

## Board Meeting 24

9:30am – 3:00pm Thursday 25 April 2019

CIFO office, St Helier

## Minutes

**Board of Jersey OFSO**

**Board of Guernsey OFSO**

### Present:

David Thomas (DT) in the chair

John Curran (JC)

Debbie Guillou (DG)

John Mills (JM)

### In attendance:

Douglas Melville (DM), Principal Ombudsman and Chief Executive

Sophie Watkins (SW), Manager of Administration and Stakeholder Management

### Apologies:

None

1	<b>Declaration of any interests and potential conflict with respect to the agenda</b>  The board noted that no interests or potential conflicts were declared.	<b>Action</b>
2	<b>Minutes of the last meeting</b>  The board approved the minutes of the last meeting.	
3	<b>Noting of previous Board decisions</b>  The board noted the previous approval of: <ul style="list-style-type: none"> <li>the renewal approach for the management liability policy (March 2019);</li> <li>the 2019 CIFO levy schemes (February 2019).</li> </ul>	
4	<b>Guernsey OFSO</b>  The board noted: <ul style="list-style-type: none"> <li>the CIFO Chair's letters to the CED President (February, March 2019);</li> <li>the Financial Services Ombudsman Levy Scheme (Bailiwick of Guernsey) 2019 was made and published on 27 February 2019 and came into effect on 28 February;</li> <li>the publication of the CIFO feedback paper on consultation paper 15, on 27 February 2019;</li> <li>the publication of the CIFO Q4 complaints report on 28 February 2019.</li> </ul>	

5	<p><b>Jersey OFSO</b></p> <p>The board noted:</p> <ul style="list-style-type: none"> <li>the Chair's letters to the Minister for EDTSC (February, March 2019);</li> <li>the Financial Services Ombudsman Levy Scheme (Jersey) 2019 was made and published on 27 February 2019 and came into effect on 28 February;</li> <li>the publication of the CIFO feedback paper on consultation paper 15, on 27 February 2019;</li> <li>the publication of the Q4 complaints report on 28 February 2019.</li> </ul>	
6	<p><b>Chief Executive's Report</b></p> <p>The board noted the Chief Executive's report and in particular:</p> <ul style="list-style-type: none"> <li>the judicial review hearing in the Jersey Royal Court on 19 February 2019, the release on 25 March of the court decision (in favour of CIFO) and subsequent enforcement and legal cost recovery activity;</li> <li>the 2019 levy scheme consultation, finalisation and levy notice issuance for all banks on both islands according to the accelerated timetable for this year;</li> <li>the recruitment of candidates for the existing financial accountant role and the new information officer role;</li> <li>the work to further develop the complaint management system (CMS);</li> <li>that CIFO's ability to publish summary complaint statistics on an FSP-named basis is still pending the progression of relevant legislation in Guernsey;</li> <li>the current position in respect of other potential legislation to clarify aspects of CIFO's jurisdiction and powers;</li> <li>the particular priority to effect the new funding structure for the 2020 financial year;</li> <li>the position with respect to the reserves of the two OFSOs, at the point at which the finances of the OFSOs are planned to be unified, and confirmed that clear, written guidance should be prepared for officers in States of Guernsey and Government of Jersey;</li> <li>the status of the proposal for a public sector Ombudsman in Jersey;</li> <li>understand the Policy Letter is still in draft for the regulation of lending, credit and finance in Guernsey;</li> <li>the issues concerning the differing powers of CIFO and the criminal courts in awarding compensation;</li> <li>the Q1 complaints report and issues discussed recently with the Jersey Bankers Association in response to CIFO's request to industry stakeholders for their input on efficiency.</li> </ul>	
7	<p><b>Finance</b></p> <p><b>7.1 CIFO 2018 Financial Statements</b></p> <p>The board considered and agreed the letters of representation to the auditors, subject to clarification on a paragraph relating to insurance, approving the debtors and unbilled income recoverability and that there were no subsequent events.</p> <p>James Le Bailly, James and Rose Laurico of KPMG attended to present the audit report and to make standard enquiries of the board.</p> <p>The Board approved the 2018 financial statements and authorised Debbie Guillou to sign the 2018 financial statements on behalf of the Board.</p>	

7.2	<b>CIFO Q1 financial accounts &amp; update on 2019 levy collection</b> The board noted the Q1 accounts and the update on the levy collection.	
7.3	<b>CIFO cashflow update</b> The board noted the cashflow analysis.	
7.4	<b>Assessment of the budgetary impact of certain staffing and office rental items</b> The board considered a paper assessing the budgetary impact of recent staff recruitment and changes to the office premises. The board supported the objectives to assist CIFO's operation and will look forward to receiving updates on improvements to efficiency and productivity.	
7.5	<b>CIFO staff health insurance</b> The board considered the working of the current premium cap per staff member for the staff health insurance policy. The board agreed that the cap should be increased by £500 in the planned review of staff contracts and be further reviewed as part of the budget-setting process.	
8	<b>Governance and Policy Issues</b>	
8.1	<b>2018 Annual Report for approval</b> The board discussed various minor amendments to the Annual Report and approved it, subject to those amendments. The board discussed the use of a short handout for giving out at the annual public meeting and other stakeholder events. Management to develop further. The board noted the arrangements for the public meetings in Guernsey on Tuesday 16 July and in Jersey on Wednesday 17 July.	SW/ DM
8.2	<b>Board Review - Fairness</b> The board discussed the paper and in particular: <ul style="list-style-type: none"> <li>Item 6.7 CIFO could improve how it sets out for complainants the consequences of accepting a mediated solution, both in relation to the CIFO process and the possibility of pursuing the complaint in court This could usefully be added to the letter at the proceeding with investigation stage.</li> <li>Also, to confirm that CIFO decides complaints using a fair and reasonable basis (as well as consideration of law, regulation, circumstances etc) so the outcome may be different from what would be decided in a court.</li> <li>Management to confirm at the next board meeting the outcome of the board's previous decision regarding user-satisfaction testing.</li> </ul>	DM/SW
9	<b>Administration</b> <b>Annual board and staff conflict of interest declarations</b> The board noted the report from the Principal Ombudsman and Chief Executive and in particular: <ul style="list-style-type: none"> <li>The conflict-of-interest declarations completed by members of staff and members of the board.</li> </ul>	

	<ul style="list-style-type: none"> <li>▪ The systems currently in place to manage current active conflicts and further development work on the CMS that will refine approach.</li> <li>▪ Management to review the wording of the forms to ensure they remain appropriate for next year.</li> </ul>	DM/SW
	<p>Approved at board meeting 25 on 16 July 2019.</p> <p>Chairman</p>	