



Financial  
**Ombudsman**  
Service

*from* **Caroline Wayman**  
chief ombudsman &  
chief executive

*write to* **Financial Ombudsman Service**  
Exchange Tower  
London  
E14 9SR

Rt Hon Nicky Morgan MP  
Chair of the Treasury Committee  
House of Commons  
Committee Office  
London  
SW1A 0AA

**Sent by email**

26 July 2018

*Dear Ms Morgan,*

Thank you for your letter of 24 July, in response to my letter of the same day.

I'm pleased to be able to tell you that, yesterday, our Board discussed Richard Lloyd's recent report and have accepted his recommendations. Some of these were already in train and others we will begin work on shortly.

In his report Richard Lloyd recommended that we "...check an appropriate sample of case work, to make sure that the decisions made during that period [the initial stages of our reorganisation] were handled in accordance with the controls and standards put in place at the time."

So, we are planning to audit a statistically significant random sample of decisions made at that time. This will include, as you suggest, a significant proportion of more complex cases. Having reflected since we met with the Committee, I do agree that it would be helpful to secure independent verification of the audit – including the sample selection, the parameters of the checks, the results and the conclusions.

In the interests of transparency, we will of course publish the results of the exercise.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Wayman'.

**Caroline Wayman**  
chief ombudsman and chief executive