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Strategic and Operational Review

Financial Services Ombudsman and Office of the Pensions Ombudsman

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Executive Summary

Project Background

In advance of the amalgamation of the Financial Services Ombudsman Bureau (FSOB) and Office of the Pensions Ombudsman (OPO), the need to complete a review of the organisations was identified and agreed by both Ombudsmen and the Financial Services Ombudsman Council. Following a competitive tendering process, BearingPoint was engaged to undertake a "Strategic and Operational Review".

The Review aimed to both identify strategic, operational and procedural changes that should be made and to help inform the vision and plans for the future organisation. It was conducted during August to November 2015.

The Review started with an analysis of the current operations of the FSOB and OPO against stated strategies, goals and objectives. It examined the business processes, workloads and structures within both organisations with a view to informing the future vision and operating model (Note: Changes to policy, regulation or legislation were outside the scope of this Review).

This report sets out recommendations for the design of the future Financial Services and Pensions Ombudsman's office (FSPO) comprising a series of improvements in:

- Service Delivery: by applying leading practices from other Ombudsman schemes and professional services' organisations and
- Operational Efficiency: through process improvements and staff development.

A roadmap for implementing the recommendations is also provided.

Project Approach

A two-phase approach was used to conduct the Review as illustrated below. The initial phase focused on understanding the operations and challenges faced by both schemes independently, thereby gaining good insights about the "As Is" situation. The second phase involved jointly defining the vision for the future organisation - the "To-Be" model - which draws on the leading practices used by Ombudsmen and other alternative dispute resolution bodies both nationally and internationally.

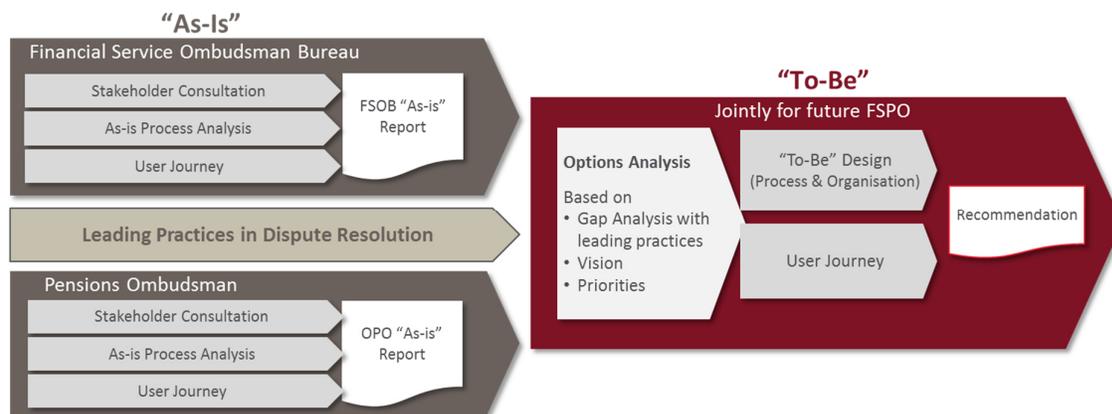


Figure 1 - Project Approach

Establishing the “As Is” Situation

The objective of the “As Is” phase was to identify the key challenges and drivers for change in both the schemes. Extensive consultation was conducted with a range of internal and external stakeholders to understand how current operations are delivered, the user experience (for both consumers and providers) and overall operational efficiencies. This included:

- One-to-one meetings; and group workshops with management and staff in each office
 - Interviews with key stakeholders including: industry bodies, providers, consumers groups and representatives, Departments and regulators
- Surveys of the views and experiences of service users (consumers, providers) and staff
- Analysis of historical case data and case files to capture insights into the overall user journey.

Quick wins were identified which are likely to deliver improvements in the short term.

Leading Practices in Dispute Resolution

Leading practices from other dispute resolution bodies were captured through a combination of desktop research and interviews with subject matter experts.

The desktop review included:

- Analysis of communications materials from other ombudsman schemes including websites, annual reports, audits and scheme reviews
- Review of academic research on trends in ombudsmen schemes and alternative dispute resolution (ADR)
- Review of ADR legislation – principally from the EU - and assessment of its impact on ombudsman schemes.

In addition, meetings and telephone conferences were held with key subject matter experts with both academic and practical experience of the operation of ombudsman schemes and associated leading practices.

Developing the “To Be” Vision

Workshops were held with management, staff and stakeholders of both schemes to agree a vision for the future organisation. This was structured around a ‘gap analysis’ between the current operations and the leading practices.

Although the “As Is” for each organisation identified different approaches to dispute resolution and the challenges faced, the overall vision was developed based on a common target operating model.

The implementation roadmap was developed to deliver the recommended changes outlined in this report. It has been structured to focus in the first instance on implementing change within the FSOB. The overall organisation design does however provide for the future amalgamation of the OPO into the organisation. Any short-term plans should consider the needs of the OPO in addition to the FSOB (e.g. any IT developments or enhancement).

Key challenges identified

The As Is reviews identified a number of key differences in how the OPO and FSOB operate.

Office of the Pensions Ombudsman

Given the size of the organisation, processes in the OPO tend to be flexible with each case been assessed on its own merits. Where possible, informal techniques are used to resolve complaints at an early stage, quite often by phone rather than written correspondence. A large proportion of the calls received by the office are queries or relate to complaints that can be resolved informally within a short number of days. Typically 80% of all contacts made to the office are resolved within a matter of days.

More complex complaints can take many years to resolve due to the technical intricacies of many cases. In general, the OPO will work with the parties to achieve a resolution. Only when the early resolution techniques have been exhausted, will the Ombudsman make a formal decision. In cases where there is a perceived risk of an appeal or a concern that all issues of fact have not been provided, a preliminary view will be made available to the parties in the dispute. This provides parties with a final opportunity to present a new issue of fact before the final decision is made.

Key challenges faced by the scheme include:

- Loss of skilled resources in recent years when a recruitment moratorium led to a reduction in headcount and overall capacity
- Time and effort required to complete an investigation which can frequently take over a year
- Current IT systems do not fully support the needs of the organisation and result in limited reporting capability and a number of manual processes
- A perception from a small number of service users that the exploration techniques lack transparency
- The reduction in headcount has resulted in the remaining staff being concentrated on dispute resolution and investigations and as a result, the OPO has had limited time available to engage in outreach and awareness campaigns.

In general, the OPO adopts a team-based approach to case management with the senior investigators supporting and mentoring other members of the team and reviewing recommendations.

Financial Services Ombudsman Bureau

FSOB follows a more rigid and formal process which is largely geared to preparing the case file for investigation and adjudication.

Complaints are initially received and administered by the “Pre-investigation” team after which they are forwarded to the “Investigation” team for investigation and adjudication.

Mediation is offered at the early stages of the process. Up until 2015, there was a very low uptake of mediation. Feedback from survey respondents revealed that there are a lot of misconceptions about the mediation process which may be a deterrent. During 2015, the FSOB took a more proactive approach in encouraging parties to engage in mediation. This has led to some very positive results.

Although the processes used are designed to progress a complaint through to investigation, only about one quarter of complaints result in a finding. A large proportion of complaints do not go to the finding stage either because the complainant drops out of the process or a settlement was reached between the parties. There is evidence that the interventions (e.g. after the provider is notified that a complaint has

been received, on receipt of the summary of complaint with additional questions for the provider, or participation in mediation) from the ombudsman at various stages can result in a settlement.

In recent years, approximately one fifth of complaints received are not accepted as they fall outside the FSOB's jurisdiction as set out in legislation. This would indicate a level of public misconception about what the FSOB can and cannot do.

A very small percentage of the findings issues by the Ombudsman are upheld. This is less than 10% of those that proceed to investigation and only 2% of all complaints received. This figure would indicate that a large amount of time is spent by the FSOB and the parties dealing with complaints and issues that do not change the original outcome. Any means that working with parties to resolve complaints at an early stage should therefore reduce the FSOB workload and also that of the parties.

The processes adopted by the FSOB are typically formal, somewhat as a result of judicial reviews and outcomes of appeals cases. For the most part communication between parties is in writing. Some complainants have referred to the approach used by FSOB investigators as having "no personal touch".

There is a somewhat 'siloed' approach to investigation with each investigator managing their own caseload. They may be responsible for up to 50 cases at any one time with considerable time delays caused in case progression by correspondence loops.

Typically the first indication that the parties have of the Ombudsman's thinking is once the legally binding Finding is issued. No early indication of the Ombudsman's thinking is shared with the parties to a complaint. The only appeal mechanism is to the High Court. This is considered inaccessible to many due to the high costs involved. The FSOB incurs considerable expense in defending appeal cases.

Although many service users indicated high levels of satisfaction with the staff in the FSOB, a number cited dissatisfaction with the service provided (approximate 40% of complainants expressed a level of dissatisfaction).

It typically takes 11 months from the time the complaint is received by the FSOB to the time the Finding is issued. There are a number of unresolved cases that have been open for a more than two years.

Key challenges faced by the FSOB scheme include:

- Low levels of service user satisfaction
- A perception - particularly by providers who may have multiple decisions in a year - that Findings are unpredictable and / or inconsistent
- Lost time due to the high number of cases that do not progress or are abandoned during the process
- The formal approaches (i.e. written not spoken, use of technical and legalistic language) taken to complaint investigation do not fully align with the principles of an ombudsman scheme
- Systems' limitations restrict the effective analysis of case data which is essential to supporting decision-making both within the case handling sections and operationally
- The rigid process leads to challenges in handling periods of unusual and unexpected demand
- Limited opportunities for staff development and career progression.

Key trends in ombudsman schemes

The research conducted identified a number of significant changes in how ombudsman schemes are operating and identified three major sources of change (as illustrated below):

- Changes in consumer behaviour and expectations
- Changes to the way financial services are being delivered
- Changes in the policy environment.

These changes in turn require certain changes in strategy by ombudsman schemes.

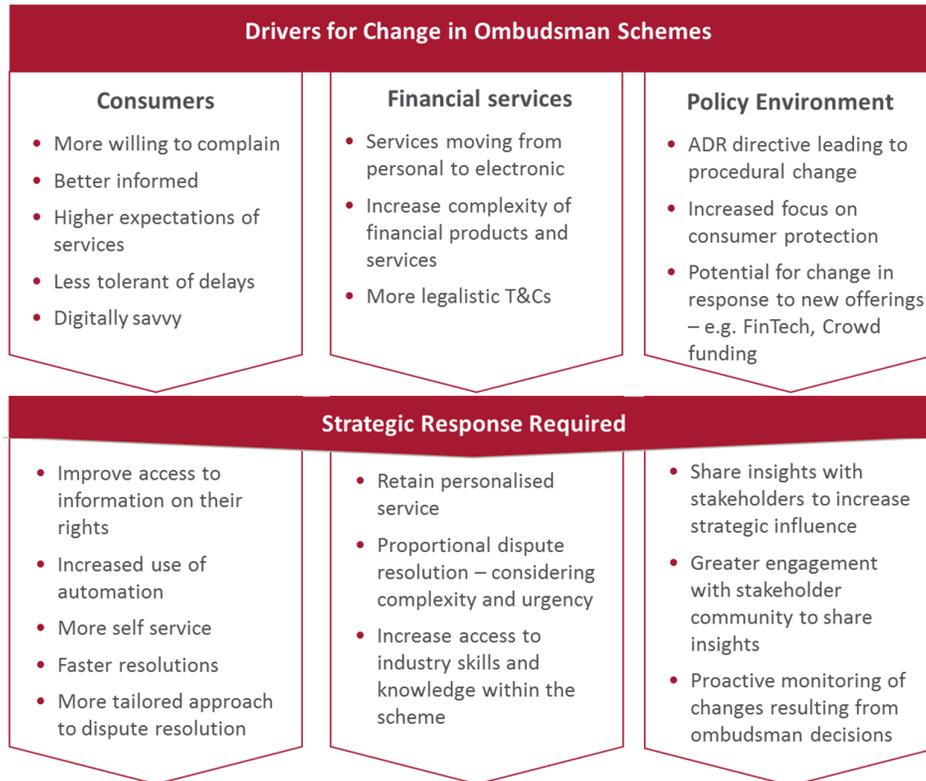


Figure 2 – Typical drivers for change in ombudsman schemes and responses required

These changes are driven by changing demographics and the increased availability of online tools to support consumers. This readily-available access to information through the Internet means that consumers that are more informed about their rights and can be empowered to pursue and resolve disputes with their provider.

In parallel, there is an increasingly vulnerable group of consumers who are not as "connected". As electronic means are being used more and more to deliver service and communication with consumers, this group is becoming increasingly isolated.

For ombudsman schemes it means that the way that they deliver their services needs to become more flexible. Schemes need to tailor their services to consider the evolving needs and expectations of their service users.

The preventative model for dispute resolution aims to empower consumers and providers by providing them with the information and supports necessary to resolve disputes without the need for ADR.

A more proportionate approach to dispute resolution builds on this model by reducing the number of complaints of low merit or dispute that could potentially be resolved informally and focusing resources on the more complex life-changing complaints and the needs of more vulnerable consumers.

The coming years are likely to see a dramatic change in how financial services and pension products are delivered in Ireland. This will include new entrants, new types of services and increasingly more complex delivery structures. Because of their role in providing advice and guidance to consumers, ombudsman schemes can often identify issues early before they become systemic. They should use this insight to drive strategic change both in consumer protection policy and the manner in which providers engage with their consumers.

Recommendations for the Financial Services and Pensions Ombudsman

In accordance with leading practices, the FSPO should adopt a more proportionate and preventative approach to dispute resolution.

This would require making more resources available to provide information and guidance to complainants and providers which empowers them to resolve their disputes early and at source.

The figure below provides an overview of the structure of the proposed FSPO organisation with a particular focus on the approach to dispute resolution. The model proposed is based on developing a preventative model which provides both consumers and providers with information and guidance that supports the early resolution of dispute.

Informal techniques should be used to deliver a service that is speedy and effective and puts the needs of service users at its core. This includes using clear, plain English in all written and verbal communications and avoiding the use of overly technical terminology.

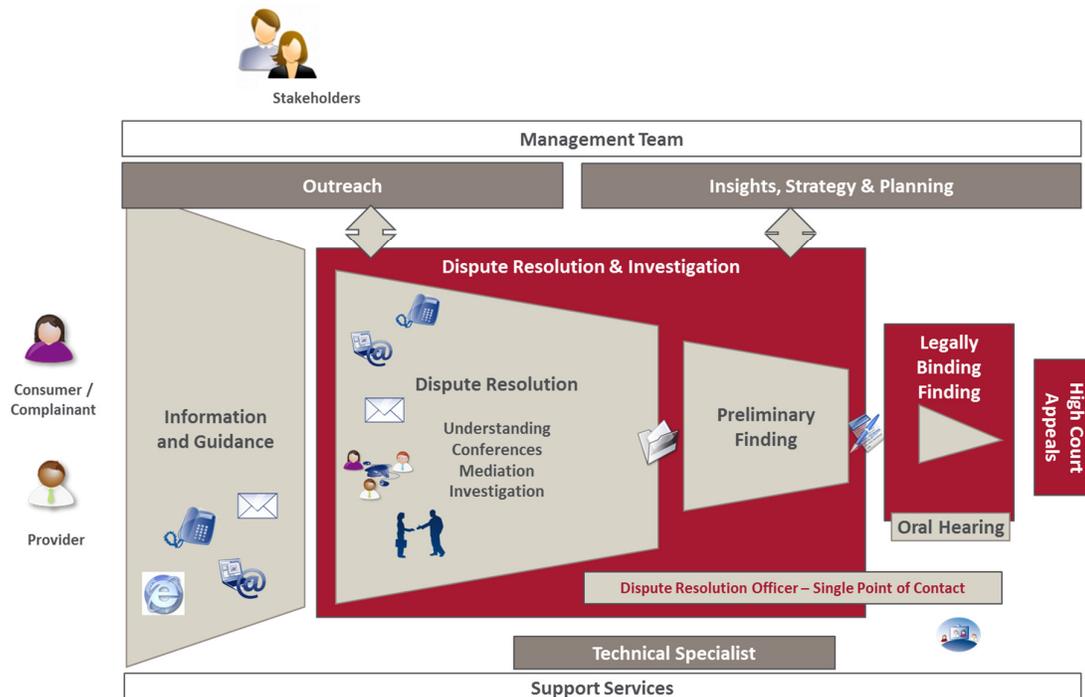


Figure 3 – Recommended approach to dispute resolution

To achieve these goals, the FSPO scheme should take a proactive approach to providing service users with information and case studies that are relevant to their complaint in order to manage their expectations of what the scheme will and will not do. The approach applies to all parties - both consumers and providers.

Once complaints are received, they should be assigned to a case officer who works with the parties to achieve an early and fair resolution to the issue in dispute. In the first instance, this should involve speaking with both parties to understand the issue in full. This would initially focus on the complainant by using open questioning techniques to talk through the issue and understand the outcome that the complainant is seeking. The provider should then be consulted to understand the measures taken to resolve the complaint and, if the case officer feels the provider did not fully understand the complaint, the provider may be requested to reinvestigate the issue and to prepare a new response letter.

If an immediate resolution is not achieved, the case officer would continue to work with the parties to resolve the complaint through informal means. Where possible, communication should be by telephone and electronic means (e.g. email) which should reduce the delays associated with the exchange of written documents. Parties in the complaint should have access to an online portal which provides them with a view of the case status and access to relevant case documentation.

Access to subject matter experts within FSPO or externally should be arranged for any case officer who requires specialist product or legal input/advice.

By engaging with the parties directly, the case officer can capture the detail behind the issue in the manner best suited to the parties involved. More importantly, it should allow them to build trust with the parties which is essential to achieving a timely and satisfactory resolution.

In the event that the complaint does need to progress to a formal adjudication stage, the case officer would complete their investigation and prepare the complaint file for adjudication. This includes a summary of the issue which provides the parties with clarity on the points of fact to be assessed by the adjudication officer. By engaging an experienced case officer early in the process, the overall quality of the complaint description would be improved which would ultimately aid the adjudication process because it has been updated by the case officer during the course of the investigation and by the provider's responses.

The complete file would then be passed over by the case officer to an adjudication officer for review and recommendation. The adjudication officer is a separate individual who has not had a relationship with either party. The case officer still remains available to the parties and continues to monitor the progression of the case. This model allows the case officer develop a trusting relationship with the complainant which is essential for case progression and open communication. Where appropriate, the case officer's role can act to redress the balance between the complainant and their provider.

The adjudication officer's recommendation is based on the facts of the case as presented and is arrived at in an impartial and independent manner. Their Preliminary Finding is shared with the parties allowing them to raise any concerns about points of fact. The case officer remains available to respond to any questions and explain the outcome to the parties if required.

Any additional points of fact raised by the parties should be considered and the Preliminary Finding updated accordingly. In the event that no new information comes to light, the adjudication officer's Preliminary Finding would be forwarded to the Ombudsman for final decision.

Throughout the process information would be captured on the nature of complaints and enquiries received. During the early resolution stage, details of interventions and outcomes should be recorded. This would allow future analysis which would help inform the scheme on the most effective techniques to use in given circumstances, and the ability to monitor changing trends in complaints.

Sharing case studies which provide an overview of the different outcomes from various types of cases - including those that were adjudicated upon and those that were resolved informally - should be made available to all stakeholders through a web portal to support greater understanding by the Public as a whole.

The proposed changes should result in a significant reduction in the amount of time spent dealing with complaints that can be resolved informally, which would in turn create capacity to focus more on preventative measures and personal development goals.

Roadmap for change

The overall programme to implement the recommendations is likely to take 2-3 years. Stakeholder support is critical to the overall success of the transformation programme. In many cases, providers would be required to change their own internal processes and systems to support the scheme's new ways of working, and consumer awareness needs to be raised.

There are a number of actions that can be taken immediately. Although there are limitations with the existing IT systems, there are opportunities to increase the quality of data being captured and to implement analytics tools that would improve access to important case data and overall reporting capability.

It is important to recognise that although the objectives of the scheme will not change, the manner in which services are delivered would be very different. Front line staff dealing with service users would need to acquire the skills and competencies needed for the new ways of working.

The first step in delivering change therefore is to engage with staff to agree any changes in their roles and to agree the skills they need to develop or enhance to support the new ways of working.

The proposed organisation design would provide clarity on roles and career development opportunities for staff. Consideration must also be given to how Ombudsman staff keep their industry and market knowledge up-to-date. Structures should be put in place to support the need for continuous learning and development.

Once staff are empowered, steps can be taken to implement the organisation changes and service delivery changes recommended. Provider support is key to achieving the expected benefits. Plans should be put in place to engage with them early on and to seek regular feedback throughout the programme.

Changing the way in which complaints are currently managed would deliver a number of key benefits, namely:

- Improvements in satisfaction levels of service users
- Greater number of complaints resolved informally without the need for adjudication
- Create capacity within the team to release resources to invest more time in personal development and more strategically focused activities.

Given the impact that the new ways of working are likely to have, it is recommended that changes are piloted in the first instance to allow for lessons to be learned and for processes to be streamlined and refined before being rolled out to a wider group.

Continuous improvement should become part of how the scheme operates in the future. This includes capturing feedback from staff, management, stakeholders and service users to identify how services, processes and efficiencies can be improved.

Once the new processes for case management have been implemented and stabilised, the scheme can increase its focus on the two other key objectives of the transformation programme - raising awareness of the scheme and increasing its strategic influence.

Outreach services should focus on engaging more with the Public, providers and stakeholder communities. The availability of quality data and case studies which can be used to educate and set expectations of service users is very important. Preparation for these materials would need to start well in advance of the formal establishment of the outreach services.

Likewise, an effective reporting and trend analysis capability, is an essential component of the Insights activities (analysis of internal and external data to detect trends in the types of queries and complaints received) and increasing the strategic influence of the scheme. The capability to deliver this effectively should increase over time as data quality improves and the underlying systems to manage and monitor case data are enhanced.

The delivery of the overall programme for change comprises a number of different tasks, many of which are inter-dependent. An overall roadmap has been proposed which is geared to delivering the transition programme in a logical and structured order based on four key objectives, as follows:

- **Developing our people:** so that they have the skills and competencies necessary to deliver the service in fast-changing financial services and consumer environments.
- **Changing how services are delivered:** to become more flexible and focused on early resolution of disputes wherever possible with better use of data analytics. This in turn would deliver efficiencies and make better use of the resources available.
- **Raising awareness of the scheme:** to both reduce the number of queries and complaints received which are not within jurisdiction, but also to dedicate more time to providing consumers and providers with the information that they need to resolve disputes at source.
- **Increasing strategic influence:** by sharing insights with external stakeholders in order to 'raise the bar' in consumer protection and to address potential issues early on before they become systemic.

The figure below provides an overview of each of the key workstreams that would be required to implement the recommendations in this report. The workstreams reflect each of the key objectives for the transformation programme.

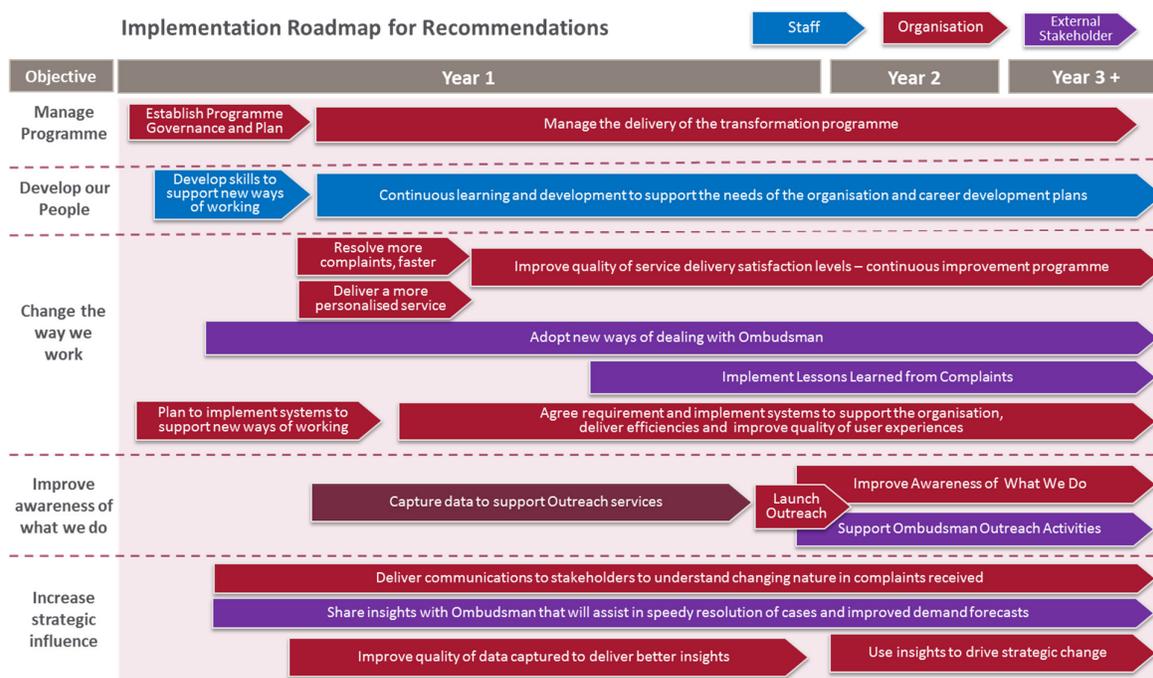


Figure 4 – Roadmap for change

Conclusions

The FSOB and OPO are not alone in their need to implement a reform agenda. Many ombudsman schemes internationally have been undergoing a similar transition in recent years. The rapidly changing nature of the financial services industry requires a continuous review and re-examination of how dispute resolution services are being delivered.

The recommendations outlined in this report present the FSOB and OPO with opportunities to change the way they deliver their services while supporting the needs of a rapidly changing ADR landscape. In particular, the new service delivery model is design to meet the needs of the diverse range of service users. If implemented, they would provide the organisation with the flexibility to respond to changing demands whilst remaining focused on delivering a quality service and a positive experience to its service users.

The supporting workforce development model is essential to achieve these goals. This would require resources with the broad mix of skills to address the diverse needs of the organisation. Maintaining organisation-wide competencies in a changing environment requires a continuous focus on development and learning, supported by the appropriate operational tools.

An overall workforce management plan would be required which empowers front line staff to resolve disputes quickly and informally wherever possible. This is best achieved by ensuring that there are

experienced staff in front line positions where they are best placed to apply their corporate knowledge and practical experience to resolve complaints.

Improving the quality of data available to management and planners should be a key goal. The variability of cases received and the absence of metrics to support the analysis of case activities makes it difficult to accurately assess the cost of service delivery and the actions that most typically result in a resolution. Similarly, this limits the ability to determine the staffing levels required. Improvements to systems and data capture would be required to support more effective demand and capacity management. By revising current procedures, short-term measures to achieve operational efficiencies can be implemented and tracked at a team level, by monitoring throughput and improving the quantity and quality of data captured in the case management systems.

As the process improvements become embedded in the FSPO, capacity would be released to support more outreach services. Over time the FSPO should see staff numbers transitioning from a reactive dispute resolution roles to more proactive activities focused on raising awareness and addressing potential sources of complaint at source.

The necessary change will not be achieved overnight, but will require careful planning and management.

The impacts will be far reaching, both inside and outside of the organisation. Through an effective delivery approach, that both monitors and reports on results achieved, it will be possible to maintain ongoing momentum.

There is a clear appetite for change, both within each of the Ombudsman's offices and the wider stakeholder community. Harnessing and building on this will be key to driving the overall transformation programme forward.

It is also evident that many of these stakeholders recognise the critical role they have in supporting the change agenda. There are a number of short-term measures that can be jointly undertaken to support the delivery of the recommendations made in this report.

This Review is the first step in a journey for the FSOB and OPO. The recommendations should be implemented on a phased basis with regular monitoring of the impacts and benefits achieved. If effectively planned and delivered, the FSPO would achieve many of the goals set out in the Public Service Reform Plan for Quality Customer Service Initiative. Not only this, but it would create a working environment which provides its employees with the necessary supports and infrastructure to deliver high levels of service and make a positive impact on how Irish financial services and pensions products are delivered and administered.

It is important to recognise that this is a journey, and the target will move overtime in response to market changes. Flexibility will be key, as will the ongoing need to look outward and adapt internally.

Structure of this Report

This report is divided into the follow sections:

- **Section 1 – Background to the Review:** Sets out the objectives and approach of the Review, provides an overview of the FSOB and OPO and acknowledges the contributions of the many parties who supported the Review.
- **Section 2 – Financial Service Ombudsman Bureau:** Provides an overview of the Financial Service Ombudsman Bureau including its organisation structure and approach to case management. An overview of the As Is findings is provided including the end-to-end user journey and the key challenges faced in service delivery.
- **Section 3 – Office of the Pensions Ombudsman:** Provides an overview of the Office of the Pensions Ombudsman including the organisation structure and approach to case management. An overview of the As Is findings is provided including its end-to-end user journey and the key challenges faced in service delivery.
- **Section 4 – Current Trends in Dispute Resolution Services:** Summary of key changes being implemented to ombudsman schemes nationally and internally with a particular focus on other financial services schemes.
- **Section 5 – Vision for the Financial Services and Pensions Ombudsman:** Sets outs of strategic vision for the FSPO and its measures of success.
- **Section 6 – Towards 2020 – A Roadmap for Change:** Key recommendations to achieve the vision, addressing organisational, process, people and technology change.
- **Section 7 – Implementation Roadmap:** Recommendations on how the associated transformation programme should be rolled out to achieve the stated targets.
- **Section 8 – Definitions and References:** Explanation of terms and acronyms used throughout the report.

1. Background to the Review

This section outlines some key features of the two organisations being reviewed, the objectives and approach used in conducting the Review and acknowledges the input of a considerable number of interested parties and stakeholders who were consulted.

1.1 The Financial Services Ombudsman Bureau

The Financial Services Ombudsman Bureau (FSOB) is an independent statutory office and was established under the Central Bank and Financial Services Authority of Ireland Act 2004. The FSOB, while independent in its decision making, operates under the aegis of the Department of Finance. It has a staff complement of 34. The FSOB investigates and adjudicates, in an impartial and independent manner, complaints from consumers and small business who have unresolved disputes with their financial service providers and who are regulated by the Central Bank of Ireland.

The decisions of the Financial Services Ombudsman (FSO) are legally binding, subject only to appeal to the High Court. The FSOB is funded through levies paid by financial service providers. A consumer must first have exhausted the provider's internal complaints handling process in order for the FSOB to be able to investigate a consumer's complaint.

1.2 The Office of the Pensions Ombudsman

The Office of the Pensions Ombudsman (OPO) was established under the Pensions Act 1990 as an agency under the aegis of the Department of Social Protection. There are currently seven staff members within the OPO. The role of the OPO is to investigate complaints of financial loss due to maladministration and disputes of fact or law in relation to occupational pension schemes, Personal Retirement Savings Accounts (PRSA) and Trust RACs.

The decisions of the OPO are legally binding subject only to an appeal to the High Court. The OPO is currently funded through the Vote of the Department of Social Protection. The OPO will deal with queries as well as complaints. Formal complaints should go through the provider's Internal Dispute Resolution (IDR) before they can be investigated by the OPO.

1.3 Drivers for the Strategic and Operational Review

Since being established, both the FSOB and OPO have experienced significant change driven by changing consumer behaviours, fluctuating demand and limited resources.

The Minister for Social Protection, Joan Burton T.D. announced on the 23rd April 2013, the amalgamation of the offices of both Ombudsmen and Financial Services Ombudsman, as a part of a number of changes to strengthen governance and regulation of the country's occupational pensions and to give consumers greater input into pension's policy.

In advance of the amalgamation, the need to complete a review of the organisations was identified and agreed by both the Pensions Ombudsman and the Financial Services Ombudsman Council. This aimed to both identify strategic, operational and procedural changes that should be made and to help inform the vision and plans for the future organisation.

1.4 Ombudsman Scheme Principles

The underlying features of an ombudsman scheme, as defined by the British and Irish Ombudsman Association (BIOA), were considered throughout this review.

Particular focus was placed on BIOA's seven principles of good complaint handling ¹ as follows:

- **Clarity of purpose:** A clear statement of the scheme's role, intent and scope
- **Accessibility:** A service that is free, open and available to all who need it
- **Flexibility:** Procedures, which are responsive to the needs of individuals
- **Openness and transparency:** Public information, which demystifies our service
- **Proportionality:** Process and resolution that is appropriate to the complaint
- **Efficiency:** A service that strives to meet challenging standards of good administration
- **Quality outcomes:** Complaint resolution leading to positive change.

These principles have been adopted by Ombudsmen in many countries.

1.5 Objectives and Scope

1.5.1 Scope

The Strategic and Operational Review was conducted to review the current operations of the FSOB and OPO against stated strategies, goals and objectives. The Review examined current operations and business processes within both organisations with a view to informing the future vision and operating model. Changes to policy, regulation or legislation do not form part of this review.

Proposals to change policy or the regulatory framework were outside of the scope. In addition, an assumption was made that there would be no significant changes to the overall stated role of either organisation or funding mechanisms.

1.5.2 Objectives

The aim of the review was to identify opportunities for improving the overall service delivery and operational efficiency through process improvements and by applying leading practices from other Ombudsman schemes and professional services' organisations into the design of the future Financial Services and Pensions Ombudsman's office.

The key objectives for this review were to:

- Review of trends and patterns of complaints received
- Outline the user journey and make key recommendations in relation to implementing the most efficient, effective and transparent processes
- Examine how disputes could best be resolved in an informal and expeditious manner and, only when necessary, proceed to formal investigation, oral hearings and adjudication

¹ The British and Irish Ombudsman Association 2007

- Explore the options that could reduce the number of invalid and inadmissible complaints and enhance the early capture of such complaints
- Assess staff engagement and identify existing, emerging or future skills which may be required
- Recommend the most supportive management and institutional framework to develop and retain skills and competencies and to assist staff to operate to the highest standards of performance
- Examine the current organisational structure and deployment of resources, including technology, and identify any innovation and efficiencies or savings in terms of resource inputs
- Examine the internal and external communications and the impact and use of language and new media, and to assess awareness of the work of the office amongst the public and external stakeholders
- Recommend measures to improve public understanding of the issues related to complaints against service providers and to suggest methods of encouraging measures to promote best practice in the provision of products and services and complaint handling by service providers
- Examine leading practices in similar organisations and dispute resolution services (national and international) and to recommend appropriate benchmarks, performance indicators and outcome-focused measures by which services can be benchmarked, measured and reported.

The output of the Strategic and Operational Review project - this report - is to put forward workable recommendations for the future amalgamated office of the Financial Services and Pension Ombudsman.

1.6 Methodology

The methodology for this engagement comprised of a three-phase approach which took place over a four month period.

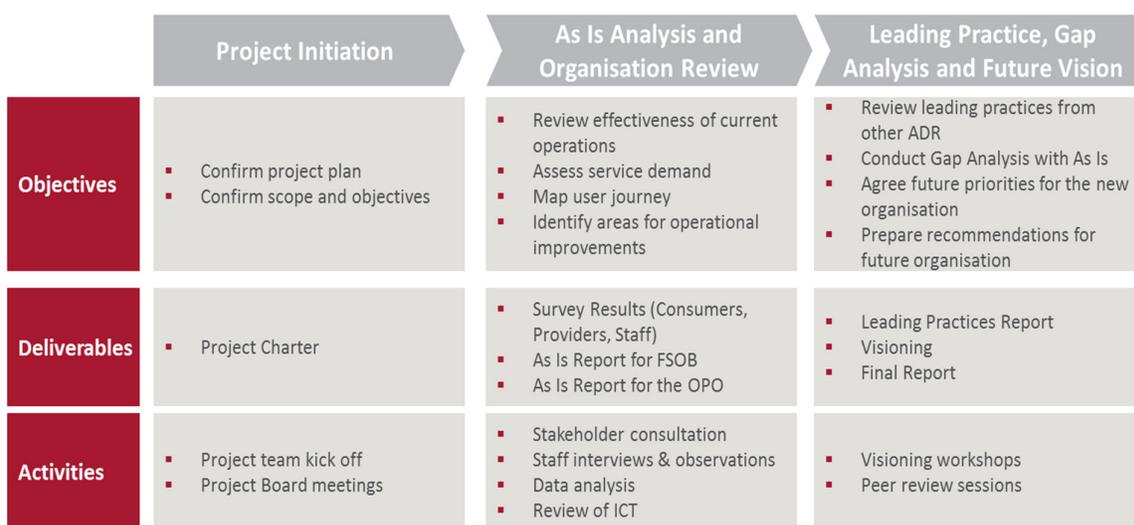


Figure 5 - Project Approach

Phase 1- Project Initiation:

A Project team kick-off event was held with stakeholders and staff to confirm the scope, key objectives, project plans, milestones and resource requirements. A project charter was documented which was used as a shared terms of reference for all stakeholders.

Phase 2- As-Is Analysis and Organisation Review:

The individual As-Is and Organisational Review for both the FSOB and the OPO were conducted during August and September 2015.

The Review examined the following:

- Service demands
- Organisation structures
- Delivery capability (capacity and skills) against stated strategies, goals and objectives
- Business processes
- User journey
- Use of technology.

Key activities of the As-Is and Organisational Review phase are highlighted in the activity summary shown below:

Stakeholder Interviews	Feedback Surveys	Process Review	Technology Review
<ul style="list-style-type: none"> • Regulators / Government • Representative Bodies • Consumer Bodies • Consumer advocates • Legal advisors • Council members • Staff of the FSOB and OPO • Submissions from interested parties 	<ul style="list-style-type: none"> • FSOB Customers 440 / 1,732 customers • FSOB Providers 128 / 504 providers • FSOB Staff 25 Staff • OPO Service Users 14 / 27 Stakeholders 	<ul style="list-style-type: none"> • Business process walkthrough • Observation of work practices • Staff Interviews • Validation workshops • Case reviews • Review of independent reports 	<ul style="list-style-type: none"> • FSOB & OPO Complaint Management System • Analysis of system data

Figure 6: Overview of As-Is Analysis Activities

Techniques such as "walking the floor" (physically following the complaint throughout the process) and "value stream mapping" (capturing a top-down picture of the operations, illustrated by key metrics) were used as a means of reviewing end-to-end processes, assessing efficiency and to capture issues and metrics.

Approximately 25 interviews were held with key stakeholder groups (such as consumer agencies, regulatory bodies, industry bodies, council members and all levels of staff). This consultation exercise formed a crucial first step to understand priority areas for change and future trends that may influence the level and nature of demand for both Ombudsmen.

Technology and IT systems used by the FSOB and OPO were also examined. A data extract from the systems used in both organisations was used to analyse key metrics and trends in complaints. An analysis of website traffic and queries received through the telephone lines and email also formed key inputs to the As-Is analysis.

A number of online surveys were issued to previous service users² (complainants³ and providers⁴) to capture feedback on the providers' complaints management processes and users' experiences with the FSOB and OPO.

Workshops were held with staff to confirm the understanding of the end-to-end business processes and to capture key issues.

An As-Is report was delivered outlining the findings from this phase of the project including: value stream maps of the current processes, priority areas for improvements and a number of recommendations for quick wins.

Phase 3 - Leading Practice, Gap Analysis and Future Vision:

The final phase (To-be and Gap Analysis) was undertaken jointly in order to assess the opportunities for synergies in the FSOB and OPO processes and organisation.

An examination of leading practices within Ombudsman and ADR schemes (national and international) was conducted through a combination of interviews⁵, desk-based research⁶ and a review of publications⁷. The purpose of this activity was to identify current trends and best practice in dispute resolution services both nationally and internationally. This review identified key drivers for change experienced by ADR schemes in recent years and the measures other organisations had trialled, evaluated and adopted to address the need for change.

A gap analysis between leading practices and current processes in the FSOB and OPO identified a number of key shifts necessary for the FSOB and OPO schemes. The findings from the gap analysis were shared with FSOB and OPO staff, external stakeholders and the FSOB Council. A number of workshops were held with senior management, staff and external stakeholders to agree a common target for the amalgamated organisation.

The output of these workshops led to the development of a target operating model for the new organisation. The recommended approach is supported by a number of key performance measures.

2 A single survey was issued to both complainants and providers that have availed of the OPO services. In the case of the FSOB separate surveys were issued to complainants and providers.

3 The online survey was only issued to previous complainants that had both provided their email address to the FSOB and OPO and indicated that they were willing to participate in any future survey. Contact names included individuals who submitted a complaint directly on their own behalf and a small number of third parties who were acting on behalf of complainants.

4 A total of 128 responses were received from 504 providers. 62.5% of responses were received from providers with less than 50 employees, and 37.5% from providers with more than 50 employees.

5 Mr. Francis Frizon, France; Professor Chris Hodges, UK; Ms. Paulynn Marrinan Quinn S.C., Ireland; Ms. Nicola Sladden, New Zealand; Mr. David Thomas, UK & Channel Islands; Ms. Sophie Watkins, Channel Islands.

6 Financial Ombudsman Bureau (New Zealand) (bankomb.org.nz); Financial Ombudsman Service (Australia) (www.fos.org.au/); Financial Ombudsman Service (UK) (www.financial-ombudsman.org.uk); Ombudsman (Ontario) (www.ombudsman.on.ca); Office of the Ombudsman (www.ombudsman.gov.ie); Private Residents Tenancies Board (PRTB) (www.prtb.ie).

7 Details of publications are included in Section 8.

1.7 Acknowledgements

BearingPoint would like to thank the following parties for their contribution and ongoing support during the Strategic and Operational Review:

Office of the Pensions Ombudsman

Pensions Ombudsman, Senior Investigator and the investigations team.

Financial Services Ombudsman Bureau

Financial Services Ombudsman, Deputy Financial Services Ombudsman, Head of Investigation, Head of Legal, Head of Administration, Assistant Head of Investigation, Pre Investigation Team, Investigation Team, External Investigators Reception Staff, HR, Finance, and members of the FSOB Business Improvement Group.

Financial Services Ombudsman Council and Secretary

- Mr. Dermot Jewell (Chairperson)
 - Mr. Jim Bardon (Secretary)
 - Ms. Cairíona Ní Charra
 - Mr. Michael Connolly
 - Mr. Tony Kerr
 - Mr. Paddy Leydon
 - Ms. Elizabeth Walsh
 - Mr. Frank Wynn
-

Policy makers and regulatory bodies

- Central Bank
- Department of Finance
- Department of Social Protection
- Pensions Authority

Consumer representative bodies

- Citizens Information Board
 - Free Legal Advice Centres
 - Competition and Consumer Protection Commission
-

Industry representative bodies

- Banking and Payments Federation of Ireland
- Insurance Ireland
- Irish Brokers Association
- Irish Pensions Trust
- Professional Insurance Brokers Association

Other stakeholders

- Department of Public Expenditure and Reform (Public sector pensions)
 - Mr. Brendan Burgess
 - Credit Review Board
 - Eversheds
 - McDowell Purcell Solicitors
 - Mr. Padraic Kissane
-

National and International Ombudsmen Schemes

- Mr. Francis Frizon - Mediator, Insurance Industry Federation, France
- Professor Chris Hodges, Professor of Justice Systems, University of Oxford, United Kingdom
- Ms. Paulynn Marrinan Quinn S.C., Ireland (former Defence Forces Ombudsman)
- Ms. Nicola Sladden, Banking Ombudsman, New Zealand
- Mr. David Thomas - Chairman, Financial Ombudsman, Channel Islands
- Ms. Sophie Watkins, Interim Operations Manager, Channel Islands Ombudsman.

2. Financial Services Ombudsman Bureau

Within this section the legislative basis for the establishment of the Financial Services Ombudsman Bureau (FSOB) is outlined, along with key findings from the review including:

- Current organisation structure
- Service delivery model and processes
- Overview of the end user journey from pre-complaint to a Finding being issued
- The key operational and strategic challenges facing the FSOB.

2.1 Regulatory Basis

The Financial Services Ombudsman was established under the Central Bank and Financial Services Authority of Ireland Act 2004. Part VIIB of the Act⁸ provides for the setting up of the Ombudsman's Bureau and specifies the functions and powers of the Ombudsman.

The legislative basis for the establishment and role of the Ombudsman is provided for in Section 57BB of the Act while section 57BK of the Act provides for the functions and powers of the Financial Services Ombudsman.

2.1.1 FSOB Customer Charter

The FSOB Customer Charter commits to the following:

- The provision of a professional and efficient service to the Bureau's customers
- To develop strategies and materials aimed at improving levels of awareness... about rights to complain... and dealing with Financial Service Providers
- To resolve complaints in accordance with best practice and the highest standards of customer service
- To develop the abilities, skills and competence of staff to ensure continued improvement in organisational performance
- To perform the Bureau's role and independent functions in a manner that is transparent and accountable and to lead by example as a model of best practice
- To liaise with financial firms so as to improve their complaints handling culture.

2.1.2 Strategic Goals

The FSOB Strategy Statement 2015 – 2016 outlines the key strategic goals of the organisation in line with their key objectives:

⁸ See Appendix B

- To operate an efficient, effective and fair dispute resolution process to investigate, mediate and adjudicate on consumer complaints
- To raise awareness of our work among the public and stakeholders
- To promote compliance by financial service providers with best practice in the provision of products and services
- To provide a supportive management and institutional framework in order to develop the skills and competencies of our staff and operate to the highest standards of performance
- To support the Council in its work and liaise with the Central Bank of Ireland, the Department of Finance, Oireachtas Committees and other relevant bodies.

2.2 Organisation and Service Delivery Model

The FSOB has been operational for over ten years. It employs approximately 34 staff comprising management, case officers, investigators and administrative staff. The 2004 Act included a provision for the establishment of a Financial Services Ombudsman Council.

During the financial crisis, the FSOB experienced periods of peak demand. This resulted in resources being redirected to deal with the increased volume of complaints received, leaving less time for other aspects of the organisation's work.

2.2.1 The Council

The FSOB Council comprises a chairperson and six members. The council is responsible for the overall governance including oversight of the efficiency and effectiveness of the FSOB but has no role with respect to how the FSOB deals with individual complaints.

In preparation for the amalgamation with the OPO, a recruitment process is underway through the Public Appointments Service for additional Council members who will ideally have skills and experience in the pension industry.

2.2.2 FSOB Organisation Structure

Similar to a number of Ombudsman schemes, the FSOB operates a relatively flat structure. The organisation structure has changed little since the FSOB was established.

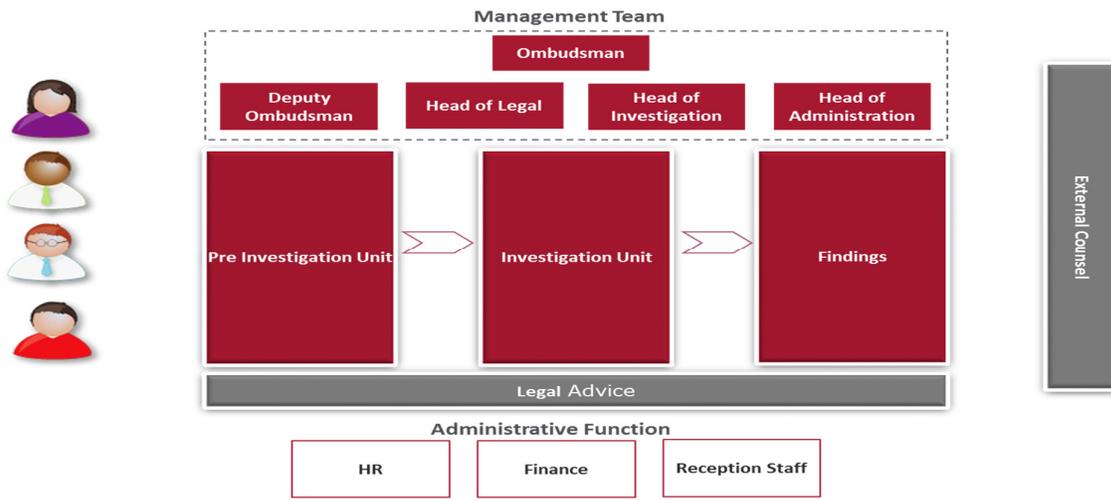


Figure 7: Operating model in the in the Financial Services Ombudsman’s Bureau

- Management Team: comprises the Ombudsman, Deputy Ombudsman, Head of Investigation, Head of Legal and Head of Administration
- Pre-investigation team: made up of 9 staff; 3 Case Managers (1 AP and 2 HEOs), 5 Case Officers (EO) and 1 Case Administrator (Contract)
- Investigation team: comprises an Assistant to the Head of Investigation, a Principal Investigator (both AP) and 11 investigators with various levels of experience within the organisation (primarily HEOs). Flexibility to manage fluctuating demand is achieved through the use of a panel of external investigators whose services are drawn down as required. Each external investigator is paid a flat fee for preparing a Summary of Complaint or Finding. They are supported by two HEOs who also have other operational responsibilities
- An in-house legal function provides legal advice on complex jurisdictional enquiries and decisions made by Bureau staff. This includes drafting media releases, PQs and submissions on policy/consultation documents
- Human Resources: HR services are provided in-house. This includes all aspects of HR management from hire-to-retain
- Finance: In addition to the day to day financial management requirements for the business operations, the finance function is responsible for the collection of levies from providers and the preparation of reports for the Council
- Reception staff form part of the administration team and primarily work on a part-time basis.

A number of job vacancies have arisen in recent months. Recruitment for these posts is currently on hold pending the outcome of the Strategic and Operational Review.

2.2.3 FSOB Service Demands

The FSOB is a service industry and demand may fluctuate over time, most commonly influenced by surges in complaints arising for some general industry issue or changes in the economic climate .

The FSOB deals with general queries and complaints but does not provide advice. Queries are predominantly received by phone (through reception) and by email (through enquiries@financialombudsman.ie). Queries may relate to the role of the Financial Services Ombudsman/ complaints handling process, a consumer seeking information on an issue they are having with a provider, updates relating to an ongoing case. The FSOB does not provide general advice, but it will often refer callers to a more appropriate consumer body.

Approximately 33%⁹ of the calls received by the Bureau are redirected to another organisation (including the Statutory Ombudsman, Consumer Protection and Competition Authority, Providers, Insurance Ireland and other bodies).

Complainants will be issued with a Complaint Form and advised that they must first complain formally to their provider and include a copy of their Final Response Letter with the completed complaint form.

Formal complaints must be submitted on a Complaint Form and accompanied by the Final Response Letter from the provider. Complaints to the FSOB are received through various channels with the most common being by post and online. Complaints are recorded on the FSOB case management system and are actioned as appropriate.

Incomplete complaints received by post are logged and recorded in the case management system. Approximately 20% of initial complaints received will not be progressed by the complainant. The reasons may be due to the complainant’s perception of the process as being too complex or if they are of the opinion their case will not be upheld.

Complaints to the FSOB are received through various channels with the most common being by post and online. Complaints are recorded on the FSOB Case Management System and are actioned as appropriate.

Following a particular period of high demand between 2010 and 2013, the FSOB has seen a decrease in the number of new complaints received over the last 18 months.

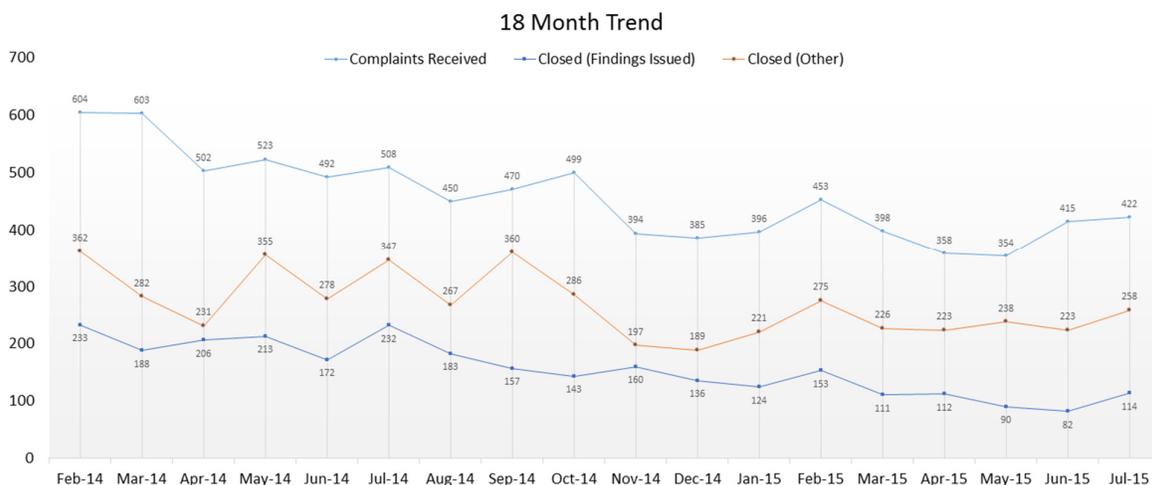


Figure 8: FSOB Service Demand

There was a 41% decrease in the number of new complaints received between 2013 and 2014. This followed a

⁹ Activity logs completed for a two week period by FSOB reception staff

Over a third of complete complaints received in 2014 did not progress to investigation for a number of reasons. The FSOB does not currently record reasons why complainants do not progress with their complaint. In some cases, the contact from the FSOB leads to the provider resolving the complaint directly with the complainants; however, feedback from our surveys indicated that a number of them felt that the process took too long, was complex and just gave up.

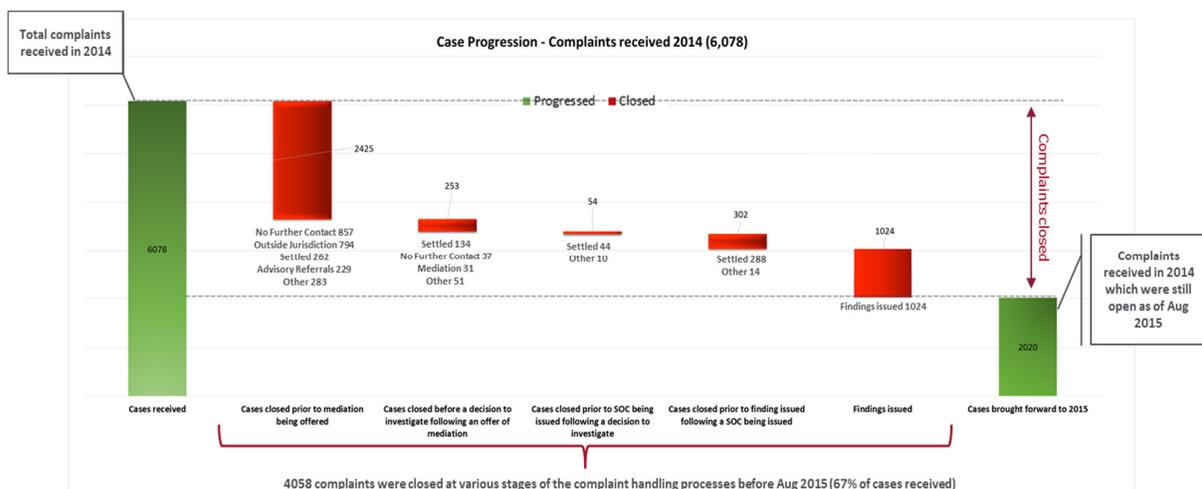


Figure 9: Overview of the outcome of complaints received in 2014

The majority of cases closed do so without a Finding being issued. These cases may be closed for a number of reasons including:

- Outside of jurisdiction / jurisdiction declined
- No further contact by the complainant
- Resolved with the provider.

Of all complaints received in 2014, by August 2015 Findings had been issued in 1,024 cases – of these 9.5% were Upheld, 17.2% were Partly Upheld and 73.3% were Not Upheld. A 'Not Upheld' Finding can arise where (1) the provider is not at fault or (2) where a provider has been at fault and offered the complainant a redress which he/she rejected but the Ombudsman believes is reasonable.

The proportion of Findings issued where the Ombudsman's decision was upheld is very low. When you factor this against the total number of complaints received by the FSOB (approximately one quarter of the closed complaints received in 2014 had Findings issued) the percentage drops to 2.5% of all complaints received are upheld. This may indicate that a large amount of resource time is being spent on cases that have the potential to be resolved informally at an early stage if consumers were better informed about their rights and the nature of the contracts they enter with financial services providers.

2.3 User Journey

The As-Is process analysis phase aimed to develop a broad understanding of complaints handling and other administrative processes in the FSOB. Understanding the user journey from the first contact ('pre-complaint') stage through to finding issued stage was a key element of the Review.

The user journey timeline as shown below highlights the key stages in the complaint lifecycle from pre-complaint to Finding stages. As shown below, there are generally a number of lag times of varying durations between each of the stages and there are multiple correspondence cycles between the complainant, the provider and FSOB.

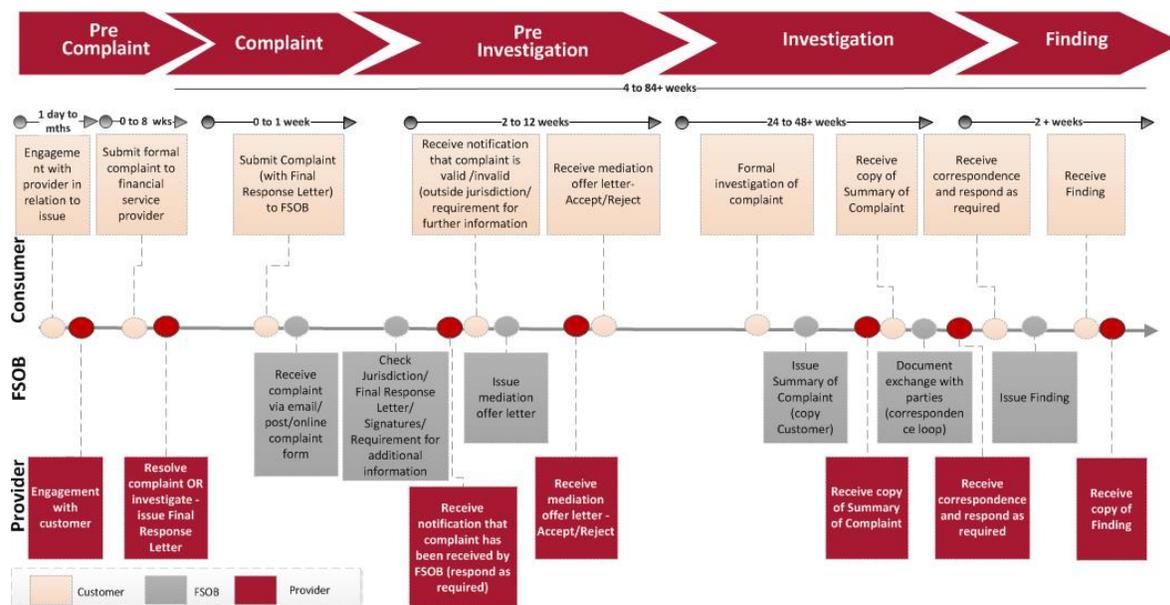


Figure 10: FSOB User Journey Timeline

The high-level process steps for complaint management are as follows (Note: timeframes are used as guidelines within the FSOB and may be extended depending on the nature of the case):

- Pre-complaint:** Prior to submitting a complaint to the FSOB, consumers are required to seek a resolution to their complaint with their financial services provider. The provider must attempt to investigate and resolve the complaint within 40¹⁰ business days. In cases where the 40 days have elapsed without a resolution to the case, the financial services provider must inform the consumer of the anticipated timeframe within which the provider hopes to resolve the complaint. The provider is required to inform the consumer that they can refer the matter to the Ombudsman. The financial services provider is required to issue a Final Response Letter to the consumer. If the consumer opts to escalate the complaint to the FSOB they must include a copy of the Final Response Letter along with a complaint form in order for a complaint to be accepted. Complaints may be submitted via an online complaint form, post or email.

It's important to note that an issue may have been ongoing for a period of time before a consumer formally lodges a complaint with their provider.

¹⁰ Consumer Protection Code 2012 “the regulated entity must attempt to investigate and resolve a complaint within 40 business days of having received the complaint; where the 40 business days have elapsed and the complaint is not resolved, the regulated entity must inform the complainant of the anticipated timeframe within which the regulated entity hopes to resolve the complaint and must inform the consumer that they can refer the matter to the relevant Ombudsman, and must provide the consumer with the contact details of such Ombudsman...”

Feedback from providers indicates that over 90% of complaints they received are addressed at this stage without the need to revert to the FSOB.

- **Complaint:** New complaints and ongoing complaint correspondence are handled within the "Pre Investigations" team in the FSOB. 6,078 new complaints were logged on the FSOB complaint management system in 2014 compared to 10,397 in 2013, a decrease of 41%. On receipt of a complaint, a member of the Pre Investigation team will conduct a number of quality assurance checks to ensure that the complaint submission meets certain requirements (e.g. jurisdiction, Final Response Letter included, required signatures). Complaints are deemed out of jurisdiction if they have been subject to legal proceedings or if more than six years have passed since the date of the issue giving rise to the dispute. There may be a number of correspondence loops between the providers, complainants and the FSOB at this stage of the process. Once documentation is in order and all document exchanges are complete, mediation is offered and a mediation offer letter is issued to both parties involved in the dispute. In order for mediation to proceed, mediation must be accepted by both parties to the dispute. If mediation is not accepted by both parties, the complaint will move to the next stage of the process, formal investigation. The parties have 15 working days to respond to the mediation offer letter. A number of cases are closed at this stage of the process and do not proceed to a formal investigation. This may be due to the case being outside jurisdiction or jurisdiction declined, settled or no further contact by the complainant. Of new complaints received in 2014, 44% were closed without an investigation.

Up to 2015 there was a low number of parties that accepted offers of mediation, primarily due to being rejected by provider, with often less than one or two per month. Survey results identified that there were significant misconceptions about the objective of mediation by some providers. Over the last number of months staff in the FSOB has been working closely with providers to encourage them to participate in mediation. This has resulted in a significant increase in the number of mediations held within the region of 80% of cases being resolved after mediation.

- **Investigation:** New cases for investigation are assigned to an investigator by the Head of Investigations. On receipt and examination of a case, the assigned investigator issues a Summary of Complaint document to the provider, sending a copy to the complainant. This includes a list of questions and a schedule of the required evidence. Providers are required to respond to this request and provide submissions within the required timeframe (normally 20 working days). Complainants are issued with a copy of the provider's response to the Summary of Complaint and are given an opportunity to respond within 10 working days. The provider may submit further information at this stage. Of new complaints received in 2014, 23% were closed during the investigation. Reasons for this include finding issued (74%), settled prior to issuing a finding (24%) or other reasons (2%).
- **Oral Hearings:** Where there is a dispute of fact between the parties to the dispute, that cannot be resolved by documentary evidence, an oral hearing may be scheduled prior to a Finding being made. An oral hearing may be requested by either the complainant or the provider. The decision whether to hold an oral hearing is at the discretion of the Ombudsman. Oral hearings are formal hearings with a chair and a stenographer. Witnesses may be called to provide evidence. There are typically less than 40 Oral Hearings a year.
- **Finding:** Once all documentation exchanges are complete, the FSOB investigator will commence drafting a Finding. The length of time taken to draft a Finding varies depending on the complexity of the case. The draft Finding, together with the evidence submitted, is considered by the Ombudsman or a member of the management team to whom the

Ombudsman has delegated responsibility to make a Finding. The Finding is made and issued to both parties. Findings are legally binding but a complainant or the respondent provider may appeal the Finding in the High Court within 21 days of receipt of the Finding. There were 18 new appeals to the High Court lodged in 2014.

2.4 Current Challenges

An analysis was completed on how the current operations in the FSOB aligned with the stated objectives in the FSOB Customer Charter and the British and Irish Ombudsman Association (BIOA) principles of good complaint handling. A number of opportunities for improvement were identified.

FSOB faces both operational and strategic challenges in implementing these improvements, as follows:

2.4.1 Operational Challenges

- **Public understanding of the role of the Ombudsman:** A large number of complaints and queries received in the FSOB fall outside the remit of the Bureau. A number of complainants surveyed highlighted the limited information relating to the types of complaints that the FSOB will and will not handle. Surveys of complainants identified that many do not know where to turn to for advice if they have a complaint against their financial services provider.
- **Complaint handling process adopted:** The current complaint handling process is designed to complete an investigation and reach a Finding. A fixed, formal approach is adopted which is highly paper-driven. The paper-based approach may result in the process being inaccessible to those with specific needs. It also does not align with the requirement for an Ombudsman's scheme to be flexible and proportional. With the exception of an early offer to participate in mediation, the FSOB does not take an active role in working with the parties to achieve an informal resolution of the complaint.
- **Process inefficiencies:** Critical to the speedy resolution of a complaint is the quality and clarity of the complaint form and the level of detail in the provider's Final Response Letter. Time delays occur in cases where the complaint and provider's investigation has not been clearly articulated.

In addition, significant operational time is spent on dealing with queries and complaints which are not resolved (i.e. abandoned).

Throughout the process there are multiple handovers between staff handing post, conducting initial review of the complaint, co-ordinating activities in pre-investigation, assigning to the investigation team and allocation to an investigator which lead to additional unnecessary checks being carried out. Significant backlogs were identified in some cases particularly the need for a legal review has been identified.

The dependency on written communication also leads to considerable delays and inefficiencies. Correspondence loops which may occur during the investigation phases may add no value to the investigation but will add significant delays to the progression of the case. Dealing with correspondence that has little relevance to the complaint introduces additional inefficiencies.

The overall process is time consuming with both complainants and providers expressing a level of dissatisfaction with the length of time it takes to resolve a complaint.

- **Number of complaints proceeding to a Finding that are not upheld:** The rigid approach to complaint handling leads to a large percentage of complaints that cannot be upheld progressing to an Ombudsman's Finding. Complaints that are not upheld include cases where the provider has made a reasonable offer to the complainant. Valuable resources are used to investigate and manage such complaints.
- **Low levels of service user satisfaction:** Surveys of complainants and of providers indicated dissatisfaction with the amount of time it takes to investigate a complaint and how they were kept informed about the progress of their case. Unclear timeline expectations for managing complaints adds to service user dissatisfaction.

Correspondence issued by the FSOB is formal in nature, as would be expected for a legal environment. The dependency on written correspondence and the formal language used in correspondence may be off-putting to a number of complainants. Feedback from complainants indicated that the process was complex and lacked a "personal touch". As such, in adopting these formal processes, the FSOB may be limiting its accessibility to those who most need its services (e.g. citizens with no legal or financial sector experience, limited understanding of their consumer rights, or are most in need of support to redress the balance).

Although feedback received on the Ombudsman's staff was generally positive, there was a perception that they did not always fully understand the nature of the issue being complained of. Similar comments were received in relation to the provider's complaint handling processes. This highlights the importance of engaging directly with the complainant to understand the issue.

- **Levels of transparency when reaching a Finding:** Although service users were generally satisfied with the levels of transparency with the process steps that were being followed, a number of comments were received in relation to the lack of visibility of how the Ombudsman is reaching decisions. The first indication the parties will get as to how the Ombudsman views the case is when they receive a Finding. This leaves little opportunity to bring any other matters of fact to the attention of the Ombudsman without having to appeal to the High Court which can be very expensive and as such, is largely inaccessible to the majority of complainants and a number of providers.
- **Length of time to resolve a dispute:** Time delays and backlogs in the process due to lengthy investigations are a key challenge for the FSOB. Increased complexity of complaints received is resulting in the need for legal reviews which may result in long backlogs at the pre-investigations phase. A number of bottlenecks and in-built lag times in the process leads to delays in reaching Findings. It typically takes 11 months from the time the complaint is received to complete the Findings being issued. Many more complex cases have been open for a number of years.

Both providers and complainants expressed a level of dissatisfaction with the length of time it takes to resolve a complaint. There is also a clear need to manage the expectations of service users as a case progresses.

- **Unpredictable nature of decisions:** Providers identified a lack of predictability in the manner in which complaints were investigated and the ultimate decision making process.

Complainants and providers cited the lack of visibility of how the investigation was progressing as a concern. Neither party is given sight of the Ombudsman's thinking prior to the Finding being issued. This led to a large level of frustration from service users and contributed to low levels of satisfaction with the service.

In addition, providers highlighted the fact that the lack of consistency in decisions and processes impacted their ability to respond to queries, and proactively make changes to their own internal processes in response to the Ombudsman's findings.

- **Fluctuating demand:** Service demand for the FSOB fluctuates and is often driven by the economic climate. Systemic issues may cause a surge in service demand - the FSOB has a key role in the early identification of such potential risks.

Current processes are not designed to respond to changes in demand. In the past reactive decisions have been made to adapt processes and services in response to increases or decreases. Some of these decisions have resulted in a reduced focus on proactive measures to improve providers' complaint handling and customer service processes - thereby reducing the number of complaints received by the FSOB - and the general provision of service to consumers.

Contingency plans are not in place in the event that there is a higher or lower level of demand than expected. Such peaks and troughs lead to delays or reductions in productivity. At present, there are no mechanisms in place to track demand forecasts based on external factors.

- **High costs of appeals:** The lack of an informal post-Finding appeal mechanism has led to a growing number of appeals to the High Court. Legal costs associated with appeals represent a large percentage of the Ombudsman's operational budget. The high costs of a High Court appeal makes it inaccessible to most complainants and a large number of providers and goes against the principles of an Ombudsman's scheme.

Fear of judicial review has also led to more reliance for formal processes to investigate complaints and subsequent delays in investigation and decision making.

- **Siloed nature of working environment:** Currently most investigators and case officers manage their workload in isolation. Periodic meetings are held between investigators to discuss complex cases and share experiences. The 'siloed' way of working creates a number of issues:
 - Risk of duplication of effort as common sources of complaint arise
 - Ineffective tracking mechanisms to monitor case progression
 - The limited variety of work, and the nature of the cases managed, can lead to higher levels of fatigue and impact overall productivity levels
 - Lack of effective knowledge sharing leading to an increased risk of inconsistencies in findings and perception in the industry that Findings are "unpredictable".
- **IT Systems:** The systems used by the Ombudsman scheme are currently designed to manage cases only and do not support the wider objectives of the Bureau including:
 - Improving levels of awareness about rights to complain when dealing with financial service providers
 - Sharing knowledge to support the development of staff skills and competence of staff
 - Improving organisational performance
 - Improving complaints handling culture in financial service providers.

The case management system is a bespoke application that does not have the capability to easily support changes to workflow and case information.

Easy access to information on previous cases and retrieval based on key words/terms is key to supporting the speedy resolution of a complaint. There is no such system available to staff in the FSOB at present. This can lead to duplication in effort in researching issues and can result in inconsistencies in the interpretation of terms and conditions and consumer codes. Search capabilities of the current case management system are limited.

Case data is not captured in a manner that supports trend analysis, performance management or the analysis of the impact of interventions on cases. This limits the Bureau's ability to both predict demand and perform effective capacity planning, and accurately measure the impact of process changes on productivity.

Systems do not capture data on the time spent dealing with complaints which leads to difficulties in completing any meaningful sort of costs analysis of the cost of complaints to the Bureau and industry as a whole.

There are additional opportunities to improve operational efficiencies by providing more self-service options for service users, particularly in relation to the availability of information on previous cases and complaint outcomes, online document sharing and increased automation. This would reduce the time spent dealing with queries.

2.4.2 Strategic Challenges

- **Improving levels of awareness about consumers' rights to complain and dealing with financial service providers:** Results from the surveys conducted and the stakeholder interviews highlighted the need for increased consumer awareness of their rights and of financial products in general.

Surveys of complainants indicated that, for the most part, those who make contact with the FSOB do not seek advice on the merits of their case from a third party. Those who seek advice do so from a range of different parties (e.g. friends, family, state bodies, solicitors, politicians). There is no clear point of contact for consumers who are seeking advice on financial services products.

A number of complainants indicated that there was a lack of guidance on how to make their initial complaint to their provider and the importance of maintaining a record of contact with their provider. This led to unnecessary delays in resolving the dispute, or indeed complaints not being upheld as complainants were not able to produce certain types of evidence during the investigation.

The FSOB has had limited engagement with consumer bodies who provide information and guidance to members of the public. There is a need for more proactive engagement with these bodies to improve levels of awareness.

- **Service User Focus:** There are currently no measures in place to assess levels of satisfaction of service users (i.e. complainants and providers). This limits the FSOB's ability to assess what impact changes to service provision and engagement have on service user satisfaction. A number of changes to processes have been made in response to judicial reviews and High Court appeals which sought to mitigate operational risks within the FSOB. Some of these changes have had a negative impact on service to users.

A considerable number of complaints received do not progress for one reason or another. Feedback from surveys indicated that compliance with timelines and the formal processes adopted were off putting to some complainants.

There is no current mechanism of accurately reporting the positive measures providers have put in place to improve their services, or corrective actions they have made in response to Findings made by the FSOB. The implementation of "name and shame" in the annual report has been attributed to a reduction in the number of complaints received/requiring formal investigation by the FSOB. There has been no assessment of how this was achieved, or if indeed it has been the driver in change. The FSOB plays a key role in driving process improvements in providers' complaint handling and service user management processes. Assumptions on the effectiveness of providers' processes cannot be made solely on the number of complaints about a provider received by the Bureau.

Consideration should be given to the overall end-to-end user journey. The FSOB does not currently capture information on the complainants experience prior to making a complaint with the FSOB. This limits the FSOB's ability to easily identify root causes to issues, either in providers' customer engagement and/or internal complaint handling processes and the Bureau's ultimate ability to truly improve the manner with which the industry engages with its service users.

- **Openness and transparency:** Surveys of both providers and complainants indicated that they believed the FSOB was biased towards the other side (i.e. complainants felt that FSOB was industry-focused, whilst providers felt that FSOB was consumer-focused). Some case studies are published on the website or in the annual report. In general, there is a limited amount of publically-available material which can be used to inform the public, providers, regulators and other stakeholders on the basis of an FSOB decision or trends in the type and nature of complaints that the Bureau must deal with. The information published was not considered sufficient for a reader to understand what factors led to the decision. This position undermines the Ombudsman profile as an open/transparent service.
- **Staff Development:** Feedback from staff indicated that there were limited opportunities for career development in the organisation. Case handling staff within the FSOB typically perform a single role. The broad range of complaints received by the FSOB requires specific industry skills and knowledge. It is not feasible for each individual to have a level of expertise in all products and codes. As such, the focus should be on ensuring that there is a balance of competencies within the organisation as a whole to meet the required service demand.

Although training opportunities are generally available for staff, there is no clear definition of the skills and competencies required for each role. Recent investments in learning and development have been focused on technical skills (e.g. mediation, financial products, QFA) with limited investment in 'soft' skills (communications, negotiation, dealing with difficult service users) or organisational management / operational planning.

The tools needed to manage career development are absent. The challenges in developing a comprehensive view of the skills and competencies in the organisation are:

- A limited number of job descriptions for key roles
- No definition of key competencies and recommended training for each role
- No organisation wide skills matrix that focuses on the technical, management and soft skills required across the organisation
- No individual skills and competency assessment
- Personal development goals are not always aligned with the strategic operational goals

- No process of monitoring and measuring impact of investment in training and personal development
- No evidence of succession planning for key roles.

Maintaining and managing an organisational skills matrix is essential to ensure that the necessary competencies are available to meet service demand. This will both support the development of more structured learning and development plans, and recruitment plans, to address organisational wide gaps in key skills.

- **Improving providers' complaints handling processes:** The ultimate success of the Ombudsman scheme will be to create an environment where disputes are resolved early on, as near as possible to their source. This requires that providers put in place the procedures and processes that adequately address customer (consumer) complaints and ensure there is sufficient transparency and fairness in how they engage with their service users at all times.

It is estimated that less than 10% of complaints received by a financial service provider will be escalated to the FSOB. For many providers, the percentage is significantly lower. There is also evidence that valid complaints do not reach the Ombudsman as consumers are not always aware of what is considered 'right and fair'.

Close engagement with providers and industry bodies will be required to build awareness and education. The Ombudsman needs to make resources available to providers that will support them in reaching a resolution with their service users. This will include feedback and outcomes of previous complaints and queries.

In addition, actively following up on the corrective actions due to be implemented following an upheld complaint or acceptance of a process failure on behalf of the provider will be essential for the FSOB to demonstrate that the necessary changes are having effect. This type of reporting should be included as part of the annual report.

- **Organisation efficiency:** In recent months, the FSOB has established a Business Improvement Group, comprising members of staff from across the organisation. They have worked together to identify a number of key initiatives which should be implemented to improve the manner in which services are delivered and career development opportunities. In particular the following needs were identified:

- Skills audit
- Knowledge management
- Improved internal and external communications
- Continuous Professional Development plan
- Organisation wide learning and development plan / support mechanism.

These actions were focused on improving the service provided, increasing the profile of the office, knowledge sharing and providing better development opportunities for staff members.

To maintain momentum on these ongoing improvement initiatives, measures should be put in place to support this programme, as follows:

- Support it with a structured method of evaluating options, measuring and monitoring the impact of changes and the benefits that they deliver

- There is limited baseline data to support the effective monitoring of change. Measures should be put into place to address this gap.
- **Cost of complaint handling:** There are currently no measures in place that will support a detailed analysis of the costs of dispute resolution, both internally within the FSOB and for service users. Information is not captured to track the amount of time and effort spent managing, investigating and resolving each individual case.
- **Responding to changing demands:** A number of changes within the industry were identified that are likely to impact service demands on the FSOB. More and more of the established financial service providers are using digital technology to engage with their customers (consumers). Support and customer services functions are migrating into centralised functions and away from local branches. This will lead to a less personal experience for their customers.

Industry consolidation is likely to continue leading to changes in contact channels and approaches to customer services for many clients of financial service providers.

Procedures must be established to quickly identify any potential systemic issue arising. The current IT systems in the FSOB do not easily support the analysis of trends in the nature and type of complaints received. There is no mechanism to monitor early queries received which may give an early indication of systemic issues.

In general, there is expected to be an increased focus on consumer protection issues in the coming years. The FSOB have the opportunity to play a key role in driving this by both raising awareness and working with providers to improve their overall customer service and complaints handling processes.

As providers improve their internal processes it is likely that the nature and type of complaints that are received by the FSOB will become increasingly more complex, and may potentially require inputs for industry specialists. Staff within the FSOB need to keep abreast of these changes. This will require ongoing investment in learning and sharing of information.

Technological advances are driving changes in the financial services markets. It is expected that the next few years will see a growth in payment services and the increased FinTech and InsurTech solutions. In an increasingly open market, products offered in other countries will be introduced into the Irish market, possibly without due consideration for the local consumer protection codes. This level of change is likely to result in new types of complaints, perhaps involving the complex technical solutions and cross-jurisdictional considerations. FSOB needs to monitor these developments and to work with regulators to plan how to best deal with this evolving area of the financial services industry.

3. Office of the Pensions Ombudsman

This section describes the legislative basis for the establishment of the Office of the Pensions Ombudsman (OPO) and its current organisation and service delivery model. The user journey is also mapped from Internal Dispute Resolution (IDR) to Determination and the key challenges currently facing the OPO are highlighted.

3.1 Regulatory Basis

The Office of the Pensions Ombudsman serves as an independent and impartial agency to which citizens can seek resolution of their pension complaints and air their grievances about pensions. By facilitating communications between citizens and pension providers and making recommendations to improve administrative practices and procedures, the Ombudsman can help to promote responsiveness and quality in the administration of pensions. OPO was set up under Part XI of the Pensions Act 1990¹¹.

The Pensions Ombudsman investigates and rules on complaints from members and beneficiaries regarding. The Ombudsman has authority to investigate complaints about Occupational Pension Schemes, Personal Retirement Savings Accounts (PRSAs) and Trust Retirement Annuity Contracts (RAC). This includes both private sector and public sector schemes.

The Ombudsman attempts to resolve many problems informally. Following an investigation, the Ombudsman may make a Determination which may include recommendations. Once he has finished his investigation, he will issue his legally binding decision in a Final Determination which is sent to all parties to the complaint.

Any person can make a complaint to the Pensions Ombudsman if they are an actual or potential beneficiary of an Occupational Pension Scheme, a Trust RAC or a PRSA.

3.1.1 Strategic goals

The OPO's mission is to investigate and decide - in an independent and impartial manner - complaints and disputes concerning occupational pension schemes, Trust RACs and PRSAs where there is both maladministration and financial loss.

It aims to resolve complaints impartially, informally and quickly. In cases where they cannot assist with a particular complaint, they will explain why and may suggest other avenues for resolving the matter.

The OPO's Customer Charter commits to the following:

- a high quality customer service
- an efficient and courteous manner
- to meet the standards of Quality Customer Service as approved by the Government
- to measure and evaluate our performance against these standards
- to report on our performance in our Annual Report, available on our website in both the Irish and English languages

¹¹ Appendix D

- to deliver a timely and cost effective service.

The OPO's strategic objectives for 2013-2015 are detailed in the OPO's Statement of Strategy as follows:

- To investigate and decide on complaints and disputes concerning occupational pension schemes, Personal Retirement Savings Accounts (PRSAs) and Trust RACs as provided for in the Pension Acts, as effectively as possible
- To provide information to the public regarding issues they might have with occupational pensions and by so doing to explore whether they have a complaint that can be mediated or investigated
- To establish and promote the role of the Office of the Pensions Ombudsman and to liaise and establish good working relationships with pensions industry in general, PRSA/Trust RAC providers, representative organisations, regulators, private sector companies, Government Departments and other public sector organisations
- To interact with, and provide advice to, both the Pensions Board and the Minister for Social Protection in relation to issues which arise during our investigations
- To co-operate with other bodies concerned with the protection of consumers of financial services in order to ensure the effective and efficient handling of complaints.

3.2 Organisation and Service Delivery Model

3.2.1 OPO Organisation Structure

The OPO operates a relatively flat structure comprising of seven staff members. In recent years the Office has been subject to recruitment moratoriums. This has led to a loss of three FTEs in the last three years, and a reduction of headcount by nearly 50 percent from its peak.

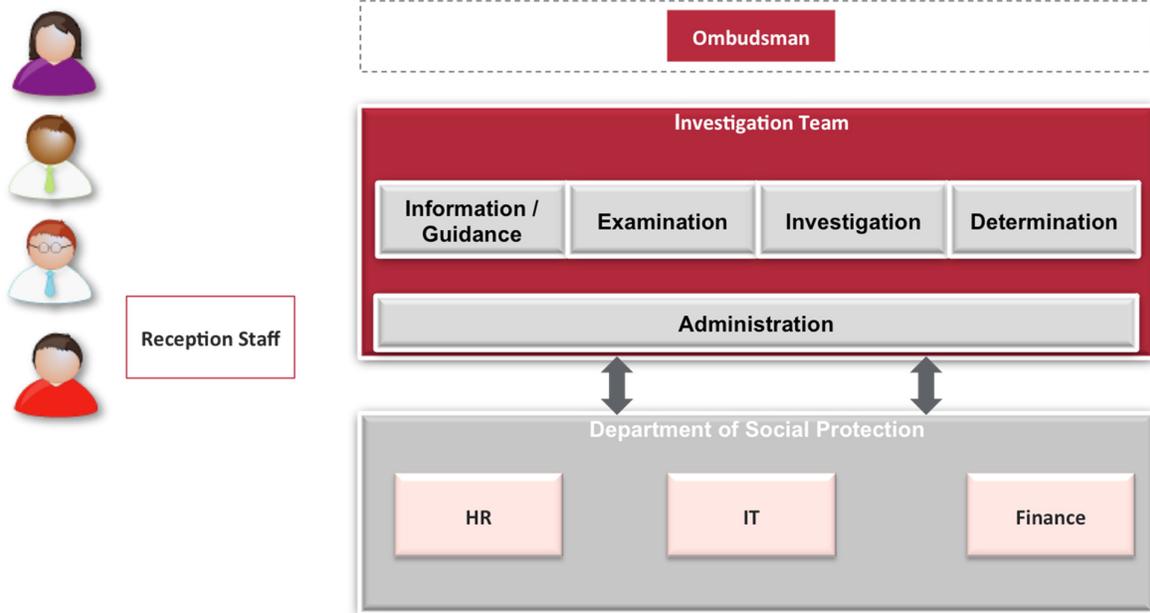


Figure 11 : Operating model in the Office of the Pensions Ombudsman

The OPO team is structured as follows:

- **Management team:** comprises the Pensions Ombudsman and one Senior Investigator. The Ombudsman is the public face of the organisation and plays a key role in education/awareness and liaising with the Department and Minister
- **Investigation team:** Four investigators; Staff in the OPO are responsible for managing their own workload, once cases are assigned by the Senior Investigation Officer
- **Administration:** Due to the small size of the office, day-to-day management activities are currently undertaken by various members of the team. Members of the investigation team are also responsible for managing the OPO’s website content and updates and for the case management system
- **Reception:** one administrative resource shared with the FSOB on a part-time basis.

Headcount has reduced and key roles within the investigation team have not been replaced.

The Department of Social Protection provides the following services to the office:

- **IT:** The IT infrastructure (including email and file servers) is supported by the Department of Social Protection’s IT function
- **Human Resources:** This includes all aspects of HR management from ‘hire-to-retain’
- **Finance:** accounting and payroll services.

3.2.2 OPO Service Demands

The OPO operates in a somewhat less formal way compared to the FSOB (e.g. it will deal with any query it receives whether a formal complaint is made or not and it will actively seek to reach a resolution between the parties).

Unlike the FSOB, the OPO records details of any significant query received in their case management system (CMS). The vast majority of contacts (70-75%) made with the office are queries that can be resolved on-the-spot or within two working days.

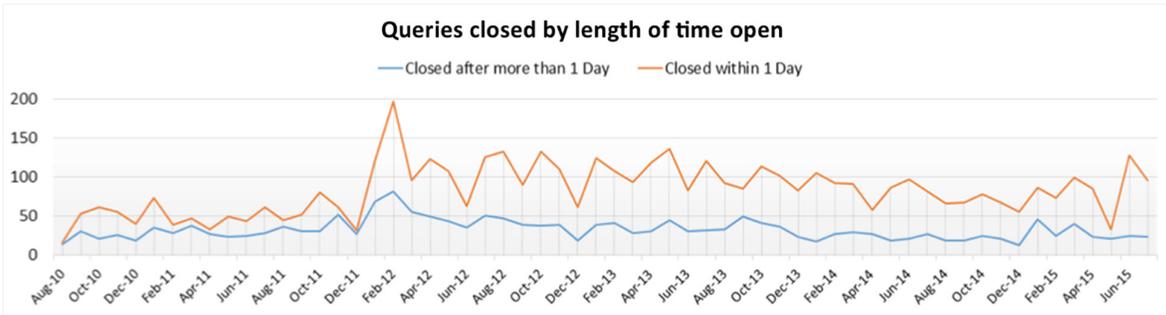


Figure 12: OPO - Queries closed by length of time open

The OPO adopts an approach of helping service users to find a solution to an issue even if it does not formally fall into an official complaint category. Queries and complaints have been declining in recent years. This has led to a net reduction in the number of open cases over the last year.

The largest group of actual complaints relate to disclosure of information and calculation of benefits. Where possible, the OPO will use informal methods to work with parties to resolve disputes. On average 10% of complaints are resolved through mediation.

The OPO will typically only commence a formal investigation of a complaint when all measures to resolve the complaint informally have been exhausted. Less than 8% of cases with an outcome recorded will have progressed to full determination.

There can be significant peaks and troughs in demand. This is often triggered by external events or may be a result of a systemic issue coming to light in a large pension scheme. For example, issues with some of the large public or private sectors schemes will result in a large increase in complaints and queries.

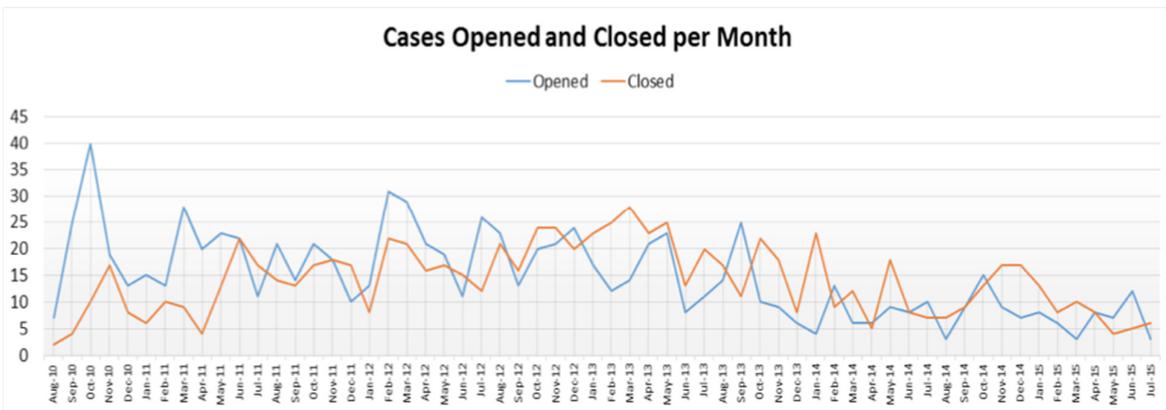


Figure 13: OPO Cases Opened and Closed per Month

The graph above provides an overview on the new cases (complaints and queries) opened each month, and the number of cases closed. As most queries are resolved within a short period of time the trends

are aligned. Similarly, issues relating to large schemes are normally resolved for all members of the scheme around the same time period. This will result in peaks of closed cases in certain months.

The number of queries and complaints received by the OPO has been on a decreasing trend in the last two years. This coincides with a reduction in the number of public awareness events that the Ombudsman has participated in.

3.3 User Journey

A complainant may submit a complaint to the OPO regarding an issue with an occupational pension scheme. The OPO handles a number of queries and requests for advice by telephone on a daily basis. This informal method of resolution results in a number of cases being resolved quickly or referred to an alternative Ombudsman if required.

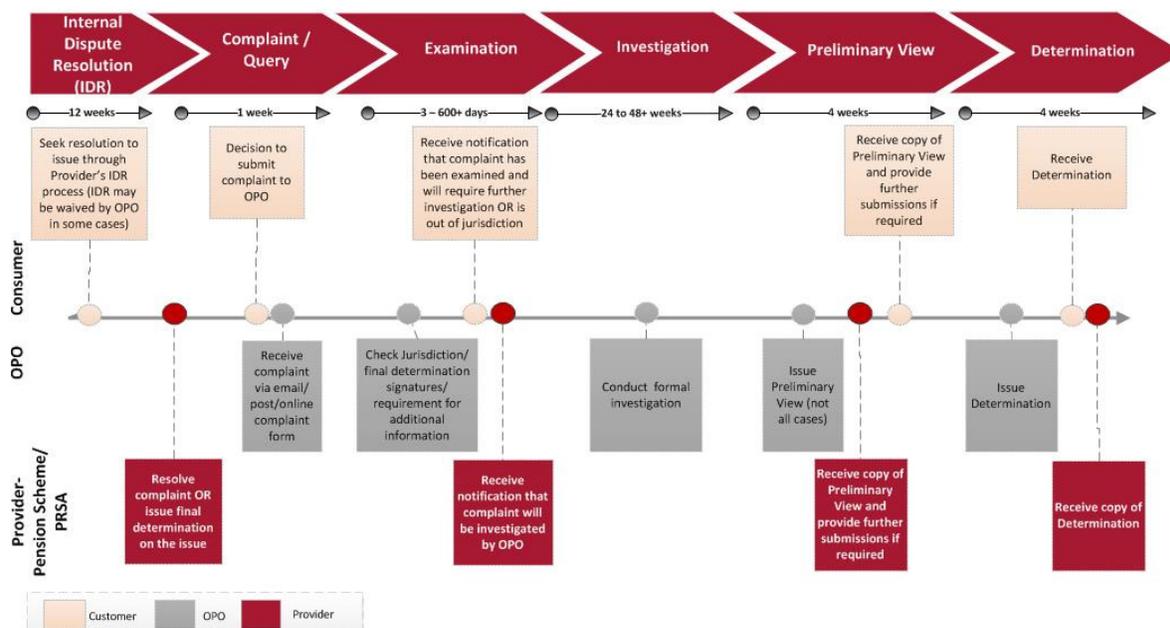


Figure 14 : OPO User Journey Timeline

The high level key process steps for complaint management in the OPO are as follows:

- **IDR (Internal Dispute Resolution):** Prior to submitting a complaint to the OPO, consumers are required to seek a resolution with those responsible for the management of their occupational pension scheme or PRSA - this is known as Internal Dispute Resolution (IDR). The IDR process may take up to three months depending on the pension scheme's response timelines.
- **Complaint / Query:** If the consumer does not reach a satisfactory outcome through the IDR process, they may wish to submit a formal complaint to the OPO. A complaint may be submitted to the OPO via post or email; there is no facility for completing the form online. Prior to accepting the case for investigation, the OPO will determine whether the complaint is within the jurisdiction of the Office. Complaints will be deemed out of jurisdiction if more than

six years have passed since the date of the issue giving rise to the dispute or more than three years have passed since the complainant became aware of the issue. Complainants will be notified if the complaint is deemed out of jurisdiction.

- **Examination:** Following complaint submission, the complainant will receive correspondence from the OPO to confirm receipt of their complaint. At this stage, further information may be requested by the OPO for clarification purposes. Depending on the nature of the complaint an examination may take from one week to 11 months. The majority of cases in the OPO are resolved at the examination stage of the process.
- **Investigation:** A small percentage of complaints received progress to a formal investigation stage. The investigation process may take from one month to 11 months depending on case complexity.
- **Preliminary view:** Prior to a final determination the OPO will in some cases issue a Preliminary View. The Preliminary View will list the facts regarding the case and will provide both the complainant and the pension scheme or PRSA with an early view of the likely determination. At this stage, the parties will have a chance to provide any further information or evidence they may feel is important to the case.
- **Determination:** On completion of the investigation phase a Determination will be issued to both parties. While the Pension Ombudsman's ruling is final, any party may appeal the decision to the High Court. In addition, the OPO may make a ruling even if the complaint is withdrawn during the investigation. This will occur in cases where the Ombudsman feels there is an issue that is wide ranging (impacts more than just the complainant) or there is an issue with the administration of the scheme.

3.4 Current Challenges

The As Is analysis identified a number of operational and strategic challenges faced by the OPO, as follows:

3.4.1 Operational challenges

- **Need for specific industry skills:** There is broad industry recognition that the role of the Pensions Ombudsman is challenging and complex. Due to the complexity of pension-related complaints, there is a requirement for OPO staff, particularly lead investigators to have pension-specific industry experience especially in relation to scheme administration and the legal aspects of schemes. These skills do not tend to be readily available within the public sector.

Attracting and retaining talent with the necessary industry knowledge and skills, coupled with the soft skills required to take parties through to a resolution, will be critical for the organisation.

Due to recruitment moratoriums in recent years, it has not been possible to recruit externally. This has led to significant challenges for the OPO. This has also resulted in a reduced focus on communication and education activities, as resourcing has been prioritised towards handling case management requirements. The limited resources also leads to limited flexibility in the event of an unplanned absence or illness within the team.

- **Loss of industry knowledge:** The loss of staff in the OPO in recent years has resulted in additional pressures on the current team. The announcement of the future amalgamation with FSOB has led to some staff transferring to other roles in the civil service with more clearly defined career paths. There will also be a loss of expertise when the Pensions Ombudsman, Paul Kenny, retires. He has significant industry experience and a depth of knowledge of the pension industry.
- **Limitations of the current Case Management System:** The current case management system (“Ulysses”) does not address all of the business needs of the OPO, e.g. there is no facility to manage workflow, escalation and case progression. Users of the current system find it difficult to extract meaningful and relevant performance data which is required for annual reporting and monitoring of KPIs. A number of further limitations were identified such as:
 - No facility for tracking case progression
 - No measurement of time spent on each case
 - Limited ability to tag cases
 - No record of case status- cases are either open or closed
 - Lack of reporting insights.
- **Limited use of service user self-service options:** There is currently no facility for complainants to submit a complaint form online to the OPO. A hard copy of the complaint form must be completed and either posted or emailed. The processes within the OPO are largely paper driven. There is also a dependency on the use of the telephone which poses a risk as the calls are not recorded and there is a dependency on direct contact with a member of staff in the OPO for status updates.
- **Time required to resolve disputes:** Due to their nature, pension complaints may require a lengthy examination and investigation. Service users and stakeholders indicated there may be some issues with the length of time it currently takes to resolve / investigate a complaint within the OPO.

Decisions are often lengthy and complex documents.
- **Transparency of investigation process:** Informal communications between the OPO and complainant can result in a lack of transparency (This was noted in a response from a provider in the feedback survey). This is exacerbated by the length of time it takes to resolve a case.
- **Overheads associated with office management:** Given the size of the organisation, staff in the OPO are required to support the day-to-day administrative activities of the office. This can detract from the time spent resolving complaints.

3.4.2 Strategic Challenges

- **Reporting lines:** The OPO currently has different reporting lines to the FSOB. This may introduce challenges once the Financial Services Ombudsman assumes oversight for the Office of the Pensions Ombudsman.

The Pensions industry is regulated by the Pensions Authority which is funded by levies from pension schemes. The OPO on the other hand is funded through the DSP.

The regulatory authority for the FSOB is the Central Bank with oversight provided by the Department of Finance. As a result, the amalgamated FSPO will have two lines of reporting.

- **Changing demographics:** By their nature, issues with the maladministration of pension schemes generally only come to light as an employee approaches retirement age or following retirement. Given national demographics the number of potential citizens impacted by such cases will continue to grow in the coming years.

In addition, the early-defined contribution schemes which came into operation in the 1970s are now reaching maturity. These may result in different types of maladministration issues surfacing.

- **High number of complaints arising from public service schemes:** The Financial Services Measures in the Public Interest Bill resulted in a number of changes to entitlements and the administration of public sector pension schemes. In addition, scheme administration is complex. A large number of complaints which the Pensions Ombudsman investigates relate to public sector pensions. Similarly, many of the High Court challenges of the Pensions Ombudsman's decisions have been taken by public sector agencies. It is expected that this trend is likely to continue in the future. The Department of Public Expenditure and Reform will be required to take a lead role in driving improvement in public sector pensions' administration. This may impact the future workload of OPO.
- **Changes in the nature of complaints:** There are a number of factors that may lead to changes in the nature and volume of complaints in coming years including:
 - Government measures to increase the level of participation in workplace pension schemes including the introduction of a Universal Retirement Savings System¹²
 - Likelihood of a smaller number of large schemes. This should result in better managed and more responsive pension providers, resulting in fewer complaints.
- **Availability of resource to drive strategic plans:** The loss of headcount has resulted in existing resources focusing primarily on the dispute resolution activities. There has been limited time and resources available to support more strategic activities including:
 - Assess operational effectiveness and investing in improvement projects
 - Engaging with Stakeholders to enhance the service to the public
 - Staff development.

¹² A Government measure aimed at tackling Ireland's low rate of workplace pension coverage. A roadmap and timeline for the introduction of a new supplementary workplace retirement saving scheme is currently being developed by Government.

4. Current Trends in Dispute Resolution Services

Within this section we outline a number of the key changes in how ADR schemes operate and engage with their service users. This is based on research internationally on ADR and best practices in Ombudsman services.

4.1 Drivers for Change

There are a number of drivers for change in ombudsman schemes which requires strategic changes to how schemes operate. These drivers are outlined in the following sections.

4.1.1 Changing customer expectations

The modern consumer expects a high level of service at a faster pace. The market for financial services and pensions products is becoming increasingly complex in nature, whilst being accessible to a far wider customer base. Consumers have become increasingly 'tech savvy' and 'connected', leading to them being more informed as to their rights and choices and to the means to pursue any grievances.

The ways in which consumer behaviours have changed are summarised below:

- The 'connected' consumer is more informed and has greater access to information on their rights
- There is an increase in complaints with consumers today more willing to complain particularly after the hardship of the financial crisis
- Complainants are also seeking to punish providers for any wrongdoings
- The demographic of the complainant is changing and due to an ageing population there is an increase in complaints regarding pensions and financial issues
- Increased levels of automation mean that consumers are expecting an on demand like service.

4.1.2 Changes in how providers are delivering services

Financial service providers are also changing the way in which they deliver services to consumers from increased automation to consolidating product offerings. These changes are summarised below:

- Services moving from personal to electronic
- Increased use of automated decision-making based on pre-defined rules which may not be suited for all types of issues
- Increased complexity of financial product types and services including consolidation and cross selling
- Providers adopting a more legalistic approach.

In the past, the risk of damaging a personal relationship with a provider's staff member(s) was often a deterrent to making a formal complaint. The adoption of digital services and the centralised (onshore and/or offshore) nature of consumer support services / call centres has created an environment where a consumer is more likely to complain.

4.1.3 Increased use of technology by Ombudsman schemes

Technological advances are driving changes in the way in which Ombudsman schemes interact with consumers and providers. A leading practice review carried out as part of this overall review, highlighted key examples of how schemes have been using technology to improve user experience for example:

- Accessible, user-friendly and highly visual websites
- Greater focus on development relationships with complainants by using spoken processes such as conciliation supported by technology (voice recording)
- Publication of decisions/case studies databases online which allow consumers and providers to search for various types of cases and review outcomes. This helps inform both parties on what are considered fair outcomes
- Online tools are also used for case management (e.g. online complaint submission, status updates, document repository) and self-service options for tech-savvy complainants
- Increased use of eRecords to reduce paper and speed up information exchange
- Use of various techniques to share information on the role of the ombudsman and case studies including video, audio and written reports
- Technical libraries which can be used to provide guidance to parties on how the Ombudsman would approach a particular type of case
- eLearning tools to support training of consumers and providers on what is fair
- Increased use of telephone and video conference technology to support case conferences, mediation and conciliation meetings.

4.1.4 Focus on efficiencies

Ombudsman schemes are focussing on improving operational efficiencies by addressing the following:

- Faster and more proportionate processes for resolving complaints
- Reducing case backlogs
- Reducing costs and improving complaint handling processes
- Ongoing monitoring of trends to identify opportunities for improvement based on changing market conditions – done on continuous basis rather than just occasional reviews.

4.1.5 Policy and regulation

Changes to policy environment and regulation are driving changes in the way Ombudsman schemes operate, for example:

- The EU's ADR directive¹³ may bring about procedural change in schemes as there is an increased focus on accessibility and processes need to be designed to resolve the majority of complaints within 90 days of the investigation commencing
- Opening of the European financial services market will result in a greater number of services, products and policies available in the market which were designed for one country and may not be aligned with the regulations in another
- Amalgamation of schemes
- Regulators and oversight bodies moving out of a 'financial crisis' management mode and increasing their focus on consumer protection.

¹³ Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) was adopted on 21 May 2013. The directive encourages the speedy resolution of consumer complaints. It is directly applicable to Member States from 9th Jan 2016. ADR providers should aim to give answers to complaints within 90 days of receiving the complete complaint file

4.2 The Modern Ombudsman Scheme

Although traditionally associated with dispute resolution, a key element of the role of an Ombudsman is to educate and change behaviours. A true measure of success is therefore not simply the number of complaints that the ombudsman scheme deals with but rather the reduction in consumer complaints as a result of the proactive measures the Ombudsman has taken to raise awareness and drive behavioural change.

Modern ombudsman schemes offer advice and assistance to their consumers at an early stage of the process in an effort to provide them with the necessary information to reach a resolution with their provider.

Advice and guidance should be provided to all service users (consumers and providers) in addition to those parties in a dispute.

The figure below provides an overview of the key features of a Financial Services Ombudsman scheme.

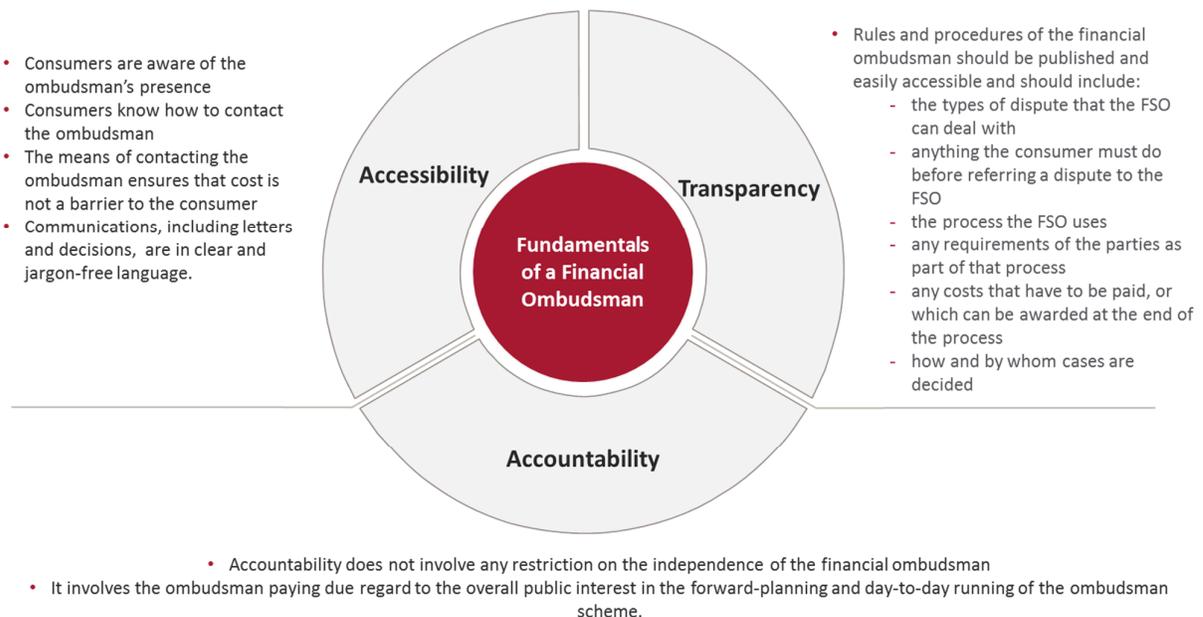


Figure 15 Features of a Financial Services Ombudsman Scheme¹⁴

¹⁴ Fundamentals of a Financial Services Ombudsman : David Thomas, Francis Frizon, July 2012

4.3 Preventative Dispute Resolution Model

There is an increasing trend of Ombudsman schemes adopting preventative processes which aim to reduce complaints by improving consumer and provider awareness. This model includes actions to increase the awareness of both complainants and providers in an effort to prevent disputes from occurring and empowering them to resolve the dispute at the earliest stage in the process.

The preventative model is based on three key elements:

- **Consumer facing:** raising awareness and providing advice
- **Provider facing:** educating and driving behaviour change
- **Dispute resolution:** resolving and investigating complaints.

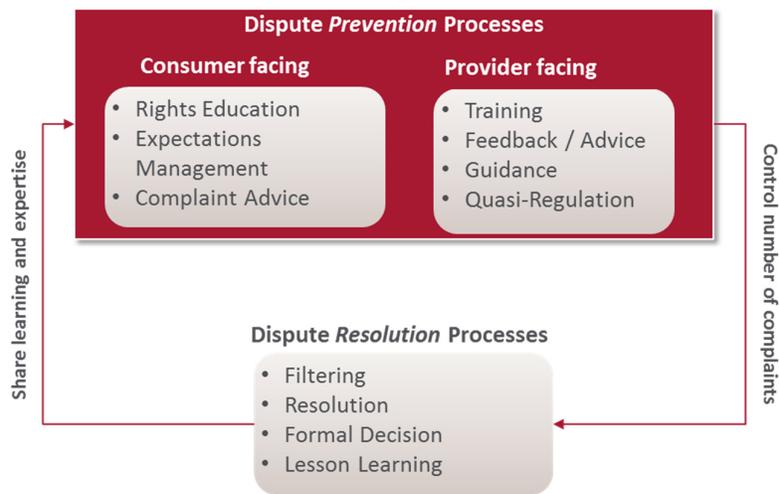


Figure 16– Preventative Model¹⁵

There is a continuous cycles of feedback and information sharing which aims to provide consumers and providers with the information required to empower them to resolve disputes themselves without the need for formal adjudication by an Ombudsman.

4.3.1 Consumer facing role

The consumer facing role of the Ombudsman is focused on driving awareness and empowering consumers to resolve disputes directly with their providers. This includes providing them with the necessary information to help “level the playing field”.

To achieve this, the Ombudsman will:

¹⁵ Chris Gill, J Williams, C Brennan and C Hirst (2014), “Models of Alternative Dispute Resolution (ADR): A report for the Legal Ombudsman”, Queen Margaret University

- Provide advice, guidance and educate consumers - greater awareness of the role of the ombudsman and what is / is not within their remit
- Empower the consumer, helping them to complain more effectively to their provider. In some schemes, the Ombudsman will help the complainant structure their original complaint to their provider
- Publish case studies and case data to help inform parties and reduce the risk of similar complaints being submitted to the scheme.

Managing expectations of both consumers and providers is a key requirement for achieving user satisfaction. It is therefore important to provide clarity on what can and cannot be done by the Ombudsman and the reasons why a particular issue may be considered to be not within their scope.

Expected service levels and response times are frequently being shared with service users in a measure to manage their expectations.

Participation in educational events with key target audiences may also result in a long-term reduction in complaints and consumers having a better awareness of their options and choices when entering into contracts with financial services providers.

4.3.2 Provider facing role

As with consumers, by proactively educating and raising awareness of consumer rights and fair practices with providers, the Ombudsman aims to drive improvements in service delivery and dispute resolution.

Providers are also key service users and may seek advice and guidance from the Ombudsman to support their own product administration, continuous improvement and customer service practices.

Feedback received from the Ombudsman should be considered as part of providers' internal process improvement programmes. This not only includes the implementation of corrective actions in response to an upheld complaint but should also focus on the actions required to reduce the number of complaints and queries received by the Ombudsman's office.

Feedback is therefore required on both Findings and Decisions issued by the Ombudsman and the Ombudsmans' views on what is fair and appropriate including his views on complaints that were resolved without a formal adjudication/decision. Similarly, providers should provide feedback on the status of relative corrective actions and process improvement initiatives.

Both providers and the Ombudsman should monitor the nature of complaints to identify any potential systemic issues. The Ombudsman has a role in sharing information with the wider provider community to support the early identification of potential issues and allow the providers to put proactive correctional measures in place.

4.3.3 Dispute resolution processes

When complaints are received by the Ombudsman they will be required to investigate the issue and seek a resolution or make a formal decision. The priority with all schemes should be to achieve a speedy and fair resolution of the dispute. Where necessary a formal adjudication and decision will be required.

Each case must be assessed on its own merits and the most appropriate approach chosen for resolving the dispute. A filtering or 'streaming' approach is used to classify cases. This may help determine:

- Assessment of complexity of the complaint

- The most appropriate method of dispute resolution
- Specialist skills required.

The multi-stage approach for case management, using filtering to determine the best path for complaints received, has been adopted by a number of schemes.

Capturing lessons learned from each case and sharing them with key stakeholders is key to driving continuous change. This includes sharing casework intelligence to increase consumer awareness and to help service providers improve their complaint handling process.

Building trust with the parties in a dispute is another key feature for achieving resolution. Establishing trust with the parties in dispute early in the process is critically important to achieving a resolution. This is best achieved by assigning a single point of contact with the Ombudsman's office which will engage with both parties throughout the case. Doing so, gives both parties assurance that the person they are dealing with understands their case and has a direct interest in its resolution.

4.4 Proportionate Dispute Resolution

A "proportionate dispute resolution" model as defined by Queen Margaret University is ¹⁶aimed at the resolution of disputes in a way that is quick, cheap and tailored to the particular dispute". The report also notes that *"different disputes may require different resolution processes, it is not always clear how decisions can be made about matching disputes to processes"*.

Proportionate dispute resolution has resulted in a variety of different techniques and approaches to dispute resolution including greater adoption of informal processes such as:

- Filtering complaints on receipt to assess the overall impact of the issue in dispute on the parties involved (e.g. life-changing v. service-focused)
- Taking a flexible approach to determine the dispute resolution approach best suited for the complaint and parties with consideration for the costs involved and the nature of the dispute
- Increased focus on mediation and conciliation techniques with an objective to resolve disputes quickly and informally.

The proportionality of the approach should be considered at all stages of the process and should include access to an appeal mechanism.

4.5 The Use of Technology in Service Delivery

There are a number of examples of how financial services ombudsman schemes have been using technology to improve user experience.

The following are some examples:

- Websites are becoming the key communication tool for ombudsman schemes with the following types of information:
 - Scheme information

¹⁶ Chris Gill, J Williams, C Brennan and C Hirst (2014), "Models of Alternative Dispute Resolution (ADR): A report for the Legal Ombudsman", Queen Margaret University

- Guidelines for complainants and providers
- Access to previous case “stories” which provide parties with an understanding of the ombudsman’s approach to certain types of complaint.
- Online portals for case management and document exchange
 - Enabling complainants to check case status online and/or upload case information and documentation
 - e-Records and online document repositories
 - Use of secure email and electronic file transfer sites.
- Online dispute resolution (ODR): use of online tools to support dispute resolution - primarily used for online retail sites
- Telephone call recording technology to speed up communication and reduce correspondence loops
- Use of telephone conciliation conferences
- Use of online ‘Wizards’ which using structured questions guide complainants through the complaint process
- Social media - levels of social media engagement are relatively low across ombudsman schemes as these forums are not widely used by the general public. There is also a high level of overhead to maintain social media sites such as Facebook, Twitter and Pinterest. Social media may be used in the following ways:
 - Sharing information with consumers and providers
 - Raising awareness of the scheme and financial products in general
 - Twitter can be effective when linked to regular content updates on the Webpage.
- Online learning module for consumer advocates
- Webinars for financial services providers on topics relevant to Banking and Finance and Investments, Life Insurance and Superannuation. Participants would be awarded with CPD points
- Use of short, standardised text messages to update service users on case progression.

4.6 Conclusions

At present, although their remits are similar, there are a number of differences between the manner in which cases and complaints are processed in both the FSOB and OPO.

For various reasons, including the outcomes of appeals and judicial reviews, the process adopted in the FSOB have become rigid and more formalised. This does not bode well with the true nature of an ombudsman, and the siloed approach to investigations may have resulted in inconsistencies in findings in the past.

The OPO has retained a more informal and flexible approach to dispute resolution. Due to its size issues relating to consistency have been less of a challenge however the office is challenged to continue to deliver its broad remit with a reduced workforce.

There is general agreement however that opportunities exist to align their approaches with the FSOB adopting a more flexible approach to a number of areas. Similar to the OPO it would benefit from focusing on providing parties with information and guidance which will support early dispute resolution without the need for a formal investigation. There was widespread call for the FSOB to provide an early indication of their thinking to the parties in the dispute before arriving at a legally binding decision. This would provide parties with the opportunity to submit any additional information, or clarify any issues of fact, that may have not have been included in the case file.

Both organisations have faced challenges in recent years and a number of common themes were identified:

- The length of time it requires to complete an investigation and issue a Finding / Determination
- Need for increased consumer awareness of their rights and financial products in general, and what the Ombudsman can and cannot do
- There is an ongoing role in raising providers' awareness – and working with them to raise the bar on consumer protection
- Communications need to be more tailored towards the needs of the service user with the use of plain English where possible
- The skills and competencies of the staff in each office are critical to its success and the delivery of a quality service to users
- Current case management systems have limitations that restrict effective complaint trend analysis.

As we come out of a period of financial crisis, there will be an increased focus on consumer rights and protection. Both offices have a key role to play in both identifying the need for change and monitoring the impact of changing practices within their respective sectors. This information is key to support the activities of a number of other regulatory and consumer protection bodies. More frequent and open sharing of case statistics and trends would be beneficial for all parties.

There are a number of opportunities for the FSOB and OPO to improve their current processes, moreover additional opportunities exist for the new organisation.

With redesigned operating models aligned with leading practices in similar schemes, supported by effective systems and reporting tools, the future organisation has considerable opportunities to improve service levels, raise consumer awareness of their rights to complain and drive behaviour with service providers to deliver more effective services to their clients. Furthermore with the appropriate organisation structure and personal development supports, the new organisation can offer its employees a challenging and rewarding work environment with opportunities to develop new skills and deliver excellent service to its clients.

5. Vision for the Office of the Financial Services and Pensions Ombudsman

In this section, we describe the vision for the amalgamated Office of the Financial Services and Pensions Ombudsman (FSPO). The vision is expressed in two ways:

- The internal perspective: describes how the new organisation should operate and the principles behind its design (“Design Principles”)
- The external perspective: describes what the organisation would look like for a user of its services (“User Journey”).

For planning purposes, it is assumed that the future organisation would continue to largely operate under the current legislative and regulatory framework.

5.1 Key Considerations

Informed by the leading practices from other ombudsman schemes, design principles were developed for the future organisation, considering the following questions:

- Does the public understand the role of the FSOB / OPO and what both organisations can and cannot do? How accessible are both organisations to service users?
- How do we improve the overall experience of service users? How can we best resolve complaints in an informal manner?
- What sort of advice or guidance do stakeholders require? And at what stage in the process is this advice required? Do needs change over time and who is best placed to provide this advice?
- What are the most effective techniques for early resolution? How do we encourage parties to engage in early dispute resolution?
- What is an acceptable amount of time to resolve a complaint? Does this differ by complaint type? Do our processes need to adapt to different needs?
- How best to redress the difference between the resources available to complainants and to providers?
- Are we providing the necessary feedback to our stakeholders to inform and educate them? Do we drive behavioural change and improve consumer protection?

The design principles for the new organisation are formed around the following underlying frameworks:

- The current regulatory framework under which the scheme will operate
 - Decisions are legally binding
 - The scheme is compulsory
 - The funding model will not be changed.
- The principal features of good practice for an ombudsman scheme as defined by the British and Irish Ombudsman Association, i.e.

- Procedures redress the difference between the resources and expertise available to the citizen and commercial business
- Handle enquiries as well as complaints
- Seek to achieve a fair resolution at the earliest possible stage through the use of flexible and informal procedures, resolving cases by mediation, recommendation or decisions as appropriate
- Does not rely just on the evidence the parties volunteer - they actively investigate cases. Recommendations/decisions are based on what is fair in the circumstances. Taking account of 'good practice' as well as law
- Access is free for consumers - they are not at risk of high costs
- Publicly feedback the general lessons from cases they have handled, so that stakeholders (including government/regulators) can take steps to drive improvements.
- The guiding principles of Quality Customer Services which form part of the government's Quality Customer Service Initiative¹⁷.

In addition, consideration was given to the resource availability within the Offices and the services delivered by other agencies nationally.

5.2 Design Principles

The following are the Design Principles for the new organisation:

- Fits with the regulatory basis as it exists today
- Increases focus on the needs of service users
- Drives changes which reduce the number of complaints requiring formal adjudication
- Actively investigates cases based on what is fair whilst adhering to fair procedures, good practice and the Law
- Continues to focus on operational efficiency
- Uses technology effectively – increases process automation access to information
- Increases strategic influence
- Develops its people to meet the changing service demands.

These principles are expanded upon below.

5.2.1 Fits with the regulatory basis as it exists today

The overall design of the future organisation must take consideration of the relevant regulatory framework. This includes:

¹⁷ 12 Guiding Principles of Quality Customer Service (QCS) as defined by the Department of Public Expenditure & Reform (DPER). The principles set out by DPER focus on improving how the Public Service engages with its customers and improvements to service design and delivery. See DPER website: <http://www.per.gov.ie/en/quality-customer-service/>.

- Compulsory: The scheme is mandatory for all applicable provider organisations
- Legally binding: The decisions made by the Ombudsman are legally binding on both parties
- Impartial: The Ombudsman must remain impartial and cannot become an advocate for either providers or consumers.

5.2.2 Increases focus on the needs of service users

The future organisation must put the needs of the service user at its core. It should be designed and operate to serve its service users in an efficient and effective manner. This includes managing expectations of service users at all stages of the process and starts with ensuring that their service users are aware of the Ombudsman's office and have a clear understanding of the services it provides. Equally important is the need to provide clarity on what the FSPO cannot do.

A key objective of an ombudsman scheme is to 'level the playing field' between the parties in a dispute. As the needs of each service user are different, the FSPO would need to adapt its processes to address the specific needs of a service user. This starts with providing advice and guidance to parties on their rights, what is fair in the circumstances and how best to resolve the dispute without having to revert to the Ombudsman.

The overall focus of the scheme should move from complaint investigation to dispute resolution. A more proportional approach to dispute resolution should be adopted based on the needs of the parties and the nature of the complaint.

It would also involve changing the language used in communications (i.e. less formal/legalistic), the manner of communication and the process followed to fit the needs of the parties. Similar to other consumer-focused agencies, "plain English" should be used where possible in all public-facing materials and communications with service users.

Finally, there was widespread agreement on the need to provide the parties in a dispute with an early view of the Ombudsman's thinking before the final legally binding decision is issued. This would provide the parties with the opportunity to raise a point of fact that was not included in the case file, or considered as part of the adjudication. This would most likely reduce the number of cases that are appealed to the High Court and the associated costs of High Court appeals.

5.2.3 Drives changes which reduce the number of complaints requiring formal adjudication

The processes within the scheme should be designed to resolve a complaint at the earliest possible stage and work with the parties to seek a fair resolution without the need for formal adjudication. The FSPO should proactively engage in activities to increase awareness of both providers and consumers to support a preventative model.

This includes implementing processes that will:

- Increase awareness of consumers and empower them to resolve issues without the need to revert to the Ombudsman
- Drive changes in provider behaviour when dealing with complaints / service
- Implement internal processes that put resolution, rather than adjudication, at its core.

There is a requirement for an increased focus on engagement with service users (i.e. providers and consumers of financial services products) to better inform and empower them to resolve issues and/or

adapt their processes to reduce the risk of a complaint. This should be both directly with consumers and indirectly through other stakeholder bodies (e.g. consumer advice agencies, industry representative bodies, educational establishments and government).

Active monitoring and reporting of the actions taken by providers in response to upheld complaints should also be encouraged.

5.2.4 Actively investigates cases based on what is fair while adhering to good practice and the Law

A key role of the Ombudsman is to redress the imbalance between consumers and providers. This includes examining contract terms and conditions, not only to the 'letter of the law', but also with consideration of how they are understood and interpreted by a "typical" consumer.

This requires those investigating or adjudicating to consider both what is specified in law, stated in contractual terms and conditions and also, what is fair. To achieve this investigators must adopt an inquisitorial approach using verbal as well as written communication to gain a deeper understanding of the issues in a case.

Under general contract law, when there is a doubt about the meaning of a written term, the interpretation most favourable to the consumer prevails. This is also reflected in the Regulations¹⁸.

Informal techniques should be used to work with the parties to reach a fair resolution wherever possible. In doing so, the Ombudsman should seek to protect other consumers from similar issues. This is also important from the point of view of driving changes in provider behaviour and their customer management practices.

5.2.5 Continues to focus on operational efficiency

The organisation is required to operate within its means and provide value for money. Therefore it is essential that it makes the best use of the resources available to it.

Given the changing nature of service demand, a more structured approach to operational improvement is required to drive efficiencies whilst delivering on the various organisation objectives.

Organisational flexibility, multi-skilling and ICT adoption would be important to achieve efficiencies.

5.2.6 Uses technology effectively - increases process automation and access to information

The benefits that technology can deliver are widely recognised. When used effectively, it can improve the overall service user experience and improve internal efficiencies through increased automation and more effective knowledge management and data analysis.

The following technological solutions were agreed to be key enablers for the future organisation:

- Case management
- Knowledge management

¹⁸ Identifying and avoiding the use of unfair terms in consumer contracts - National Consumer Agency : CCPC publishes a detailed guide to unfair terms and conditions in consumer contracts

- e-Documents
- Telephone recording
- Data analytics - forecasting / trend analysis.

Where possible, complainants and providers should be encouraged to use electronic means (email, telephone, online document exchange) to communicate and share case information. This has the potential to significantly reduce time delays in progressing cases.

5.2.7 Increases strategic influence

The FSPO should take a more proactive role in engaging with sectoral and consumer stakeholders with a view to increasing its influence to drive strategic change. Stakeholders include:

- Financial Service Providers
- Regulators
- Consumer agencies
- Industry bodies.

This engagement should be aimed at preventing complaints from arising in the first place and addressing potential systemic issues as early as possible.

Insights gained by the FSPO should be used to identify key trends in both queries and complaints. The FSPO should take a more proactive role in identifying potential breaches of consumer protection and areas where Irish consumers are experiencing difficulties with agencies that fall outside the scope of the FSPO's Terms of Reference.

Regular engagement with these stakeholders should be a key feature of a more outward-looking organisation. Communication should be two-way, so that the FSPO can learn from the wider reach of these bodies while also extending its own reach using the resources of their networks and communication channels.

5.2.8 Develops its people to meeting changing service demands

The new organisation should continue to invest in developing its staff. It was widely recognised that there should be an increased focus on the development of 'softer' skills focused on:

- Team-based working and people management skills
- Customer service including techniques for handling difficult and sensitive conversations especially telephone conversations
- Use of the technologies that are introduced
- Use of "Plain English" in all communications
- Continuous improvement practices.

In addition, it is important to ensure that the organisation maintains the right level of skills to support the broad range of work received. No one individual should be expected to have the knowledge and experience to resolve every type of complaint, however the organisation as a whole needs to retain the optimal mix of skills and experience, with the option to draw in subject matter experts as and when

required. Promoting organisational flexibility and multi-skilling would enrich people’s jobs and provide better skills coverage with the workforce.

5.3 User Journey

Proposed changes to practices within the new organisation aim to deliver a much changed experience to service users and all consumers of financial services and pension products.

Service users (“customers”) include both members of the public who make complaints against providers, as well as the providers themselves.

Future service user-facing processes should be designed to:

- **Increase focus on the needs of the service user:** providing more flexible processes which can be tailored to meet the needs of the individual
- **Drive changes which reduce the number of complaints requiring adjudication:** inform and empower parties to resolve issues earlier either independently or with the support of a case officer
- **Improve the use of technology and automation in the delivery of services:** use modern technologies to improve access to relevant information, reduce processing time and drive efficiency improvements to planning, services delivery and education.

The As-Is analysis identified that the overall journey starts long before a complaint is received by the FSPO.

A renewed focus of the organisation should both support the needs of service users at the earliest stages of a dispute, in addition to delivering an efficient and effective service for cases where a complaint arises. In other words, FSPO’s role does not just start when a complaint is received; it reaches back to the point when a consumer has a problem with the service or product they received, as illustrated below.

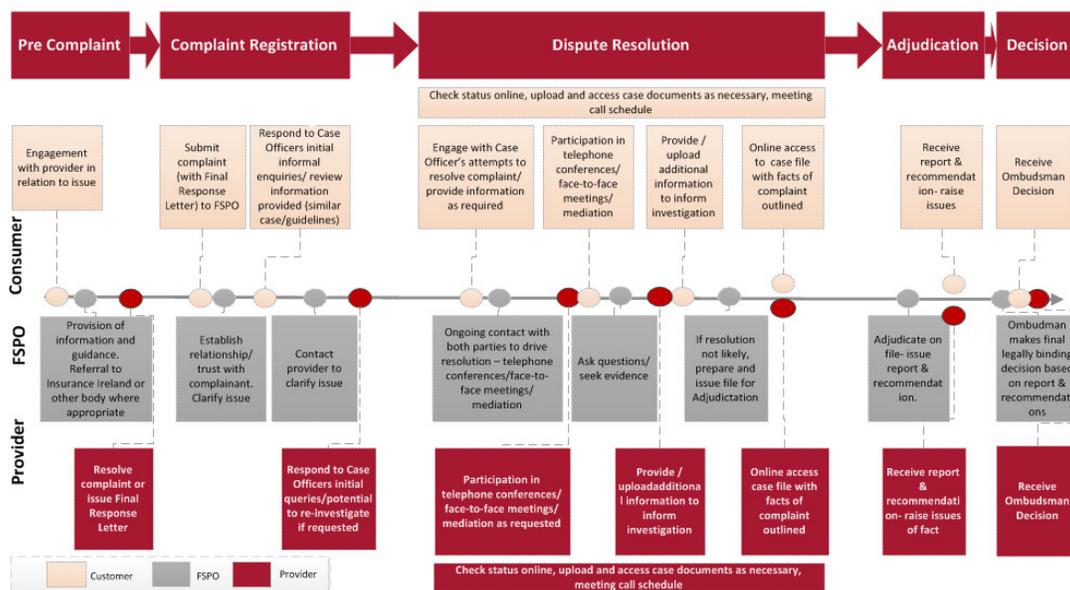


Figure 13: FSPO User Journey Timeline

The proposed approach to complaint handling aims to reduce the number of complaints received by FSPO (i.e. they are resolved between the consumer and the provider) and to support the early resolution of complaints received without the need for a formal decision wherever possible (i.e. skilled FSPO staff seek to bring about a resolution by more direct contact and use of ADR techniques).

5.3.1 Pre-Complaint

The survey feedback from complainants indicated a very mixed experience with their providers' complaint handling processes. As financial service providers are becoming increasingly more digitised and centralised, there is evidence that the personal touch has been lost when dealing with consumer complaints. Few providers offer to meet with complainants to resolve their issues¹⁹. When complainants' issues are not quickly handled to their complete satisfaction, they are using communication channels such as social media to broadcast their frustration.

Complainants expressed considerable frustration in relation to not having a single point of contact with whom they could discuss their complaint. Many felt they were constantly being transferred from one individual to another with little progress being made to resolve their complaint. Some cited that their providers' complaints process was designed in such a way to wear down consumers in the hope that they would become weary and not pursue their complaint.

The large number of complaints that are resolved after the initial communication from the FSOB or OPO to the provider would indicate that the escalation to the Ombudsman leads to a renewed focus on the complaint by the provider.

The future organisation should have a role in working with providers to improve the quality of their complaint management processes. Measures should be put in place to monitor the service levels of providers and track improvements. In addition, more information needs to be tracked to understand which factors lead to providers and complaints reaching a resolution. Understanding this would mean that by applying those measures early in the process, the complaint is less likely to be referred to the Ombudsman.

The overall complainant experience of their providers' complaint management processes should be captured. This may be based on information captured from complainants when they initially make their complaint or through the use of "mystery shoppers". Mystery shoppers, comprising parties who made contact with the Ombudsman prior to formally raising a complaint with their provider, can be coached to maintain more accurate records of their experience which can also provide valuable insights into providers' approaches to complaint handling and customer service.

5.3.2 Initial contact with the FSPO

The focus on the initial contact with the FSPO should be to provide the service user with the necessary information to understand the merits of their complaint and what is and is not fair under the circumstances. This can be provided through reference to similar cases or the FSPO's experience.

Prompt replies and interventions can often diffuse situations and allow for a more conciliatory approach between consumers and providers. Timely and effective actions taken at this stage can lead to an early resolution or withdrawal of the complaint.

¹⁹ 84% of organisations with up to 10 employees and 24% for those providers with more than 50 employees offer to meet with a complainant

5.3.3 The dispute resolution process

The dispute resolution process should be designed to support resolution at the earliest possible stage. A single point of contact should be provided for each complainant. The designated case officer would work with the parties to understand the issue in dispute and what is required to reach a resolution.

Establishing trust with the parties in dispute is a critical requirement for the case officer. This is best achieved through conversation rather than written communication. Certain skills and techniques need to be acquired by FSPO staff through training and mentoring over a period of time.

Measures should be taken to improve the quality of the overall complaint received (i.e. points at issue are clear and within the FSPO's remit). Where the case officer feels that the complaint is of low merit, they should use open questioning to explore it in more detail with the complainant with a view to bringing them to a conclusion on the merits of their case or improving the level of detail that was provided in the initial complaint form.

Additional consultation should be conducted with the provider to understand the outcome of their internal investigation of the complaint. This includes sharing additional information received from the complainant in relation to the case with the option of returning it back to the provider for re-investigation.

Additional investigation and consultative measures should be taken to work with the parties to reach a resolution at the earliest possible stage. If the case officer feels that they have exhausted efforts to resolve the case informally, they would prepare the case file for formal adjudication. The case file should at this stage contain all necessary information, evidence and facts to allow an adjudication officer to make a recommendation. They may also make a recommendation to the adjudication officer to hold an Oral Hearing if appropriate.

Adjudication, where necessary, should be completed by an independent person, who has not been involved in the attempts to resolve the dispute. Recommendations would be made based on the case file and summary provided by the case officer. There should be a formal handover of the file from the case officer who remains the primary point of contact for the complainants. In this way the independence of the adjudication officer would be maintained throughout as their final recommendation is based on the information provided to them in the case file.

The case officer should remain the point of contact for the complainant throughout the entire process and should be available if necessary to explain the process in more detail or the recommendation of the adjudication officer or a Finding issued by the Ombudsman.

The recommendation of the adjudication officer should be shared with the parties. If both parties accept the adjudication officer's recommendation the file would be closed and no further action taken. If either party does not accept the recommendation then the case together with the adjudication officer's recommendation and any further submissions received would be considered by the Ombudsman. The parties in the dispute would have a short period of time to submit any evidential information which they feel should be considered, or clarify any issues of fact. After a fixed period of time, the Ombudsman would consider the additional submissions and the adjudicating officer's report before arriving at a final legally binding decisions.

5.3.4 Communications

Communications should be tailored to the needs of the individual.

Wherever possible communications should be conducted initially over the phone, followed up in writing where appropriate. The phone conversation helps the case officer gain a more complete understanding of the capabilities and needs of the complainants (or provider), so their approach and the processes can be tailored appropriately.

Plain English should be used in verbal and written communications and the tone should be non-legalistic.

If necessary, alternatives to written communication should be considered if one of the parties has specific needs (e.g. phone, audio devices, video/Skype/etc.).

A wide range of communication channels should be considered to increase the awareness of the scheme including: television, radio, print and online media.

5.4 Measures of Success and Key Performance Indicators

There are a number of Key Performance Indicators (KPIs) which should be used to monitor and track progress on an ongoing basis, in order to assess the impact operational changes are having and to identify emerging trends which need to be addressed.

These fall into three key categories matching the key objectives of the change programme:

- Operate effectively – through dispute resolutions
- Improve awareness – through outreach services
- Develop our people.

5.4.1 Operate effectively

The following KPIs help track workloads, speed of resolution, service users' views and operational efficiency:

5.4.1.1 Workload management

- Number of queries received
- Number of complaints
- Percentage of queries / complaints relevant for this office
- Percentage of cases requiring adjudication
- Percentage of Findings issued
- Percentage of cases upheld
- Complaints settled prior to adjudication
- Complaints resolved after specific intervention
- Calls received / pick up rate / drop rate
- Service levels: the length of time for each stage of the process – both within the FSPO and with users.

5.4.1.2 *Length of time to resolve a dispute*

- Through early resolution
- Adjudication
- Ombudsman's decision.

5.4.1.3 *Service user feedback*

- General satisfaction levels with service received
- General satisfaction with the process
- General satisfaction with the length of time to resolve the complaint
- Likelihood to recommend the service.

5.4.1.4 *Operational efficiency*

- Effort required to resolve a complaint
- Adoption of technologies
- Use of external resources
- Costs.

5.4.2 Improve awareness

The following KPIs help track how well the FSPO is projecting itself and its services and informing consumers and providers:

5.4.2.1 *Driving Change*

- Points of contact with the industry
 - Follow up on actions taken by providers
- Points of contact with consumers / representative agencies.

Effectiveness of these interventions should be captured in the operational measures.

5.4.2.2 *Raising the Profile*

- Number of events run by the FSPO and by provider and consumer bodies
- Number of media mentions of FSPO (favourable and otherwise)
- Number of media reports on financial services complaints.

5.4.3 Develop our People

The following KPIs track how key staff development initiatives are progressing:

- Training hours per person / organisation wide
- Competency development per person / organisation wide

- Staff satisfaction level
- Hours lost through absenteeism
- Attrition rate
- Rotation / promotion rate.

6. Towards 2020 – A Roadmap for Change

In this section, we set out the proposed organisation design for the new FSPO, the measures needed to enable the proposed ways of working and the key challenges that FSPO would face in implementing the new vision.

6.1 Mission and Vision

The measure of success for the FSPO should be the reduction in complaints received and subsequent adjudications and Findings issued.

As new processes become embedded and behaviours change, there should be a shift of focus and resourcing away from resolution and adjudication to providing advice and outreach services.

The revised Mission Statement for the FSPO should reflect the future aspirations of the organisation. This should include the use of an informal and accessible approach to dispute resolution, fairly, in a way that service users can trust. The FSPO's ultimate aim of eliminating the sources of complaints by making recommendations and sharing information that drives improvements in services for consumers should also form part of any future mission statement.

6.2 Proposed Operating Model

At present, too much time and effort is taken up with complaints of low merit or dealing with queries that are not relevant for the office or issues that were not appropriately dealt by providers. These are taking up valuable resources. A number of the consumers surveyed said that providers only engaged with them after they had made the complaint to the respective Ombudsman. Our research also suggests that the Ombudsman can resolve a complaint simply by explaining the issue to a complainant.

The future operating model should align with the key objectives of the combined office. It should adopt a Preventative Dispute Resolution approach to reach a fair resolution to disputes without the need for the Ombudsman to become involved. It should empower complainants and providers to do so through its information and outreach services.

It should place dispute resolution at its core with the focus on resolution rather than adjudication. As illustrated in the 'pyramid model' below, the majority of the staff should be focused on the early stages of dispute resolution.

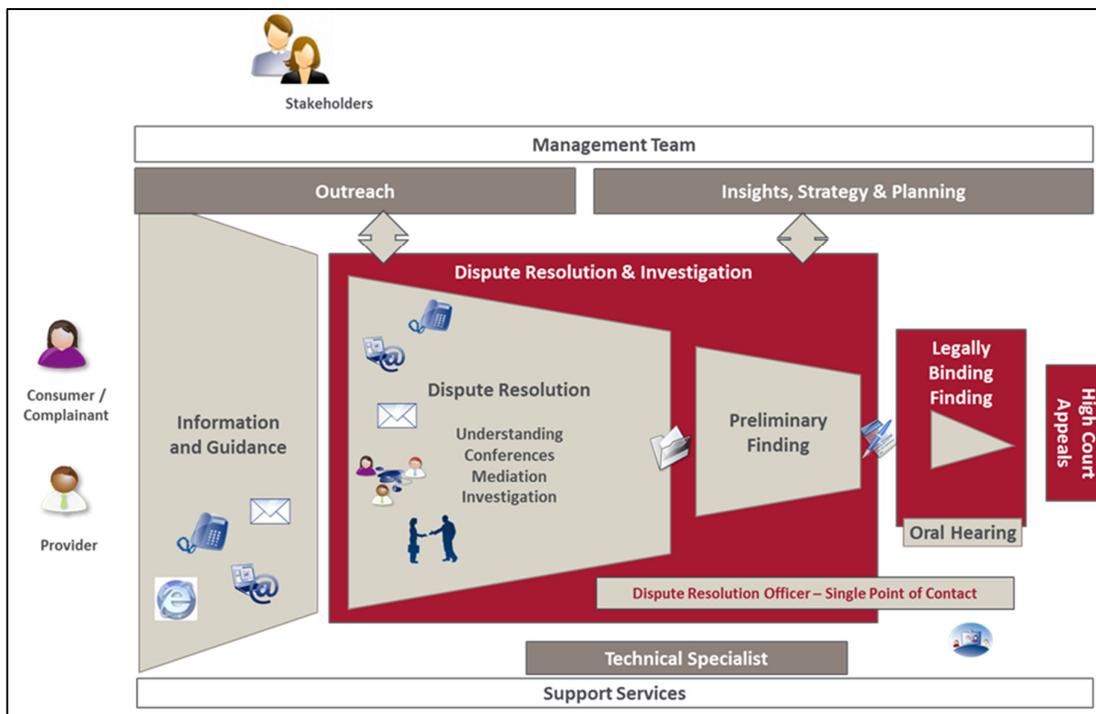


Figure 17: High level proposed Operating Model for the Financial Services and Pensions Ombudsman

Multiple contact channels should be used at different stages with a view to resolving disputes informally, and speedily where possible.

Core administration support services should be provided in-house, but non-core activities might be provided by external parties (e.g. use of specialist agencies to collect outstanding fees from providers).

There would be four core components to the organisation as outlined below:

- Dispute Resolution: the core activities of dealing with complaints
- Outreach Services: publicising the services of the FSPO
- Insights, Strategy & Planning: capturing and analysing data to help inform strategy
- Support Services: the administrative services needed to support the organisation.

Each is described in detail below.

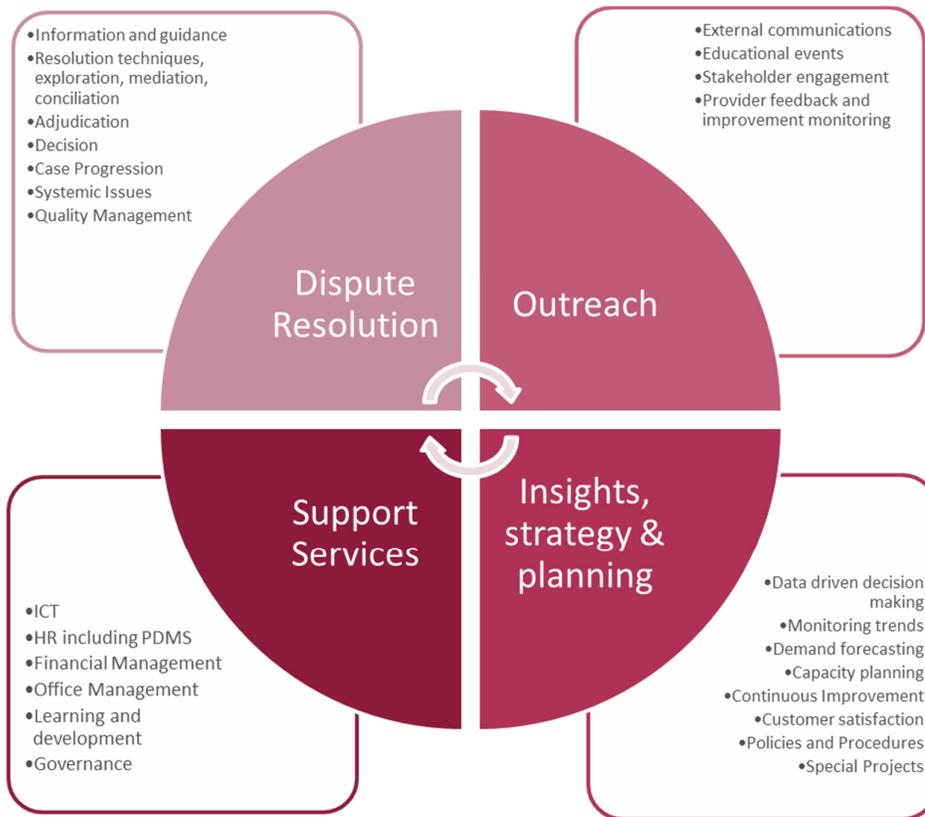


Figure 18: Core components of the FSPO Organisation

6.2.1 Dispute Resolution

The primary focus of the dispute resolution stage is to work with the parties to reach a resolution to the dispute at the earliest possible point.

A case officer should be assigned to each case and remain the single point of contact with the parties throughout the process. Informal means should be adopted to resolve the dispute with a case officer deciding the most appropriate method to progress a case. The case officer should work with the parties to resolve the dispute by building trust, engaging in dialogue, mediation and actively investigating and seeking documentary evidence where appropriate.

Key activities in the dispute resolution process are as follows:

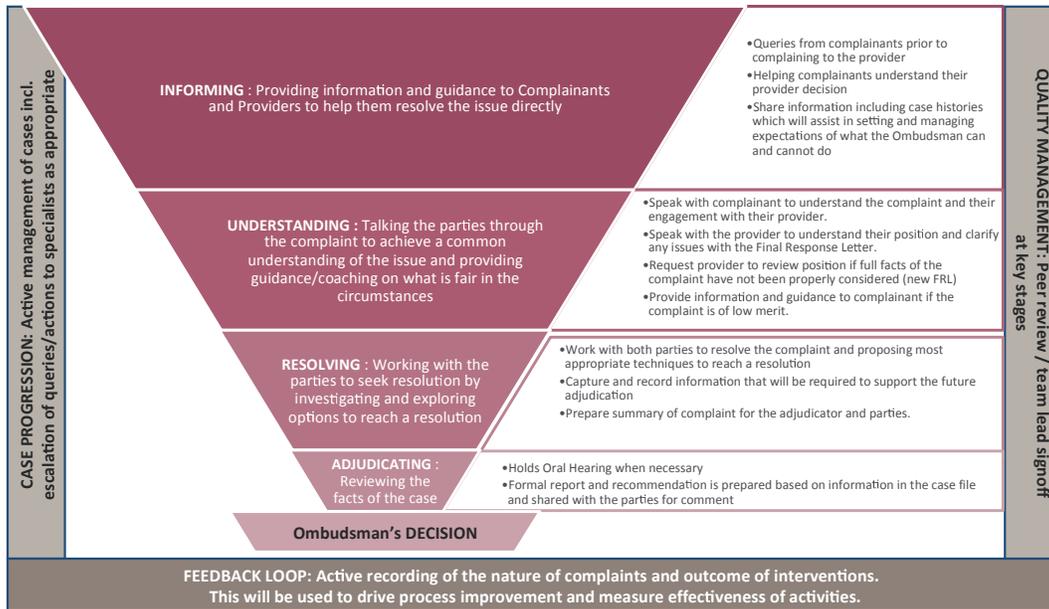


Figure 19 Proposed Dispute Resolution Stages

- **Informing:** Providing complainants and providers with the necessary information to understand their rights. This includes sharing case studies from previous comparable cases where appropriate
- **Understanding:** Engaging with parties in a dispute to understand the key issue and what is fair in the circumstances; and providing information to the parties that should support them in reaching a resolution. This may include directing the provider to re-investigate a case more thoroughly
- **Resolving:** Working with the parties to reach a resolution. This may involve further investigation, meetings or calls with the parties or more formal mediation / conciliation meetings
- **Adjudicating:** Independent review of the case details based on summary of complaint and responses, including all evidence, provided by the case officers and a complete file. Oral hearings may be arranged if deemed necessary. The adjudication officer's Preliminary View should include details of the facts of the case and their recommendations
- **Ombudsman Decision:** A formal decision based on the adjudication officer's Preliminary View whilst considering any additional information that came to light after the adjudication officer's Preliminary Finding was issued to the parties
- **Case Progression:** Active monitoring and progression of all cases being handled by the FSPO. This includes putting measures in place to address potential barriers including access to specialist skills within the Ombudsman's office and escalation procedures with providers where necessary

- **Quality Management:** Peer or team-led reviews of case files, communications and recommendations. Team leads should be responsible for sign off of all cases that are progressed to an adjudication officer. Similarly, supervisor approval should be required to escalate queries
- **Feedback Loop:** Maintaining records of the outcome of the query/complaint to support future trend analysis. Capturing lessons learned in the knowledge management system. Identifying opportunities for process and / or service improvement.

6.2.1.1 *Ways of working*

Communications should be tailored to the needs of the individual. This includes the use of "Plain English" wherever possible.

The preferred method of communication with service users should be by telephone or email wherever possible. This includes the use of telephone and video/Skype conferences. Case officers would make a written report of the key facts discussed in the call which is made available to the parties in the dispute (online access through the case portal or distributed by email or post).

Case "stories" should be used to educate service users. Details of relevant cases should be made available to both the provider and complainant on first contact with the office (and readily available through the website). The use of online videos and audio case stories should be considered to meet the needs of a wider audience.

Clear policies and guidelines should be developed, with quality control built into the processes through peer reviews and the increased use of case conferences.

A multi-skilled team approach is proposed for dispute resolution. This would comprise a team leader and team members with different levels of skill, experience and competency. Although no one member of the team should be expected to be an expert in all areas, the balance of skills and experience within the team as a whole should be such that the team can deal with the majority of cases that are received. Specialist support could be brought in as required.

Cases would be assigned to an individual team member to progress and manage. They would remain the primary point of contact of the parties in the dispute throughout the process. They would be supported by team members and the wider organisation in the event that they needed assistance with an issue or wanted to seek an alternative viewpoint.

Case officers should use their best judgement on the most appropriate approach to resolving a dispute. This should include using inquisitorial techniques and actively investigating the issue in dispute as appropriate. In the event that the case does need to progress to full adjudication they would pass the complete file over to an adjudication officer.

Team leads should conduct a review of all case files to ensure that all relevant issues have been identified and relevant evidence gathered before handover for adjudication. Where appropriate, they should also be responsible for monitoring the progression of cases within their team and working with case officers to identify solutions for any barriers to progress that are encountered.

Adjudication officers should draft a Preliminary Finding on the facts presented in the file to be issued to both parties which gives an early indication of the Ombudsman's final decision and provides parties with the opportunity to correct any errors in fact or bring to light other evidence that was not considered. If not challenged, the Preliminary Finding would become the final decision after a period of time.

Additional details of the proposed processes for Dispute Resolution are included in Appendix A : Future Organisation.

6.2.1.2 *Benefits of the proposed approach*

The following benefits would be expected from the proposed changes to Dispute Resolution:

Service Users

- Increased access to information to help them decide their best course of action
- More personalised services with a dedicated case officer who is seen to listen and understand
- Supported to reach a resolution
- Less paperwork through use of a less formal process
- More timely process with the prospect of a faster outcome.

Staff

- Greater variety of work (multi-skilled teams) with more activity (engagement with parties) and less paperwork
- More support structures for less experienced members of staff
- More clearly defined career development opportunities.

Organisation

- More cases resolved without the need for adjudication
- Less risk of High Court appeals which are very costly
- Improved public profile of the organisation
- Aligned with leading Ombudsman practices
- Reduced risk of misplaced files/ documentation as there are less handoff and movement of files throughout the office
- Medium to long term opportunities to increase capacity to focus on more strategic initiatives as the amount of time required to resolve / adjudicate on a dispute should be reduced.

6.2.2 Outreach Services

A key success factor in the Preventative Model of dispute resolution is engaging with both providers and complainants early on to prevent the need for issues to be escalated to the Ombudsman service later.

Outreach services should aim to:

- Ensure the role of the Ombudsman is clearly understood - what it can do and what it cannot do
- Improve public awareness of consumers' rights to complain about a financial services provider through a variety of means
- Improve provider awareness of expectations from their customer service and complaint handling procedures
- Empower consumers and providers to resolve complaints informally by sharing information on outcomes of similar complaints and how they were resolved or the outcome of an adjudication of a similar case
- Inform stakeholders and consumers on the type and nature of complaints received, and outcomes

- Engage proactively with key stakeholders to improve customer experience.

Recommended focus areas include:

- **External communications:** Targeted communications for service users and the public at large using a mix of online, print and other communication channels
- **Educational events:** Support educational events aimed at increasing provider and consumer awareness of the role of the FSPO and consumer rights
- **Stakeholder engagement:** Work with the wider stakeholder community to maximise opportunity to increase awareness and understanding of rights of consumers when dealing with financial services providers. Share insights and trend data collated by the FSPO to allow them to develop proactive measures to reduce consumer risk
- **Provider feedback and improvement monitoring:** Engage with providers to understand what measures they are implementing in response to decisions by the FSPO and / or queries and complaints received.

6.2.2.1 *Ways of working*

The Outreach function should establish an annual plan focused on its core objectives. This should include:

- Allocate resources to drive the Outreach services. A proportion of time of the Dispute Resolution teams should be set aside to support development of and contributing to Outreach services
- Publish "case studies" on a regular basis which are written in a language that is accessible to the public as a whole. Based on real cases, they should enable consumers and providers to understand the types of issues the Ombudsman deals with and the outcome. Published cases should not be limited to Ombudsman's decisions. They should also include examples of complaints that were resolved or queries that were addressed
- Inform the public and industry about what the Ombudsman can and cannot do
- Improve communication materials - print, online and media to focus on consumer needs
- Prepare periodic reports for providers on trends in complaints and queries and the Ombudsman's expectation of what is fair to consumers. This should allow them to identify potential issues with their own processes early, and put corrective measures in place
- Prepare periodic updates on trends in complaints and queries issued to key stakeholders such as the Central Bank, CPCC, Citizen Information Bureau and MABS. The aim of these reports should be to bring potential issues to light early, and help those organisations understand where there is a need for greater consumers awareness / changes in provider behaviour
- Implement a more structured approach to provider engagement which should include following up on actions that were taken as a result of a decision or resolution of a complaint. Improvements made by providers should also be reported in the Annual Report as it is a key measure of success for an Ombudsman
- Increase profile of the organisation through participation in events with key consumer bodies, supporting industry CPD events and releasing case stories and statistics through media channels.

6.2.2.2 *Benefits of the proposed approach*

The following benefits would be expected from the establishment of an Outreach function:

Service Users & Stakeholders

- Access to information on cases can empower them to resolve issues without the need for the Ombudsman's intervention
- Better management of service users' expectations of what the Ombudsman can and cannot do, leading to a more positive experience in dealing with the office
- Improved opportunities to take proactive measures to address potential consumer protection issues for providers.

Staff

- Creation of new roles within the organisation and the opportunity to take on new responsibilities / develop new skills
- Drive change which should lead to less recurring issues - greater variety of cases received
- Increases the likelihood that complaints received result in a positive outcome (less complaints dropping out of the system with no resolution), resulting in a greater sense of personal achievement and job satisfaction.

Organisation

- Increased profile of the organisation
- Increased awareness of services users before contacting the office should reduce the number of complaints that do not process and thereby free up capacity to deal with actual cases.

6.2.3 **Insights, Strategy and Planning**

The Financial Services Sector, regulatory requirements and consumer expectations will continue to change over time and new products and providers will come on the market. In addition, the new processes and actions put in place should improve the providers' overall customer service and complaint handling processes.

As a result, demands of the FSPO will change. It is important for the organisation to proactively monitor these changes and to evolve with the market. The strategic planning function should focus on creating and delivering the plans that ensure that the FSPO meets its operational and regulatory obligations.

The Insights, Strategy and Planning function should use data captured within the FSPO and from other external sources to enable a more informed decision-making process in regard to operations and complaints handling.

It is important to have effective systems in place to capture and maintain meaningful data on cases, complaints and queries.

Better analysis of data captured on queries and complaints received would allow the FSPO to proactively identify potential systemic issues or changing trends in complaints.

Building intelligence on outcomes of complaints would support identification of interventions that are most successful in resolving complaints of a particular type or nature. When more information is captured on the amount of effort required to resolve complaints and complaint volumes, it would enable predictive analysis of demand and in turn, facilitate better resource planning.

Equally, as the types of complaints and queries received change over time, so too would the skills and competencies required by the staff in the FSPO. Effective planning tools would enable the organisation to identify potential skills gaps and put the measures in place to address those gaps in the short to medium term (including training, recruitment and the use of temporary specialist resources).

The insights function should not only look internally at data, but should proactively monitor external information sources. This can range from the analysis of trends in international financial services and pensions ombudsmen, new regulations, new products and offerings, down to early indications of potential issues identified through social media and online chat rooms.

Informed by data captured through insights, more strategic information decisions could be made in relation to planning. This includes the implementation of the continuous improvement culture which aims to continually enhance and improve service and efficiency. Impacts of changes are monitored and measured through insight data.

The effective management of improvement projects requires a broad range of skills including planning, resource management, stakeholder engagement and communication and change management.

Recommended focus areas include:

- **Data capture:** Improve the quality of data captured in relation to both queries and complaints. Key words should be tagged on case files to facilitate analysis
- **Data Analysis Tool:** Invest in a data analytics tools which would increase current case search and analysis capability. Data analytics should become a core component/functional requirement of any future case management system
- **Data-driven decision making:** Using data from various sources to build business intelligence and dashboards to support better decision making, including workload prioritisation, priority areas for outreach engagement, need for preventative measures to reduce a particular type of complaint, organisation development needs, policy driven service gaps, systemic issues, continuous improvement initiatives, return on investment/outcome of key process changes, etc.
- **Monitoring trends:** Including the early identification of potential system issues, changes in demand, changes in resource/skill requirements
- **Demand Forecasting:** Predicting the number and types of queries and complaints received by the scheme and the specific skills required to deal with them
- **Capacity Planning:** Identifying the number of resources required to manage current and predicted workloads and creating resource allocation plans which best meet demand requirements and personal development objectives of each staff member (mix of case work, project work, learning and development, role rotation)
- **Service User Satisfaction:** Service quality must be at the heart of the future organisation. Satisfaction levels should be a key measure of success. Success should be measured through regular feedback surveys of service users. Feedback received should be incorporated into the continuous improvement initiatives
- **Continuous Improvement:** Structured approach to identifying, implementing, measuring and reporting on process improvements to deliver improvements to service levels and operational efficiencies
- **Policies and Procedures:** Using insights to maintain and improve process documentations, policies and operational procedures

- **Special Projects:** Management and governance of special projects initiated within the organisation.

6.2.3.1 *Benefits of the proposed approach*

The following benefits would be expected from the Insights, Strategy and Planning function.

Service Users & Stakeholders

- Better service leading to improved satisfaction levels
- Opportunity to use information published to address changing trends and mitigate risks of systemic issues developing.

Staff

- Less reliance on “gut” instinct as evidenced-based data would be captured and available on the approach that leads to successful outcomes for different types of cases – important in an environment where the case officer is making the decision on the techniques to use rather than following a rigid process
- Access to knowledge which can improve the quality of decisions made in cases (reduced risk of error for the employee) leading to a less stressful work environment
- Opportunities to participate in and see the impact of continuous improvement projects leading to higher levels of job satisfaction (my idea resulted in a saving of "X" or reduction in complaints by "Y").

Organisation

- More effective monitoring of the impact of process changes on outcomes
- Improved planning of resources and internal projects by better prediction of demand and effort required to manage case workload
- Supports needs of continuous improvement projects
- More proactive approach to monitoring market conditions should increase the organisations ability to plan for changes in demand.

6.2.4 **Support Services**

Back office support services would be required to support core operations.

Key support services should include:

- **Information and Communications Technology (ICT):** Internal and public facing IT systems, telephone technology and data management and analytics tools
- **Human Resources (HR):** Including PMDS processes
- **Financial Management:** Management and controls of the operational budgets
- **Office Management:** Day to day running of the facilities and management support
- **Learning and Development:** Management of training plans. This should focus on core competencies for each role. Internal training materials would be required on policies and

- procedures. External training may be utilised for soft skills, leadership development and some technical (legal, financial services, IT) skills
- **Governance:** Risk management, Council report, audits and controls. Management and investigation of complaints made against the organisation by a service user.

Recommendations and expected benefits of the proposed approach include:

- Identify activities that are non-core, time-consuming or low-value and investigate alternative ways of delivering them. This should release capacity in the team to focus on more strategic objectives
- Conduct periodic independent reviews of the ombudsman scheme to ensure that its goals and organisation are aligned with market demands and new development in ADR schemes
- Liaise with other ADR schemes nationally to identify opportunities to share resources / achieve cost savings.

6.3 Organisation Design

As a service organisation, the FSPO will experience periods of peaks and troughs in demand. The overall organisation design should be adaptable to respond to these fluctuations. This can be achieved through a number of methods including:

- Clearly defined roles and responsibilities: including responsibilities in the event of an unexpected (higher or lower) level of service demand
- Team-based working models
- Designing an operating model with flexibility in mind
- Clear procedures for leveraging external resources to meet peak demands.

6.3.1 Role descriptions

Changes to the organisation would result in the creation of a number of new roles, and changes to existing roles. Clearly defined job profiles are required for all roles which outline the skills, competencies and experience required of people performing in that role.

To support career development it is also useful to consider what would be expected of someone in a "growth" phase rather than an "advanced" level. Those with higher competency levels should be responsible for supporting the development of others and sharing their knowledge.

Each job description should include clearly defined responsibilities including the individuals:

- Primary tasks: priority activities in the day to day roles and
- Secondary tasks: activities they would be required to support based on organisational needs / service demands.

Recommendations include:

- Develop role descriptions for all functions
- Create RACIs for all core activities and formalised contingency plans
 - R : Responsible for doing a task (may be multiple people)
 - A : Accountable for the task being completed (usually one person)
 - C : Consulted before something is done, for example the expert in the subject area
 - I : Informed after something is done or the process is changed
- Consult with staff to identify who may be interested in working in each type of role and align with organisation structure requirements.

6.3.2 Team-based working structures

A team-based working approach should be adopted which comprises staff with different areas of expertise, skills, experience and competencies. By working in a small team and measuring performance on a team level, it should support the development of a more supportive and growth-focused organisation than that currently in place.

Features of the new team-based structure should be:

- **Workload management** : case assignment, progress tracking and monitoring
- **Issue escalation**: proactive management of blockers. Providing team members with the resources and tools to seek a resolution thus avoiding process bottlenecks
- **Support structures**: internal structures within each team and the organisation to provide additional specialist support to resolve complex issues
- **Clearly defined roles and responsibilities**: All members of staff understanding their primary responsibilities (performing their role), and secondary responsibilities (supporting the needs of team members and the organisation).

The manner in which individual work plans are managed should take this into consideration, ensuring that all staff members have the balance of service delivery, on-the-job learning and more formal learning.

Team leaders should be responsible for the overall management of output from the team including throughput and quality.

Recommendations include:

- Create a team based approach to dispute resolution with teams made up of multi-skilled individuals who's combined competency aligns with the needs of most of their cases
- Define processes and procedures for:
 - Case management in team environment
 - Identify support structures required for staff – how to access expertise as deemed necessary for their complaint
 - Create structures for monitoring and managing team workloads and maintaining focus on case progression.

- Schedule regular case conferences where issues can be escalated and discussed with a wider group on a regular basis at team, team leader and specialist levels.

6.3.3 Flexible workforce and processes

Given the unpredictability of demand for services in schemes, it is essential that the organisation is designed to provide the flexibility to respond to changing demand (including times of higher than expected or lower than expected demand).

Recommended focus areas include:

- **Development of contingency plans** for predictable unplanned events which include clear guidelines outlining what to do in cases of a given event (e.g. if there was an unprecedented number of telephone queries in a given day, the documented contingency plan might identify the non-critical tasks which should be deferred so that the available resource can be redirected to deal with the calls; conversely on a day with lower than expected queries a staff member might be redirected to develop a "case story" for publication on the website).
- **Maintain a multi-skilled workforce:** Ensure key staff members have the mix of skills and competencies to perform in multiple roles as dictated by demand. In order to maintain competencies it is important that they are used on a regular basis. A staff member's operating rhythm may include a minimum of two hours performing a particular task every two weeks.
- **Create multi-skilled teams with specialist support structures:** By implementing a team based working environment which encourages knowledge transfer and support, the organisation should have the capacity to respond to a peak in a particular type of case where there are insufficient skilled resources to manage the cases on their own. In such circumstances, the specialist within the team would be required to take on a mentoring and support role for a larger number of team members thereby supporting them with their development and learning but also increasing the capacity of the organisation to deal with a complaint of a particular type.

Recommendations include:

- Develop and maintain a skills matrix for the organisation and each team to assess and measure the skills and competencies available. Development and recruitment plans should prioritise any skills gaps identified
- Develop contingency plans for unpredictable but likely events such as periods of peak demand (queries or complaints) or periods of lower than expected demand. This should outline the priority tasks in periods of peak demand (e.g. early stage complaint management and queries) and priority areas in the event of available capacity (e.g. Outreach)
- Design work plan and roles to allow for rotation of tasks in order to keep skills alive
- Arrange for short-term reassignment of staff to personal development, outreach and insights activities during periods of lower than expected demand
- Identify external supports that can be leveraged in the event of a peak in demand with a clear understanding/agreement of the trigger points at which external support is required based on forecast demand and capacity.

6.3.4 Expected benefits of Organisation Design recommendations

The expected benefits of implementing the new organisation design and delivery approaches include:

Service Users and Stakeholders

- Reduced impact of unplanned events on service received.

Staff

- Greater variety of work in their role allowing for continuous skills development and increased opportunity to use the breadth of skills they have
- More supportive team based working environment when dealing with a challenging case / service user which supports the growth and development of new skills.

Organisation

- Clarity around roles and responsibilities for all staff members
- Multi skilled matrix provides clarity on where skill gaps exist in the organisation allowing for more appropriate planning of learning and development investments and alignment of recruitment plans to particular skills gap (e.g. specifically target individuals with experience in a particular industry segment or consumer code when hiring new case officers)
- Reduces impact of unplanned events as all team members understand what is expected of them for particular scenarios. This results in a less stressful work environment and stronger team culture (all working towards a common goal)
- Improved productivity and efficiency as plans are in place for “quiet times” as well as busy resulting in less time lost waiting for work and/or pacing work.

6.3.5 Develop our People

Development pathways should be established which create opportunities for staff members to develop new skills and expand their knowledge. This not only relates to technical skills, but includes soft skills around communication, negotiation, managing difficult people (service users and colleagues), team leadership, management, planning and people development.

This would be achieved through

- Development of clear career pathways aligned with skills and competencies
- Clearly defined job descriptions with associated competencies to provide clarity around skills that required new positions
- Providing a working environment and operating rhythm which supports the development of new skills and competencies
- Competency development.

6.3.6 Career pathways

Maintaining optimal performance requires an empowered and motivated team. Staff members need to feel that they are given the appropriate opportunities to grow and develop. This is often a challenge for Ombudsman schemes due to the relatively flat organisational structures.

Skills and competency development is typically achieved through a combination of practical on the job learning and experience, and formal learning.

The new organisation should be developed in a manner that supports knowledge transfer and skills development. In addition, more clearly defined job roles should be used to identify the skills and competencies required to operate in a role. Team members should have the opportunity to focus on the development of technical specialisms or broader management / leadership skills aligned with their role.

6.3.7 Working time management

In a multi-skilled environment it is essential for team members to keep their skills up to date through active usage and personal development. In addition, providing a variety of work has been proven to improve employee welfare, motivation and productivity. Time management is an essential skills in this type of environment.

Consideration should be given to the manner in which staff manage their time, planning their week/month to include a balance of delivery and personal development, whilst taking consideration of the nature of the service demand. Effectively, doing the right thing at the right time. This would allow them to identify the key priority times for service delivery based on service demand and periods of lower demand which would be better suited to personal development activities (either their own development or supporting the development of others).

In the case of client-facing staff consideration should be given to the amount of time one person is scheduled to operate in highly demanding areas for extended periods of times. For example, a team member's daily plan may have them scheduled to deal with public phone queries for two hours, spend four hours working on their existing cases and set some time aside for researching the T&Cs of a new product.

6.3.8 Competency development

Competencies required within the organisation fall into three main categories:

- **Technical skills** : technical and functional expertise required to operate in a particular role
- **Leadership skills**: planning, managing people, directing and motivating
- **Soft skills**: communications, negotiation skills, dealing with difficult people / calls and time management.

The technical skills required for each position differ. In the case of staff dealing with complaints, technical skills required include the following:

- Writing in "Plain English"
- Product / industry knowledge
- Codes (legal, consumer etc.)
- Consumer protection
- Specific training in operating procedures relevant to the role
- Mediation and conciliation
- Adjudication.

In addition to industry and technical skills, the following soft skills are required by all staff members:

- Time management
- Working effectively in teams
- Coaching and mentoring
- Customer service
- Negotiation/ persuasion skills
- Dealing with difficult people
- Difficult conversations
- Continuous improvement / lean.

Those with responsibility for people management and development should have the following skills:

- Operations management
- Leading and managing people
- Planning.

Recommendations include:

- Maintain skills matrix for each staff member aligned with their role and future career aspiration
- Develop learning plans to align with competency areas (approved courses to develop a particular competency; number of practical hours on the job experience to develop skill).
- Identify key points of contact to support on the job learning (recognised experts in the area) who can provide coaching / mentoring. Build responsibilities for coaching and mentoring into key job roles as appropriate
- Develop time management skills and work planning to provide individuals with the opportunity to practice and develop the necessary skills. This includes themes such as:
 - Managing my work (avoid extended periods doing repetitive work or delivering more physically/mentally demanding task)
 - Developing myself
 - Support the development of others.
- Identify sources of training associated with core competencies. Includes procedures for monitoring the impact of training (expected outcomes for the learner).

6.3.9 Expected benefits of proposed approach

Service users and stakeholders

- Supports the development of a more supportive working environment ultimately leading to improved service for service users.

Staff

- More supportive development environment for less experienced staff members
- Improved transparency on the skills required for promotion
- Improved opportunities to operate in different roles
- Additional responsibilities for more experienced staff to enhance and develop their leadership and management skills
- Improved staff morale
- Monitor and report on competency development from on the job as well as formal learning (recognises growth) and demonstrate development
- Agreement on priority areas for development with management which can be incorporated in to PMDS
- Specialist can incorporate “coaching time” in their weekly plan to allow them better manage their time and gain recognition for the time spent supporting others
- Align learning and development plan with need of current roles / future career aspirations.

Organisation

- Increased cross-organisation competencies
- More structured approach to accessing skills and knowledge where necessary
- Points of contact for training and coaching in specialist subject areas
- Alignment of recruitment plans and staff development plans to overall organisation need (identified gaps in organisation skills matrix).

6.4 Continuous Improvement and Quality Assurance

Improving service delivery and overall efficiencies should become a core part of the operation of the FSPO. This includes a range of controls including an effective quality management system supported by a culture that supports and encourages continuous process improvement.

6.4.1 Quality Assurance (QA)

Processes should be built in to drive the quality and consistency of service delivery. This includes a number of different techniques including:

- Documented policies and procedures
- Peer reviews of case files
- Clearly defined escalation processes for unusual cases
- Formal review and signoff of all case files before hand over to the next phases (from resolution to adjudication, adjudication officer’s recommendation) to assess quality and consistency
- Checklists
- Automation of processes where feasible

- Ensuring that everyone feels responsible and accountable for the quality of their work and is empowered to seek the support and guidance they require to perform effectively in their role.

6.4.2 Service user feedback

Capturing feedback from service users on an ongoing basis is key to driving continuous process improvement within the scheme.

Regular surveys of satisfaction levels should be completed with a cross section of service users:

- Complainants
- Parties who contact the office seeking information and guidance
- Providers
- External stakeholders with whom the organisation engages on a regular basis.

6.4.3 Continuous Process Improvement (CPI)

To achieve operational efficiency an organisation must continue to look internally to identify ways to improve how it engages with its service users, staff and other stakeholders.

Implementing efficient (lean) processes requires organisations to:

- Take a practical approach to problem solving
- Support on-the-job training with team members
- Capture and document best practices
- Develop policies and procedures that align with proven effective practices.

The most effective continuous improvement projects are driven 'bottom up' by those performing an operational role, backed by strong leadership sponsorship and support. It is also important to engage other stakeholders who have an influence on the processes or are likely to be impacted by any changes.

Improvement opportunities must first be identified and assessed. This includes assessing the "value" of a current process and the expected benefits of new ways of working. Questions asked include:

- What benefit does this process add to our service users or the organisation?
- Does it impact the overall quality of service, speed of service or cost?

A 'Plan, Do, Check, Act' approach is used to deliver successful continuous improvement as follows:

- **Plan** the changes
- **Do:** Implementing the change
- **Check** the effectiveness of the change. What difference has it made?
- **Act:** Refine the process if necessary to further improve the overall efficiency or effectiveness.

Best practices should be recorded and documented in standardised operational procedures. Quality measures and monitoring are also required to ensure adherence to the defined procedures. Tools and checklists should be provided where possible to support this, and staff should receive any necessary training to adapt to the new ways of working.

Where "best practices" are not available, pilot approaches should be used to test new ways of working and refine processes before the wider rollout. This would also allow for the communication of benefits achieved by the new ways of working which can only be assessed through measurement of impacts.

6.4.4 Periodic reviews

The ultimate aim of the proposals in this report is to drive changes in consumer and provider behaviours. This should result in a change in demand for services from the FSPO. In parallel, changes will occur in the market both in the services offered, and how they are delivered.

As a result, it is important for the office to conduct an ongoing review of its strategy and operations on a periodic basis.

Internationally this practice has proven successful in ensuring that the services delivered by Ombudsmen schemes remain aligned to the needs of the customers it serves.

Recommended actions include:

- Conduct regular periodic assessments of service user satisfaction. This should include capturing the views of both complainants, providers, third party representatives and parties that contacted the organisation for information or guidance
- Establish a continuous improvement programme to regularly review operational procedures and capture best practices / drive efficiencies / respond to changing needs
- Build quality assurance controls into key process steps
- Establish regular case conferences to share leading practices / information on emerging trends in complaints and queries
- Measure and monitor KPI performance supported by automated processes wherever possible. Clearer case management data recording policies are required to ensure that relevant data is captured to support KPI measurements.

6.4.5 Expected benefits

Service Users & Stakeholders

- Improved perception of the organisation by service users and stakeholders
- Reduce risk of costly appeals on quality issue
- Enhanced user experience.

Staff

- Creates a less stressful work environment
- Empowers staff to improve their working environment
- Provides supports to achieve quality results
- Reduces time and effort spent on little value / less rewarding tasks.

Organisation

- Drives efficiency through more streamlined process
- Better control through measurement of KPIs and achievement of strategic objectives

- Aligns with strategic goal to operate efficiently
- Reduces waste and inefficiencies leading to improved capacity of staff to focus on higher value activities / longer term strategic goals including consumer awareness and stakeholder engagement activities
- Better use of resources
- Promotes a more proactive response to changing market conditions.

6.5 Technology and Automation

Information technology should play a key role in improving service quality, increasing awareness and supporting the operations of the office. The new organisation should move to actively promote the use of technology to automate processes, communicate and exchange information with stakeholders.

This includes:

- Externally-facing systems
 - Websites
 - Service User Case portal.
- Internal systems
 - Case Management Systems
 - Document and Knowledge management system
 - Voice recording
 - Data analytics and reporting tools
 - Business support tools (HR / Finance).

6.5.1 Website

The public facing website is a key communication tool for the proposed new organisation. The website should be tailored to the needs of the public as a whole. It should be user friendly, accessible and informative, including the following:

- Guidelines for complainants and providers
 - What the Ombudsman can and cannot do
 - Useful links
 - The complaint management process
 - What we require from you (complainant and provider) to consider your complaint
 - What you can expect from us – timelines for queries and complaints.
- Searchable case studies / stories
- Short video clips and eLearning to guide complainants or raise awareness of issues
- Facility to submit a complaint form online with in-built data validation to improve overall quality of the information received.

6.5.2 Service User Case Portal

The case portal should provide service users (complainants and providers) with a self-service tool checking the status of their case, and exchange of documentation or messages with their case officer or the other parties in the complaint. Features could include the following:

- Online access to case status - last updated, next due date
- Secure document storage and exchange facility
- Scheduling facility for calls or meetings
- Secure online tele or video conference capabilities
- Secure messaging between the parties in the dispute and the case officer.

6.5.3 Case Management Systems

As one of the cornerstones of the office a fully integrated case management system with email and call tracking capability should include the following functionality:

- Case classification (including enquiry, incomplete complaint, complete complaint)
- Full search facility
- Workflow enabled
- Integrated with website - automatic publishing of outcomes, case status, document sharing
- Role based data access
- Automatic escalations based on business rules
- Collaboration platform when seeking advice on an issue
- Dashboard reporting to support KPI monitoring and communications/outreach.

Data should be captured and stored in a way that facilitates future reporting needs including:

- Annual reports
- Complaint trend analysis
- Interventions that lead to a resolution of a case
- Provider performance
- Throughput and performance measures
- Time and cost to manage a complaint.

A configurable business rule-driven workflow engine should be used to manage cases and support escalations as and when required.

Ideally the solution should be integrated with other office applications including email and telephone to allow the full case history and record of contacts with parties to be maintained.

6.5.4 Knowledge Management and Document Management System

Knowledge management systems refer to any kind of IT system that stores and retrieves knowledge, improves collaboration, locates knowledge sources, mines repositories for hidden knowledge, captures and uses knowledge, or in some other way enhances the KM process.

This includes capturing and categorising knowledge that is internal to the organisation, in addition to external sources including the likes of legal reference databases and consumer law/protection information sources. This should include:

- Links to frequently referenced information sources
- Up to date access to relevant directives, consumer codes
- Question bank and responses for queries raised in the course of an investigation that may assist case officers in the future (points of law, jurisdictional queries, implementation of codes, legal interpretation on contract terms and conditions)
- Ability to upload documentation which can be shared with all parties to the dispute

A comprehensive document management system with tagged documents to support learning and development and best practice sharing. This should include:

- Access to an online database of case outcomes
- Ability to upload documentation which can be shared with all parties of the dispute
- Repository for policies and procedures
- Links to relevant training and reference material (internal and external to the organisation)
- Repository of Frequently Asked Questions, Technical Advice and general information that may be used to support any stage of query management of complaint investigation.

The Document Management system should be integrated with the Case Management System.

6.5.5 Data Analytics and Reporting

Improved data analytics and reporting functionality which facilitates the following:

- A greater understanding of the nature of complaints being received and feedback lessons learned
- Enable forecasting and trend analysis
- Improve search capability
- Reduced overhead for annual report preparation.

An additional data analytics layer should be considered to provide improved reporting on the current case management systems.

6.5.6 Telecommunications

Use of telecommunications to drive processes from written to spoken should speed up communications and complaint resolution. Telephone call recording technology would reduce risk associated with verbal communication. Greater use of the telephone enables the following:

- Mediation and conciliation
- Provision of advice, feedback and guidance to the complainant.

6.5.7 Technology investment recommendations

- Implement voice recording technology to support quality and training of staff dealing with service users by telephone
- Enhance the FSPO website to include:
 - Information content to be made available on the website to support individuals of different needs. This includes a combination of written, visual and audio content
 - Improved accessibility on multiple devices
 - Access to case database searchable by complaint type and date
 - More user friendly case studies to increase understanding of the role of the office
 - Online complaint form to be implemented/enhanced.
- Streamline the process for integration of the online complaint form with case management systems
 - Real-time data validation at source
 - More user friendly interface – step complainant through complaint
 - Prepopulate lists where possible to reduce the risk of data errors.
- Implement a Case Management system which supports the needs of the organisation including integration with core office applications and business rule driven workflow
 - Short Term: Improve data quality in existing case management system to support reporting needs.
 - Medium - Long Term: Enhance / replace current system.
- Acquire Knowledge / Document management systems including:
 - Effective tagging of documents
 - Links to other data sources
 - Question bank with responses.
- Develop data analytics and business intelligence systems: in the short-term implement an add-on to sit on top of existing systems
 - Complaint/query trends including impact of outreach events
 - Predictive analysis
 - Capacity planning and modelling

- Cost analysis.
- Provide an online web-portal to support case management including:
 - Access to status of current complaint
 - Ability to share e-Documents in online case file
 - Access to case studies/stories.

Given the size of the organisation, economies could be achieved through the adoption of cloud based technologies using software as a service (SaaS) price plans. This would provide the FSPO with access to enterprise solution capabilities, without the need for significant capital investment. The advance of these technologies have provided significant benefit to small and medium sized businesses.

6.5.8 Benefits

Service users and stakeholders

- Improve accessibility to Ombudsman services and interactions with the office
- Enable complainant to compare their complaint with similar complaints in the database thereby providing them with valuable information to help them in dealing with their provider
- Greater transparency of processes and case progress.

Staff

- Reduce the number of calls and queries on complaints allowing resources to focus on scheduled activities
- Improved categorisation of case history, codes, leading practices to support education (internal and external)
- Use of learnings from phone calls with complainants to drive improvements in service quality
- Increase the level of self service options leading to a reduction in lower value administration tasks within the office
- Gain a greater understanding of the nature of complaints being received
- Improved search capability.

Organisation

- Support development of periodic and annual reports and allow for drill down capability to understand trends
- Create additional capacity through automation of manual processes.

6.6 Key Challenges

The transition from the current operating model, to the proposed new ways of working requires careful planning and needs to be completed in a controlled manner. As with any large transformation projects there will be challenges. The transition will take time, change will not happen overnight.

The FSOB cannot do this alone. In many cases, it will require key stakeholders to change how they operate also. Similarly, the recommendations should not all be implemented at the same time. Many of the recommendations will require other actions to be completed before they can deliver the expected benefits.

Within this section we outline a number of those challenges and the recommended approach to addressing them.

6.6.1 Adapting to new ways of working

Although in principle the function of the Ombudsman's office will not change, for those in the FSOB it should represent a very different way of working. In particular within the Dispute Resolution team, staff members would be moving from an environment where each person manages their own work and typically works in isolation, to a team based one. A more radical change may be the focus on early resolution and the key role that the case officers would have in engaging with the parties early, by telephone where possible, to build trust and rapport.

There should also be an increased focus on workflow and using operational management techniques to balance the needs of service demand with the supply of resources.

Team leads should be taking on additional responsibilities for people development, providing direction and motivating their team members.

Recommended actions:

- Conduct a skills audit of all staff aligned with the current competencies required in their role
- Consult with staff to discuss their preferred role in the new organisation. Compare their current skills with those required for the new role and develop a learning plan to address any gaps
- Develop an organisation wide learning plan with details of the training available to develop core competencies
- Develop a roll out plan to address key skills gaps within the timeframe of the transition (through staff education, recruitment, external support).

6.6.2 Striking the balance between prevention and resolution

With limited resources the office needs to strike the balance between preventative measures and dispute resolution services.

In the short term, until the outreach function is fully operational with sufficient collateral to raise consumer and provider awareness, there would be an increased demand on staffing to meet the demands of both.

Short term investment in preventative measures should lead to a longer term reduction in complaints received. However, the nature of the industry means that it may be a number of months until the change in demand is achieved.

There may be a short term requirement to support higher internal demand levels in order to bridge that gap.

Recommended actions:

- Consider temporary arrangements that need to be put in place to support the transition

- Develop a transformation plan which clearly outlines what is achievable based on resources available within that timeframe.

6.6.3 Availability of data to support more effective forecast of demand and analysis of complaints

Quality data is key to achieve many of the objectives of the Outreach and Insights functions. The full capability of the CMS in both offices is not currently being used. Furthermore, there are additional limitations to the systems which prevent key metrics from being captured.

Short term measures should be considered to improve the quality of the data recorded in the CMS (e.g. better use of key words, use of fixed terms within case notes sections which can be referenced by a data analytics / reporting tool). Longer term the functionality in these systems would need to be enhanced, or systems replaced, to capture and manage the type of case data that would provide meaningful, informative performance reports.

Recommendations include:

- Conduct a more detailed assessment of current systems to understand how better use could be made of existing features. Prepare guidelines on what data should be captured and how
- Assess the value of a data improvement project to retrospectively update key words on historic cases / this may be for a fixed time period, limited to cases which have been closed/received in the last number of months
- Implement a Data Analytics tool which can operate with both structured and unstructured data to support more powerful reporting and trend analysis based on current systems
- Develop work arounds for short term data gaps (manual procedures, other tools for data capture).

Longer term, a new or enhanced case management system should provide better quality data to meet the reporting needs of the Ombudsman.

6.6.4 Support from key stakeholders

Although many of the recommendations are within complete control of the FSOB and OPO, a number of them impact a wide range of stakeholders.

In particular, many of the larger financial services providers' complaints departments have been structured to deal with the current ways of working. They need to be informed about the proposed changes and given time to prepare their own teams.

Likewise, third parties or advisory bodies that represent/advise complainants may be familiar with the current processes. They may resist the changes proposed if they are not brought on the journey.

Measures should be put into place to achieve stakeholder buy-in early (building on the positive support many of them provided during the strategic review). Their support is key to the overall success of the transformation programme.

Recommendations include:

- Conduct a Stakeholder Analysis and develop a Communications Plan which focus on achieving the support of key stakeholders, and providing them with the necessary information and support to change their associated processes
- Develop a plan to update literature and online content (many providers issue FSOB flyers with their Final Response Letters, Pension schemes refer to the OPO in their scheme booklet and annual benefit statements in some cases). The use of any new materials needs to be planned and co-ordinated
- Identify key champions for change in key organisation
- Identify changes which may impact how providers operate. These should first be piloted with one or two providers (based on their readiness for change) before being rolled out further. Capture lessons learned and refrain from extending it to all stakeholders until it has been proven to be robust. A phased roll out may be considered wise given the scale of the changes.

6.6.5 Driving change from within - bottom up and top down approach

The success of the overall programme is dependent on the establishment of a comprehensive change management programme to help embed the new work practices and embed them into day to day operational activities.

A number of the proposals for improvement have yet to be tested and proven in operation. Due to the unpredictability of the nature of complaints and parties involved, the success rate of the various initiatives may vary. It is important therefore that an ongoing change management structure is put in place to communicate both the successes and the failures whilst maintaining overall programme momentum.

The challenges that may be faced include the following:

- **Engaging staff** –There may be apprehension about the new ways of working. Roles will change and staff members would be required to work in a different way. This may be challenging for some. Generating and sustaining enthusiasm for change and acceptance of the new processes is essential for the ultimate success of the transformation programme. Communication plans and change management support from the Transformation Team should support the acceptance
- **Testing the proposals** - As with any major change to processes or systems, it is important to measure, monitor and improve the processes. There is currently limited data available to support accurate sizing of the time and effort required for dispute management with the new ways of working. In addition there are a number of new roles identified which would need to be developed and defined. Changes should initially be tested with a small group and refined before being rolled out to the wider workforce and stakeholder community
- **Availability of technology enhancements** – Where the desired technology enhancements are not possible or are delayed, decisions must be taken quickly through the project governance structure to develop alternative processes and workarounds.

Recommended actions:

- Create a detailed project schedule to cover activities over the next year. This should include estimates of resource requirements and funding required to deliver the project proposals. This would allow for prioritisation of actions based on expected business benefits

- Identify change champions within the organisation to own, drive and promote new practices. Ideally these should be people most open to change who may become involved in the early pilots of the new processes
- Engage staff in planning decisions that could impact their role and how they work
- Celebrate success and achievement throughout the project to maintain momentum and continued commitment.

6.6.6 Maintaining momentum in tandem with business as usual

The implementation of the new ways of working requires effective programme management and the appropriate governance structures.

A number of key tasks need to be undertaken prior to the implementation of the new ways of working as outlined below:

- Establish the transformation team
 - Allocate and empower resources to implement change and project governance model defining the decision-making and governance processes
 - Drive continuous improvement through lean governance model of Plan-Do-Check-Act
 - Identify and prioritise projects to be undertaken (as defined in the transformation plan). This includes periods of testing new processes (piloting) before implementing the change in full
 - Implement manageable initiatives of no more than three months with predefined measurements for success. Measure and monitor the benefits achieved from each initiative.
- Develop an action plan for managing the existing caseload. Given the significant caseloads existing investigators have, it will not be possible for them to easily transition to a Dispute Resolution role without impacting their current investigations. An action plan for addressing the backlog/current open cases should be prepared to agree if current open cases will be:
 - Addressed within the day to day operational units, thereby impacting the potential to measure the effectiveness of changes in the short term, or
 - Assign existing cases to a dedicated task force which would completely free up other resources to start working in the new ways. This approach would provide a much better data measurement to assess the impact of the change on throughput, efficiencies and performance measures.

7. Implementation Roadmap

This section of the report describes the set of activities required to support the achievement of the 2020 Vision. It outlines the proposed implementation roadmap for our key recommendations.

7.1 Introduction

Implementing these recommendations will involve a large programme of work. Some recommendations can be implemented in isolation, while others need to be completed sequentially or would require the support of external stakeholders.

The overall implementation roadmap is designed to be as simple and flexible as possible. It identifies the different workstreams and sub-projects to be pursued in each area and any dependencies that may exist. It is not intended to represent or replace a project plan, but aims to inform future strategic decisions on priority areas for investment and development.

An essential requirement to implement the new ways of working is to prepare the staff and the organisation for the change. Implementing new services without having the necessary preparations in place will have potential negative impacts on the programme as a whole.

A structured approach to project governance is required to ensure that the appropriate resources are available to achieve the objectives in the required timeline. The impacts of the proposed changes on the organisation and stakeholders should be considered at all stages, with appropriate measures put in place to mitigate and manage any potential risks to the successful delivery.

The figure below provides an overview of the overall programme by various workstreams. The following sections include additional information on the objectives and activities in each workstream.

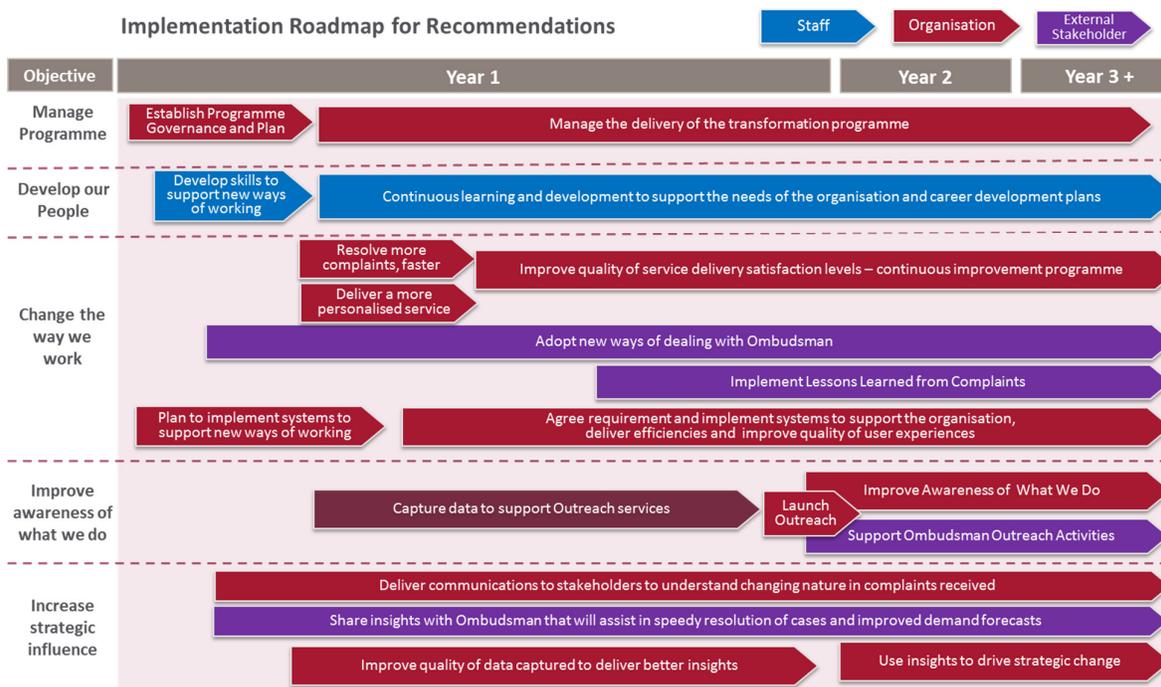


Figure 20 Proposed Implementation Roadmap

7.2 Roadmap Workstreams

The roadmap is divided into four main activity streams:

- **Develop our people** - The resources and training needs required to develop a skilled and motivated workforce.
- **Change the way we work** - The activities involved in implementing the proposed To-Be processes and setting up the structures that are needed to support the efficient operation of FSPO and the delivery of quality services to service users.
- **Improve awareness of what we do** – Supporting the needs of consumers and providers by increasing their understanding of consumers’ rights and good practices in complaints management and the role that the Ombudsman plays in resolving complaints. Also, raising the profile of the FSPO with the Public and key stakeholders.
- **Increase our strategic influence** – Leveraging our insights into consumer and provider behaviour to support other stakeholders deliver their agendas and, where necessary, to drive strategic change in the financial services sector.

Each stream is aimed at delivering different aspects of the transformation programme. There are a number of interdependencies and pre-requisites for achieving some of the underlying goals. In addition, the FSPO must consider the resources (i.e. financial and human) required to deliver the transformation programme in parallel with “Business As Usual” activities. In order to minimise risk, the transformation programme should be delivered on a phased basis over a period of time.

Overseeing the implementation of each stage should be a Transformation Programme which is described in Section 7.3.

7.2.1 Develop our People

This workstream is focused on the development of a framework for the ongoing management and development of resources within the office. It includes:

- Clear role definitions
- Development of organisation-wide competency models
- Competency assessment for all staff in the context of their current and future roles
- Structured learning and development programmes including plans to address any gaps in the organisation’s skill set
- Goal-oriented approach to PMDS which focuses on the organisation goals and career development aspirations of the staff member
- Formalised approach to mentoring and coaching of staff
- Recruitment policies and on-boarding procedures
- Secondments of staff to and from other bodies and organisations to support skills development and knowledge transfer.

Staff development activities should commence early in the transformation programme as the ultimate success is dependent on having the right people in the right roles with the right skills to deliver services to users.

More long term there is a need for new operational processes which focus on the continuous development of staff in their current roles while supporting their longer term career development and succession planning. The proposed ways of working are aimed at creating capacity to maintain and develop the skills and industry knowledge that are critical to the efficient and effective operation of the scheme.

The following figure outlines the key activities and timeframes for this workstream.

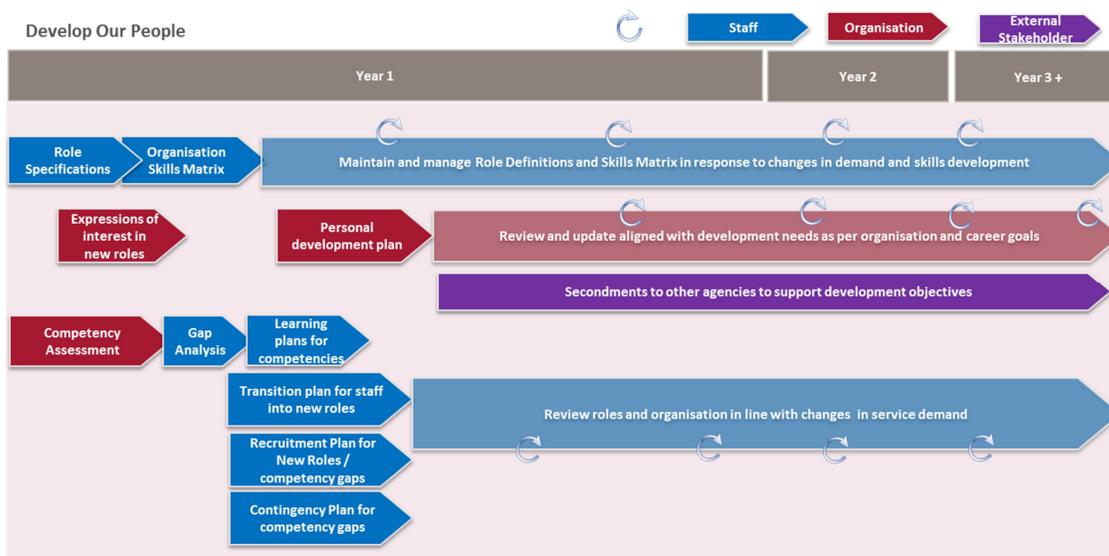


Figure 21 Proposed activities in the “Develop our People” workstream

7.2.2 Change the Way We Work

The recommendations include proposals for significant changes to internal processes and the overall organisation structure of FSPO. A number of measures must be in place to achieve the expected benefits of the proposed changes. These need to be carefully managed and planned.

Preparations required include:

- Assessing the skills available currently within the organisation
- Aligning of stakeholders that will be impacted by the change (both internal and external)
- Optimising the physical layout of the office to support efficiencies and new ways of working (co-located teams, quiet zone for conference calls, areas that are more accessible to the public / suited for meeting with complainants and providers) and workflows
- Improving the technical infrastructure to support increased use of the telephone (sufficient phone lines, voice recording technology where appropriate, video conferencing capabilities, teleconferencing capabilities).

There are a number of activities that could be commenced independently in the short term including:

- Cleaning-up the data held in the systems and improving the quality of data captured
- Implementing a plan to address the current caseload so as to free-up as soon as possible those staff that are likely to be changing roles
- Introducing a structured approach to continuous improvement which is informed by the needs of service users, the organisation and staff.

Longer term, input from external stakeholders should be incorporated into the continuous improvement activities. This includes feedback from service users (i.e. complainants and providers through surveys or direct contact) and stakeholder bodies (e.g. government departments, CIB, MABS, CPCC, regulators, industry representative bodies). It is likely that the level of external influence will increase as Outreach services are established and there is a greater sharing of information and complaint trends with stakeholder bodies.

The key activities in this workstream are outlined below:

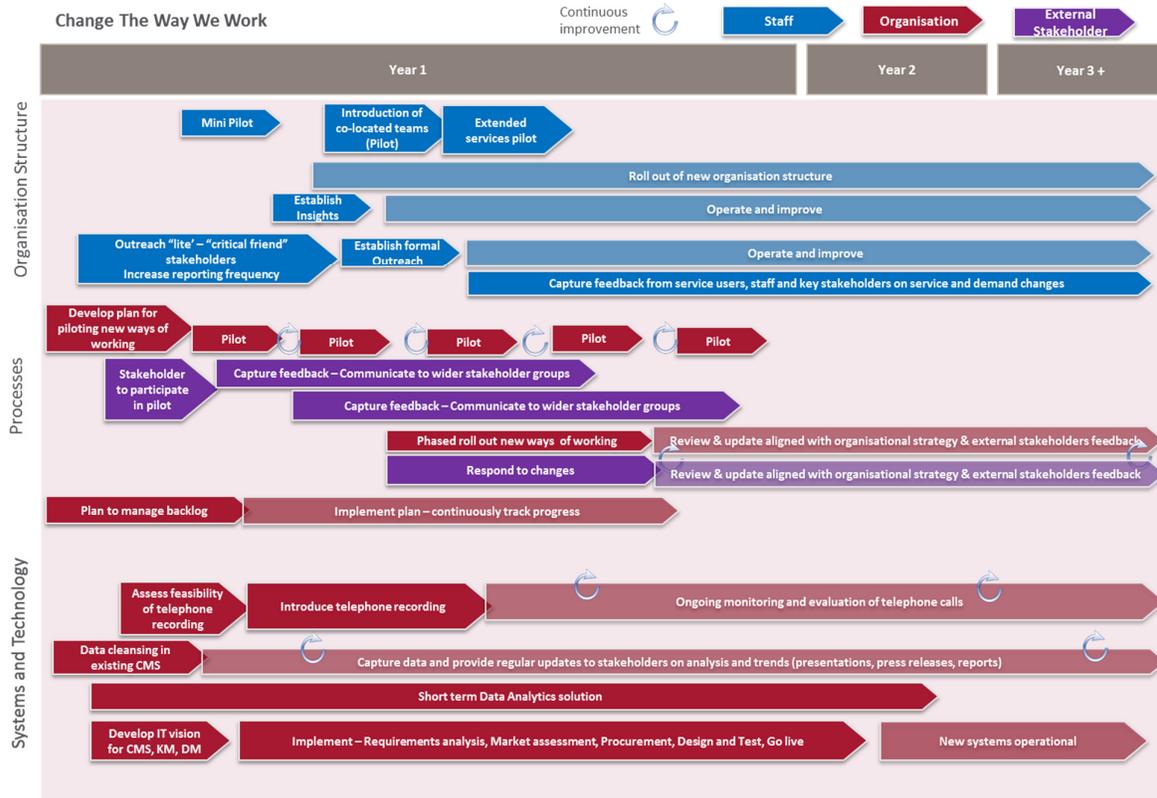


Figure 22 Proposed activities in the “Change the Way We Work” workstream

7.2.3 Improve Awareness of What We Do

There are a number of elements to the “Improving awareness” workstream. This includes:

- Improving understanding of what the office can and cannot do (leading to a reduction in the number of complaints that cannot be accepted)
- Increasing consumer awareness of their rights to complain and what they should expect from their providers if they do complain
- Driving improvements in providers’ approach to consumer protection and service
- Informing key stakeholders of the nature of complaints and optimal approaches to resolving complaints with providers.

Increasing awareness should lead to increased expectations from service users and other stakeholders. Therefore there are a number of elements of this workstream that would require certain activities in the organisation redesign and resourcing activity workstream to have been completed.

The early phases of this workstream should be focused on communicating what the office does and tailoring the language on the website and other literature. In parallel providers should be encouraged to proactively provide feedback to the Ombudsman on the changes they are making to their own practices and the impact it has had on their consumers.

As internal changes start taking effect and staff become more confident in their new roles, the focus can then shift to raising awareness. It is likely with streamlined processes the capacity for the existing resources to support outreach activities would grow over time.

The final stage which focuses on more proactive communication with external stakeholders requires that the necessary data analytics and reporting tools to be in place and produce meaningful insights on a more regular basis.

The following figure outlines the key activities and timeframes for this workstream.

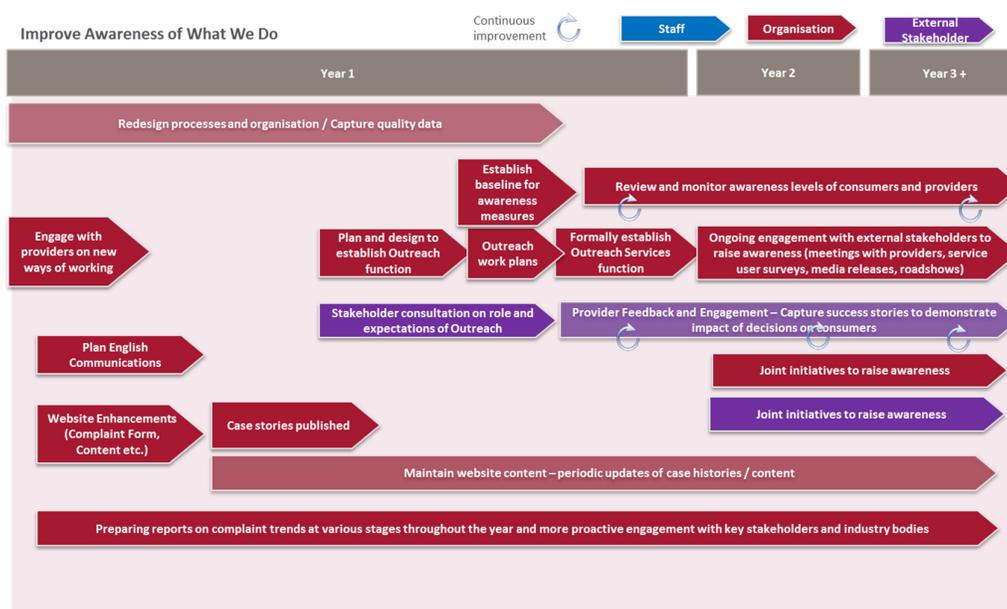


Figure 23 Proposed activities in the “Improve Awareness of What We Do” workstream

7.2.4 Increase our Strategic Influence

The final stage in the roadmap is focused on raising the strategic influence of the organisation.

Ombudsman schemes are often at the coalface of customer protection issues. They can detect trends in providers’ service and identify products that are most likely to lead to complaints or disputes.

In the future, the scheme should use its influence, supported by quantitative data captured through complaint and query analysis, to engage with key stakeholders to drive strategic change.

This may range from identifying the need for a Central Bank investigation, to engaging with representative bodies about the impacts of new service offerings and to highlighting issues with the Department of Finance, the Department of Social Protection or other relevant agencies where situations are arising that are leading to gaps in national consumer protection legislation (e.g. new entrants to the market that do not fall under the Central Bank's regulation or new service delivery channels that are not fully being covered by current legislation).

Another key element should be supporting the development of plans to address the current gaps identified in consumers’ understanding of the legal terms and conditions associated with financial products. Then working with providers to create an environment that provides consumers with a clear understanding of the nature of the contracts they are entering and the associated consequences of potential future claims or cancellation.

This workstream is heavily dependent on all of the others and as such, is likely to occur only after the skills and organisational elements have been put in place. Once achieved the scheme should be well positioned to play a positive and active role in the Irish financial services and pensions environment.

The following figure outlines the key activities and timeframes for this workstream.

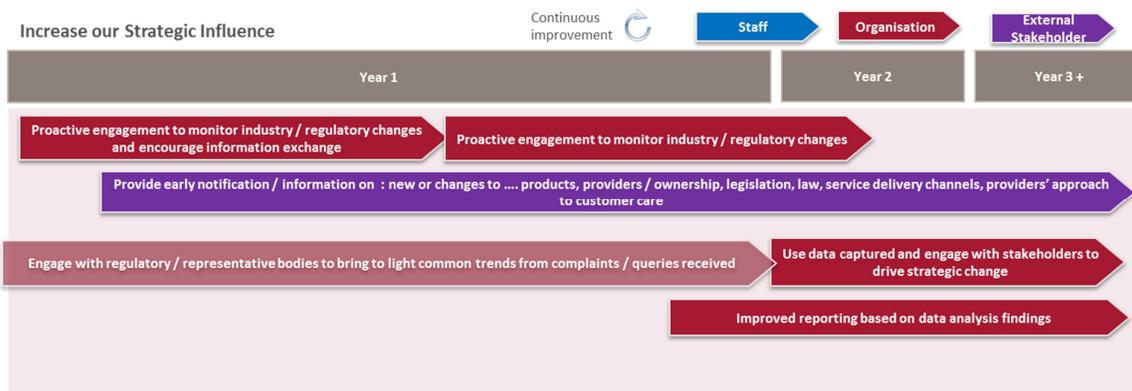


Figure 24 Proposed activities in the “Increase our Strategic Influence” workstream

7.3 Managing the Transformation Programme

Before commencing these projects there are a number of preparatory steps needed in relation to:

- Communicating the proposed changes
- Confirming the portfolio of initiatives that would be undertaken
- Developing a structured implementation plan that controls the amount of change that is occurring at any given time and provides for the appropriate amount of time to assess the effectiveness of proposals before they are extended to a wider group
- Establishing the project governance, capabilities and resourcing.

To efficiently manage the change the proposals should be implemented on a phased basis. The overall programme of work itself is likely to take 24 - 36 months depending on the resources available. The figure below provides a high-level overview of the key inter-dependencies between the proposed workstreams and likely milestone achievements.

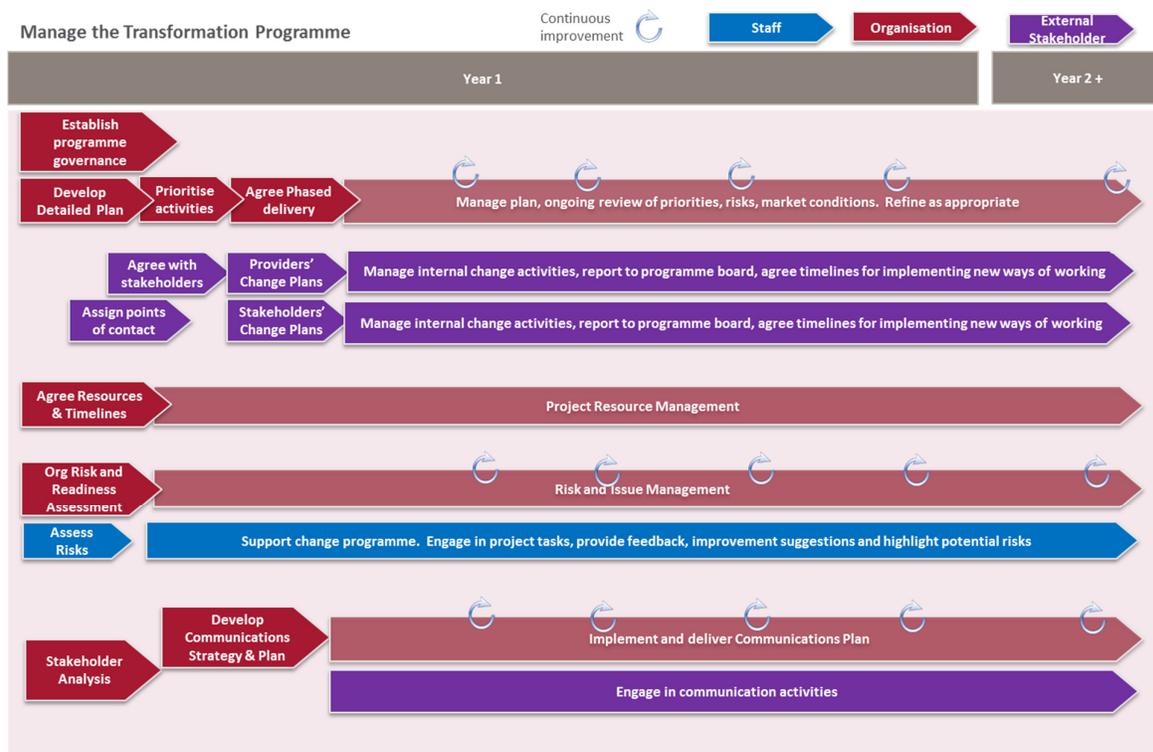


Figure 25 Proposed activities in the “Manage the Transformation Programme” workstream

7.4 Conclusion

The recommendations outlined in this report present the FSOB and OPO with opportunities to change the way that they deliver their services while supporting the needs of a rapidly changing financial services marketplace and changes in the Alternative Dispute Resolution landscape. In particular, the new service delivery model is designed to meet the needs of the diverse range of service users.

The necessary change will not be achieved overnight but would require careful planning and management.

The impacts will be far reaching, both inside and outside of the organisation. Through an effective delivery approach that both monitors and reports on results achieved, it should be possible to maintain ongoing momentum.

There is a clear appetite for change, both within each of the Ombudsman's offices and in the wider stakeholder community. Harnessing and building on this will be key to driving the overall transformation programme forward.

It is important to recognise that this is a journey and that the target will move over time in response to market changes. Flexibility will be key, as will the ongoing need to look outward and adapt internally.

8. Definitions and References

8.1 Definitions

Term used	Definition
ADR	Alternative Dispute Resolution - usually referring to an alternative to the use of the court system.
CMS	Complaint Management System
Complainant	Individual who raises a complaint against another party
Complaint	<p>A complaint made to the Ombudsman by a complainant (customer of a financial services provider or pensions administrator) against their provider.</p> <p>Complete complaint: A formal complaint submitted to the ombudsman scheme which includes all required documentation- completed complaint form and provider's Final Response Letter or Internal Dispute Resolution letter.</p> <p>Incomplete complaint: initial contact has been made with the Ombudsman but the necessary documentation, the completed complaint form and provider's Final Response Letter/Internal Dispute Resolution letter, has not yet been received by the Ombudsman.</p>
Consumer	User of products and services
CPD	Continuous Professional Development
CPI	Continuous Process Improvement
Customer	Individual/user of financial services products and services
DoF	Department of Finance
DPER	Department of Public Expenditure and Reform
DSP	Department of Social Protection
Final Response Letter (FRL)	<p>Letter issued by a financial services provider having completed their internal investigation into a customer complaint.</p> <p>Final response letters should be issued no more than 40 working days after the complaint was made.</p>
FinTech	<p>Financial technology, also known as FinTech, is a line of business based on using software to provide financial services.</p> <p>Services include payments, investments and financing including crowdfunding.</p>
FLAC	Free Legal Advice Centres

Term used	Definition
Finding	On completion of an investigation a Finding is issued to the complainant and the provider. A finding has 3 possible outcomes- Upheld, Partly Upheld, Not Upheld. Findings are legally binding on both parties to the dispute.
FSOB	Financial Services Ombudsman Bureau (Ireland)
FSPO	Financial Services and Pensions Ombudsman. The organisation that will be created following the amalgamation of the FSOB and OPO.
FRL	Final Response Letter
ICT	Information and Communications Technology
IDR	Internal Dispute Resolution - process used by pension providers and trustees in investigate and resolved complaints in the first instance.
InsurTech	The user of innovative software solutions to provide insurance.
KPI	Key Performance Indicator
ODR	Online Dispute Resolution- refers to the resolution of complaints through an online system
Outreach	<p>Services focused on proactive engagement with external stakeholders including</p> <ul style="list-style-type: none"> ● Consumers ● Consumer Advice and Advocacy bodies ● Educators ● Industry representative bodies ● Other ADR schemes ● Press and media ● Providers ● Regulators.
PDR	Proportionate Dispute Resolution
PMDS	Performance Management and Development Scheme
Provider	Financial Services Provider
QA	Quality Assurance
QCS	Quality Customer Service Initiative by the Department of Public Expenditure and Reform
Service user	Complainant or provider that uses the services of the Ombudsman’s office

Term used	Definition
Summary of Complaint	The Summary of Complaint sets out the complaint which is the subject of the formal investigation. It requires the provider to respond to a series of questions and submit further evidence or submissions for the investigation. The complainant will receive a copy of the Summary of Complaint.

8.2 References

The following publications were studied as part of this review:

- Models of Alternative Dispute Resolution (ADR) – Queen Margaret University 2014 (Gill et al)
- The future of Ombudsman schemes: drivers for change and strategic responses – Queen Margaret University 2014 (Gill et al)
- The use of informal resolution approaches by ombudsmen in the UK and Ireland. A Mapping Study. 2014 (Doyle et al)
- The Implication of the Proposed ADR Directive for the Resolution of Consumer Disputes in Ireland. European Consumer Centre Ireland. 2012
- Resolving disputes between consumers and financial businesses: Fundamentals for a financial ombudsman (A practical guide based on experience in western Europe). The World Bank 2012 (David Thomas and Francis Frizon)
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- Proposal for a Directive of the European Parliament and of the Council on Alternative Dispute Resolution for consumer disputes (Directive on consumer ADR). Proposal for a Regulation of the European Parliament and of the Council on Online Dispute Resolution for consumer disputes (Regulation on consumer ODR). European Commission 2011
- Alternative Dispute Resolution: Mediation and Conciliation, Law Reform Commission. 2010
- Report to the Insurance & Savings Ombudsman Scheme (“ISO Scheme”) Commission. CameronRalph, Independent Review 2013
- Report to the Board of Financial Ombudsman Service. CameronRalph, Independent Review 2013 (Australia)
- Benchmarking the Legal Ombudsman, Legal Services Consumer Panel, November 2013
- Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR)
- Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Regulation on consumer ODR)

Appendices

Appendix A. Future Organisation

Proposed Organisation and Target Operating Model

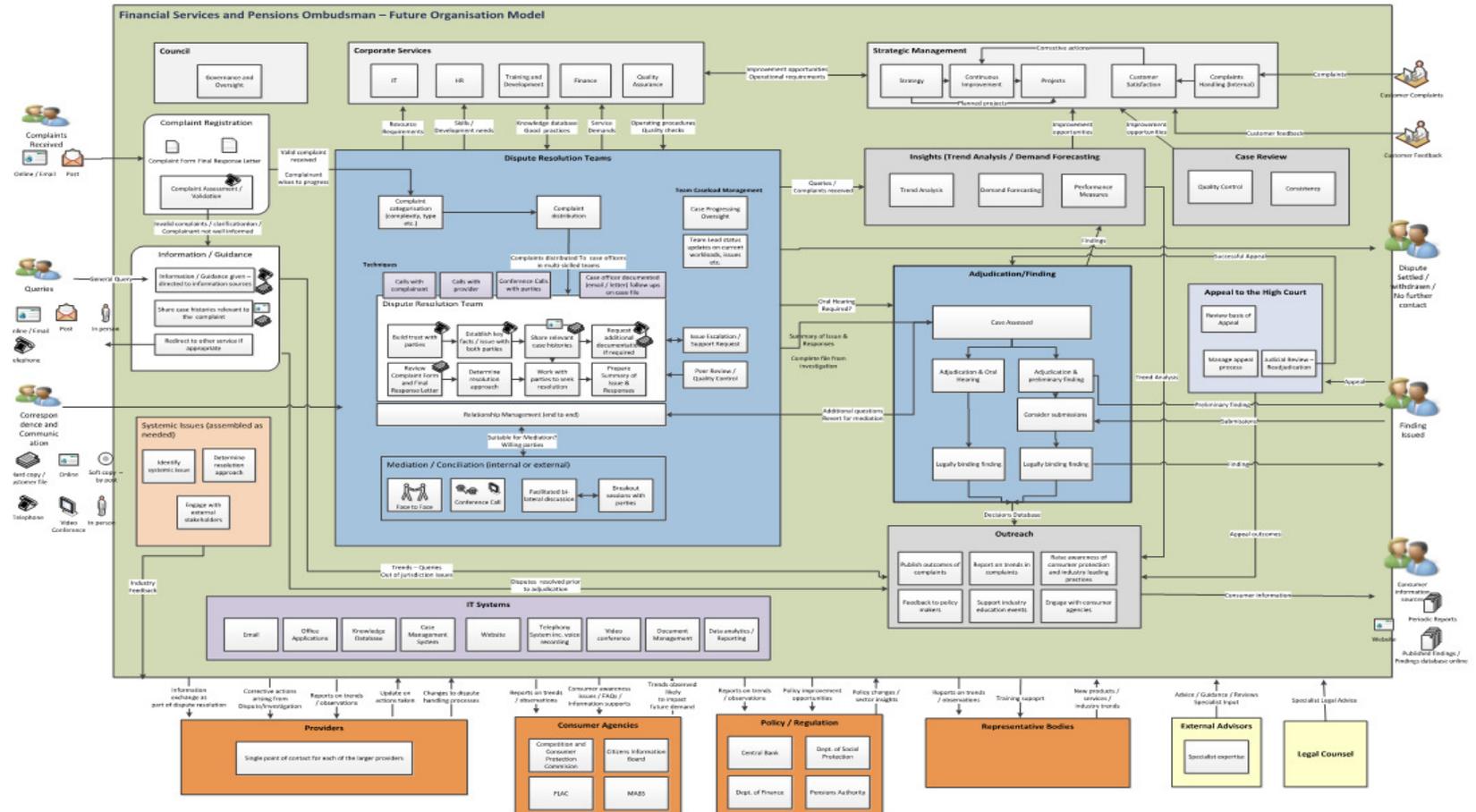


Figure 26: Proposed organisation and target operating model

Recommended approach to dispute resolution

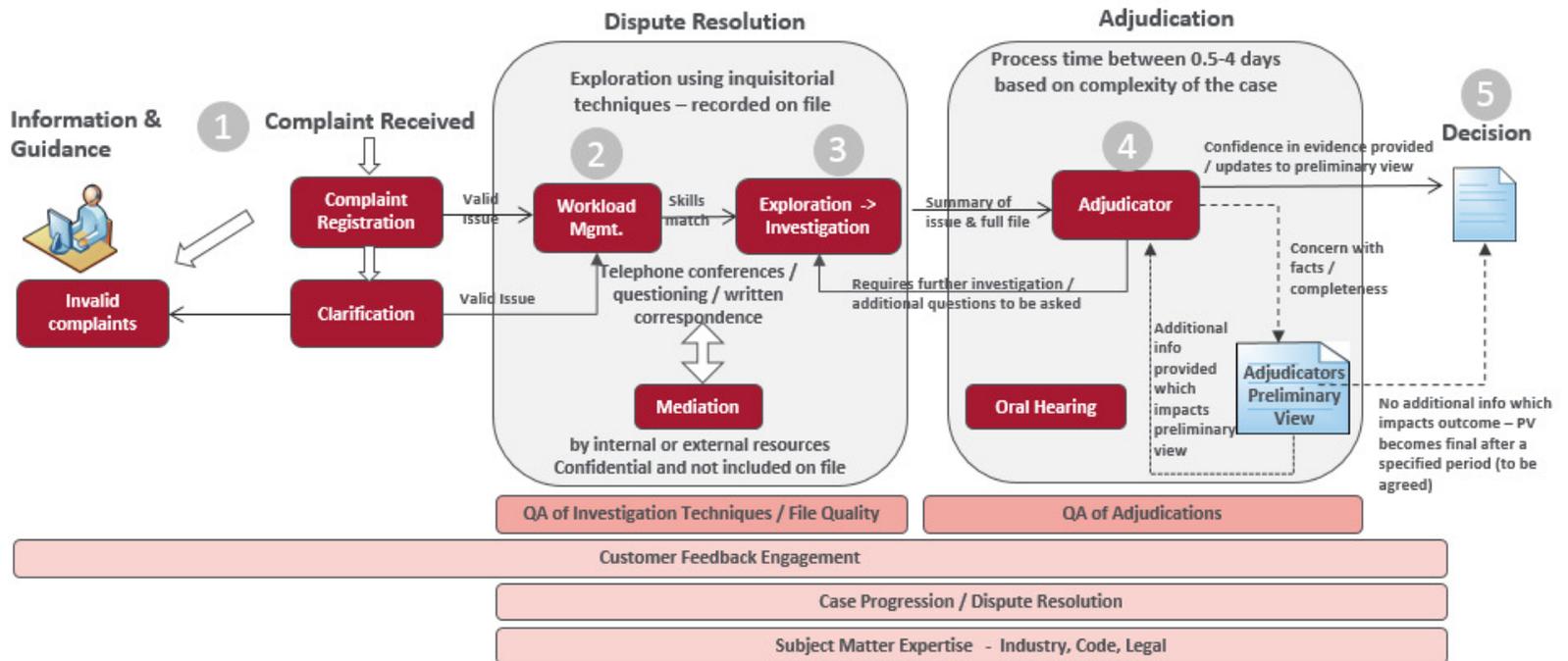


Figure 27 : High Level Proposed To Be Process for Complaint Handling

Complaint Registration (Post / Online) & Workload Management

Description		
<p>At complaint registration, complaints are assessed by a designated team lead to determine the complaint type and also the appropriate action / approach to be taken to deal with each individual complaint. New complaints are distributed to team members for further exploration and discussion with the complainant.</p>		
	Main Activities / Process Steps	Output
1	<p>New Complaints (Postal only)</p> <ul style="list-style-type: none"> ▪ Add to 'New Complaint' pile – complaints streamed according to type / complexity ▪ Collected by team leads for distribution to team members <p>Review New Complaint</p> <ul style="list-style-type: none"> ▪ Team lead reviews complaint (post and online) and allocates to team member based on initial assessment of complexity and completeness 	<ul style="list-style-type: none"> ▪ (a) New Complaints ready to be distributed ▪ (b) Update team statistics / workload
2	<p>Daily team standup</p> <ul style="list-style-type: none"> ▪ Flag need for specialist support on case ▪ Flag in team capacity issues to redirect incoming work to team member (or other team lead) with greater capacity ▪ Report on successes from previous day / lessons learned ▪ Team lead assigns incoming complaints to case officer based on the perceived level of complexity, their current workload / capacity, ▪ Team availability (redirected to training, internal projects) 	
<p>Daily team catch-ups (huddle) are held between team leads and their team members to provide status report updates on current and new workloads</p>		

Dispute Resolution – Initial Contact with Parties

Description	
<p>Case officer contacts complainant to discuss the details of the complaint and capture additional information that would improve the quality of the complaint. This call also aims to build rapport and trust with the complainant. Where appropriate additional information and guidance is provided in the format of case histories, consumer information packs. A similar discussion is held with the provider to gain a balanced view.</p>	
Main Activities / Process Steps	Output
<p>3 Initial Contact with complainant</p> <ul style="list-style-type: none"> Complainant is contacted (preferably by phone) and the details of the complaint are discussed. Case officer will probe to gather additional information to improve the quality of the complaint and clarify issues. Questioning technique aims to capture the merits of the case. Where appropriate information / guidance is given on how to resolve directly, jurisdiction issues are explained or case histories of similar complaints are shared to manage complainants expectations of the process Where complaint is incomplete, information and guidance is provided that may be useful in determining if the complaint has merit or empowering the complainant to resolve the issue with their provider Details of updates to the complaint details by the case officer are emailed to the complainant / or read out over the telephone, and their approval of the changes sought (along with guidance that his would be shared with the provider). <p>Initial Contact with provider</p> <ul style="list-style-type: none"> The provider is contacted to discuss the details of the complaint and their final response letter. Additional information recorded about the complaint is provided to them. Steps taken in their investigation are explored. The case officer may ask them additional questions and / or request them to review their FRL in light of the additional complaint information if the case officer feels the complaint has merit. <p>All correspondence with complainant / provider is documented on case file (email / letter) and recorded on CMS. Access to case information is available on the online portal. Additional submissions may be uploaded directly by parties.</p>	<ul style="list-style-type: none"> (a) Complaints details– updated with additional information following call with complainant (b) Information and Guidance – similar cases / consumer protection law (c) Questions asked of provider <p>First opportunity for complaint to consider if complaint is of low merit and withdraw. First opportunity for provider to consider if they have investigated/considered the complaint appropriately (with a view to reconsidering their position).</p>
<p>Supports are available to each team member (Team Leads and Specialist Expertise) if guidance / advice is required on how best to approach each complaint.</p>	

Dispute Resolution – Exploration -> investigation

Description	
<p>The dispute resolution process will be designed to support resolution at the earliest possible stage. A single point of contact will be provided for each complainant. The designated case officer will work with the parties to understand the issue in dispute and what is required to reach a resolution. Establishing trust with the parties in dispute is a critical requirement for the case officer. This is best achieved through conversation rather than written communication.</p>	
Main Activities / Process Steps	Output
<p>3 Each team member decides the appropriate approach to be taken in dealing with each complaint (with input from Team Lead or specialists if required). Supports are available to each team member (Team Leads and Specialist Expertise) should they require assistance / advice on how to approach each complaint. Weekly case conferences on subject area may be used to resolve issues.</p> <p>Additional investigation and consultative measures will be taken to work with the parties to reach a resolution at the earliest possible stage – this may include mediation / conciliation. Details of discussions and additional information provided are added to the case file. The case officer will progress with a view to resolving the dispute where that is warranted (it may be clear that some more complex complaints will require adjudication).</p> <p>If the case officer feels that they have exhausted efforts to resolve the case informally, a case file (summary of issues and responses) is prepared for formal adjudication. The case file at this stage contains all necessary information, evidence and facts to allow an adjudicator to make a recommendation. They may also make a recommendation to the adjudicator to hold an Oral Hearing if appropriate.</p> <p>A peer review / quality control check will take place to ensure a complete summary of issue and responses is compiled (See Adjudication Slide). Parties will receive a copy of the summary of issue and response to get a view of the facts that will be considered. (Option to bring additional evidence to light if appropriate). The Team Lead will sign off the file for completeness before progressing to adjudication.</p>	<p>(a) Dispute resolution techniques</p> <ul style="list-style-type: none"> • Calls with complainant / provider • Conference calls with parties • Mediation / Conciliation • Facilitated bi-lateral discussion <p>(b) All correspondence with complainant / provider will be documented on case file (email / letter) and CMS & online portal.</p> <p>(c) Summary of issue of complaint for the adjudicator with recommendation for Oral Hearing if appropriate.</p>
<p>The approach to resolution is tailored to the needs of the parties and nature of the complaint</p>	

Mediation

Description	
<p>Mediation will be recommended at any stage that the case officer feels it would be useful to achieve a resolution (parties will retain the option to request mediation at any stage). If mediation is successful the case is closed.</p>	
Main Activities / Process Steps	Output
<p>3</p> <ul style="list-style-type: none">• Case officer assesses the suitability of telephone mediation -v- more formal face to face mediation• Mediation offered and• Case officer schedules mediation. • Details of mediation are in confidence• Mediation may held by the case officer or an independent party.	<ul style="list-style-type: none">▪ Mediation schedule

Oral Hearing

Description	
<p>An Oral Hearing may be scheduled during the dispute resolution stage. The case officer may recommend that an Oral Hearing is advised - the Adjudicator will make the ultimate decision. Oral Hearings are formal hearings with a chair (the Adjudicator) and stenographer.</p>	
Main Activities / Process Steps	Output
<p>4</p> <ul style="list-style-type: none">▪ Case officer drafts Memo outlining the reasons why an Oral Hearing is suitable for the case being explored▪ Case officer will issue the Memo to the Adjudicator as part of the handover of the case▪ The Adjudicator will schedule the Oral Hearing with the parties▪ Issue initial Oral Hearing notifications (email with letter) which includes details of why an Oral Hearing has been called▪ Schedule Oral Hearing (Provider has 15 days to confirm attendance)- includes scheduling a stenographer▪ Agree booklet of evidence and witnesses with parties.	<ul style="list-style-type: none">▪ Oral Hearing scheduled▪ Outcome of Hearing is an input to Preliminary View.

Adjudication and Decision

Description		
<p>A summary of issue and responses is received from the case officer along with the case file. The adjudicator acts as the independent / impartial individual responsible for drafting the final decision.</p> <p>If the adjudicator identifies further questions to be asked, the file reverts back to the designated case officer for further exploration.</p> <p>A preliminary view may be deemed necessary – this is shared with both the complainant and provider and allows either party to include additional information which may have been omitted. After a specified time frame, the preliminary view turns into the final decision.</p>		
Main Activities / Process Steps	Output	
<p>4</p> <ul style="list-style-type: none"> Case officer prepares summary of issue and responses and receives sign off from Team Lead Formal handover occurs between adjudicator and case officer <p>Adjudicator reviews case file:</p> <ul style="list-style-type: none"> More information required? – If yes, pass file back to designated case officer in dispute resolution If no, adjudicator prepares Adjudicators Preliminary View and issues to both parties. 	<ul style="list-style-type: none"> Adjudicators Preliminary View -> Decision after X days OR Decision issued to both parties 	
<p>5</p> <p>On receipt of the Preliminary View either party has an opportunity to provide additional information (matters of fact that may impact the outcome of the case). This information will be reviewed to determine whether it has an impact on the adjudicator’s recommendation. If so, an updated Preliminary View is issued to the Ombudsman for their Decision.</p> <p>If no additional information is provided, or if the adjudicator determines that the additional information has no affect on the Preliminary View, the Preliminary View then becomes the legally binding Finding of the Ombudsman.</p>		
<p>The case officer assigned to the complaint at early resolution remains the key point of contact with the complainant providing them with regular updates as to how the case is progressing</p>		

Key changes to roles and responsibilities for new organisation model

Within this section we outline the new roles required to deliver the proposed service model. This includes high level responsibilities and skills.

Case Officer

Role Summary	
Key Responsibilities	<p>Ensure that all cases managed are handled and resolved to time and quality within service standards.</p> <p>Own and manage customer contacts and relationship from the time the complaint is received to the Ombudsman's decision - Making proactive calls to customers throughout the complaints process to reaffirm basis of complaint, provide updates from complaint registration and current case status, up to and including the final decision.</p> <p>Schedule mediation sessions with the parties as appropriate.</p> <p>Address any queries that are received from the adjudication officer, including contacting the parties where necessary.</p> <p>Ensure that all elements of the complaint have been fully explored, key facts and issues have been established and only when all attempts of early resolution have been exhausted, handover for adjudication.</p> <p>Maintain case information in case management system including recording key words relating to the complaint.</p> <p>Share with colleagues technical advice, guidance and feedback.</p> <p>To evaluate potential solutions within remit of accountability and skills base.</p> <p>Maintain current skills sets in relation to new elements of regulations / codes / legislation required for changing complaint environment.</p> <p>Support the development of awareness of the scheme through the preparation of case stories and capturing lessons learned.</p> <p>Proactively identify and feedback ideas on ways to improve service delivery.</p>
Skills and Experiences	<ul style="list-style-type: none"> ● Excellent verbal and written communication skills ● Ability to prioritise workloads and meet deadlines ● First class interpersonal skills, ability to communicate with a wide range of stakeholders, build rapport

Role Summary	
	<p>and develop trust</p> <ul style="list-style-type: none">• Ethical, focused on treating customers fairly• High analytical and problem solving skills• High attention to detail• A sound understanding of business principles and commercial practices in financial services and pensions as well as knowledge of industry regulations, codes and legislation.

Case Officer - Specialism

Role Summary	
Key Responsibilities	<p>All responsibilities as per a case officer.</p> <p>Take responsibility for the management of complex cases in my specialist area..</p> <p>Coach and mentor other case officers who have queries / seeking advice on a case in my area of expertise.</p> <p>Capture and share knowledge with colleagues through case conferences, one to one coaching or publishing information on the knowledge management system.</p> <p>Dedicate time to maintain my area of expertise through training, research and attending relevant conferences.</p>
Skills and Experiences	<ul style="list-style-type: none"> ● Excellent verbal and written communication skills ● Ability to prioritise workloads and meet deadlines ● First class interpersonal skills, ability to communicate with a wide range of stakeholders ● Ethical, focused on treating customers fairly ● High analytical and problem solving skills ● High attention to detail ● An in-depth understanding of business principles and commercial practices in one or more of the industry sectors under the Ombudsman's remit as well as knowledge of industry regulations, codes and legislation.

Adjudication Officer

Role Summary	
Key Responsibilities	<p>Review details of complaint as presented in the case file and prepare a Preliminary Finding in an independent and impartial manner based on what recommendations/decisions are based on what is fair in the circumstances, taking account of good practice as well as law.</p> <p>Ensure that all elements of the complaint have been fully explored, key facts and issues have been established.</p> <p>Identify any gaps in information and liaise with the case officer responsible for the case to further investigate.</p> <p>Schedule and chair Oral Hearings as appropriate.</p> <p>Maintain case information in case management system including recording key words relating to the complaint.</p> <p>Share with colleagues technical advice, guidance and feedback.</p> <p>Grow and maintain own skills and knowledge relevant to job role.</p> <p>Maintain current skills sets in relation to new elements of regulations / codes / legislation required for changing complaint environment.</p> <p>Support the development of awareness of the scheme through the preparation of case stories and capturing lessons learned.</p> <p>Proactively identify and feedback ideas on ways to improve service delivery.</p>
Skills and Experiences	<ul style="list-style-type: none"> ● Excellent verbal and written communication skills ● Ability to prioritise workloads and meet deadlines ● Ethical, focused on treating customers fairly ● High analytical and problem solving skills ● High attention to detail ● A sound understanding of business principles and commercial practices in financial services and pensions as well as knowledge of industry regulations, codes and legislation.

Team Leader

Role Summary	
Key Responsibilities	<p>Supervise the team of dispute resolution case officers to provide customer-centric service for all aspects of the complaints handling process when interacting with complainants either in the form of correspondence, phone or at the office.</p> <p>Lead by example and encourage case officers to show a personal commitment and responsibility for providing a highly customer focused, responsive and timely service.</p> <p>Monitor and track team workload and throughput.</p> <p>Conduct daily planning meetings with case officers to discuss current workloads and to resolve any issues / escalations raised by the team.</p> <p>Work with the team to identify improvements to the service and then recommend developments to the service to improve quality and performance.</p> <p>A sound understanding of business principles and commercial practices in financial services and pensions as well as knowledge of industry regulations, codes and legislation.</p> <p>Ensure that the team is kept up-to-date with changes in industry regulations, codes and legislation.</p> <p>Directly manage and motivate the dispute resolution team, providing support to enable each individual to carry out their role competently.</p> <p>Support the development of individual PMDS plans for team members in including goal setting and agreement of individual training plans for each case officer to ensure they have the skills and competencies required of the role and to support their career development.</p> <p>Ensure the team achieves agreed set objectives and performance targets.</p> <p>Provide meaningful statistical data and reports in relation to service targets and objectives and share with case progression officer and data insights officer on a regular basis.</p>
Skills and Experiences	<ul style="list-style-type: none"> ● Ability to manage a team effectively and generate good team spirit ● Ability to anticipate, recognise and pro-actively resolve issues ● Confident approach to problem-solving ensuring matters are swiftly and satisfactorily resolved

Role Summary	
	<ul style="list-style-type: none">● Promotes knowledge sharing within the team – creates understanding of lessons learned● Excellent verbal and written communication skills● An in-depth understanding of business principles and commercial practices in financial services and pensions as well as knowledge of industry regulations, codes and legislation● Effective coach and mentor.

Data Analysis (Insights)

Role Summary	
Key Responsibilities	<p>Establish and report the dispute resolution team’s performance against clear and challenging service level agreements for all complaints and queries received.</p> <p>Conduct analysis of internal and external data sources to support the development of insights into industry trends</p> <p>Preparation of user friendly dashboard</p> <p>Preparation of statistical and visual representations of case information for FSPO publications, website and information literature</p> <p>CMS data analysis and manipulation.</p> <p>Supports compliance reviews and audits of case management.</p> <p>Develop, implement, and lead a process to identify business information issues and needs with specified documentation to support required information technology systems.</p> <p>Act as a technical expert and user of the FSPO systems, generating system reports, developing queries and reports for use in identifying and measuring trends and providing guidance to staff.</p>
Skills and Experiences	<ul style="list-style-type: none"> ● Data analytics skills and experience ● Ability to deliver accurate, relevant and timely information based on CMS data, external research and analysis ● Interpersonal skills and a commitment to delivering exceptional customer service ● Ability to use own initiative to keep up-to-date with current market developments and own skills, knowledge and expertise ● Compare data from a variety of sources, analyse it systematically and logically ● Breaks down complex issues and problems into their fundamental units, proactively identifies the root causes and proposes alternative solutions ● Ability to work in a team environment and respond to rapidly changing needs and priorities.

Continuous Improvement / Special Projects

Role Summary	
Key Responsibilities	<p>Propose, develop, implement and manage the Continuous Improvement plan for the office.</p> <p>Establishes a continuous performance and quality improvement effort and monitoring and reporting programme for the FSPO.</p> <p>Manages and coordinates FSPO efforts to ensure that quality improvement programmes are developed and managed which align to ongoing strategic objectives.</p> <p>Monitor, audit and revise these internal continuous improvement projects, identifying root cause and adhering to industry standards to drive process improvements</p> <p>Design and deliver training programmes to ensure adoption of Lean procedures and continuous improvement for the office</p> <p>Coordinate activities to motivate and educate staff on various projects and activities</p> <p>Assures that FSPO initiatives are focused and aligned on improving operational efficiencies and effectiveness in relation to complaints handling processes and procedures.</p> <p>Provides leadership and coordination for improving the FSPOs functions and evaluating the impact that systems improvements have on the operational effectiveness of the FSPO.</p> <p>Researches and develops training programmes (in collaboration with team leaders) for FSPO staff that focus on enabling each individual to achieve improvements to the overall operations of the FSPO</p> <p>Manage road maps and budgets on Continuous Improvement projects</p>
Skills and Experiences	<ul style="list-style-type: none"> ● Skilled in communicating effectively, facilitating group processes and training staff ● Curiosity and openness to new ways of seeing / doing things ● Generates an environment that nurtures innovation ● Balances the need for operational effectiveness and for search of new ideas / solutions ● Knowledge of Lean techniques and Continuous Improvement methodologies ● Proven project management experience.

Outreach Services

Role Summary	
Key Responsibilities	<p>Takes a proactive approach to raise awareness relating to the role of the Ombudsman - what it can do and what it cannot do</p> <p>Improve public awareness of their rights to complain about a financial services provider through a variety of means</p> <p>Improve provider awareness of expectations from their customer service and complaint handling procedures</p> <p>Work with data analyst to identify key measures for reporting</p> <p>Provide information on the nature and type of complaints and queries that the FSPO will deal with</p> <p>Empower consumers and providers to resolve complaints informally by sharing information on outcomes of similar complaints and how they were resolved / outcome of adjudication</p> <p>Periodic updates to stakeholders and consumers on the type and nature of complaints received, and outcomes</p> <p>Proactive engagement with key stakeholders to improve customer experience</p> <p>Lead and organise training events for professionals in the financial services industry in relation to the role of the office, consumer protection and service standards (using insights from the Ombudsman)</p> <p>Lead the design, development and delivery of period reports on the activities of the FSPO, trends in complaints and key lessons learned</p> <p>Support the development of the annual report</p> <p>Manage and maintain content of the public facing website</p> <p>Prepare and issued media releases on activities of the Ombudsman and key industry trends .</p>
Skills and Experiences	<ul style="list-style-type: none"> ● Ability to establish, build and maintain effective and productive working relationships with public and private organisations (consumer agencies, regulatory bodies and providers (financial services and pensions) ● Excellent written and verbal communications skills ● Excellent presentation skills

Role Summary	
	<ul style="list-style-type: none">• Understanding of the industry sector and key stakeholders• Draft media releases on case outcomes

Appendix B. Financial Services Ombudsman Bureau – Legislation

Central Bank and Financial Services Authority of Ireland Act 2004

The legislative basis for the establishment and role of the Ombudsman is provided for in Section 57BB of the Central Bank and Financial Services Authority of Ireland Act 2004 as follows:

To establish the Financial Services Ombudsman as an independent officer

- to investigate, mediate and adjudicate complaints made in accordance with this Part about the conduct of regulated financial service providers involving the provision of a financial service, an offer to provide such a service or a failure or refusal to provide such a service, and,
- to exercise such other jurisdiction As-Is conferred on the Financial Services Ombudsman by this Part;

To ensure that the Financial Services Ombudsman and the staff of the Financial Services Ombudsman's Bureau are accessible and that complaints about the conduct of regulated financial service providers are dealt with efficiently and effectively and are adjudicated fairly;

- To enable such complaints to be dealt with in an informal and expeditious manner;
- To improve public understanding of issues related to complaints against regulated financial service providers and related consumer protection matters.

Section 57BK of the Act provides for the functions and powers of the Financial Services Ombudsman as follows:

- The principal function of the Financial Services Ombudsman is to deal with complaints made under this Part by mediation and, where necessary, by investigation and adjudication
- Subject to this Part, the Financial Services Ombudsman has such powers as are necessary to enable that Ombudsman to perform the principal function referred to in subsection 1
- The Financial Services Ombudsman may authorise any Deputy Financial Services Ombudsman or any other Bureau staff member, by name, office or appointment, to perform any of the functions, or exercise any of the powers, imposed or conferred on the Financial Services Ombudsman by this or any other Act
- The Financial Services Ombudsman is entitled to perform the functions imposed, and exercise the powers conferred, by this Act free from interference by any other person and, when dealing with a particular complaint, is required to act in an informal manner and according to equity, good conscience and the substantial merits of the complaint without regard to technicality or legal form.

Appendix C. Office of the Pensions Ombudsman - Legislation

Pensions (Amendment) Act, 2002

Section 128 of the Act provides for the Appointment of a Pensions Ombudsman

128.—(1) The Pensions Ombudsman shall be appointed by the Minister and, subject to the provisions of this Act, he shall hold office on such terms and conditions as the Minister may, with the consent of the Minister for Finance, determine

(2) A person appointed to be the Pensions Ombudsman whose term of office expires by effluxion of time shall be eligible for reappointment as the Pensions Ombudsman.

Section 131 of the Act provides for the Functions of Pensions Ombudsman

131.—(1) The Pensions Ombudsman shall be independent in the performance of his functions.

(2) The Pensions Ombudsman may investigate and determine the following complaints and disputes—

(a) a complaint made to him by or on behalf of an actual or potential beneficiary of an occupational pension scheme or PRSA, who alleges that he has sustained financial loss occasioned by an act of maladministration done by or on behalf of a person responsible for the management of that scheme or, as appropriate, PRSA;

(b) any dispute of fact or law that arises in relation to an act done by or on behalf of a person responsible for the management of the scheme or, as appropriate, PRSA, and that is referred to him by or on behalf of the actual or potential beneficiary; and

(c) any other complaint or dispute falling within a category of complaint or dispute prescribed by regulations made by the Minister, with the consent of the Minister for Finance, as a category of complaint or dispute to which this subsection shall apply.

(3) A complaint or reference under this section shall be made to the Pensions Ombudsman in writing in such form as may from time to time be prescribed by regulations made by the Minister, after consultation with the Minister for Finance.

(4) A complaint or reference under this section shall be made to the Pensions Ombudsman—

(a) within whichever of the following periods is the last to expire—

(i) 6 years from the date of the act giving rise to the complaint or reference, or

(ii) 3 years from the earlier of the following 2 dates, namely, the date on which the person making the complaint or reference first became aware of the said act and the date on which that person ought to have become aware of that act, or

(b) within such longer period as the Pensions Ombudsman may allow if it appears to him that there are reasonable grounds for requiring a longer period and that it would be just and reasonable so to extend the period.

(5) References in this section to a complaint or dispute shall be construed as including references to a complaint or dispute the act giving rise to which was done prior to the establishment day if, but only if, that act was done within the period of 6 years prior to the passing of the Pensions (Amendment) Act, 2002 or between that passing and the establishment day, as the case may be.

(6) The Pensions Ombudsman shall not investigate or determine a complaint or dispute unless the procedures referred to in section 132 have been resorted to and exhausted in accordance with their terms.

- (7) The Pensions Ombudsman shall not investigate or determine a complaint or dispute—
- (a) if, at the time of the making of the complaint or the reference of the dispute, there are proceedings before any court in respect of any matter which would be the subject of the investigation;
 - (b) if the scheme or PRSA is of a description that is excluded from the jurisdiction of the Pensions Ombudsman by regulations made by the Minister under this subsection; or
 - (c) if and to the extent that the complaint or dispute, or any matter arising in connection with the complaint or dispute, is of a description that is excluded from the jurisdiction of the Pensions Ombudsman by regulations made by the Minister under this subsection.
- (8) Where a question arises as to whether the Pensions Ombudsman has jurisdiction under this Part to investigate a complaint or dispute, such question shall be determined by the Pensions Ombudsman, whose decision shall be final.
- (9) The Pensions Ombudsman shall have such powers as are necessary for or incidental to the performance of his functions.
- (10) The Pensions Ombudsman may perform any of his functions, other than the powers conferred on the Pensions Ombudsman by section 139, through any member of his staff duly authorised by the Pensions Ombudsman in that behalf
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Appendix D. Guidelines for Quality Customer Service

The 12 guiding principles of Quality Customers Services in the Irish Public Sector are as follows:

1. **Quality Service Standards** : Publish a statement that outlines the nature and quality of service which customer can expect, and display it prominently at the point of service delivery.
2. **Equality/Diversity** : Ensure the rights to equal treatment established by equality legislation, and accommodate diversity, so as to contribute to equality for the groups covered by the equality
3. **Physical Access** : Provide clean, accessible public offices that ensure privacy, comply with occupational and safety standards and, as part of this, facilitate access for people with disabilities and others with specific needs.
4. **Information** : Take a proactive approach in providing information that is clear, timely and accurate, is available at all points of contact, and meets the requirements of people with specific needs. Ensure that the potential offered by Information Technology is fully availed. Continue the drive for simplification of rules, regulations, forms, information leaflets and procedures.
5. **Timeliness and Courtesy** : Deliver quality services with courtesy, sensitivity and the minimum delay, fostering a climate of mutual respect between provider and customer.
6. **Complaints** : Maintain a well-publicised, accessible, transparent and simple-to-use system of dealing with complaints about the quality of service provided.
7. **Appeals** : Similarly, maintain a formalised, well-publicised, accessible, transparent and simple-to-use system of appeal/review for customers who are dissatisfied with decisions in relation to services.
8. **Consultation and Evaluation** : Provide a structured approach to meaningful consultation with, and participation by, the customer in relation to the development, delivery and review of services. Ensure meaningful evaluation of service delivery.
9. **Choice** : Provide quality services through Irish and/or bilingually and inform customers of their right to choose to be dealt with through one or other of the official languages.
10. **Official Languages equality** : Provide quality services through Irish and/or bilingually and inform customers of their right to choose to be dealt with through one or other of the official languages.
11. **Better Co-ordination** : Foster a more coordinated and integrated approach to delivery of public services.
12. **Internal Customer** : Ensure staff are recognised as internal customers and that they are properly supported and consulted with regard to service delivery issues