

Minutes for Meeting Book - Board Meeting 51

January 27, 2026

A meeting of the Board of Directors (the "**Board**") of the Channel Islands Financial Ombudsman ("**CIFO**") was held on January 27, 2026, at Meeting Room 1, Upper Street, St Peter Port, Guernsey.

Persons present in-person or telephonically were:

Board: Chair: Antony Townsend (AT)

Deputy Chair: Rob Girard (RG)

Director: Hayley North (HN)

CIFO Executive: CEO: Douglas Melville (DM)

Head of Legal, Policy & Compliance: Charlotte Brambilla (CB)

Head of Finance: Alison Finn (AF)

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

RG made a new declaration in relation to his personal Retirement Annuity Trust whose trustees qualify as a financial service provider within CIFO's mandate.

The Board agreed that when members share new conflicts of interest, they should also share details as to what the nature of the role was and the likely conflict.

Accordingly, the Board approved the Director and CEO Register being updated.

3. Matters arising from the Board Strategy Discussion

The Board noted its approval of the following projects:

- To work with both Governments to agree on revisions to its MOU to provide for a revised process for the approval of CIFO's budget to be incorporated into the existing MOU to address any extraordinary costs or above RPI increases. This is to avoid the constitutional and operational risks which arose last year in the budget approval process.
- To undertake further work to ensure CIFO's compliance with its data protection obligations while advocating with its stakeholders for improvements to the regime to lessen the impact on industry and the operational impact on CIFO's Ombudsman service.
- To give effect to the succession plan for the CEO and Principal Ombudsman's final term of office.
- The adoption and approval of the draft Board Effectiveness and Governance Framework together with the associated policies:
 - Decision making protocol
 - Board conflicts of interest policy
 - Risk management policy
 - Board Code of conduct,the Board to make such revisions as it may deem appropriate to such policies and the new framework once put into action.
- The adoption and approval of a revised Risk Register and Risk Framework which uses different risk categories and requires any new or existing risk arising in a quarter to be mapped against these categories and then risk-rated by the Board.

4. Gift and Hospitality Register

The Board noted the new items added to the Register and were satisfied that they had been declared and managed in accordance with CIFO's Gift and Hospitality Policy.

Declaration of any interests and potential conflicts with respect to the agenda

The Board noted the new conflicts of interest declared by the CEO in his report in respect of himself as Principal Ombudsman, and in respect of the Head of Policy & Compliance, the Head of Complaints Resolution and a staff Case Officer in connection with a current CIFO complainant case.

The Board noted that there were no 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 a minor correction.

7. Board to note

The Board noted and approved the following items:

- The publication of CIFO's Q3 2025 statistics.
- The proposed Board calendar of activities has been amended to align to every Board member's availability and to update the location of relevant board meetings in 2026. The Board determined to review the proposed date of 17 June 2026 for the ASM depending on its decision as to its cost and format.
- The adoption of the previous Board decisions made by email in connection with the revisions made to the 2026 budget.
- The publication of the 2026 levy consultation.

8. Finance and Risk

8.1 Review of 2026 Revised Budget

The Board reviewed the 2026 revised budget which was agreed with the two Governments at the end of 2025. It was noted that it represents an 8.8% increase in expenditure from 2025 and an increase in funding by industry through levies of 2.8% year-over-year, in line with Jersey RPI.

It was further noted that with the current level of CIFO's reserves and the projected cashflow forecast for 2026, the level of its reserves was anticipated still to be above the 6 months' operating reserve requirement.

The Board also reviewed specifically those budget items which had been removed or reduced at the end of last year and concluded they were content with the reductions they had made.

8.1.a 2026 Budget Comparison with 2025 Budget and Projected Actuals

The Board noted the projected budget profit was projected to be 76% (£128,000) less than 2025.

8.1.b 2026 Cashflow Forecast

The Board noted that CIFO's cashflows were expected to be sufficient to meet its costs and that it would not need to dip into its reserves, based on the revised budget.

8.1.c 2026 Levy

The Board noted the 2026 levy was an RPI increase of 2.8% to the 2025 levy.

The Head of Finance advised the Board that one private bank was considering zero-rating itself as a levy payer. This would result in a 6% increase in the other banks' levy amounts. The Board noted this was a risk which was outside CIFO's control. It was not a consequence of the revised budget agreed with Governments of Jersey and Guernsey. CIFO has no power to require a financial service provider to pay the levy if they zero-rate.

The Board was also advised that in 2027 CIFO expected bank levy payers to be down another levy payer due to the amalgamation of two bank levy payers.

The Board considered whether CIFO should alert the two Governments to this potential impact on bank levy payers. It was agreed this would be communicated to Governments.

Action

8.2 CIFO 2025-2026 Financials

The Board noted the Finance and Risk Report appended to the Agenda and noted the following:

8.2.a Q4 2025 financial accounts

The Board approved the Q4 2025 accounts and noted at the end of 2025 CIFO had a surplus due to the case fees billed in Q4 being above what was projected in the 2025 budget.

8.2.b Q4 2025 cashflow forecast and Q1 2026 cash projections

The Board noted that CIFO's performance against budget was satisfactory for 2025 and that its expenditure was under budget due to certain savings made so that there was a surplus. For certain items such as data protection though it was noted there was, in effect, a new line of expenditure from the amount previously budgeted in 2025. This reflected the cost of remediation and the follow-on wider compliance project resulting from the JOIC decision.

8.3 Updates to Risk Register

The Board considered whether there were additional risks to be included in the Risk Register or changes to the risk ratings of existing risks. The Board identified as a new risk, the risk of it becoming inquorate if another director retired or was not available. The Board also proposed the judicial review risk rating be up rated.

The Board further noted the changes to be made to the Risk Register following on from its Strategy Meeting and formally adopted and approved the Risk Register to be updated and changed accordingly.

9. Chief Executive's Report

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

- The successful mediation and resolution of the outstanding fraud complaints with one large retail bank and the follow-on presentations made to the Banking Associations of both Islands to explain CIFO's general approach to such complaints.
- The JFSC was preparing to undertake a thematic on complaint handling in late 2026. This was recognised by the Board as a good outcome for CIFO and its users.
- The impact of JOIC's determination on CIFO's 2025 finances and its future running costs and its case management approach to disclosure to the parties.
- The challenges presented by the existing process and the approach of both Islands' governments to the approval of CIFO's budget it experienced with the 2026 budget.
- New opportunities to enhance stakeholder relationships with Guernsey's financial regulators following its changes of key personnel.

- The initial signs of a new wave of motor finance complaints following the UK Supreme Court judgment and the new approach CIFO was developing to handle such complaints.

The Board wished to understand the scale of new motor finance complaints that CIFO was experiencing and whether it was equivalent to the UK. The Board was advised that presently it was only a modest issue in the Islands.

10. Operations and case-related reports

The Board noted and approved CIFO's Complaint Resolution report which reported:

- The rate of complaints received by CIFO stabilised in Q4 resulting in the overall number of complaints received in 2025 (571) being roughly the same as in 2024 (577).
- The case management team output in Q4 2025 was at CIFO highest level recorded, reflecting the closure of CIFO's fraud and account closure complaints.
- The proposed public reporting of case closure outcomes was to be altered in 2026 to align to the UK Financial Ombudsman Service's reporting approach. This new approach would encourage FSPs to settle complaints before the Final Determination stage. The new reporting only records if a complaint is upheld/not upheld/upheld in part if it reaches the Final Determination stage: this categorisation will no longer apply to complaints which are settled. CIFO's new public reporting will also report on whether there has been a change in outcome. This categorisation will apply at whatever stage the complaint closes.
- For suspended account cases the Case Management Team are now applying as the appropriate form of compensation, an award for Distress & Inconvenience where the circumstances justify it, and only if and when legal restrictions have been lifted on the affected account.

The Board was pleased with the Case Management results the Case Management Team achieved.

The Board further authorized the Chair to discuss further with RS as Head of Complaints Resolution what reporting should be delivered to the Board in the future.

The Board requested the Principal Ombudsman to prioritise the resolution and closure of the oldest cases allocated to him.

11. Legal, Policy and Compliance

The Board noted and approved the updates given in Legal, Policy and Compliance Report including the following:

- The statutory process for recruiting a replacement Jersey based director for CIFO was underway and had been approved by the Jersey Appointments Commission and the relevant two Government representatives. The appointment would mitigate the risk of the Board becoming inquorate.
- The overall DSAR and service complaint experience in 2025 for CIFO was higher than in any previous year. There was a pattern of complainants who were dissatisfied with the anticipated or final outcome of their FSP complaint bringing a service complaint and or DSAR to CIFO.
- The overall improvement in user experience indicated by the feedback from the user survey. CIFO's delivery of its Ombudsman Performance in Q4 was rated in the top quartile for all aspects of its delivery service: this was a good outcome and showed improvement in the Team's delivery service from when the survey was first launched in May.
- The new regulatory regime for equity release products became effective 1 January 2026 in Guernsey. This new product will fall into CIFO's mandate.
- The continued political drive for greater transparency and delivery of value for money in Jersey alongside growth strategies for the financial sectors in both islands.
- The formal postponement by Jersey Government of the Public Ombudsman policy project.
- The Q4 Stakeholder Engagement statistics and work undertaken with both Governments, both financial regulators and CIFO's domestic and international peers.
- The update of progress made on the Chatbot project with its targeted delivery of April 2026.

The Board discussed the format and approach to the 2025 Annual Report considering the best new practice annual reporting guidance issued by the Jersey Audit Office and the associated supplier quotes for its production.

The Board approved making changes to the Annual Report which were consistent with best practice, but which kept costs down and which were more appropriate to the look and feel of CIFO, as a pan-island Ombudsman service funded entirely by the finance industry (i.e., with no public funds).

The Board discussed the format and approach to its Annual Stakeholder Meeting (ASM), noting that in CIFO's revised 2026 budget, the cost of outsourcing the ASM's production and delivery was in excess of its budgeted sum for the combined cost of the Annual Report and ASM.

The Board discussed how the ASM could be delivered at a lower cost. The Board indicated that a fully virtual Teams with a live presentation from the Chair and a live Q & A panel session offered the cheapest option and should therefore be considered as a suitable alternative. This was on the assumption that the new Communications and Stakeholder Outreach Officer would be able to deliver in-house the production of the video of the ASM. Management was tasked with developing an amended set of costed ASM options for the Board's consideration.

12. Risk, Governance and Communications

The Board reviewed the draft Staff Conflicts Policy and concluded that before approving the same they needed more clarity as to whether the approach was consistent with other Ombudsman services or equivalent bodies in the Islands.

The Board considered the Communications and Stakeholder Outreach Officer's recommendations for the future management of CIFO's two media trackers which had been established in 2025 to address the reputational impact of the JOIC Public Statement and the resignation of its Jersey director. The Board approved CIFO ceasing to track the JOIC public statement and to review on a quarterly basis any media hits for the other tracker.

13. AOB

13.1 Board Effect Platform upgrade

It was noted CIFO's existing Board platform would be migrated to a new Board platform with the same provider before the next Board Meeting and that AF will undertake a test on the new platform to check that all CIFO's historical Board data and Board contact data has been migrated.

13.2 Jersey Director update

It was noted that shortlisted candidate interviews are due to take place on 3rd March 2026 and that the role had already been advertised.

13.3 Revisions to future Board Pack format

The Board approved a new approach to the Executive Team's delivery of its Board Papers. Document attachments to Board reports should be uploaded into a separate Board appendix so that the Board packs are more manageable and can be viewed more easily.

14. In Camera discussions

Respectfully submitted and approved at Meeting of Board on 15 April 2026.