

Minutes of the fifty-sixth meeting of the Council of The Ombudsman Service Limited (TOSL)

1pm on Tuesday 20 March 2007

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 Brown (Chief Operating Officer)
Richard Sills (Principal Ombudsman)
Andrew Bradley (Council Secretary)

1 Apologies for Absence

There were no apologies.

2 Minutes of the Council Meeting, held on 19 February 2007

The Minutes were approved for publication on the website.

3 Matters Arising

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. The Chief Operating Officer had been in contact with TOSL's solicitors to discuss how this should be handled. It was clear that while we could, and should, agree to share information about companies which had been removed from membership, it must remain a matter for each ADR provider to decide how to take account of that information if an application for membership was then received. It was agreed that a letter in line with this advice should be sent to Ofcom and a copy sent to CISAS.

As requested, Council reports now show 13 months not 12.

An oral report was delivered which outlined the procedure for handling non-member contacts.

A financial cap for the cost of the prospective office move was proposed to the Council. Outstanding consideration was required regarding the installation of air-conditioning and for the dilapidations of the existing and new suites. It was agreed that decisions about

these should be delegated to the Chairman who will assess whether costs are reasonable. Subject to the finalisation of costs, the Council gave its authority to proceed with the move. This is expected to take place in May.

The Executive circulated a note of its proposed plan to improve productivity. This will be discussed as a substantive agenda item in the April meeting.

4 Chairman's Report

Rosaleen Hubbard's term as an Industry Council Member had ended. It was noted that Rosaleen was a key player in establishing the Service, a founder Council Member and, for four years, the Chairman of the Otelo Member Board. On behalf of the Council, the Chairman expressed thanks to Rosaleen for her invaluable contribution to the Service. She was presented with an engraved crystal decanter to mark the occasion.

There had been a very strong response to an advertisement for a new independent Council Member. A shortlist of candidates for interview had been agreed.

Duncan Sedgwick will accompany the Chairman to his next meeting with Claudio Pollack, Director of Consumer Policy at Ofcom. There was a discussion as to whether, or not, it was beneficial for these regular meetings to continue. This would be considered by the Chairman after the planned meeting.

5 Ombudsman's Report

Finance

A meeting with a company which had previously been removed from membership for failing to pay case-fees and to implement remedies, had taken place. The company confirmed that it would meet its obligations. Subsequently payment had been received for the outstanding case-fees.

A Warrant of Execution had been issued by Warrington County Court against another company which had been expelled from membership. Following this, the company had contacted the Executive to make reparation.

There was a discussion about the Council re-approval process for those companies removed from membership for failing to meet the requirements of membership, which then take the appropriate corrective actions.

It was noted that a company which took the decision to move from Otelo to CISAS had a number of remedies which were outstanding. These had been pursued and the company had promised immediate payment.

Operations

The target for responding substantively to 100% of correspondence in 10 days was met for both services, though the impact of bringing scanning in-house, coupled with absences, had led to a failure to meet the five-day target. Staff had discussed improvements to the new process. These improvements had been put in place and overtime was being worked but the target would not be met for March.

All other targets for both services were met.

The Executive agreed that where a key performance indicator is neither achieved nor expected to be achieved in the following month it should be highlighted in red on the Ombudsman's Report to the Council.

The Executive was asked to demonstrate the impact of the change to the scanning process at the meeting in April.

Calls and written contacts to the Energy Supply Ombudsman Service continued to climb more steeply than they did during the early months of Otelo.

Operational staff had meetings with Powergen, Energywatch, npower and TalkTalk.

Human Resources

- Recruitment for Enquiry Officers was underway.
- An advertisement for a part time 'Learning and Development Adviser' had been issued.
- Interviews for new Council Member(s) will take place on 16/17 April.

Communications

- A Seminar for the Consumer and Advice sector is planned for 20 April.
- A staff newsletter had been launched.
- The first energy case studies had been published on the Energy Ombudsman website.
- The Ombudsman had taken part in two live radio interviews and two recorded pieces for TV.
- An article about the Energy Supply Ombudsman featured in a Dutch magazine.
- The Communications Manager attended a Consumer Action Network meeting on complaint handling.
- Margaret Hodge MBE, MP, Minister of State for Industry and the Regions, accepted the Chairman's invitation to speak at the launch of the Ombudsman's Annual Reports.

The Ombudsman had received a letter from energywatch requesting, among other things, detailed information about the performance of the Energy Supply Ombudsman Service. Energywatch was advised that this information will first be presented to the Council in the Ombudsman's Annual Report then published on 24 July.

Consumers, Estate Agents and Redress Bill

Second reading of the Bill had taken place on 19 March. The Executive continued to monitor its progress.

Ofcom Research

An Independent researcher, working on behalf of Ofcom, visited the office on 21 February and then sent supplementary questions, to which the Executive had responded. Otelo was advised that the finished report would be produced by the end of the month.

Meetings of interest to Council:

- 22 February: The Chief Operating Officer and the Ombudsman visited ABTA.
- 2 March: Michael Pollard, Director of Complaints, BT Retail, visited Warrington.
- 14 March: The Ombudsman attended the National Energy Action annual reception.
- 14 March: The Ombudsman met with the Independent Supplier Forum
- 15 March: A representative from the Ministry of Industry and Energy of the Russian Federation visited the office.

Future Meetings of interest to Council:

- 26 March: Oral presentation to the Royal Institution of Chartered Surveyors.
- A meeting with The Rt. Hon. Ian McCartney MP, Minister of State for Trade, Investment and Foreign Affairs had been re-scheduled for 25 April.

6 Otelo Member Board Report

Tony Dixon had been welcomed to the Otelo Member Board.

Considerable time had been taken to consider the business plan and budget. The Chairman of the Otelo Member Board confirmed that the Board was happy with the approach taken. Thanks were expressed to the Chief Operating Officer for his assistance in demonstrating charging options. A decision had been reached not to change the case fee. There would, however, be an overall reduction in the total amount to be recovered via subscriptions. The Chairman of the Otelo Member Board will issue a letter to Otelo Member Companies to notify them of this.

Nick Blades, Director of Regulatory Affairs, O₂, had been elected to the Member Board.

Darren Wight had been nominated by the Otelo Member Board to replace Rosaleen Hubbard on the Council.

The composition of the Otelo Member Board will be discussed at the next meeting.

7 Energy Member Board Report

The period of time that energy companies have to resolve complaints before the complaint comes within the scope of the Ombudsman Service, was discussed.

A decision had been reached on case fee and subscription levels for the coming period. These will be kept under review as the scheme develops.

The Energy Retail Association is monitoring the progress of the Consumers, Estate Agents and Redress Bill and will continue to brief Ministers, MPs and other interested parties about the success of self-regulation. It is likely that those energy suppliers which are not members of the Energy Retail Association will be required to offer dispute resolution to their customers. Energy distributors may also be covered by this requirement.

The Executive will prepare a factual briefing pack about the Energy Supply Ombudsman. The pack will include a letter from the Chairman and Ombudsman.

Work is still to be done to determine the definition of a Small and Medium Enterprise.

8 Otelo Member Update

A membership update was given.

9 Audit Committee Report

The Chairman of the Energy Member Board had attended as an observer.

The business of the Audit Committee reflected the growth of the business. In particular the meeting had focussed on issues relating to risk and performance reporting. The question of whether or not an internal audit would be of benefit to the business was suggested as a topic for discussion after the June Council meeting.

The auditors had provided a minimum figure for reserves and this had been accepted.

Cost attribution, as agreed at the meeting of the Finance Board, was accepted by auditors as reasonable. These arrangements will be kept under review. The Auditors will now report annually on the minimum level of reserves required

10 IT Update

IT consultant Julian Sharp joined the meeting to deliver the background to the ICT strategy outlined in the business plan.

A review of ICT had taken place. An action plan had been developed as a result of this review. Actions included:

- changing the IT company, which provides TOSL with its managed service;
- increasing the resilience of the platform;
- assessing back-up facilities;
- taking time to iron out minor problems;
- beginning a full replacement programme to coincide with the relocation plan;
- improving facilities for home-workers;
- replacing the email client;
- introducing a document management facility;

- building a data warehouse to aid with reporting;
- beginning a regular programme of data cleansing.

The Council asked the Executive to check the external routing of the data cabling. This information will then be used to inform risk management.

There followed a general discussion about the ICT plan.

Julian Sharp was asked to report back on the possibility of introducing a complaint tracking facility which could be used by complainants and Member Companies.

There was a discussion about disaster management. While the elements of a plan were all in place no plan had been produced.

The Executive was asked to formalise and test a disaster recovery plan.

The Ombudsman recognised that improvements to ICT would be central to the plan to improve productivity. A productivity improvement team had already begun to work with the case management system.

11 Date of Next Meeting

1pm on Tuesday 17 April 2007 at the offices of The Ombudsman Service Limited, Wilderspool Park, Greenall's Avenue, Warrington WA4 6HL.