

Minutes of the 54th meeting of the Council of The Ombudsman Service Limited (TOSL)

16 January 2007 at 1pm

TOSL Offices, Wilderspool Park, Greenall's Avenue, Warrington

Present:

Council: Peter Holland (Chairman)
Tony Allen
Jean Couper
Margaret Doyle
Chris Holland
Rosaleen Hubbard
Roger Jefferies
Julie Meadows
Duncan Sedgwick

In Attendance: Elizabeth France (Ombudsman)
Richard Sills (Principal Ombudsman)
Andrew Bradley (Council Secretary)

1 Apologies for Absence

Apologies were received from Richard Brown.

2 Minutes of the Council Meeting, held on 12 December 2006

The Minutes were approved for publication on the website.

3 Matters Arising

Matters arising from the previous minutes were discussed.

4 Chairman's Report

The Chairman and the Ombudsman had met with Fran Gillon, Director of Customer Protection at Postcomm. The proposed statutory framework outlined in the Consumers, Estate Agents and Redress Bill was discussed. It was clear that work must be done within the postal industry to classify the areas of complaint where Alternative Dispute Resolution could add value.

The Chairman's planned meeting with Ofcom's Director of Consumer Policy had been postponed until 14 February. Margaret Doyle was asked to accompany the Chairman to this meeting.

Roger Jefferies term as a Council Member expires in June 2007. Last year's recruitment process for Council Members identified five shortlisted individuals (in addition to the two appointed) who were considered appointable. It was agreed that these people would be invited to say whether they were still interested. The need for further advertising would

depend on the wording used on the previous occasion [Secretary's note: It has been decided that further advertising will be necessary]

The HR Manager will begin the process to recruit a new member of the Council.

Tony Allen gave a report on his recent visit to the Communication and Internet Services Adjudication Scheme (CISAS). Greg Hunt and Yvette Yates from CISAS have been invited to visit Otelo.

There was a discussion about the admission of companies which have been removed from membership of either Otelo or CISAS for failing to abide by the rules of the scheme. It was agreed that the current informal agreement should be developed into a formal protocol. The Chief Operating Officer will be asked to look at this with TOSL's solicitors.

5 Ombudsman's Report

Finance

Two companies were removed from membership for a failure to pay fees. Ofcom has been informed and debt collection action is being progressed through the County Court. Customers with outstanding complaints have been informed of the situation. Those with outstanding remedies will also be made aware of the situation

The Executive was asked to explain a discrepancy in the Income and expenditure charts. There is a variation between the budgeted number of frontline staff for each scheme and the TOSL budget for frontline staff. The Chief Operating Officer will send an email to Council members with an explanation before the next meeting.

Operations

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

Energy calls and written contacts continue to climb. An interesting comparison with the first six months of Otelo's operation showed that the speed of take-up of the services is broadly in line.

Following the Christmas break sickness levels for the Enquiry Team were unusually high and a large volume of correspondence had been received. The Council was forewarned that it was likely that the key performance indicator for answering 80% of correspondence within five days will be missed for January.

Accommodation

Meetings have been held with the landlord and with office fitters/suppliers with a view to a move to the ground floor accommodation during the Easter break. The Council urged caution that this timescale may be insufficient to ensure that due care and attention is

given to managing the risks involved in the move. The Executive accepted this and will keep the Council updated on progress.

It had previously been agreed that a financial cap for the cost of the move will be given to the Council. This will be provided to the Chairman as soon as it is available and submitted to the Council at the February meeting.

Personnel and Training

The plans for human resource management for the coming period were to be discussed later in the meeting.

It was confirmed that the appointment of another Principal Ombudsman was not required at this time.

Communications

Craigforth has visited the Office to confirm plans for this year's customer satisfaction survey.

A contract has been let for the Otelo website to be co-hosted with the Energy Ombudsman Service site. A revised site will be ready to launch by 1 April.

Work is in hand for a consumer advice sector seminar to be held during the spring. Council members will be invited to attend.

The Annual Reports of both services will be launched, following the company AGM, in the House of Lords. Lord Alf Dubbs (who chairs the ERA's Billing Code Panel), has agreed to host the event and the Minister of State, Margaret Hodge, has agreed to speak. The date will be dependent on their diaries and availability of a suitable room.

The Council urged the Executive to ensure that all members of the Service engage in excellent signposting to the relevant Ombudsman Service.

Ministers: Ian McCartney's office has scheduled a meeting for 6 February.

A letter from the Chairman to Lord Whitty, commenting on his remarks during second reading of the Consumer Estate Agents and Redress Bill, was copied, with a briefing note, to **Lord Truscott** and other members of the House of Lords with an interest in Part 2 of the Bill.

Consumers, Estate Agents and Redress Bill

The Committee stage of the Bill in the House of Lords had been due to be completed on 10 January. Lord Newton, briefed by BIOA and with a copy of the TOSL briefing note, has said he hopes to intervene to comment on the risks of multiple ADR schemes when Part two is debated.

Meetings

- Postcomm and Royal Mail visited Warrington on 9 January. This was a fact-finding meeting for these organisations to establish how an Ombudsman Service might work for the postal industry.

It is unclear at this stage whether a dispute resolution scheme for post would be developed with a chosen ADR provider or if a formal procurement process would be required. If formal procurement procedures take place then a tender may have to be advertised in the Official Journal of the European Union (OJEU). This would severely impinge on the timescales envisaged (start up by 1 January 2008). If this were the case the Council will want to give careful thought whether the costs of bidding for this work could be justified. Timescales may also be at risk if, as had been suggested, Postcomm consults on the scope of a scheme.

The Ombudsman was asked to send a letter to the Rt. Hon Margaret Hodge, MP, Minister of State for Industry and the Regions, thanking her for the recent meeting and asking if she had received a reply to a letter the Minister had sent to Ofcom.

Future meetings:

- 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
- Meeting with Ian McCartney MP, DTI Minister: 6 February
- Visit to Warrington by David Thatcher, CPW Telecoms: 15 February

6 Operations Quarterly Performance Report (October to December 2006)

The Council noted that the Service appears to be running at a steady state.

The Chairman noted that Tony Allen's report of his visit to CISAS indicated the referral of relatively few contacts from Otelo to CISAS and asked the Executive to provide data on Otelo's referrals to CISAS in future monthly reports. Also, to allow greater year on year comparison, the Executive agreed that future reports will show 13 months not 12.

7 Draft resolution for approval

The appointment of a Deputy or Principal Ombudsman who may have powers delegated to them, is not explicitly stated in the Articles of Association to be a Council appointment.

It has been agreed that Deputies and Principals should only be appointed by the Council. To make the position clear, the Council unanimously resolved that:-

"In interpreting paragraph 10 (2) (c) of the terms of reference of Otelo and of the Energy Supply Ombudsman Service the Council of The Ombudsman Service Ltd (TOSL) will always consider it necessary to appoint any person who is to take the role of Deputy or Principal Ombudsman and in so doing will approve the nature and extent of any delegation of the Ombudsman's powers and duties."

8 Otelo Member Board Report

There had been one meeting of the Otelo Member Board since the last Council meeting. The Board had welcomed Amanda Chandler from Vodafone as Phil Kirby's replacement for the remainder of his term.

An Election process was underway for a minority representative and two nominations had been received. Both candidates will be urged to 'send a personal statement to the electorate and a note from the Chairman of the Otelo Member Board will be sent to all minority Members encouraging them to take part in the process. The new appointment will be confirmed at the February Council meeting.

The Board was content with the general thrust of the draft business plan but asked to see more detail from the risk analysis. The Board also requested the opportunity to approve the key performance indicators. Consideration of KPIs would be made in terms of improving the value for money of the Service.

There had been discussions with the Energy Member Board about the draft budget and no problems were foreseen.

When the new minority representative is in place, a proposal to merge medium and large representative groups on the Board is to be considered. It is likely that this merged group and the minority group will be renamed as 'Group A' and 'Group B'. If these changes are agreed, the Member Board will notify the Council that changes to the Articles of Association should be made.

It was agreed that Chris Holland should continue to represent the Otelo Member Board on the Council until November 2007. It was also agreed that Rosaleen Hubbard will continue to represent the Otelo Member Board on the Council until March 2007. The Council Chairman welcomed this decision.

9 Energy Member Board Report

No meetings had taken place since the last Council meeting.

Some consideration had been given as to how unused funds should be reconciled to members. This will take place in March 2007 at which time a decision will be made as to how funding for the rest of the year will be facilitated.

Work with the Otelo Member Board and the Finance Board was planned. The Chairman of the Energy Member Board shared the opinion of the Chairman of the Otelo Member Board that general goodwill was evident between Boards.

All Energy members have plans to put details about the Ombudsman Service on the back of bills. Some other very good signposting methods were being used.

The Chairman of the Finance Board advised that the remit of the Finance Board is simple and limited but he accepted that some flexibility would be required.

10 Otelo Member Update

A membership update was given

11 Personnel and Training Report

A report was delivered on behalf of the Human Resource (HR) Manager and comments were taken away for further consideration. This work will form part of the detail of the draft business plan.

The Chairman offered his congratulations for the very low staff turnover rate (4%) and spoke of the Council's appreciation for the quality of the Service's personnel function.

For its part, the Council confirmed that it has an ongoing commitment to investing in people and their training.

The Council asked for more information on the ethnicity, gender, age and disability mix for employees in the Service.

12 Trusted Mobile Payment Framework

TOSL had been asked to respond to a proposal to provide dispute resolution for a Trusted Mobile Payment Framework. Various views were expressed as to whether TOSL should extend into this area. It was agreed that more information would be required before any decision could be made.

The Ombudsman will contact the Project Manager for the Trusted Mobile Payment Framework and advise that the Council is looking forward to receiving the Request for Proposal (RFP).

13 Royal Institute of Chartered Surveyors (RICS)

Roger Jefferies declared that as he is also a member of the Board of the Financial Ombudsman Service, which had also been invited to submit a proposal for this work, it was inappropriate for him to sit in on this discussion. The Chairman accepted this and Roger Jefferies left the meeting.

David Pilling of the Royal Institution of Chartered Surveyors (RICS) and Ian Smith, Surveyor Ombudsman, Scotland, visited on 8 January. The Executive was aware that RICS had decided to put in place an alternative dispute resolution scheme and understood this to be a fact-finding visit (Ian Smith had visited previously). During the visit it became clear that planning had progressed faster than anticipated. Mr Pilling had held preliminary discussions with other ADR providers with a view to having a scheme in place by July 2007 and was keen that TOSL should respond to the Request for Proposal.

No decision was taken at this stage as to whether TOSL should seek to extend into this area.

As the RFP has been received and the deadline for submission is before the next Council meeting, it was agreed that the Executive should prepare a draft response to the RFP which should then be circulated to the Council for comment.

The Ombudsman was asked to prepare an overview of the strategic long-term aims of the business. Consideration should be given as to how additional strands of work may be beneficial or detrimental to the business.

Time and Date of Next Meeting

1pm on Monday 19 February 2007 at the Offices of the Ombudsman Service Limited, Wilderspool Park, Greenall's Avenue, Warrington. WA4 6HL.