

**Minutes of the seventieth meeting of the Council of The Ombudsman Service
Limited (tOSI)**

**14:00 on Tuesday 15 July 2008
The City Inn Hotel, London**

Present:

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

In Attendance: Elizabeth France (Ombudsman)
Andrew Walker (Ombudsman)
Richard Brown (Chief Operating Officer)
Andrew Bradley (tOSI Communications Manager)
Robbie Allcock (Secretary)
Garry Felgate (Chief Executive, Energy Retail Association)

The Council meeting began with a minute's silence to mark the sudden death of Ian Smith (Ombudsman). The Chairman said he would write to the family to express the Council's condolences and to express thanks for the work he had done during his time with the company.

1 Apologies for Absence

Apologies were received from Jean Couper and Steven Gould. Richard Sills (Ombudsman) was also unable to be in attendance.

2 Minutes of the Council Meeting, held on 17 June 2008

With amendments, the Minutes were approved for publication on the tOSI website.

3 Matters Arising

Andrew Walker briefed the Council on the main points of Ofcom's Review of Alternative Dispute Resolution and Complaints Handling Procedures.

AP1: A draft response to the consultation would be presented to the Council for the September meeting.

The Audit Committee Chairman and the Chief Operating Officer reported on the auditors recommendations on the appropriate level of reserves.

AP2: It was agreed for the Chief Operating Officer to draft a model on reserve levels and produce a formal recommendation to Council at its next meeting.

AP3: The proposed changes to the Audit Committee Terms of Reference were to be circulated and tabled for approval at the September Council meeting.

The Chief Operating Officer briefed Council members on the newly acquired office space. It is planned to relocate any 'in-house' departments such as Communications, HR, Finance and Training. The costs, not included in the budget will, for this financial year (2008/09), be taken from reserves and, thereafter, be split over each Service as an overhead.

4 Chairman's Report

The Chairman and the Ombudsman (Richard Sills) had a meeting with npower. This was one of the series of visits the Chairman was making.

The process to begin recruitment of a Chief Ombudsman, to be in place during the second half of 2009, was discussed. The selection panel had held interviews with short listed recruitment agencies and feedback was given. The Council also discussed the unexpected Ombudsman vacancy and agreed to further discussion about a way forward, before taking any action.

5 Ombudsman's Report

Volume Change

The stock figures, with progress against the work plan, finance information, and performance against KPI targets were discussed.

The Council was invited to note that in the last four weeks 938 Provisional Conclusions (PCs) were issued at an average of 234 per week against a target of 230 per week.

In the same period 976 new cases were received at an average of 244 per week which was also higher than anticipated.

Although there were still a small number of cases in stock older than six weeks, the majority of these are all awaiting further information in order to complete the provisional reports. Similarly, there are also some cases that are awaiting confirmation of Pre Investigation Case Closure/mediation remedies being completed; these continue to be monitored on a weekly basis. It was suggested that the Executive consider ways of presenting the six week stock figure so that cases where, for example, information/confirmation from the customer was awaited could be shown separately.

The number of SOS cases over six weeks was 42, however there were now five Investigation Officers working on those cases. Accurate task time for SOS reports was being captured so that it can be decided whether or not further action needs to be taken to ensure that the volume of cases is handled in a timely manner.

The average processing capacity of the IO team of 230 PCs per week is based on a weekly average for the whole year. The main summer leave period will present specific resource challenges. In the next 6-8 weeks the focus will be on maintaining the progress made over the last three months.

There were some questions posed by both the Otelo and Energy Ombudsman Member Boards at the apparent increase in awards/remedies. The Executive explained that work was being undertaken to analyse this information to ensure consistency.

AP4: Executive to provide a paper on awards for the September meeting

Finance

Case numbers for Otelo remain ahead of the projected level whilst Energy is below the expected level by some 300 cases. SOS cases are also slightly behind budgeted numbers. Two Energy Network cases have now been accepted. The overall contact ratio continues to run at 13:1.

The first quarterly efficiency report on cost per case and productivity per head was discussed.

The cash position was less than budget at £369K. The main reason for this was that several large companies, across both the energy and telecoms sectors, failed to pay their April invoices by the due date. This was expected to be a temporary problem.

IT

The Disaster Recovery Plan had been approved by the Audit Committee who recommended the same to Council. The Council unanimously approved the Plan.

AP5: It was agreed that this should not now remain on the Council extranet

Changes to regulation and accreditation criteria

Following the application to Ofgem for approval as an energy sector redress scheme, under the terms of CEARA 2007, notification was received from Ofgem on 18 June that we had been provided with conditional approval to provide a statutory redress scheme in the energy sector.

Following the application to OFT for approval as an approved redress scheme for estate agents, and since our meeting with them on 10 June, we have fielded further responses to more questions posed in a letter to SOS dated 30 June. Given the time constraints and concerns of other stakeholders, we have tried move swiftly to accommodate OFT's concerns.

On 8 July we received, ahead of publication, Ofcom's Review of Alternative Dispute Resolution and Complaints Handling Procedures. A draft response will be submitted to Council at September's meeting for its consideration.

Following our invitation to tender by Royal Mail as Postal Services Ombudsman and a subsequent invitation to give a presentation to the licensed postal operators at PostComm on 12 June, we were informed that our bid was not successful. We have since received notification that IDRS has been invited to provide the ADR service.

Staff turnover

The first quarterly absence management report was welcomed .

It was noted that several new staff, including additions to both IO and EO teams and also to the HR department had been appointed.

Other points of interest:

- Communications Manager presented at the Trading Standards Annual Exhibition, Bournemouth
- Staff met Hiroki Asahara, an ADR consultant looking at ADR for Japanese telecommunications industry, who visited our offices.
- TScottish Legal Services Commission and also the Irish Commission for Energy Regulation (Eire) who both, separately, visited our offices.
- The Chief Ombudsman met Anna Bradley, Chair, Ofcom Consumer Panel
- The Chief Ombudsman met Ed Mayo, Chief Executive, NCC.
- The Chief Ombudsman spoke to the Independent Gas Transporters.
- The Chief Operating Officer represented us and gave a presentation at a Round Table forum organised by the Uconomics Forum in Sofia, Bulgaria, as their guest. The event was attended by the EU Commissioner for Consumer Rights for Bulgaria, the Bulgarian Public Ombudsman, the main utility companies and various representatives of Consumer organisations.

6 Otelo Member Board Report

A conference call had taken place on 24 June. Tony Dixon and Amanda Chandler had been re-elected as 'Group A' representatives. Dave Breith (Chief Executive of Obit Telecom Limited) had been elected as a 'Group B' representative.

The Board had been keen to receive some feedback from the Executive on the quality of tOSI's application to provide a redress scheme for the Postal sector and also its experience of dealing with the recent increase in work volumes.

The Otelo Member Board Chairman was to draft a note to all Otelo members for them to alert the Executive of any changes which may affect Otelo case/contact volumes.

The Chairman also requested that a copy of the draft finance protocol be made available for the Board at its next meeting.

7 Otelo Member Update

The membership update was noted.

8 Energy Member Board Report

The Energy Member Board Chairman reported that the Board had discussed operational performance and also aired some anxiety over how the Service would handle complaints from small business customers. tOSI's Investigations Manager, who was present at the meeting, provided assurances in this regard.

The Energy Member Board Chairman requested a copy of the draft finance protocol for its next meeting.

Decision: The Council formally approved the proposed changes to the Energy Ombudsman Terms of Reference.

9 Surveyors Member Board Report

There had been no formal meeting of the Surveyors Ombudsman Service Member Board since the last Council meeting.

10 AOB

Duncan Sedgwick confirmed his resignation from the Council, with effect from 31 July 2008. He is to leave the ERA and will no longer, therefore, be Chairman of the Energy Member Board. He is to be replaced by Garry Felgate. The Chairman thanked him for his contribution to the work of tOSI over the last two years. A presentation was made, and Duncan Sedgwick responded.

Date of Next Meeting

13.00 on Tuesday 16 September 2008 at the offices of The Ombudsman Service Limited, Wilderspool Park, Greenall's Avenue, Warrington WA4 6HL