

Minutes for Meeting Book - CIFO Board Meeting 50
23 October 2025

A meeting of the Board of Directors (the “Board”) of the Channel Island Financial Ombudsman (the “CIFO”), was held on 23 October 2025 at Bucktrout House, St Peter Port, Guernsey. Persons present in-person or via Teams were:

Board:

Chair - Antony Townsend (AT)

Vice-Chair - Rob Girard (RG) Board

member - Hayley North (HN)

Apologies:

Board member - Jennifer Carnegie (JC) (part attendance)

CIFO Executive:

CEO - Douglas Melville (DM),

Head of Finance - Alison Finn (AF)

Head of Legal Policy and Compliance - Charlotte Brambilla (CB)

Ombudsman and Head of Complaints Resolution - Ross Symes (RS)

1. Approval of the agenda

The Board approved the Agenda.

2. Review of Director and CEO Declarations of Interest No new

Board or CEO interests were declared.

It was noted that the Head of Legal, Policy and Compliance had been appointed Chair of the Jersey Law Commission, a voluntary role with a public quango body. There were not deemed to be any direct conflicts between this role and her position at CIFO. She had sought and obtained the approval of the Chair and the CEO prior to her acceptance of this new appointment.

The Board approved no changes being made to the CIFO Board and CEO Declarations of Register of Interests.

3. Matters arising from the Board Strategy Discussion

The Board noted the following items arose from the Board Strategy meeting of the same date:

- Media and stakeholder strategy in response to the JOIC Public Statement.
- Renewal of CIFO's line of credit with bank
- CIFO's commitment to host in Jersey the 2028 Info Network Conference
- The preparation of CIFO's Succession Plan for the CEO and Principal Ombudsman role.

4. Gift and Hospitality Register

The Board noted there was one new item recorded on the Gift and Hospitality Register which had been declared by the CEO, which the Board approved.

5. Declaration of any interests and potential conflict with respect to the agenda

The Board noted that the CEO had declared a conflict of interest for agenda item 11 relating to JOIC and its Public Statement. Otherwise, it was noted there were no new interests or potential conflicts of interest with respect to the Agenda.

6. Minutes of last meeting for approval

The Board approved the minutes of the last meeting in the form appended to the Agenda subject to one amendment.

7. Board to note

The Board noted and approved the following items:

- CIFO's proposed calendar of activities for Q4 2025
- Q3 statistics for publication.

8. Finance and Risk

The Board noted the Finance and Risk report.

8.1 2026 Financials

The Board noted the following:

8.1.a Draft Budget

The Board approved the Draft Budget subject to it being adjusted to incorporate Jersey's RPI annual increase for last year. This was to allow CIFO to build a reserve over the next 5 years to include a contingency amount to self-insure against the costs of a future Judicial Review claim and, also, to include the cost of taking out key person insurance for the Principal Ombudsman and CEO, Douglas Melville.

The Board further noted the Draft Budget accommodated the following increased costs:

- Board remuneration being increased to align to the benchmark board remuneration currently payable to board directors of equivalent public bodies, as approved by the two governments
- IT costs in relation to CIFO's additional Co-Pilot licences and new hardware
- Additional resource and support to ensure CIFO's continued data protection compliance, in the light of the requirements of JOIC
- Additional website maintenance costs following the increased outsourcing of this activity to the website provider
- Additional HR and legal costs to reflect the increased cost of this years' experience in next year's budget as a likely cost.

8.1.b Cashflow Forecast

The Board approved the cashflow forecast and noted the end of year forecast was anticipated to be above the budget and accordingly, there would be no need to call on the 6-month reserve.

8.1.c 2026 Levy

The Board noted and approved an RPI increase to the levy payable by financial service providers to allow CIFO to build an operational reserve.

8.2 2025 Financials

The Board noted the following:

8.2.a Q3 2025 Financial Accounts

The Board approved the Q3 financial accounts.

It was noted that CIFO's financial performance against budget was satisfactory, but that case fee income was below the budgeted amount due to the reduction in the number of complaint cases being opened and with fewer levy payers than anticipated.

It was further noted that CIFO's expenditure was lower than anticipated due to a reduction in the contract Ombudsman case closure but that there had been increased expenditure in relation to CIFO's data governance and HR costs.

It was noted there was a surplus over budget at the end of Q3.

8.2.b Q3 Cashflow

The Board approved the Q3 cashflow and noted it was above budget due to partial nonutilisation of the capital expenditure.

8.3 Updates to Risk Register

The Board noted that the data protection risk raised in relation to the findings of the Jersey Office of the Information Commissioner (JOIC) had been lowered following JOIC's confirmation that CIFO has resolved the issues it identified and complied with its orders.

The Board noted it was still a medium risk. This is to reflect the ongoing risk of other data protection issues that might emerge while CIFO undertook a full review of its overall data protection compliance. The Board noted that the DSAR risk had been fully mitigated with the work undertaken by CIFO in response to the JOIC findings.

8.4 Updates to ESG Donations

The Board considered the recommendation made in the Finance and Risk Report for the disposition of the 2025 budget amount allocated to ESG. The Board discussed how such amount should be allocated, whether it should be primarily applied towards staff training and secondarily, used to make donations

or otherwise. It was concluded that the Board should only determine the amount CIFO should budget for its ESG/Sustainability activities and leave to the Executive to determine how it should be applied.

9. Chief Executive's Report

The Board noted and approved the Chief Executive's report which highlighted the following key developments:

- The successful settlement of a large number of the fraud complaint cases brought against a single retail bank, noting that a small number remained unresolved.
- the operational impact on CIFO's resourcing, financing and management of the JOIC complaint and final determination.
- the continued work on enhancing CIFO's stakeholder engagement with the GFSC.
- the upcoming 10th anniversary of CIFO's establishment as a pan-island statutory financial ombudsman service.
- the recent consultation issued by Government of Jersey seeking to extend the FOI framework to arms-length organisations, including CIFO.
- CIFO's engagement with the Jersey Government Scrutiny Panel in relation to the merger of the Banking Resolution Authority and Depositors Compensation Authority.
- CIFO's continued engagement with Jersey Financial Intelligence Unit in connection with those SAR related complaints referred to its office.
- the recent postponement in the Jersey consumer credit timetable for issuing draft secondary legislation and consequential delay to the start of the new regime.
- a status update on CIFO's approach to its motor finance cases following the UK Supreme Court judgment.

10. Operations and case-related reports

The Board noted and approved CIFO's Complaints Resolution Report, which reported:

- Q3 saw an increase in complaints opened so that it is now projected that the number of complaints CIFO will receive and open as cases during 2025 will result in a 10% increase from 2024. This was a significant change in position from the end of Q2. The complexity of the cases CIFO receives remained a consistent theme.

- The overall improvement in the performance of CIFO's case management of its complaint inventory due to its ability to move forward on the fraud cases.
- The start of a new contract adjudicator to support CIFO's case management function.
- The improvement in the age of its case file inventory with some of the oldest cases having been resolved.
- The continued delay in FSPs providing their complainant file in response to CIFO's document request but with significant improvement in CIFO's allocation of cases once the FSP's response has been received.
- The need for greater timeliness in CIFO undertaking its assessment of user complaints.
- The update in relation to the operating risks of CIFO's flexible resource model and how it compares to other Ombudsman scheme, and how it balances fairness across the financial sectors of both islands in the allocation of CIFO's operating costs.
- The update in relation to oldest cases and their closure.
- A concern raised about emerging new behaviours, previously seen in other Ombudsman schemes, where a financial service provider makes a low-ball settlement offer to a complainant after a binding Final Determination has been issued.

11. Legal, Policy and Compliance

The Board noted and approved CIFO's Legal, Policy and Compliance Report which noted:

- JOIC's confirmation that CIFO has complied with the orders it issued and is now fully compliant in its management of DSARs.
- The Public Statement JOIC is due to release, which has been reviewed and corrected for factual accuracy, and CIFO's communications plan in response.
- CIFO has received 3 service complaints and 3 DSARs in the last quarter, all previous ones were closed and resolved. CIFO will analyse this data in more detail to allow it to assess and evidence the trends both individually and in respect of both types of service-related complaint.
- The policy updates in relation to both islands' consumer credit regulation, fraud regulatory framework and the support given to digital finance and use of AI within the financial sectors.

- The new and updated guidance for ALO governance issued by C&AG and CIFO's attendance at its workshop and one-to-one session.
- The increased focus from both Governments on a 'growth' and 'competitive' programme for financial services.
- The stakeholder engagements undertaken by CIFO with the islands' regulators - financial services, financial investigation units and data protection teams.
- The good attendance and engagement at CIFO's annual stakeholder meeting with 128 tickets sold.
- The results from CIFO's user survey for the last quarter which showed a higher response rate and better user perception of CIFO, but with work to be done to improve the management of users' expectations and better delivery of its mediation services.
- the continued operational improvement programme for CIFO's compliance with its data protection obligations and communication of its new approach to its users with its associated costs and additional staffing requirements.
- the internal feedback from CIFO's adoption of Co-Pilot which indicated it had been successfully adopted by staff, but that some additional oversight of its use was required.

12. Administration The

Board noted:

- on renewal of its PII cover policy CIFO had been restricted to one provider. It had been obliged to remain with its existing provider. This was due to the limited options generally available in the market but also due to threat of a judicial review made by a financial service provider against CIFO during the renewal period. This had impacted the cost of renewal.
- CIFO's Board Effect is due to make changes to its platform but there is no plan to move to another platform for the time being.

13. AOB

The Board requested the Management Team to circulate new quarterly meeting dates for CIFO's board meetings and its annual stakeholder meeting, noting those date restrictions indicated by individual board members.

Chair

Date signed: