

# Minutes of the 53<sup>rd</sup> meeting of the Council of The Ombudsman Service Limited (TOSL)

12 December 2005 at 9:30am

TOSL Offices, Wilderspool Park, Greenalls Avenue, Warrington

**Present:**

**Council:** Peter Holland (Chairman)  
Margaret Doyle  
Chris Holland  
Rosaleen Hubbard  
Roger Jefferies  
Tony Allen  
Duncan Sedgwick

**In Attendance:** Elizabeth France (Ombudsman)  
Richard Brown (Chief Operating Officer)  
Richard Sills (Principal Ombudsman)  
Andrew Bradley (Council Secretary)

**1 Apologies for Absence**

Apologies were received from Jean Couper and Julie Meadows

**2 Minutes of the Council Meeting, held on 21 November 2006**

The Minutes were approved for publication on the Otelo and Energy Supply Ombudsman websites.

**3 Matters Arising**

Matters arising from the previous minutes were discussed.

**4 Chairman's Report**

The second in a series of meetings between the Chairman and Ofcom's Director of Consumer Policy, Claudio Pollack, had taken place. The meeting focussed on a comparison of the two telecommunications ADR schemes (CISAS and Otelo) based on the information published in annual reports.

The Chairman, accompanied by the Ombudsman, had met with the Minister of State for Industry and the Regions, the Rt. Hon. Margaret Hodge MP. The Chairman reiterated TOSL's concerns about the apparent disparity in statistics between the two telecoms ADR schemes and the resulting perception of an uneven 'deal' for customers of the members of the two schemes. The Minister agreed, in principle, to accept an invitation to the launch of the Ombudsman's Annual Reports in July.

As part of the Chairman's tour of member companies, a meeting had taken place between the Chairman, the Ombudsman and the Chief Executive of Pipex Homecall.

Darren Wight, Head of Business Compliance for Pipex Homecall and a member of the Otelo Member Board, was also present.

Action Point: The Chairman asked if it would be convenient with others to move the date of the February meeting to 19 February. Council Members will notify the Council Secretary of their availability for this date.

## **5 Ombudsman's Report**

### **Finance**

There had been no significant change in any of the key financial data since the previous month.

The '60 days' debtors figure had increased (from a low of 6% to 20%), but this represented administrative problems over payment by two member companies.

Action Point: On a quarterly basis the Executive was asked to provide greater detail on the cash forecast figure shown on the balance sheet.

### **Operations**

All targets had again been met for the month for both services.

Energy calls and written contacts had continued to climb (calls exceeding the previous high reached in August). 22 investigations were opened during the month.

Since the last Council meeting operations received visits from their opposite numbers in: BT, Scottish Power and British Gas.

Energywatch (Tim Whittle and Audrey Gallagher) also visited.

John Gunter Operations Manager of the Energy Retail Association (ERA) had visited on 11 December.

### **Staffing**

Recruitment exercises, mentioned last month, were complete. Waiting lists are in place to allow further appointments as necessary. Opportunities for career development within the service are encouraged and plans are in place to facilitate this.

### **Communications**

The Communications team had attended two useful meetings on young people and mobile phones, one organised by ICSTIS and the other by the All Party Parliamentary Group on Telecommunications. The website 'Phonebrain: [www.phonebrain.org.uk](http://www.phonebrain.org.uk) has been launched by ICSTIS. Otelo was involved in discussions with them as it was being

developed and will be ensuring links between this and Otelo's website. The site specifically targets young people. It aims to inform them how to use premium rate services safely and with confidence. The site is concerned with four areas of premium rate charges TV, Internet, Mobile and landline. It is very user friendly and there are interactive games in each section.

**Ministers:**

There had been no response to the Chairman's letter to the Rt. Hon. Ian McCartney MP, Minister of State for Trade & Investment, with responsibility for consumer affairs. The Executive will follow up on this.

Action Point: The Executive will make contact with the Minister's office

Lord Truscott, had been appointed Parliamentary Under Secretary of State for Energy on 10 November. He will support the Secretary of State on all energy issues (Malcolm Wicks will retain this responsibility for energy business in the Commons, but has taken Lord Sainsbury's role as Minister of State for Science and Innovation).

Action Point: The Executive will make contact with Lord Truscott's Office to arrange a meeting for Spring 2007.

**Consumers, Estate Agents and Redress Bill**

In the version of the Bill introduced in the House of Lords complaints handling and redress schemes are dealt with in Part 2: clauses 41 to 51.

On 11 December Lord Truscott is to move: that it be an instruction to the Grand Committee to which the Consumers, Estate Agents and Redress Bill [HL] has been committed that they consider the bill in the following order:

Clause 1	Schedule 4
Schedule 1	Clauses 35 to 44
Clauses 2 to 24	Schedule 5
Schedule 2	Clauses 45 to 52
Clause 25 to 29	Schedule 6
Schedule 3	Clauses 53 to 66
Clauses 30 to 34	Schedules 7 and 8.

The Bill is scheduled for consideration on 18 December. A copy of the full text is on the Council extranet. Duncan Sedgwick reported that it is expected that the Bill will receive Royal Assent in either July or October 2007 and full enactment of the Bill will not take place until all of its constituent parts have been put in place. Energywatch is likely to have been absorbed into the new National Consumer Council by 1 April 2008.

Action Point: A background brief will be prepared in time for the Committee stage to clarify the benefits to consumers of Ombudsman schemes as a means of delivering dispute resolution.

### **Future Meetings**

- Chairman and Ombudsman to meet Postcomm: 4 January
- Ombudsman invited to National Energy Action dinner: 15 January
- Ombudsman to speak at Ofgem seminar: powering the energy debate: 17 January
- Susanne Lace, Ofcom, to visit: 18 January
- Howard Webber of Postwatch to visit: 1 February

## **6 Business Plan – 1<sup>st</sup> draft**

The first draft of the Business plan for 2007-8 was tabled so that Council members could ask the Executive for further explanation or more information. No substantive discussion on the plan took place at this meeting. The Council was asked to provide their initial comments in time to be included in the version which will go to the New Year meetings of the Member Boards. The summary will be used for this purpose. The draft plan will be discussed as the main item during the February Council meeting

## **7a Outstanding Remedies**

A member company which had refused to pay four outstanding remedies was reported to the Council. It had effectively refused to engage with the Ombudsman process, providing no files and arguing now about the authority of the person who we had taken to have agreed a Provisional Conclusion. The Company was in the process of taking a small business customer, which had received the Ombudsman's Final Decision, to Court. The Principal Ombudsman had provided this customer with a signed statement explaining the process and the company's commitment to engage with it.

Action Point: The Executive to arrange for a letter from TOSL's solicitors to be sent to the company explaining their obligations under the scheme.

## **7b Outstanding Debts**

A 21-day notice which had been sent to Mercury Communications had a deadline for payment of case fees of 14 December. [Secretary's note: no response was received; the company was removed from membership and Ofcom so informed, on 15 December]

The Company referred to above for failing to apply remedied had also failed to pay case fees. The Council agreed that a notice should be sent to this company stating that it will be removed from membership of the service within 21 days if all outstanding debts were not paid. Ofcom would be informed of this.

Action Point: The Executive will send a 21 Notice to the Company and will notify Ofcom that this has been done.

## **8 Otelo Member Board Report**

No meetings had taken place since the last Council Meeting.

The Chairman of the Otelo Member Board had sent two notes to Otelo members which detailed recent changes to the Board.

Funding models had been discussed with the Chief Operating Officer.

It was agreed that the Chairmen of both Member Boards should agree a date for a meeting of the Finance Board. It is likely that this will take place during March 2007.

## **9 Energy Member Board Report**

Duncan Sedgwick confirmed that he will continue to Chair the Energy Member Board. He will be supported operationally by John Gunter.

A draft Memorandum of Understanding between the Energy Ombudsman Service and Ofgem was currently with Ofgem for comment.

To comply with the requirements planned in the Consumers, Estate Agents and Redress Bill, the Energy Member Board had been agreed that The Energy Supply Ombudsman Service should be able to handle complaints relating to sales, at a date to be confirmed.

It had also been agreed that energy suppliers that are not members of The Energy Retail Association should be invited to join the Energy Supply Ombudsman Service. The ways in which these companies could financially contribute to the payment of the Service had been discussed. The Ombudsman would be asked to make contact with these companies shortly.

The possibility of extending the scheme to include those energy companies which supply gas and electricity to small and medium enterprises (SME) had also been discussed. It was agreed in principle that this significant market, not currently covered by the Energy Supply Ombudsman Service, should be invited to join but the timing of this should be given greater consideration.

Work will be done to define which companies should be referred to as Small and Medium Enterprises. It is likely that this definition will be based on metering points/energy consumption levels.

A useful discussion had taken place about signposting. Members of the Board agreed that it was important to synchronise the placement of information about the Service on the back of bills.

Jean Couper and Margaret Doyle have continued their tour of Energy Member companies.

## **10 Otelo Member Update**

A full up-to-date Otelo membership list was circulated for the record.

## **11 Process for complaints against TOSL**

A draft process and background material was circulated. The Executive was given the Council's approval to pursue a process similar to that which the Financial Ombudsman Service has in place. The Council will look through the draft process and pass any comments to the Investigations Manager. It was noted that the process should be simple and should have a maximum of three stages. The Council agreed that Roger Jefferies should be formally invited to take on the role of Independent Assessor on his retirement as a Director of the company in June.

## **12 Accommodation – Business Case**

Accommodation within the building currently occupied by TOSL is available to let. A business case was passed to the Council which proposed that TOSL should re-locate to this space. After careful consideration of the costs and implications, the Council agreed that this was the best option for the Service and approval was granted on the conditions that the Executive should provide the Council with a figure which represents a cap which the cost of the move will not exceed. It was agreed that the cost of the move should come from existing funds.

Action Point: The Executive, in discussion with Tony Allen, will provide the Council with a financial cap for the cost of the move to the new premises
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## **13 AOB**

Members of the Council were invited to look at the new office space then to share lunch with all TOSL staff.

### **Time and Date of Next Meeting**

**1pm on 16 January 2007** at the Offices of the Ombudsman Service Limited, Wilderspool Park, Greenall's Avenue, Warrington. WA4 6HL.