



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

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Caroline Wayman, Chief Ombudsman & Chief Executive
The Financial Ombudsman Service
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6 November 2018

Dear Ms Wayman

Thank you for your letter dated 1 November. The Committee is pleased that you have reconsidered the way in which you will assess the outcome of cases in the second stage of the review.

However, the Committee does not agree with the logic behind the Financial Ombudsman Service (FOS) electing to run a two-stage process. As you have stated the first stage of the review, to be undertaken by Deloitte, focuses on the process and standards for handling cases, while the second stage, led by Carol Brady, will look into case outcomes. The Committee remains concerned that filtering cases between the first and second stage could mean that a significant sample of cases will not be passed to Carol Brady to review. If the sample is not significant in size, then it will be difficult to conclude whether there were systematic issues with case outcomes.

In terms of correspondence, the Committee has received over 150 complaints about the FOS since the start of the year. This does not include cases which were sent to individual members of the Committee from constituents. As you know, the Committee does not intervene in individual cases. However, I will instruct Committee staff to send a copy of your letter to everyone that has corresponded with us, so that they can write to the FOS if they feel that would further their case. Please can you confirm a suitable contact and email address.

The Committee will, no doubt, wish to take evidence from the FOS once the case review is completed in the New Year.

Yours sincerely

Nicky Morgan

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee