



*All Party Parliamentary Group on*  
**Insurance &**  
**Financial Services**

*News Bulletin*

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## Merricks sets out challenge facing Ombudsman service

WALTER MERRICKS, the Financial Services Ombudsman, told members of the group that the review of the service – currently being carried out by one of the group’s deputy chairmen Lord Hunt – was long overdue.

The FOS was created by bringing together six pre-existing schemes and adding a “statutory wrap”, said Mr Merricks. Because of the huge burden of dealing with the mortgage endowment mis-selling crisis which hit the FOS just after it was established it never had a chance properly to consider how a statutory body should adapt the voluntary schemes it was founded on: “We now have the opportunity to draw breath and review some of the key features of the ombudsman service now it is a public body”.

Top of the agenda for the Hunt review are transparency and accessibility and Mr Merricks explained why: “Should we put more information into the public domain? We know this could



**Merricks: open to views on FOS**

be controversial which is why we haven’t just gone off and done it”. It needs wide consultation about how far and how fast, he added.

The FOS operates from a single office in central London where it answers about 2000 calls from consumers everyday. It also has close relationships with Citizens Advice and trading standards officers but does all this give it the right profile, he asked: “How can we have the appropriate levels of accessibility for all the people who need to use our services?”

Part of the background to the review is the move by the Financial Services Authority to principles based regulation which could see the FOS become a “pseudo regulator” if it focussed too much on regulatory compliance.

In addition to hearing from Mr Merricks, the group is currently seeing a range of industry organisations and financial services firms as well as consumer representatives. It plans to make its own submission to the Hunt review and will publish this.



**Hunt: his review will point the way**

## Wide range of members raise flooding concerns with insurance industry

MEMBERS OF PARLIAMENT from a wide range of constituencies came to hear from the insurance industry – and air their own concerns – about the aftermath of the summer’s serious flooding.

The Association of British Insurers and the Chartered Institute of Loss Adjusters both fielded experts with first hand experience of dealing with flood claims to give a practical edge to the meetings. The issues raised covered domestic and commercial property, motor and agricultural insurance and one of the key points made was the need for more consistent service standards among insurers.

The industry and MPs were in agreement, however, over the need for further increases in flood defence spending and far better co-ordination among the various public bodies with responsibilities in this area.

**Chairman:** John Greenway MP

**Deputies:** Baroness Turner of Camden, Vince Cable MP, Lord Hunt of Wirral

**Hon Secs:** Sir John Butterfill MP, Jim Cousins MP, Edward Leigh MP

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