

Minutes of the 143rd Meeting of the Office for Legal Complaints (OLC)

Wednesday 17 December 2025

<p>OLC Board members present</p> <p>Elisabeth Davies, OLC Chair</p> <p>Elaine Banton</p> <p>Georgina Philippou</p> <p>Rachel Cerfontyne</p> <p>Hari Punchihewa items 1-3</p> <p>Alison Sansome</p>	<p>In attendance</p> <p>David Peckham, Interim Joint Chief Executive</p> <p>Steve Pearson, Interim Joint Chief Executive</p> <p>Blessing Simango, Head of Finance, Procurement, and ICT</p> <p>Zoe Grainger Head of People Strategy and Culture</p> <p>Laura Stroppolo, Head of Programme Management and Assurance</p> <p>Caroline Wayman, PA Consulting, items 1-3</p> <p>Hannah Huntingdon, PA Consulting, items 1-3</p> <p>Sarah Gilbert, Strategic Engagement Manager, items 1-3</p> <p>Penny Fellows, Quality Manager, item 7</p> <p>Louise Arnold, Legal Manager, item 8</p>
<p>Apologies</p> <p>Patricia Tueje, OLC Board member</p> <p>Mike Harris, Head of Communications, Engagement, and Impact</p>	
<p>Minutes</p> <p>Kay Kershaw, Board Governance Manager</p>	

Item 1 - Welcome, apologies, declarations of interest and other preliminary matters

1. The Chair welcomed attendees to the meeting.
2. Apologies were noted.
3. The meeting was quorate with a lay majority.
4. There were no declarations of conflicts of interest reported.

Item 2 – 2026/27 Budget and Business Plan

5. The Board received a verbal update on the progress being made on 2026/27 budget and business planning. The following key points were drawn to the Board’s attention:
 - As part of the 2026/27 budget and business planning process, discussions had taken place with the Legal Services Board (LSB) and the Ministry of Justice (MoJ)

on the four budget options outlined in the formal consultation and feedback had been provided. Both organisations acknowledged the scale and impact of rising sector led demand, and supported the measures already implemented to manage demand within the current budget. However, the Executive was advised that there would be limited scope for any budgetary increase in 2026/27 and consequently, demand would need to be managed within the resources available, and consideration given to transforming the Legal Ombudsman (LeO) Scheme to respond to this strategic issue.

- Additional measures to manage demand over the next 12-18 months would now be explored and consideration given to commissioning an externally led review of Legal Ombudsman (LeO) Scheme. The aim of the review would be to identify longer term solutions within the current legislative framework and assess the scope for potential legislative changes to enable more radical transformation of the Scheme to help address sustained demand. It was noted that a mid-year budget request may need to be submitted for this work.
- The Performance Sub-Group (PSG) had met on 16 December 2025 to review the performance trajectories underpinning the proposed 2026/27 budget. Increasing levels of demand, which was being seen across the wider ombudsman sector, remained a significant challenge and was beyond all current estimates, having increased by 30% since the draft Budget Acceptance Criteria (BAC) were submitted to the LSB in November 2025. The PSG had noted that this increase could not be offset by the efficiencies from the LEAN review or other previously implemented mitigation measures and as a consequence, the Executive had re-forecast demand to increase by 25% in 2026/27 as the most likely scenario.
- The PSG had noted that latent demand continued to pose a risk, with evidence indicating that 47% of legal service users were unaware of how to complain; this could significantly impact LeO's future demand if awareness improved.
- The number of cases awaiting allocation by the end of 2026/27 was forecast to increase due to the combined impact of increasing demand and delays in ministerial approval of the 2025/26 budget, which had postponed essential recruitment into the General Enquiries Team (GET) to help manage demand and improve case progression to early resolution and in-depth enquiries. Recruitment

had taken place since the budget was approved in September 2025, and this, alongside technological enhancements, would help support demand management within GET and reduce the backlog within general enquiries over the next 18 months.

- It was acknowledged that any changes to the LeO Scheme could potentially alter the role of the PSG in the future, as the forecasting model may undergo revisions.
 - As part of the formal 2026/27 budget and business plan consultation, a series of engagements had been held with internal and external stakeholders. These sessions had provided an opportunity to share additional context, address questions, and gather feedback from stakeholders. Stakeholders generally considered the consultation clear and comprehensive, giving them a better understanding of the strategic issues and how these aligned to the budget proposals.
 - The formal consultation had closed at midday on 16 December. Ten written responses had been received: Three from regulators; three from professional bodies; two from consumer organisations; one from a member of staff; and one anonymous response. One further response was awaited.
 - A high level summary of the key themes emerging from the consultation was shared with the Board.
6. The Board reflected on the consultation responses, noted the Executive's reforecast under sustained, increasing demand and acknowledged the MoJ and LSB's feedback on constraints to the 2026/27 budget.
7. In a detailed discussion, Members noted that budget option 3 (circa 11% budget increase) was, in principle, the only realistic option to maintain service standards and address the strategic issues, subject to an externally led robust transformation of the LeO Scheme.
8. The Board recommended that both short-to-medium and long term transformation plans were developed. The short-to-medium term plan should be practical and achievable within the budget available, while the long-term plan should adopt a 'blank sheet of paper' approach, free from existing constraints, to enable bold and radical thinking. This

process should begin by defining the strategic aims, objectives and intended impact of the transformation, as well as establishing what would constitute a valid complaint.

9. It was suggested that three potential operating models should be developed incorporating organisational values, ethical considerations in complaint handling; risk appetite; success measures; and opportunities for technological and legislative change. These models would then be refined to identify the most suitable option for delivering the transformed LeO Scheme.
10. In terms of the next steps, the Executive advised that a detailed analysis of the consultation responses and other stakeholder feedback on the 2026/27 budget and business plan would be undertaken. Insights from this, together with the Board's feedback, would inform the development of the next version of 2026/27 budget and business plan. This work would be progressed at pace to meet the deadlines for the Board's approval of the 2026/27 budget, business plan and budget acceptance criteria at its January Board meeting and the subsequent submission of these documents to the LSB.
11. The Board **noted** the update on the 2026/27 budget and business plan.

Item 3 – Board Training Session

12. The Board participated in a closed training session led by external consultants focussed on three key objectives: Strengthening collaboration, effective decision making and enhancing overall team effectiveness; ensuing a shared understanding of the stakeholder landscape, and the risks and opportunities as the OLC enters its next strategic period; the implications of ethical Artificial Intelligence (AI) for LeO and the wider legal sector.
13. The Board reflected on what effectiveness meant in the context of its role and discussed the key principles of high-performing Board. Barriers to effective collaboration and decision making at pace were identified and potential solutions were discussed.
14. The Board revisited key points from previous work on stakeholder mapping and related discussions at September's Board workshop and considered stakeholder risks and opportunities that could influence the OLC's future strategy.

15. The Board reflected on the current AI and ethics landscape, considered the implications of ethical AI for LeO and the wider legal sector, including governance, risks, and controls, and how these factors could shape future OLC strategy.
16. In consultation with the OLC Chair, the external consultants, would incorporate the points raised in this training session into plans for the Board's strategy workshop in February 2026 for further consideration.

Item 4 – Risk Management

17. Further to an action from October's Board meeting, the Head of Programme Management and Assurance presented a paper outlining the Executive's recommendation for managing the strategic risk of failing to meet business plan improvements in customer experience, which had exceeded the agreed tolerance.
18. The Executive proposed escalating this risk to a strategic issue, updating the narrative on the risk register, and maintaining current tolerance levels to preserve governance and integrity. No change to risk appetite was recommended.
19. This approach, which had been agreed by the ARAC Chair prior to the Board meeting, would ensure alignment with other strategic issues relating to absorbing increasing sector led demand and the unacceptable queue of cases, maintaining consistency across all narratives.
20. Treating this as a strategic issue would enable more immediate mitigations and strengthen the case for transforming the LeO Scheme.
21. The Board noted that the MoJ categorised risks by themes and has accepted that risks within demand and supply themes were currently significantly beyond tolerable levels.
22. Following discussion, the Board **confirmed** its support for the Executive's recommended treatment for managing the strategic risk of failing to meet business plan improvements in customer experience.

Item 5 – Update from the Public Interests Decisions Committee

23. The Chair of the Public Interests Decisions Committee (PIDCo) presented an update on the meeting held on 11 November 2025.

24. In discussion, the following points were made:

- As the Committee had become more established, its approach to reviewing ombudsman decisions for publication in the public interest had evolved to be more streamlined and risk focused.
- The Committee received high quality, detailed papers in advance of meetings, enabling members to identify key issues and concerns effectively for discussion during the meeting.
- There had been positive media coverage of the decisions published in the public interest.
- The 2025/26 target for publishing ombudsman decisions in the public interests is expected to be met. However, future targets would be more challenging as the historical pool of cases to draw from had been exhausted.
- At its next meeting in February 2026, the committee would therefore be reflecting on its role and purpose, the potential scope for expanding its remit to include publishing examples of ombudsman decisions highlighting good service and assessing potential future criteria for this. Additionally, the committee would be reflecting on the learning from publishing its first year of ombudsman's decisions in the public interest.
- Any changes to PIDCo's role and purpose or the criteria for publishing decisions would be considered within the context of the wider transparency and insight. Any changes would require Board approval and would be subject to consultation.
- Board members reflected on the potential benefits of publishing a more balanced view of ombudsman's decisions to enhance transparency, noting that this approach could foster greater engagement and support efforts to raise standards across the sector. They acknowledged the need to ensure that the benefits of this justified the effort and confirmed that there was no strong opposition to the proposal.

25. The Board **noted** the update from PIDCo.

Item 6 – Update from the Remuneration and Nominations Committee

26. The Chair of the Remuneration and Nominations Committee (RemCo) provided a verbal update on meetings held on 20 November 2025 and 16 December 2025.

27. In discussion, the following key points were made:

- November's RemCo meeting had been inquorate so most of the agenda items had been deferred to a rescheduled meeting held on 16 December 2026. Only items for information were addressed at the original meeting.
- Having reviewed the people metrics, the Committee had been pleased to note that all people indicators were trending positively. However, there was no sense of complacency and further work would be undertaken to improve metrics that remained close to target.
- Updates had been received on the 2025/26 People Strategy deliverables and the proposed people and culture approach. The new approach was designed to create a high trust, high performance culture, and a workplace where people could thrive. The approach would be anchored in two strategic pillars: raising organisational standards and achieving operational excellence. These would be supported by cross-cutting themes of equality, diversity, inclusion, and wellbeing. Good progress had been made on delivering the 2025/26 People Strategy activities which would be embedded into this new people and culture approach.
- In response to feedback from previous Civil Service People Surveys, LeO would be undertaking a pay and grading review aimed at establishing an appropriate pay and grading structure for the organisation. Staff had been informed of this review and its rationale.
- The Committee had reviewed the 2025 gender pay gap report which was due for submission in March 2026. The mean gender pay gap had increased by one percentage point to 9% compared to previous year, but this still remained below all national, public, and private sector benchmarks. The bonus gender pay gap had

narrowed, with a mean gap of -4% in favour of females and a median gap of 17%, representing an improvement on the previous year.

- The results of the 2025 Civil Service People Survey had been received, and the high level findings had been shared with staff. Staff engagement was 60%; a 1% increase on the previous year. Scores had improved across all key areas except learning and development, which had fallen by one percentage point compared to the previous year. Pay satisfaction had increased from 26% to 36% but this remains the lowest scoring areas. The format of the Civil Service People Survey was to be reviewed in 2026.
- The committee had agreed to escalate the issue of RemCo quorum to the OLC Chair for consideration once the new OLC Board member was appointed, with the aim of aligning quorum and membership with the ARAC.

28. The Board **noted** the update from RemCo.

Item 7 – Update on the Customer Satisfaction Scheme

29. The Quality Manager and Interim Chief Executive presented a paper on the Customer Satisfaction Scheme, which outlined the Executive's recommendations and ongoing work and to develop a new approach planned for launch in 2026/27.

30. In discussion, the following key points were made:

- A review of the three customer satisfaction surveys currently conducted at various stages of LeO's process confirmed that the end-of-process survey provided the most valuable data and insight. The new approach would therefore focus on a single survey at the conclusion of the process.
- This survey would be delivered by an independent third-party organisation, with invitations to tender for this role to be issued shortly.
- The revised survey would feature enhanced questions, developed in collaboration with the third party organisation, to deliver stronger data and insights. This would enable LeO to link responses to ombudsman decisions, improve internal and EDI reporting, whilst continuing to meet external KPI requirements.
- Responses to EDI questions would remain voluntary.

- External KPIs would continue to differentiate between the quality of LeO's service and the outcome of the ombudsman decision. To help customers make this distinction, the order of survey questions would be adjusted.

31. The Board **noted** the update on the customer satisfaction scheme, expressed its support for the new approach and welcomed the focus on revising the order of survey questions to obtain more meaningful insights.

Item 8 – Annual legal update and enforcement report

32. The Interim Chief Ombudsman and Legal Manager presented a paper to the Board summarising the Legal Team's work over the last 12 months. The update covered three key areas: Managing challenges to casework and ensuring the enforcement of Ombudsman decisions; supporting recovery of case fee revenue and debts; and providing wider legal support across the organisation.

33. In discussion the following key points were made:

- The Board reviewed the process for enforcing ombudsman decisions, noting that cases may be resolved through correspondence, compliance prior to court action, or withdrawal once court proceedings had been issued. Of twenty-two enforcement referrals received by the Legal Team over the last twelve months, nine had been successfully resolved without court involvement.
- Assumptions around judicial review challenges were considered. It was noted that contrary to common perception, service providers were not necessarily more likely than complainants to pursue such action.
- The increasing availability of AI tools enables complainants to draft challenges without legal representation, though these were often less substantive and easier to defend. In contrast, challenges from service providers tended to be more complex and harder to defend due to their legal expertise.
- LeO's approach to recovering legal costs awarded following judicial reviews was discussed. It was noted that there was a need to balance LeO's duty to recover costs with avoiding disproportionate or punitive measures and ensuring all recovery actions remained fair, proportionate, and accountable.

- Acknowledging that cost repayment places a significant burden on some individuals, LeO was exploring the use of alternative debt recovery options, including charging orders, attachment of earnings orders, and third-party debt orders to secure repayment without imposing immediate hardship. The Board agreed in principle to this alternative approach and gave a clear mandate in principle for the Executive to explore and utilise alternative cost recovery methods to ensure responsible debt recovery while safeguarding organisational reputation and stakeholder confidence, stressing the importance of clear communication, proportionality, and maintaining a robust audit trail to justify such decisions

34. The Board **noted** the annual legal update and enforcement report.

Item 9 – Annual review of governance documents

35. The Executive conducts an annual review of the following governance documents on an annual basis and submits any recommended changes to the Board for approval:

- OLC Operating Framework
- OLC Rules of Procedure
- Schedule of Matters Reserved to Board
- Scheme of Delegations
- Terms of Reference for ARAC, RemCo, the Public Interest Decisions Committee and the Performance Sub-Group.
- OLC Governance Framework.

36. The Head of Programme Management and Assurance presented a report detailing the proposed changes arising from the Executive's annual review. In discussion, the following key points were made:

- The governance documents had been updated to reflect recent changes in senior leadership, including references to the Interim Chief Executives who had been appointed following the departure of the Chief Ombudsman and the role of Accounting Officer.
- A final review and proofread of all documents would be undertaken prior to publication.

- The governance documents would require further updates in early 2026 to reflect the appointment of the new Chief Ombudsman and changes to the senior leadership structure. In addition, some of the documents would need to be updated to incorporate the appointment of a new Non-Executive Board member expected to join the OLC in early 2026. Following a request from the Executive, the Board **agreed** that these updates could be made without the need to present the documents to the Board again.
- Once finalised and published, these governance documents would be included in the induction pack for new OLC Board members.
- Counsel's advice had been sought on how to adopt an approach to future-proof the governance documents, to reduce the need for extensive amendments should similar changes in LeO's leadership occur in future.
- The Legal Services Board (LSB) had issued its revised governance manual. This would be reviewed by the Head of Programme Management and Assurance and Board Governance Manager and, where appropriate, LeO's governance documents would be updated to ensure alignment with any changes introduced by the LSB. Any minor amendments arising from this review would be reported to the Board through the Chief Ombudsman's report. Any substantial changes to LeO's governance documents would be presented to the Board for consideration and approval.
- At a private ARAC meeting held prior to this Board meeting, to review the findings of the 2025 ARAC effectiveness review, the Committee had agreed that it would undertake deep dives no more than every other meeting, excluding the June meeting which would focus predominately on approving the annual accounts. The Head of Programme Management and Assurance would seek confirmation of this arrangement with the Chair of ARAC before finalising and publishing the Committee's revised Terms of Reference.

37. The Board **approved** the updated governance documents, subject to final proofreading and minor adjustments as outlined.

Item 10 – Previous minutes and actions and matters arising.

38. The Board **approved** the minutes of the Board meeting held on 25 September 2025 and 22 October 2025 for accuracy and for publication.

ACTION: The Board Governance Manager to arrange for the minutes of the Board meeting held on 25 September 2025 and 22 October 2025 to be published.

39. The Board **approved** the minutes of the PIDCo meeting held on 4 August 2025 for publication.

ACTION: The Board Governance Manager to arrange for the minutes of the PIDCo meeting held on 4 August 2025 to be published.

40. The Board **noted** the update on actions from previous meetings.

41. The Board **agreed** to assign a revised delivery date to action five paragraph 30 from Board meeting on 25 September 2025, to reflect that this would be addressed during the Board workshop scheduled for 25 February 2026.

ACTION: The Board Governance Manager to assign a revised delivery date to action five paragraph 30 from Board meeting on 25 September 2025, to reflect that this would be addressed during the Board workshop scheduled for 25 February 2026.

42. The Board **agreed** to close action five paragraph 21 from the Board meeting held on 29 April 2025 following confirmation that the Performance Sub-Group at its meeting on 16 December 2025 had agreed that its terms of reference did not currently require updating.

ACTION: The Board Governance Manager to close action five, paragraph 21, following confirmation that the Performance Sub-Group at its meeting on 16 December 2025 had agreed that its terms of reference did not currently require updating.

Item 11 – Redactions and non-disclosure report

43. The Board **approved** the items identified for redaction and non-disclosure in the December Board pack.

ACTION: The Board Governance Manager to arrange for the December Board papers to be published in line with the redactions and non-disclosures approved by the Board.

Item 12 – Board effectiveness

44. Georgina Philippou and Laura Stroppolo were appointed strategy champions for this meeting and provided feedback on which session had worked well strategically and why; which paper had been the most useful strategically and why; and where there was learning and value in doing things differently in the future to occupy a more strategic space. The following key points were made:

- The most strategically valuable paper had been on risk management. This paper had demonstrated the effectiveness of the governance process in place for OLC Committees to escalate concerns to the Board. It was acknowledged that risk appetite had been considered in discussions on all agenda items, reflecting the Board's evolving strategic focus on risk.
- The most strategically valuable sessions had been the 2026/27 budget and business plan and the Board training. Free from formal decision making constraints, these sessions had encouraged open, collaborative dialogue, innovative thinking, and constructive challenge, strengthening relationships between Board members and the Executive.
- The externally led training session had delivered a balance of knowledge building, discussion, and exploration of priorities to support strategic planning ahead of the Board's strategy workshop in February 2026. Discussions had confirmed strong Board and Executive alignment.
- It was suggested that there may be learning and value in identifying more opportunities for informal non-decision making sessions to be incorporated into Board agendas to promote strategic thinking and collaboration. It was acknowledged that this would need to be balanced with ensuring sufficient time for the Board's formal decisions making activities. It was also suggested that further consideration was given to agile approaches to Board decision making, including out of committee decisions and focus groups.

- Overall, the meeting had been highly effective, with a positive, inclusive, and constructive tone, underpinned by clear and concise Board papers. The private Board session prior to the meeting had set the foundation for the collaborative, and constructive debate that followed.

Item 13 – Any other business

45. There was no other business.