

Minutes of the forty-ninth meeting of the Council of The Ombudsman Service Limited (formerly the Telecommunications Ombudsman Service Ltd.)

24 July 2006 at 10:30am

The Office of Towerhouse Consulting, London. WC1.

Present:

Council: Peter Holland (Chairman)
Tony Allen
Jean Couper
Margaret Doyle
Chris Holland
Rosaleen Hubbard
Roger Jefferies
Julie Meadows

In Attendance: Elizabeth France (Ombudsman)
Richard Brown
Richard Sills

Observing: Mark Watson

1 Apologies for Absence

Apologies had been received from Duncan Sedgwick.

2 Minutes of the Council Meeting, held on 16 May 2006 and 20 June 2006

There was further discussion of both sets of Minutes, particularly in relation to the discussion recorded on action to be taken by the Council when members fail to pay remedies. It was agreed that both sets of Minutes be re-circulated for approval outside the meeting, via email.

3 Matters Arising

In response to the invitation recorded at paragraph 12 of the June minutes, the Energy Member Board nominated John Sykes to the Audit Committee.

4 Chairman's Report

The Chairman reported that he had received a letter dated 11 July from Claudio Pollack, Director of Consumer Policy at Ofcom, recording that in the absence of unanticipated events Ofcom did not expect the expansion of the Ombudsman Service to impact on the

ability of Otelo to meet the criteria for approval of dispute resolution procedures set out in the Communications Act. The letter also referred to Ofcom's policy review looking at the consumer experience of complaints and redress.

It was agreed that the Chairman should seek a further meeting with Ofcom to discuss the impact which changes in the market place might have on the provision of ADR services.

The Chairman then reported on the 17 July meeting that he and the Ombudsman had, with David Thatcher, Managing Director CPW Telecoms, as part of their ongoing series of visits to member companies.

5 Ombudsman's Performance Report

The report covered the first quarter of the financial year and was the last which would focus entirely on work undertaken for Otelo members.

Finance

The projected number of cases invoiced (1275), and the actual number (1282), indicated that the service was operating at the levels forecast in the business plan.

Two companies which had outstanding debt had now regularised their positions. There was ongoing discussion with a third. The position of a fourth company, referred to in these and in the June Minutes as 'company A' is discussed at item 6, below.

Operations

All targets had been met in June.

Changes to the messages on the automated voice system had been used to help manage high volumes of calls from two member companies during the month.

It was agreed that the Executive should consider whether similar messages could usefully be included on the web-site.

Meetings

3 July:	ENERGY SUPPLY OMBUDSMAN SERVICE BEGAN
3 July:	Audit Committee meeting
6 July:	BIOA seminar on Ombudsman Services for the private sector
13 July:	Ombudsman presentation to the Gas and Electricity Markets Authority
17 July:	Ombudsman and Chairman visited Carphone Warehouse
21 July:	Ombudsman met Ofcom to discuss post-Review progress
24 July:	Annual report launch at Portcullis House.

Future meetings:

25 July:	Independent Complaints Mediator for the CRB to visit
15 August:	Sir Alistair Graham, Chairman ICSTIS to visit.

6 Outstanding Remedies and Debt

An update was given on a company which had previously been reported to the Council for failing to pay remedies within the required period. It was noted that progress was being made, and that targets for completion of payments were being met.

The Council agreed to reconsider the position at its September meeting by when all outstanding remedies should have been put in place.

Another member company, which had had one outstanding remedy and had been disputing the Decision taken by the Ombudsman, had agreed a way forward.

An update was provided in relation to Company 'A'. There had been no response from the company to the escalated debt collection action taken. In consequence, a letter had been issued, giving the company 21 days to make representations prior to the Council considering whether to remove it from membership for failure to pay subscription or case fees. The period for representations would end on 8 August.

It was agreed that as no August meeting was scheduled any representations would be circulated to the Council for their written consideration.

The Ombudsman had discussed the general issues which had been brought to light by this case with Ofcom at her meeting on 21 July. Ofcom had noted the suggestion that there was a need for it to consider whether any general compensation scheme was required.

Complainants would be updated on the situation, with a standard letter which the Ombudsman would draft and share with Council Members and with Ofcom once the Council had made its decision.

7. Member Board Report

The Member Board met on the 27 June 2006. Darren Wight of Pipex Homecall attended his first meeting as the new Intermediate Representative to replace Mike Lewis.

The Member Board had moved quickly to approve the changes to the Terms of Reference in time for the Council meeting the following week.

Communication with the membership was discussed and a paper was to be brought to the next meeting to facilitate discussion.

The Member Board elected Chris Holland as its Vice Chairman. It was noted that the appointment of the Vice Chairman to the post of Chair was not automatic.

A further meeting of the Member Board, at which a presentation of the Customer Satisfaction Survey would be delivered, was scheduled for 25 July.

8. Member Update

The changes to the membership list were noted.

9. Energy Supply Project Update

The last report on the project was provided. The Energy Supply Ombudsman Service had been launched on time. The first calls were received on 3 July, systems and staff were ready to receive them and training is in hand ready for the first investigations. There had been a good level of press coverage of the launch, and encouraging responses to what had been achieved from the DTI and from the Gas and Electricity Markets Authority (to whom Mark Watson and the Ombudsman made a presentation on 13 July).

The Energy Member Board held its first meeting on 10 July. Certain governance tasks were undertaken and Duncan Sedgwick was appointed as the Industry Council Member.

10. Audit Committee

The Chairman of the Audit Committee, Roger Jefferies, reported on the meeting held, with the external auditors, on 3 July. As well as considering and recommending the accounts for the Council's approval the committee had looked at the draft management letter. This raised no major issues, and confirmed that the escalation procedure for debt collection was robust and had been appropriately used. The Management letter would be made available to the Council once it was received.

The Audit Committee was also looking at:-

- the development of internal audit, following the expansion into energy;
- monitoring separate telecoms and energy costs.

11. Amendment to the Terms of Reference for the Energy Supply Ombudsman

Three amendments were proposed and accepted:

- (i) at paragraph 1.3 add: 'in respect of domestic customers' after 'supply licence'
- (ii) at paragraph 1.5 replace 'or' with 'and'
- (iii) at paragraph 3.1 replace 'seven' with 'nine'

The Executive undertook to supply a full set of Terms of Reference and other key documents for each service to each Council Member.

12. Time and Date of Next Meeting

There will be no August meeting, but the performance report for July will be placed on the extranet during the week beginning 14 August.

The next meeting will be on 19 September 2006 at 1pm in the offices of the Ombudsman Services Limited, Wilderspool Park, Warrington.