

Board Meeting 43

9.30am – 2.30pm

Thursday 25 January 2024

Hadsley House

St Peter Port

Guernsey

Minutes

Board of Jersey OFSO

Board of Guernsey OFSO

Present:

Antony Townsend (AT) in the chair

Robert Girard (RG)

Hayley North (HN)

Jennifer Carnegie (JC)

In attendance:

Douglas Melville (DM), Principal Ombudsman and Chief Executive

Alison Finn (AF), Manager, Finance and Administration (by videoconference)

Ross Symes (RS), Ombudsman & Manager, Complaints Resolution (by video conference)

Apologies:

1	<p>Approval of the Agenda</p> <p>Approved</p>
2	<p>Declaration of interests or potential conflict with respect to the agenda</p> <p>No interests or potential conflict with items on the agenda were declared. RG reported his pending appointment as a Commissioner of the Guernsey Financial Services Commission (GFSC).</p>
3	<p>Minutes of the last meeting</p> <p>The Board approved the minutes of the last meeting.</p>
4	<p>Previous board decisions by email to note</p> <ul style="list-style-type: none"> • 20 November 2023 – Approval of CIFO’s Environmental Sustainability Plan • 5 December 2023 – Approval of Consultation Paper 23 – CIFO’s 2024 Levy and Case Fee Scheme • 11 December 2023 – Approval of CIFO’S 2024 Operating Budget • 20 December 2023 – Approval of changes to CIFO’s Policy on Factors to be Considered in Rejecting Complaints

5	<p>Board to note</p> <p>Publication of Q3 2023 complaint statistics (6 November 2023)</p> <p>CIFO Board calendar of activities (note scheduled meeting dates for the remainder of 2024).</p>
6	<p>Chief Executive's Report</p> <p>6.1 Report for information and discussion</p> <p>The Board noted the Chief Executive's report and in particular:</p> <p>The GoJ's timetable for implementation of regulation for occupational pension plans and the associated extension of CIFO's mandate was missed. Draft legislation is ready.</p> <p>The lack of clarity regarding CIFO's mandate for occupational pension plans in Guernsey, including the new secondary pension legislation that came into effect for voluntary contributions on 1 January 2024 and comes into effect on 1 July 2024 for mandatory contributions.</p> <p>The change of government in Jersey, while not posing a risk for CIFO operationally, may mean a change in the Minister responsible for CIFO.</p> <p>The Board advised they would like to see a briefer report, only highlighting changes rather than advising of no action in areas of interest.</p> <p>The content could be annexed to make the report much shorter.</p> <p>They would still like to see the media articles, again in an annex.</p>
7	<p>Operations and case-related reports</p> <p>7.1 Operations report</p> <p>There is increased demand and CIFO is investigating an additional contract Ombudsman for the external ombudsman team.</p> <p>RS reported that the new case officers were making progress with their training and development and the intake & assessment inventory had reduced significantly since the last board meeting. The Board congratulated the team.</p> <p>RS commented on the timeliness and lower than usual quality of complaint files being provided by FSPs.</p> <p>It was agreed the delay and quality of the case files would be raised in the annual report and in exceptional cases where the file had been repeatedly requested CIFO would look to proceed with their investigation without the FSPs documents.</p> <p>7.2 Q4 2023 Complaint statistics</p> <p>The Board noted the Q4 2023 Complaint statistics, that overall it was a positive picture, and approved them for publication.</p> <p>7.3 Timeliness metrics</p> <p>RS explained the outliers in each section. He advised that 66% of cases were closed within 120 days, which is CIFO's published target for Stages 3 and 4 of case handling.</p>

7.4	<p>Update on 10 oldest cases</p> <p>RS commented it was good to see 2023 cases in the 10 oldest as this showed that the older cases were being closed. The Board suggested that cases not being actively worked, perhaps waiting on external information, should be placed in a suspended case category.</p> <p>The Board discussed the fact that the external Ombudsmen are mediating cases, and that when a final decision was requested by the complainant, the same ombudsman provided the final decision. It was noted that CIFO's process requires an Ombudsman to make a final determination on a complaint and that the provision of recommendations was introduced as an informal means of settling complaints earlier without the need for a final written determination. All parties have the right to request a final determination on a complaint.</p>
8	<p>Finance and Risk</p> <p>8.1 CIFO 2023 financials</p> <p>8.2 Q4 2023 Financial accounts</p> <p>The Board noted the financial accounts, and that the operating year-end surplus was higher than budgeted.</p> <p>8.3 Q4 2023 Cashflow analysis and 2024 cashflow forecast.</p> <p>The Board noted the 2023 cashflow analysis and that CIFO was in a more favorable position than was forecast at the beginning of the year.</p> <p>The Board noted the 2024 cashflow forecast, which had been amended slightly from the budgeted forecast due to the changes in case fee income.</p> <p>8.4 2023 Levy and case fee collection</p> <p>AF advised that all 2023 levies had been collected.</p> <p>2023 was the first year that case fee invoices had been issued quarterly. AF found at the end of the year that some cases had been opened and billed, however if the cases were later found to be non-chargeable, then refunds had to be made.</p> <p>AF suggested trialing the moving of case fee billing to charging once the case was closed rather than when opened. Cashflow would be high in the first 2 quarters due to the Q4 2023 case fees and the bank levies due in March and would cover any drop in case fee income as most of the cases closed would have already been billed. The Board advised they would prefer to see the fees charged in the previous period reviewed at the end of the following quarter to determine if any refunds were due.</p> <p>8.5 2023 Draft Financial statements</p> <p>The Board noted the draft financial statements. AF advised of 2 main changes; the case fee income was reduced due to the refunds, as mentioned in Item 8.4. The auditor also advised that, as the pension mandate for Jersey occupational schemes was unlikely to come into effect in 2024, the amounts accrued for costs in 2023 should be shown as a contingent asset rather than a debt.</p> <p>AT noted the Chair's statement should be updated and include a reference to potential legal costs.</p> <p>8.6 2024 Levy update</p> <p>AF advised data from both commissions had been received. One more banking licence was issued in Guernsey, therefore slightly reducing the individual bank levy.</p>

8.7	<p>The new Lending, Credit and Finance legislation in Guernsey has seen an increase in the number of FSPs liable for the levy, again reducing the individual levy amount.</p> <p>Jersey saw a huge increase, from 33 to 360, in registered lending entities. This was due to the introduction of new requirements to register under Schedule 2.</p> <p>CIFO is seeking clarity on whether these entities are in-mandate and has decided to disregard these new registrants for levy calculation purposes until such a time as their status can be verified.</p> <p>Update to Risk Management Register</p> <p>The Board noted the three additions to the register.</p> <p>RG queried whether CIFO had a letter or line of credit. DM advised it was a line and the risk register would be amended to reflect this.</p> <p>The Board also requested that another risk be considered in relation to FSPs going into insolvency and complaints having no redress paid even if CIFO made an award in their favour.</p>
9	<p>Governance and Policy</p> <p>9.1 Feedback on the operation of the Board and Board meetings</p> <p>This was done under the <i>In Camera</i> portion of the agenda.</p> <p>9.2 Planning for 2024 board meetings</p> <p>The April & July board meetings will be held in Jersey. The April meeting is taken up with the annual report, planning for the annual meeting and the auditors' visit. The board agreed the July meeting would focus on CIFO's funding model.</p> <p>9.3 Update on occupational pensions mandate</p> <p>DM advised that the Guernsey government had advised they would like to see the secondary pension scheme come within CIFO's mandate and opinions were being sought on whether this would require a change in CIFO's legislation.</p> <p>The lack of progress in the Jersey occupational pension legislation has already been covered in Item 6.1</p> <p>9.4 Service complaints</p> <p>AT advised he was currently dealing with one service complaint and would report to the Board once his investigation had been completed.</p> <p>9.5 Plans for 2023 annual report</p> <p>AF advised the auditor was pressing for a date that the draft annual report would be ready for their review.</p> <p>The Board agreed they would like to have the draft annual report with them for review Mid-March and have 2 weeks for their review and comments so that it would be available to the auditor by end of March.</p> <p>Queries were raised about the format for this year's public meeting. DM advised this was still to be determined and that discussions were ongoing with various providers. The Board requested sufficient notice so that they had time in their diaries to ensure they were available for any required input or filming. It was agreed this would be resolved for the April meeting.</p>

10	<p>Administration</p> <p>DM advised that the Board directors' conflict declarations would be required earlier this year as they would be included in the annual report. The Information Officer has sent out bios to the board and conflict update requests.</p> <p>One Board member advised that on other boards they served, a register of current conflicts is presented, and any required updates be reported by the Board member. DM agreed to consult with the Chair on whether this would be CIFO's approach moving forward.</p>
11	<p>AOB</p> <p>Nothing to note</p>
	<p>Approved at Board meeting 44 on 25 April 2024.</p> <p>Chair</p>

