

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

1pm on Tuesday 22 May 2007

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

Present:

Council: Peter Holland (Chairman)
Tony Allen
Jean Couper
Margaret Doyle
Chris Holland
Roger Jefferies
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 Julie Meadows and Darren Wight.

2 Minutes of the Council Meeting, held on 17 April 2007

The Minutes were approved for publication on the TOSL website.

3 Matters Arising

The accommodation project team reported that the move to the ground floor of the Brew House was on schedule. Detailed plans for the handling of the move have been issued to reduce the disruption of business to a minimum. Phone lines would be closed at 15 00 on Friday 25 May and the service was intended to be fully operational by mid-day on Tuesday 29 May.

The Chief Operating Officer had taken advice from TOSL's lawyers and had developed a statement which describes how Otelo will handle the re/admission of companies which have been removed from membership of Otelo or CISAS for failing to abide by the rules of either scheme. Ofcom had been notified and a copy of the statement had been sent to CISAS for information.

The Executive has instructed its IT consultant to provide a short report on the possibility of introducing a complaint tracking facility which could be used by complainants and member companies. This will be provided to the Council at the meeting in June.

The Executive will formalise and test a disaster recovery plan in September.

4 Chairman's Report

The Chairman had completed four one- to-one appraisals with Independent Council Members.

The future constitution of the Council was raised as an issue that should be informally discussed during the away-day scheduled for July. The Chairman asked for a small group to look at options. Chris Holland volunteered to be part of this group.

Notification had been received from the British and Irish Ombudsman's Association (BIOA) that the Energy Supply Ombudsman had been admitted to full, voting membership but raising some concerns about the potential confusion caused by the use of the company name. It was agreed that the Chairman would write to Tony Redmond, Chairman of BIOA, explaining how the company name was used and undertaking to further reduce its profile.

5 Ombudsman's Report

Finance

Overall case numbers were slightly lower than budget. This was the first set of figures using the cost attribution model and the impact of volume is highlighted by the lower than budgeted overhead. It would take several months before the attribution settles down.

The debtor's book is high due to the invoicing of subscriptions for both services. There are no potential bad debt problems within the ledger at the end of the month.

Operations

All targets for both services were met. The figures show, again, that where a problem is identified it is managed and the risk of a sustained period of backlog at any stage in the process is averted.

Calls and written contacts to Otelo were at their lowest since the start of 2007. The volume of written correspondence dropped to a level more in keeping with earlier months – but it was still almost double that of April 2006. The reduction might be partly attributable to two weeks which included Bank Holidays, though during the same period contacts to the Energy Supply Ombudsman continued to rise. The increase in contacts and in forms issued (the pipeline for investigations) continue to climb more steeply than they did during the early months of Otelo. The latest figures are at attachment two.

Operational staff had meetings with:

- Scottish Public Services Ombudsman (SPSO) about benchmarking.
- British Quality Foundation about Quality training
- British Gas
- EDF Energy
- Talk Talk

- Scottish Power

Human Resources

The Council had appointed Chris Kenny as a new independent member. Chris is an independent consultant specialising in public policy, particularly consumer and competition and regulation issues. His early career was in the Department of Health, where he held a variety of policy and management posts including Principal Private Secretary to the Secretary of State. As Oftel's Director of Regulatory Policy and then Director of Compliance between 2000 and 2003, he worked with industry and consumer bodies to establish Otelco. Most recently, as Director of Life and Pensions for the Association of British Insurers until December 2006, he led the industry's input into the work of the Pensions Commission and the Government's response to it. He has begun his induction programme and will join the Council for its June meeting.

Communications

Work is in hand for the workshops to be held in June; for the publication of the annual reports; and for the launch event.

The Council will be interested to note that the Communications Manager attended a meeting at Ofcom with CISAS to learn more about accessibility issues from a representative of the RNIB.

Translation services were used this month to communicate with a complainant, with a complaint which seemed to be within our terms of reference, whose correspondence moved between English and Chinese.

Due to improved relationships with the press/media offices at Ofcom and Ofgem there has been an increase in contact from the press and media relating to a variety of issues.

A repeat of the recent event for the consumer and advice sector will be held in Warrington on 12 June. The open day for Otelco member companies will be held on 13 June in Warrington and the open day for the members of the Energy Supply Ombudsman will be held on 14 June in Warrington.

Consumers, Estate Agents and Redress Bill

The Committee stage of the Bill has been completed. The Report stage will not be before the Whitsun recess.

Customer Satisfaction Survey

Interim findings have been received from Craigforth Consultancy and Research. These will be presented in full to the Council in the June meeting.

Meetings of interest to Council between 17 April and 22 May:

- 20 April: meeting for Consumer and Advice sector, attended by over 30 representatives. The feedback was positive, and the event is to be repeated in the North West and, possibly, in the North East (at the invitation of Trading Standards).

- 24 April: meeting with Ofcom to discuss the impact of the extension of the role of the Financial Ombudsman Service to cover credit licence holders (this includes most PCPs). Ofcom, OFT and FSA will consider and report back.
- 25 April: The Ombudsman met the Ombudsman for Estate Agents to ensure a good channel of communication – it was agreed that a Memorandum of Understanding (MoU) would be important once Surveyor Ombudsman remit was clear.
- 26-27 April BIOA Conference.
- Visit from staff of the Scottish Public Sector Ombudsman.

Future Meetings of interest to Council:

- A planned meeting with Ian McCartney's office is to be rescheduled.
- Ombudsman to meet the Energy Supply Networks Association.
- Meeting for the Consumer and Advice sector in Warrington: 12 June
- Workshop for Otelo members' customer service staff: 13 June
- Workshop for Energy Supply Ombudsman members' customer service staff: 14 June
- Launch of Annual reports 24 July

6 Otelo Member Board Report

The Otelo Member Board had expressed its broad support for the proposed operation of the Surveyors Ombudsman Service.

There had been an excellent response to the Otelo Member Company satisfaction survey.

A paper was circulated which proposed changes to the composition of the Otelo Member Board. The Otelo Member Board had unanimously supported the proposal to merge the Intermediate and Majority membership categories and to rename the existing membership categories. **The Council endorsed these proposals.** Changes to the Otelo terms of reference will be made to reflect this.

7 Energy Member Board Report

The Consumers, Estate Agents and Redress (CEAR) Bill has finished committee stages without planning any amendments which would affect the Energy Supply Ombudsman. The third reading of the Bill is planned for the beginning of June.

Energy networks are looking for ways to meet their obligations for this Bill. Discussions had taken place within the Energy Member Board on possible ways to accommodate the networks within the Energy Supply Ombudsman, though no firm agreement had been reached on this. The Ombudsman had been invited to meet with representatives from the Energy Networks Association and National Grid to help facilitate a greater understanding of what their options are.

It had been agreed that the Energy Supply Ombudsman Service should accept complaints relating to sales activity by its members from 1 September.

8 Otelo Member Update

A membership update was given. It was agreed that the approval process for new member companies should be changed. Council members will only contact the Membership Secretary if they wish to raise questions about a particular application. A company will become a member if no comments are received within ten days.

9 Surveyors Ombudsman Service

A project update was given and specific highlighted areas were discussed. Draft terms of reference for the service were discussed and changes recommended. It was the opinion of the Council that the terms of reference for the Surveyors Ombudsman Service should closely mirror the terms of reference for the existing schemes. Key Performance Indicator's should also be the same as for other the existing schemes.

There was some discussion on the alignment of remedies between the schemes. It was however recognised that difference might be justified – the Executive agreed provide further information on the reasons for the differences. The level of remedies for SOS was carried over from the pilot scheme. [Secretary's note: the maximum award for the SOS pilot is in line with the maximum award for the Ombudsman for Estate Agents].

The arrangements for appointment of the Ombudsman and the accommodation of independent members on the SOS Board would be discussed with RICS before final agreement.

It was agreed that legal advice should be taken on the exchange of letters to ensure that these provided a suitable contractual basis for the relationship with RICS.

Otelo and Energy Member Boards would agree an appropriate 'entry fee' with RICS. The next meeting of the Finance Board would include representatives from the Surveyors Member Board.

The Ombudsman was confident, given the proposed adoption of the current Surveyor Ombudsman and his case worker, that the company would be ready to operate the Surveyors Ombudsman Service from 1 June.

It was the decision of the Council, subject to final agreement on the terms of reference and the entry fee, that TOSL should accept the offer from RICS to operate the Surveyors Ombudsman Service from 1 June.

The Executive was congratulated on the work it had done to achieve this new Service.

10 AOB

A presentation from Steven Gould, Director of Professional Regulation and Consumer Protection, RICS, preceded the meeting.

11 Date of Next Meeting

1pm on Tuesday 19 June 2007 at the offices of The Ombudsman Service Limited, Wilderspool Park, Greenall's Avenue, Warrington WA4 6HL.