

Board Meeting 40

10.15am – 12.30pm Thursday 20 April 2023

Forum 3

Grenville Street, St Helier, Jersey

Minutes

Board of Jersey OFSO

Board of Guernsey OFSO

Present:

Antony Townsend (AT) in the chair

Robert Girard (RG)

Hayley North

Jennifer Carnegie

In attendance:

Douglas Melville (DM), Principal Ombudsman and Chief Executive

Alison Finn (AF), Manager, Finance and Administration

Ross Symes (RS), Manager, Complaints Resolution

Lindsey Power (LP), Case Handler (Item 9.6 only)

RSM Channels Islands (Audit) Limited – (Item 8.1 only)

Phillip Crosby, Audit Partner (PC)

Hannah Dinsdale, Audit Manager (HD)

Apologies:

1 Approval of the Agenda

Approved

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

No interests or potential conflict with items on the agenda were declared.

3 Minutes of the last meeting

The board approved the minutes of the last meeting.

4 Previous board decisions by email to note

The board noted the following decisions made via email:

- Approval of levy scheme feedback - 13.02.23
- Approval of 2023 levy schemes – 21.02.23

5	<p>Board to note</p> <p>Publication of Q4 2022 complaint statistics (1 February 2023)</p> <p>CIFO Board calendar of activities (note scheduled meeting dates for 2023 and proposed dates for 2024)</p>
6	<p>Chief Executive's Report</p>
6.1	<p>Report for information and discussion</p> <p>The board noted the Chief Executive's report and in particular:</p> <p>Occupational pension developments and the meetings arranged with the Committees of Management (COMs) for the public sector schemes.</p> <p>The explosion of Data Subject Access Requests (DSARs) which is an organisational concern as CIFO does not have the capacity to deal with the workload involved if the current levels of DSAR requests persist, one third of all requests received in the past three years were received in Q1 2023. The board agreed that there may be no option but to outsource this function which would have an impact on operating costs.</p>
6.2	<p>Stakeholder and hospitality registers</p> <p>The board noted the various registers presented to the meeting.</p>
7	<p>Operations and case-related reports</p>
7.1	<p>Operations report</p> <p>The board noted the report and that while the inventory was up on the previous quarter, complaints received, and cases closed had all increased.</p>
7.2	<p>Q3 2022 Complaint statistics</p> <p>The board noted the Q1 2023 Complaint statistics and approved them for publication. It was agreed the complaints summary infographic should be updated or deleted as it was not easily understandable.</p>
7.3	<p>Timeliness metrics</p> <p>The board noted the process stages and timeliness and agreed that the figures reported should be shown in days and months where appropriate. This included updating the information on the website.</p>
7.4	<p>Update on 10 oldest cases</p> <p>RS advised that the oldest cases related to sales by unregistered financial advisers in other jurisdictions, though the FSP the products belong to is Guernsey based.</p> <p>RS highlighted the third oldest case which is being handled by one of the highly experienced external ombudsmen. Considerable time and effort have been expended on this case; the complainant is a highly sophisticated investor.</p> <p>It was noted that 89% of the complaint inventory was less than a year old which is higher than comparable organisations' average of around 80%, and also much higher than CIFO's own figures in 2021 or 2022.</p>

7.5	<p>Publication of Ombudsman Decisions</p> <p>CIFO had a commitment to publish Ombudsman decisions, however, due to capacity constraints this has not been done for the majority of decisions. DM advised the board on the attempts to sterilise the decisions and the time it takes to achieve this with implications for team capacity.</p> <p>It was agreed to;</p> <ul style="list-style-type: none"> Change the commitment regarding the publication of decisions so that there is no requirement to publish them all. Dispense with publishing the back inventory. Investigate the options of using AI algorithms to carry out the sterilisation and summarising of decisions.
8	<p>Finance and Risk</p>
8.1	<p>2022 Financial statements</p> <p>RSM Channels Islands (Audit) Limited visit. HD detailed the work undertaken during the audit. PC enquired whether any post balance sheet going concern issues or fraud had come to light and was assured none had. PC advised they would be issuing an unqualified audit report. The board approved the letter of representation and 2002 financial statements.</p>
8.2	<p>Q1 2023 Financial accounts</p> <p>The board noted the financial accounts, and that the operating year-end surplus was forecast to be around £90,000 higher than budget due to an increase in chargeable case fees.</p>
8.3	<p>Q1 2023 Cashflow analysis</p> <p>The board noted the cashflow analysis and there were no questions or concerns raised.</p>
8.4	<p>Levy update</p> <p>Not discussed but Board materials showed that all the bank levies issued in March have been paid.</p> <ul style="list-style-type: none"> • One Guernsey levy remains unpaid. The FSP has been placed into administration due to the sanctions imposed from the Ukraine conflict. Management is confident the funds will be received though this may take some time.
8.5	<p>Cyber security update</p> <p>The board agreed CIFO's cyber security controls should be proportionate to the organisation, and they were confident that management had sufficient controls in place.</p>
8.6	<p>Risk management and updated risk register</p> <p>The board agreed the register would be simplified and this would be reviewed at the next meeting in July.</p>

9	Governance and Policy
9.1	Appointment of Deputy Chair AT advised he was required to appoint a Deputy Chair. Rather than do so at this meeting he would discuss this with the other board members individually and then make the appointment.
9.2	Approval 2022 annual report The board noted various comments and edits had been provided on the draft report and it was agreed that DM and AT would iterate on the final amendments to enable the report to be finalised and put before both governments by 28 April.
9.3	Funding issues briefing (pensions and insurance) Not discussed. Covered in the Board Strategy Discussion.
9.4	CIFO Board and staff conflict declarations The board noted that all declarations had been received.
9.5	Non-casework policies and revision to leave policies AF advised that the staff handbook had been reviewed by an external HR provider who had advised, subject to some minor revisions, the handbook was in good order. The board approved the amendments to the handbook to be made.
	Case theme presentation
9.6	LP joined the meeting to present case studies on two under-insurance complaints and a mortgage complaint. The board noted this was an interesting and useful insight into the types of complaints CIFO deals with.
9.7	Service complaint Nothing to discuss
10	Administration Nothing to discuss
11	AOB Nothing to discuss
12	In Camera – Nothing to discuss
	Approved at board meeting 41 on 20 July 2023. Chairman