

# Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Financial Ombudsman Service  
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2 March, 2001

Our ref:

Dear Walter

## **FOS Plan and Budget 2001/02**

Thank you for coming to see the Panel's Information sub-group regarding your Plan and Budget for 2001/02. As we said at that meeting we have been impressed with swift and effective way you are setting about creating a one-stop shop for consumers' financial complaints. We were also pleased to hear that you are planning to bring into your voluntary jurisdiction major areas which fall outside your statutory authority, such as mortgage advice.

In the two visits which members of the Panel have made to see your work in action over the last few months, we have been especially impressed with the new call handling and IT systems that you have installed and the quality of the staff overseeing them.

As you say in Chapter Four of your Plan and Budget, forecasting the volume of complaints is a difficult area - with volumes being very dependent on issues of the day. And handling surges of complaints on such important and urgent issues as endowment mis-selling and unfairly low TESSA interest rates is clearly key to consumer satisfaction with the Ombudsman's service. Clearly in our view you need to develop staffing and working methods that have sufficient flexibility to cope with peak demand while avoiding over-capacity in quiet times. This is a similar problem to that experienced by the FSA Consumer Helpline and just as we support them outsourcing some of their workload, so we support your intention (as stated in Chapter Six para 13) 'to introduce low cost off-site working.'

We do not feel qualified to comment on your overall budget or cost per case, although we do note that it aims to meet the expected growth in complaints and anticipates a reduction in costs per case.

We feel that it would be useful to develop rather more sophisticated measures of productivity than costs per case closed and cases closed per case-handler per week. These focus on complaints which become 'cases' and do not do justice to the resources that have been successfully deployed in helping resolve complaints at earlier stages. We think there would be value in developing measures of success in prioritising cases and early, fast-track resolution of appropriate cases. We would also urge you to develop more overall measurements of productivity and cost-effectiveness, along with regular benchmarked surveys of consumer satisfaction with the end results of the FOS service. In fairness, similar satisfaction surveys should also be carried out among the industry to gauge their views too.

I hope you find these comments helpful and I look forward to working with you to help develop the FOS service in the crucial coming months.

Yours sincerely,



**Colin Brown**  
Chairman  
FS Consumer Panel

cc. Andreas Whittam-Smith, Chairman, FOS  
Christine Farnish, Director, FSA  
Ian Marshall, Chief Operating Officer, FOS

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