

## **Executive Summary: The Role of the Ombudsman**

### **Introduction**

This executive summary highlights the findings of the research project commissioned by the Legal Ombudsman to identify how ombudsman schemes are likely to develop in future. The report provides a range of relevant perspectives, opinions and insights that will help in informing future strategic developments. The research also identifies a number of challenges and opportunities facing ombudsman schemes including highlighting a clear need for individual schemes and the ombudsman community as a whole to develop their strategic thinking in response.

The overall research aim was *to identify the features that a good ombudsman scheme will need to possess in 5 to 10 years time in order to respond to various drivers for change.*

The research aims were fulfilled through a mixture of methods, including literature review and analysis, documentary analysis and qualitative interview research. Interviews were conducted with ombudsman schemes, policymakers and consumer advice organisations. Further details about the methodology employed and the organisations who took part in the research can be found within the detailed report [here](#).

### **Key findings**

#### ***Drivers for change in ombudsman schemes***

Overall, this research identifies that changes in ombudsman schemes are being driven by developments in consumer behaviour, in the service provision offered by the organisations investigated by ombudsman schemes and in the policy environment.

#### *Consumer behaviour is changing:*

- *consumer demand is changing*, with increasing (though variable) levels of complaint, increasing (though still low) levels of awareness and difficulty in predicting future demand;
- *the consumer base for ombudsman schemes is changing*, with some move away from the traditional older, white, middle class and male demographic and with the impact of legal aid cuts and the growth of Claims Management Companies; *and*
- *consumer expectations are changing*, with some consumers increasingly demanding and resourceful and with greater expectations of speed, simplicity and online provision, although with some consumers remaining passive and vulnerable.

#### *Service provision is changing:*

- *operational practice is changing*, leading to unpredictable demand and the creation of higher expectations regarding customer service in the minds of consumers;
- *boundaries between service sectors are changing*, with the bundling together of services, Alternative Business Structures and the need to ensure joined up handling of complaints about increasingly integrated service sectors; *and*
- *boundaries between the public and private sectors are changing*, with public sector ombudsmen investigating private companies, the public and private ombudsman models converging and the logic behind separation, perhaps, becoming undermined.

*The policy environment is changing:*

- *the ADR directive* will bring about small procedural changes for most schemes, but – depending on the government’s implementation strategy – this could have a significant impact on the redress landscape and preferred models of redress;
- *other policy matters* such as continuing fiscal restraint, cuts in legal aid, changes to consumer advice and regulatory policy will bring about changes to the operational context for ombudsman schemes; *and*
- *lack of direction from government* will continue to expose ombudsman schemes to risks arising from a fragmented and incoherent landscape, while a lack of understanding in government may result in misdirected policy initiatives in future.

### **Strategic responses**

The research found that the drivers described above require a response from individual ombudsman schemes and from the ombudsman community.

*The response of individual ombudsman schemes may include:*

- *increasing consumer awareness and accessibility*, with schemes promoting themselves more, conducting research into low awareness and working with service providers to ensure consumers reach ombudsman schemes;
- *improved customer service*, with schemes using more flexible, informal and speedy procedures (where appropriate), enabled through judicious use of technology while also developing interpersonal customer service;
- *greater sharing of learning*, with ombudsman schemes becoming more proactive in using casework intelligence to help service providers to improve and taking – along with regulators – a more strategic approach to dealing with disputes; *and*
- *continued operational efficiency*, with ombudsman schemes needing to maintain complaint handling efficiency, maintain reputation and trust and avoid backlogs.

*The response of the ombudsman community may include:*

- *increasing strategic influence*, creating a stronger Ombudsman Association that is able to influence policy, help drive change and play a part in filling the vacuum that exists in government around ombudsman policy; *and*
- *increasing sharing, integration and merging*, with ombudsman schemes sharing duplicated functions where appropriate, and working towards reducing consumer confusion either by pushing for mergers or developing a single doorway for ombudsman schemes.

### **The ombudsman of the future**

The report concludes by providing a tentative description of what a successful ombudsman scheme will look like in future. The research identifies eight ways in which ombudsman schemes may need to shift their practices in order to respond to the many challenges, and capitalise on the many opportunities, they face.

In summary, these involve ombudsman schemes becoming more:

- informal in terms of process;

- timely in the resolution of complaints;
- focused on oral/interactive communication with consumers;
- available to consumers online;
- visible and accessible to consumers;
- proactive and influential in the policy environment;
- strategic in influencing service provision; and
- integrated rather than sectoral.

In addition to this executive summary, readers may wish to read the full [report](#) which contains a detailed analysis, findings and conclusions drawn.