **Finance**

8.1 **2022 Financials**

8.2 **Q3 2022 financial accounts**

The board noted the financial accounts and that the operating year-end deficit would be around £70,000 mainly due to an increase in case handler costs which it was felt was the price to pay for the reduction of the complaint backlog. It was noted that a portion of the costs incurred by DM and RS in consultations regarding the new proposed occupational pensions mandate would be transferred to an establishment levy. Management will provide evidence of the time spent and seek assurance from the Jersey Government that the liability will be met. If this assurance is not forthcoming a note will be included in the 31 December 2022 financial statements.

<p>8.3</p> <p>8.4</p> <p>8.5</p> <p>8.5a</p> <p>8.5b</p> <p>8.5c</p>	<p><b>Q3 2022 Cashflow analysis</b></p> <p>The board noted the cashflow analysis and that the year-end balance would be 25% lower than predicted, again due to the increase in case handler costs. The board are aware management are able to call, if necessary, on the line of credit in early 2023 for a short period until the March 2023 levies are raised.</p> <p><b>Levy update</b></p> <ul style="list-style-type: none"> <li>• This item was not covered in the meeting, but after the meeting a written update was provided to the board.</li> <li>• One Guernsey levy remains unpaid.</li> </ul> <p><b>2023 Financials</b></p> <p><b>Case fees for 2023; CP 20 - 2023 Case Fee Schemes (closed 20 October 2022)</b></p> <p>The draft feedback on the consultation and a draft of CP 21 (to be issued after the meeting) on moving to a quarterly collection of case fees was approved to be published. The board agreed on Option 2 for the case fee increase resulting in fees of £850 for levy payers and £1,350 for non-levy payers</p> <p><b>2023 Draft Budget</b></p> <p>The board agreed the draft expenses budget subject to the inclusion of £5,000 for Staff ESG initiatives.</p> <p>A percentage of the total salary costs paid to by DM and RS in consultations regarding the new proposed occupational pensions mandate may be transferred to an establishment levy</p> <p>Discussions took place on the income required to ensure sufficient operating reserves were held to continue operations until the March levies were raised in 2024. The board agreed that two months operating reserve should be held as at February 2024.</p> <p><b>2023 Cashflow analysis</b></p> <p>It was agreed a revised budget and cashflow would be produced after the meeting to achieve cash reserves as at 28 February of £220,000. This would drive the required total levy amount for 2023.</p>
<p>9</p> <p>9.1</p> <p>9.2</p> <p>9.3</p>	<p><b>Governance and Policy</b></p> <p><b>Update on board recruitment</b></p> <p>The new board member's appointment (Hayley North) has been approved effective 31 January 2023, subject to going before the States of Guernsey on 25 November. The induction will take place in January and February 2023.</p> <p>As of 31 January 2023, the new CIFO Board will consist of Antony Townsend (Chair), Rob Girard, Jennifer Carnegie, and Hayley North.</p> <p><b>General update – quality metrics</b></p> <p>The board noted no service complaints have been received this quarter by either the Principal Ombudsman or the Chair.</p> <p><b>Non-casework policies – Leave Policy</b></p> <p>The board approved a revised leave policy subject to certain other adjustments to staff policies.</p>

9.4	<p><b>Risk Management</b></p> <p>The board noted the current register and agreed that some minor revisions were required, as discussed.</p>
10	<p><b>Administration</b></p> <p>Nothing to discuss</p>
11	<p><b>AOB</b></p> <p>Nothing to discuss</p>
12	<p><b>In Camera</b> – Nothing to discuss</p>
	<p>Approved at board meeting 39 on 26 January 2023.</p> <p>Chairman</p>