

**Minutes of the sixty-first meeting of the Council of The Ombudsman Service Limited
(TOSL)**

**12:30 on Tuesday 18 September 2007
TOSL Offices, Wilderspool Park, Greenall's Avenue, Warrington**

Present:

Council: Peter Holland (Chairman)
Tony Allen
Jean Couper
Margaret Doyle
Chris Holland
Chris Kenny
Julie Meadows
Duncan Sedgwick

In Attendance: Elizabeth France (Ombudsman)
Richard Brown (Chief Operating Officer)
Andrew Bradley (Council Secretary)
Robbie Allcock (Policy Officer)

1 Apologies for Absence

Apologies were received from James Scott-Lee. The Chairman also explained that Ian Smith and Dick Sills were absent, representing the Office at meetings.

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

The Minutes were approved for publication on the TOSL website.

3 Matters Arising

- A copy of the Chairman's follow up letter to Ed Gallagher had been uploaded to the Council extranet.
- Contact had been made with Lord Whitty's office but a date for a meeting with the Chairman had yet to be fixed. *[secretary's note: now arranged for 8 October]*
- A budgeted cash-flow figure was provided in this month's report
- A funding options paper will be prepared for the next meeting of the Finance Board.
- The Executive will consider proposing a change to the way some KPIs are expressed in its Draft Business Plan for 2008/9, to be circulated in draft in December.
- A draft response to the BERR consultation had been circulated.
- A draft Memorandum of Understanding (MoU) with the Estate Agents Ombudsman had been placed on the Council Extranet. This cannot be agreed until the final SOS terms of reference are approved.
- Ian Smith will discuss a MoU with the Financial Ombudsman Service.
- Nviron have agreed to revise the Disaster Recovery Plan and test it by the end of October.

- Disaster recovery will be included within the risk management functions of the Audit Committee. Peter Holland will help with this. This will be looked at at the next Audit committee.
- Ian Smith provided the Chairman with a briefing for the inaugural Surveyors Ombudsman Member Board meeting on 30 July.

AP: An exchange between the Ombudsman and the Chief Executive of energywatch will be placed on the Council extranet.

AP: The definition of 'Independent Council Member' will be copied from the Articles of Association and included within glossary of the terms of reference for the Surveyors Ombudsman Service.

4 July Away Day

A note of the meeting was circulated. Following some minor amendments to drafting it was agreed that this could be circulated to the Member Boards.

AP: It was agreed that a form of words which sets out the approach that the Council has adopted should be published on the TOSL website as a statement from the Chairman. This should be included in discussions with key external stakeholders.

The revised Council meeting programme was agreed but will be kept under review. Future meetings will take place between 12:30 and 3pm unless otherwise specified.

5 Draft Response to Department for Business Enterprise and Regulatory Reform Consultation: *Consumer redress schemes in gas, electricity and postal services.*

A draft response was circulated. Minor amendments to drafting were made. The Chairman of the Otelo and Energy Member Boards will send comments to the Executive to amplify as it relates to the definition of small businesses.

6 Chairman's Report

There had been a meeting at Ofcom with Peter Phillips, Partner, Strategy & Market Developments and Claudio Pollack, Director of Consumer Policy to discuss key issues in the regulation of the telecoms sector. Ofcom research into existing arrangements for dispute resolution has been supplemented by a statutory request for information to a number of Public Communication Providers. The information was now being collated and analysed.

There had been a meeting with the Managing Director of Tesco Mobile

The recruitment of a new Principal Ombudsman was underway. The Chairman will contact the HR Department to discuss arrangements for sift and interview processes.

There will be no meeting of the Council in October. Papers will be prepared and circulated in the normal manner. The scheduled presentation on Local Loop Unbundling (LLU) will be rescheduled.

Following a thorough review of its arrangements for alternative dispute resolution, BT had informed the Chairman that it had taken the decision to remain as a member of Otelo. The structure of BT's review will be shared with the Executive and the Council.

7 Ombudsman's Report

Finance

The Finance report includes a budgeted cash-flow figure as requested.

The figures for the first five months show income for invoiced cases running slightly higher than budgeted (by 41 cases). There had been an increase in the number of forms issued during each of the last three months (June July and August); this was higher than the forecast, and suggests that income for September and October will also be higher than was budgeted.

- I It was reaffirmed that reserves should be sufficient to cover the winding-up costs of the business and any reasonably foreseeable liabilities. The figure was regularly reviewed by the auditors. Redistribution of any surplus should be discussed at the next meeting of the Finance Board.

Operations

While both Otelo and the Energy Supply Ombudsman comfortably met the target of delivering 90% of PCs within 6 weeks, both had more old cases than should be the case. The target is less than 1% but Otelo had 2% and Energy 1.7%. These were cases which began as ones considered suitable for early resolution (PICC) but in which the customer then decided to ask for full investigation. The Investigations Managers will monitor 'old' cases closely this month. The target of 95% of correspondence met within 5 working days was missed for Otelo where the volumes have remained high.

Although the five month figures are close to budget forecast, that hides a sharp increase in actual complaints received during August. There were 160 more cases received than in July. September looks to be running at a high level too. The Executive is looking at ways to manage the increase and to minimise the risk of backlogs. Steps have also been taken to bring in the additional staff which the budget allows. The time it will take to recruit and train is, however, likely to lead to some missed targets over the coming months.

A complainant had taken the Service to the County Court. The case was struck out on the grounds that there was no likely possibility of success. TOSL's solicitors have provided a template which could be adapted and re-used where similar circumstances arise in the future.

Otelo

Following the meeting with Tesco, the Ombudsman accepted an offer from Tesco to provide some education/ training for TOSL staff in relation to customer service.

Energy Supply Ombudsman

On 30 August Ofgem held a day's briefing for the Authority on Consumer Issues. The Ombudsman was invited to attend one session with Ian Marchant, Chief Executive, Scottish and Southern Energy; Phil Bentley, Chief Executive, British Gas; Ed Gallagher, Chairman, energywatch; and Lord Whitty, Chairman, National Consumer Council. Questions were asked by the Ofgem Chairman, John Mogg, about the risks and opportunities of the new regime and, in particular, the transition period. All agreed that the greatest risk was lack of clarity about the way forward: mixed messages and lack of preparedness by Consumer Direct were highlighted.

Surveyors Ombudsman Service (SOS)

The first complaint form had been issued.

There are now some 1800 firms which are members of the service.

Further progress on the MoU with the Estate Agents Ombudsman, and the application for BIOA membership await final approval of the Terms of Reference which we expect to be given at the September meeting of the Member Board.

Personnel and Training

The advertisement for a Principal Ombudsman is on the TOSL website and has appeared in the press on 16 September. The timetable schedules interviews to coincide with the November Council meeting.

Workshops for all staff were held in preparation for an Investors in People reassessment to take place shortly.

Recruitment for Enquiry Officers has taken place during the month; two Enquiry Officers have transferred to become trainee Investigation Officers; and Robbie Allcock, one of our Investigation Officers is to support the Executive as a part-time Policy Officer (continuing with 50% of his time as an IO).

ICT

A fixed price contract was agreed with Nviron for the installation of new servers and the installation went smoothly. A disaster recovery plan will now be developed and tested.

Communications

During August all three schemes exhibited at the Citizens Advice conference in Edinburgh.

New leaflets on service standards have been produced; inserts have been added to the current stock of SOS leaflets (to revise the remedies limit) and Energy leaflets (to cover 'selling'); and corporate material has been redesigned to minimise references to The Ombudsman Service Ltd.

A document which describes the standards which can be expected when TOSL becomes involved in a dispute between a consumer and a member company had been produced. This has been published on the TOSL website. Copies were circulated to the Council.

AP: The Communications Manager will make contact with local Trading Standards to make them aware of this document and the procedures it describes.

Meetings of interest to Council between 25 July and 12 September:

- 1 August: Legal Services Ombudsman staff visited the Office
- 6 August: Ombudsman spoke to a Polish seminar (part of a Foreign and Commonwealth Office twinning project) on mobile phone complaints.
- 30 August: Ofgem internal senior management workshop on consumer issues - 'New consumer arrangements'
- 5 September: Chairman and Ombudsman visited the CEO Tesco Mobile
- 10 September: Chairman and Ombudsman visited Ofcom

Future Meetings of interest to Council:

- 14 September: Energywatch seminar on complaints handling (Ombudsman to attend)

- 18 September: Euro-energy Ombudsman meeting Madrid (Principal Ombudsman to attend)
- 18 September: Changing the role of Regulators in Scotland (Surveyors Ombudsman to attend)
- 18 September: National Energy Action Conference, Chester (Ombudsman and Duncan Sedgwick speaking, ESO exhibiting)
- 24 September: Fiona McLeod – Energy and Water Ombudsman, Victoria, Australia, visiting
- 25 September: Scottish RICS meeting (Ombudsman and Surveyors Ombudsman to attend)
- 3 October : meeting with Energy Networks Association (Ombudsman, Chief Executive Officer)
- 4 October: Chairman and Ombudsman to visit British Gas
- 5 October: Utilities Industry Awards judging (Ombudsman).

8 Otelo Member Board Report

No meetings had taken place since the last Council Meeting.

The next planned meeting would discuss issues relating to revisions of the terms of reference and the Ofcom consultation into dispute resolution procedures. Claudio Pollack, Director of Consumer Policy, Ofcom, has been invited to attend. The Chairman of the TOSL Council has also accepted an invitation to attend a meeting with the Otelo Member Board.

The Chairman of the Otelo Member Board had worked with the Executive to compile and issue a newsletter to all Otelo Members to inform them of the recent launch of the Ombudsman's Annual Report.

9 Otelo Member Update

A membership update was given.

Proceedings had been issued against a member for non-payment of subscriptions.

A handful of companies had still failed to comply with requests for a Total Relevant Retail Revenue. The Executive is making a decision about what action to take with these.

10 Energy Member Board Report

No formal meetings had taken place since the last Council meeting.

The new regulatory environment for the energy industry was discussed. It will be important for TOSL to keep in close contact with the transition group working on this project.

There had been a substantial discussion about the maximum period member companies should be given to handle a complaint before a complaint can come within the remit of the Ombudsman. It was agreed by the Member Board that all companies would reduce the period from 12 to eight weeks by the 1 January 2008. This would be announced by the Energy Retail Association shortly.

The Chairman of the Energy Member Board expressed his opinion that the increase in cases that the Ombudsman is experiencing is in line with his expectation.

There was a discussion about Ofgem's recent consultation on dispute resolution.

11 Surveyors Member Board Report

James Scott-Lee had been nominated to represent the Member Board on the Council.

In his absence a report was given by Chris Kenny.

Two meetings had taken place since the last Council meeting. The inaugural meeting was attended by the TOSL Chairman. This was an introductory meeting which looked at the role of the Ombudsman and at the regulatory regime set in place by the Royal Institution of Chartered Surveyors (RICS).

The second meeting focussed on a close examination of the draft terms of reference for the Service. Minor changes were suggested.

The RICS were now beginning to sign up members to the Service.

There was a strong move from the RICS that the Ombudsman should include all services which are provided by surveyors within the remit. There was a discussion about the implications of this.

AP: A meeting to be arranged between The Chairman, The Ombudsman, Chris Kenny and the Chairman of the Surveyors Member Board, the RICS Regulatory Board and the RICS Executive. The scope of the scheme and the role and remit of the Member Board will be discussed.

12 AOB

None.

11 Date of Next Meeting

12:30 on 20 November 2007 at the offices of The Ombudsman Service Limited, Wilderspool Park, Greenall's Avenue, Warrington WA4 6HL.