

**Minutes of the forty-fifth meeting of the Council of the Telecommunications  
Ombudsman Service Limited (TOSL)**

**21 February 2006 at 13:30**

**Otelo Offices, Wilderspool Park, Greenalls Avenue, Warrington**

**Present:**

**Council:** Peter Holland (Chairman)  
Margaret Doyle  
Jeremy Mitchell  
Chris Holland  
Rosaleen Hubbard  
Roger Jefferies  
Julie Meadows

**In Attendance:** Elizabeth France (Chief Executive)  
Richard Brown  
Richard Sills  
Andrew Bradley (Minutes)

**1 Apologies for Absence**

There were no apologies

**2 Minutes of the Council Meeting, held on 17 January 2006**

The Minutes were approved for publication on the Otelo website with minor amendments to drafting.

**3 Matters Arising**

There were no matters arising.

**4 Chairman's Report**

The recruitment process for a new Council member had begun. Those members of Council who will help with the interview process were given potential dates for interviews.

Julie Meadows had been asked by the Chairman to attend Audit Committee meetings until July. Council agreed to this. This will be reconsidered in July when there will be an audit of Council skills.

The Board of the Energy Retail Association (ERA) has made a decision in principle to request that the Telecommunications Ombudsman Service Ltd (TOSL) be the provider for its own branded ADR service, and has asked the TOSL to enter into discussions to develop and launch an ADR service for energy consumers.

No agreement has yet been concluded at this time and the proposal is subject to:-

- satisfactory commercial arrangements being reached between the TOSL Member Board and the ERA; and also
- agreement on changes to the company's structure and terms of reference. There was a discussion about project planning and timescales and it was agreed that the Executive would present a project plan for the March meeting.

The Chairman had posted a note on the members extranet to assure all members that an agreement to provide this new service will only be achieved when he can be sure that any proposals will not adversely impact on the level of service or operational capability of Otelo to service the needs of its existing members.

## **5 Ombudsman's Report**

**Finance:** As the financial year draws to a close, there is increased confidence in the expected out-turn. The only problems relate to outstanding debt and the cost of related legal action.

**Operations:** All targets were met this month although the number of cases over eight weeks old was 1%. The numbers are very small and will therefore be subject to some fluctuation.

The Executive was congratulated for achieving the Key Performance Indicators (KPI's). In particular, the successful and rapid improvement in responding to written correspondence within five days was noted. A discussion followed about the KPI's for the year ahead.

### **Discussions with the Energy Retail Association (ERA):**

The meeting had been preceded by a valuable presentation from Duncan Sedgwick, Chief Executive of the ERA. There had also been a number of meetings with the ERA during the month. At an Energywatch seminar held on 7 February, the Chief Executive of the ERA made it clear that it was the intention of the ERA, subject to agreement on terms, to ask the TOSL to supply their ADR service. Otelo's member companies were informed of this decision by a message from the Council Chairman and the Chairman of the Member Board, the previous day. The Executive has ensured that Ofcom and the British and Irish Ombudsman's Association (BIOA) were aware, and there had been a conference call with the Energy Regulator, Ofgem. Consultants KPMG have been asked to complete some work for the Department of Trade and Industry (DTI), following the publication of a consultation paper. The Executive had taken part in a conference call with KPMG to answer factual questions about the nature of Otelo.

### **Communications:**

After a tender exercise a local company: Comunicado had been retained to produce the annual report, graphics for the conference stand and other promotional material for Otelo. Work on the Customer Satisfaction Survey for 2006 is underway.

The Otelo website was discussed and an explanation of where it fits within the planned review of IT structures was given.

### **Key Meetings:**

31 January: Duncan Ingram, BT, visited Otelo  
2 February: Ombudsman attended an Ofcom Consumer Panel event  
6 February: Director of Operations attended Ofcom's Art & Communications reception  
7 February: Ombudsman spoke at Energywatch seminar  
7 February: Chairman met with Duncan Sedgwick  
8 February: Director of Finance held planning meeting with the ERA  
9 February: Ombudsman met with Duncan Sedgwick  
8/9 February: Ombudsman attended the Communications Management Association annual conference and dinner  
14 February: Executive responded to conference calls from Ofgem and KPMG

#### **Future Meetings:**

20 March: George Kidd, ICSTIS Director to visit Otelo  
24 March: Ofgem to visit Otelo

## **6 Outstanding debt and remedies**

An oral report was given on outstanding debt and a paper presented showing outstanding remedies. The paper referred to four companies, one had recently been expelled from membership; one appeared to have ceased trading. Of the other two, dialogue has been constructive with one but the other was causing significant concern. [A discussion followed on the appropriate action which was, at this stage, in confidence].

The Council agreed that consideration be given to insurance for the future, in addition to Directors' Liability insurance, to cover legal costs.

## **7 Member Board Report**

Mike Lewis from Centrica attended the Member Board pending the appointment of a replacement as a member of the Member Board when all total relevant retail revenue (TRRR) statements have been received by the Company Secretary.

Although it has various concerns, The Member Board is monitoring the situation relating to the work being done by the TOSL and the ERA to develop an ADR service for the Energy Industry. The Member Board is committed to this process provided that there will be no reduction in the quality of the work done by Otelo for its communications members.

The situation relating to Otelo's outstanding debt and remedies was being monitored.

The Member Board liked the new reporting system and was pleased with the successes achieved in the year.

The funding mechanism for Otelo had been discussed and a paper relating to different possible options, written by Roger Jefferies was considered. The Member Board was pleased to be given this opportunity to re-evaluate the way that the service is funded and thanked Roger for his suggestions. It was unanimously agreed that the current mechanism works well and should not be changed at this time. This will be kept under review however it was decided that the term "polluter pays" to describe the

funding mechanism" should no longer be used as it does not properly represent the ethos of the Ombudsman scheme.

The distribution of accumulated reserves as a rebate to members had been discussed.

It had been agreed that, on the basis of the draft 2006/7 Business Plan, the case fee charged to Otelo members should be reduced from £325 to £310. Council discussed how best this decision should be communicated to members and other stakeholders.

Otelo's HR Manager is helping the Member Board to benchmark Council remuneration.

Claudio Pollack, Director of Consumer Policy at Ofcom had informed the Member Board that Ofcom will be following up on some specific outcomes of their recent review of ADR schemes.

The Council Chairman was keen to see strong communication links with Otelo's members. Otelo's Communications Manager will develop some valuable suggestions that were put forward by Chris Holland and will support The Member Board Chairman to improve communications to members.

## **8 Member Update**

The Ombudsman reported that a further 15 members had joined the Service since the last meeting. Three companies are no longer listed as members following acquisition by other communications providers or because of a withdrawal from the communications market.

## **9 Ofcom's Consumer Policy Consultation**

The TOSL response was discussed and a draft will be presented to Council at the March meeting. Council were asked to send any further comments to the Executive within two weeks.

## **10 DTI consultation on proposals to strengthen consumer representation**

The TOSL response was discussed and a draft will be presented to Council at the March meeting. Council were asked to send any further comments to the Executive within two weeks.

## **11 Draft Business Plan 2006/7 Version 2**

Council gave final comments and opinions on this draft of the Business Plan. The final draft for agreement to be sent formally to the Member Board would be tabled at the March meeting.

A paper summarising the risk workshops which had been held was circulated for information. The key risks would be integrated with the plan.

## **12 AOB**

Jeremy Mitchell was congratulated on his appointment to the Ofcom Consumer Panel.

Council Members have been invited to attend the British and Irish Ombudsman's Association (BIOA) annual meeting to be held in Dublin in May.

**13 Date of Next Meeting**

21 March 2006 at 1pm at Otelo Offices, Warrington. The meeting will include a presentation on HR issues and will follow the Audit Committee.