



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

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Caroline Wayman, Chief Ombudsman & Chief Executive
The Financial Ombudsman Service
Exchange Tower
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13 March 2018

Dear Ms Wayman

Thank you for your letter to me and the Chair of the Sub-Committee, John Mann MP, dated 22 February 2018. In that letter you anticipated the Channel 4 'Dispatches' programme which aired last night. At the time you stated that you would take the findings of the programme "very seriously" and would "give careful consideration to the matters raised". I also note that a FOS spokesperson has responded to the programme saying that "the impression given is clearly not representative of us at our best".

Now that the content of the programme is known, I am writing to you for further comment about the findings aired last night. I would be grateful if you would specifically address in your consideration:

- What evidence is there to assure Parliament that the problems identified in the Dispatches programme have not led to poor decision making at the FOS? For example, what are your processes to undertake quality control on previous decisions? Does the FOS have the ability to reopen cases that it feels it may not have decided correctly?
- The programme suggested there was a reluctance to issue public decisions for fear of creating a precedent. Do you recognise that reluctance and—if not—how do you explain the evidence provided in the programme?
- The programme suggested that there is a potential bias to decide in favour of a bank, since that led to an easier path to closing a case. Does the FOS recognise that potential bias, and if so, how does it combat it?
- Full details on the seemingly forgotten cases and unopened correspondence described in the programme?
- A comment on the training and specialism of staff at the FOS, specifically addressing the allegations that under 'qualified' staff are being given responsibility for making decisions on cases for which they have inadequate training experience.
- What is the scale—in terms of the number of people— of those affected by alleged errors or improper handling of cases?
- Please respond to the allegation that the FOS 'stage managed' Rushanara Ali MP's visit to your offices in 2015.

The Committee would welcome any other comments that the FOS might wish to provide on the issues raised on the programme. In particular is it your intention to hold an internal

review into any or all of the issues raised in the programme? Please would you keep the Committee regularly informed of progress made on these points?

I intend to place this letter, and any response, into the public domain and I would be grateful for your response by 27 March 2018.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nicky Morgan', with a stylized flourish at the end.

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee