



Communities and Local Government Committee

Oral evidence: [Housing Ombudsman](#), HC 664
Monday 18 January 2016

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Watch the session

Mr Clive Betts (Chair); Bob Blackman; Jo Cox; Helen Hayes; Kevin Hollinrake; Julian Knight; David Mackintosh; Mr Mark Prisk; Mary Robinson; Alison Thewliss.

Evidence from witnesses:

Questions 1 - 29

Witnesses: **Denise Fowler**, Housing Ombudsman, and **Andrea Keenoy**, Director of Finance and Corporate Performance, Housing Ombudsman Service, gave evidence.

Q1 Chair: We move on to our evidence session now with the Housing Ombudsman. Thank you very much for coming. If you could just begin by introducing yourselves, that would be good.

Denise Fowler: I am Denise Fowler and I am the Housing Ombudsman. Could I just introduce my director of finance and corporate performance, Andrea Keenoy, who will be supporting me today when I am giving evidence?

Chair: Just as a matter of procedure, it is normal that we know if someone is going to come to give evidence.

Denise Fowler: I apologise for that. I thought my office had discussed this with the Clerk in advance. I had not realised until today that that had not happened, so apologies for that. I will be giving evidence, but Andrea is just here should there be any more detail that the Committee requires.

Q2 Chair: Okay. To begin with, welcome back. It is about a year since you came to see us last, in a slightly different role at that time, but you are now firmly in place and trying to meet some challenges. One of them is whether the changes in Government housing policy will lead to new areas of dispute and complaint, which you are going to have to deal with. How are you beginning to think about and get ready to respond to those?

Denise Fowler: We will watch the progress of the Housing and Planning Bill as it goes through the House with interest, and we are keeping abreast of housing policy as it happens. Obviously, our remit is not to comment on that policy but just to check that we are prepared for any changes that may come our way. There are some potential areas of new complaints for us, in particular the potential engagement with issues around the voluntary right to buy for housing associations, where we may be dealing with individual issues. As I have said in my submission, we will look at the impact of some of the changes on associations and see whether that might lead to changes in the volumes of complaints. It may not, of course, because associations themselves are preparing for these issues. We are working with our stakeholders to see what they think the likely consequences are for them.

We have developed, over the last year, a new approach to learning and development, which is much more structured across the organisation. We already had quite a good approach to personal development plans. We are now bringing things together in a more co-ordinated way, so that we can train in advance a lot more groups of staff on issues that we think are going to affect a number of people. We are trying to do lunchtime sessions on things like policy and law that we think will affect all of them. As things develop further in those new areas of housing law and policy, we will be doing more of that going forward, but the main thing we will need to do is make sure our organisation is fit for purpose as we go forward. That is a wider discussion that we will presumably be coming on to.

Q3 Chair: We will ask some more particular questions in a second. In terms of new policy areas, you can have conversations with housing associations, though you may all still be guessing a bit about where the complaints will come from and the nature of them. But there are also proposals in the Housing and Planning Bill that affect the private rented sector, in which some landlords are signed up to your scheme. How do you go about trying to find out from them how they think things might develop and prepare for complaints you might get in that regard?

Denise Fowler: Only about 1% of our members are currently private sector landlords, but one of the things I have done since I came into

post is to have a series of stakeholder meetings with members of our scheme, including voluntary sector members, and we have sought their views about what they want from our service. Essentially, what they want from our service is for us to resolve complaints as they come through. At the moment, I am not looking to significantly expand our remit into the private rented sector. If there was any extension, that would be a matter for the Government, not for us.

Q4 Mary Robinson: Your submission indicates that productivity in cases of formal determination has risen by 33%. How do you measure that?

Denise Fowler: That is about the number of determinations we have made in the formal remit this year, compared with last.

Q5 Mary Robinson: How is it specifically measured?

Denise Fowler: We have looked at the number of cases we did last year and the number of cases we did this year, and they have gone up by 33%. It is as simple as that.

Q6 Mary Robinson: How old is your oldest unresolved case?

Denise Fowler: It is one year and nine months old.

Q7 Mary Robinson: How will you tackle the backlog if DCLG will not let you employ additional caseworkers?

Denise Fowler: The first thing to say is that we have a very constructive and positive relationship with DCLG. In November this year, the Department agreed that we could employ another four caseworkers, and the discussions we have had with them so far lead me to expect that they will agree to us employing further caseworkers next year. We have demonstrated very effective efficiencies this year, and the rise in productivity is one of the things they were looking to see. Now that a decision has been made following the consultation on the public service ombudsman, I see no reason at all, given our calculations about our budget next year, why they would not agree to that, particularly since we are talking about introducing new policies and procedures that will, in the longer term, produce further efficiencies. The team is aimed at allowing us to tackle the existing backlog while we bring those new policies and processes on stream. There is a very strong case for that, and I would anticipate the Department supporting it.

Should they not do so, it is not the only thing that we are doing. The things we have done this year already, which we will be building on

next year, are about engaging our staff and getting everyone together to think about how we tackle the issues that we face. That is largely how we have managed to increase productivity so far, and I would expect that to continue. The discussions we have had are about what our role is and how we work.

The idea of a vision and a mission can sometimes sound a bit like a slogan, but those of you who were here last year, when I got this job, know how passionately I feel about housing and that I took this job because of my own personal experiences of social housing. I have spent a lot of time this year talking about the importance of good housing and the impacts it has on people's lives to stakeholders and to staff. We have talked about how housing is central to people's lives: it affects families' health; it affects your wellbeing; it affects your ability to access education and job opportunities; it affects your sense of status. Housing is so central to everything, and our role in ensuring that any problems arising are dealt with quickly and efficiently is really important. I have talked to staff and sought their ideas about how we can do things more effectively. I will continue to do that next year, and I would expect that to continue to produce dividends.

I will also continue to talk to stakeholders. This year, while we have had some very significant challenges about finding additional cases within our formal remit and knowing that we needed to turn them around, I have continued to have discussions with landlords throughout the year to say, "We are facing these challenges. We are not where we want to be, but stick with us. We are making progress. These are the actions we are taking. You need to work in partnership with us. You need to do your bit to try to resolve as many cases as possible, and this is what we want you to be doing in terms of your complaint-handling processes." I would expect that to continue next year.

We are also looking at how we use our staff. We have only 55 in-house staff, but we outsource our inquiries to an outsourced provider, who are extremely good. We are increasingly working with them as our team outside the office, trying to support them and give them training so that they understand our ethos and how we are working. That contract comes up for renewal in August. We are planning, in any event, to look at building that contract so that they can take on more of the inquiries, because a lot of the increase that has happened since 2012 has been with inquiries. We think, if we can build that contract so that more of the inquiries can be done by the outsourced provider, that will allow our in-house staff to concentrate on the more complicated complaints and allow more of the initial inquiries to be done.

It has an added benefit. One of the things that is really important in terms of collaboration with other ombudsmen, or that could be explored

more with other ombudsmen, whether or not we are part of a public service ombudsman scheme, is first point of contact. You may have seen from my response to the public service ombudsman scheme that I think, whether or not organisations are part of the same organisation, a first point of contact is something I would like to do or at least have the potential to do. We will be procuring that, with the potential for other ombudsman and complaint-handling schemes—not necessarily public service ombudsmen, but others such as the Property Ombudsman, which has a clear remit with us—to use it, should they wish to direct inquiries through it.

There are other things that we will be doing. We are using counsel to advise on complex cases, to cut through difficult issues. We are using overtime for staff when we can. We are increasing our learning and development option, as I said. I am sure we are doing loads more, and I can talk some more.

We will do the things we do, but I am anticipating that the Department will agree, at least for the next year, that we can have that team. In terms of recruitment, we have some vacancies at the moment. We are going out to recruitment in February, and my intention is to recruit with a reserve list so that, should that be agreed—it may be agreed before February, but if it takes slightly longer to get it agreed—people off that reserve list will come on stream immediately afterwards.

Q8 Mary Robinson: Given that quite positive view of the future, when do you think you will reach a target of resolving formal cases within 153 days on average?

Denise Fowler: The average issue has been one of the issues this year. I came into post with a key performance indicator that was all about average times. Just having an average time means that you do not necessarily look at cases at the end, the longest cases, so I do not want just a KPI about average times. Next year, I will probably have both an average time and an absolute bar. I have talked about making sure that no case is over 12 months old. I am not sure our average time will be 153 next year; it might be slightly longer, to ensure that we do not go over 12 months. I will not be sure until I see our caseload list.

Of the two, the most important for me next year is that none go over 12 months, because that is absolutely unacceptable. We are there now. I do not agree with it. We have to get that down. I hope we can keep to the target of 153, but I am not making that commitment at the same time, because, if you ask me which is my priority, it is that we do not go over the 12 months. But I hope we will get there, and, by the

end of 2016-17, I would expect that the long stop for resolving cases is six months, so our average will be significantly lower than it is now.

Q9 Chair: Were you shocked, when you came in, at the state of the complaint-handling in the ombudsman service?

Denise Fowler: No, because—

Chair: You expected it to be that bad, then.

Denise Fowler: No, that is not what I am saying. I am saying that it was a mixed picture, because some aspects were really, really good. That was the feedback from our stakeholders. It is a small team and there are 16,000 complaints overall. There are 114 cases that are over 12 months old, but, overall, the vast majority of our cases are dealt with extremely well and the feedback from tenants and landlords is really positive. It was a mixed picture. I do think we need to get better in our formal remit, those cases that have completed the landlords complaints procedure, but there are far fewer cases in that formal remit than there would have been because of what we do at an earlier stage. It has to be seen across the piece, and, overall, the organisation does a good job in terms of casework.

What I do think was underdeveloped was reporting. Seeing where things were and where we needed to focus our efforts was not where it needed to be. I have done a lot of work, and part of the reason why Andrea's role exists, why Andrea is sitting here today, is about improving those kinds of systems, to make sure we can drive performance in the right way.

One thing that was really good about coming in and, in my first week, being asked to comment on the consultation on the public service ombudsman reform was to get that feedback, and I got enormous amounts of feedback. It was overwhelmingly positive, and it was not just from landlords; it was tenants. I went out and saw all the tenants' organisations, and they went out and got in contact with their tenants, and it was really positive. People said there had been a step change in the past two years and that the local resolution was really well supported, because, ideally, cases should not even be in the formal remit. People want their issues dealt with as soon as possible, because these things are impacting on them every day. If you have a housing issue, you live with it every single day. There is one thing about having a report at the end of a formal remit that says who was right and wrong. Really, what you want is the issue sorted quickly.

Q10 David Mackintosh: I want to talk about customer satisfaction. It says that nearly 20% of complainants, in formal cases, do

not think you treated them well. There is a case I have been working on for a very long time for which I tried to find other solutions, because I did not get the progress I wanted, and perhaps I will write to you about that. So I think I am among this 20%. Why do you think this 20% do not think you treat them very well?

Denise Fowler: I think 81% thinking we do treat them well is quite a good result, and it compares well with other complaint-handling organisations, but that is not to say that we should rest on our laurels. It certainly is a step change in performance throughout the year. You can look at the figures that I have attached to the back of the submission. In the first quarter of this year those figures were, I think, 41%, and by the last quarter they were 81%.

Q11 David Mackintosh: If you look at the figures, they say that 55% think you did not help them.

Denise Fowler: Those two sets of figures are looking at different things. One is about our service quality and how we deal with people, and one is looking at outcomes and whether people think we got a substantive outcome. That is very outcome driven. In terms of the first, how we treat people, there has been a significant increase throughout the year, despite the delays. To get to 81%, at a point when we have some cases over 18 months old—not very many now, thank goodness, but still—

Q12 David Mackintosh: 55% said you did not help them.

Denise Fowler: We have to be fair and impartial, and make decisions fairly and impartially, so we are not going to help everyone. At the end of the day, we are going to make some decisions that are not in people's favour. When I first came in, I had some difficulty working out how many cases we upheld. In terms of the formal remit, the number of cases that we determine as maladministration or partial maladministration is only 17%, and then we resolve with intervention another 8%. That is not a huge number of cases where we find in favour of the complainant, so to find that 45% of them still think we helped, despite the fact that we have not formally found in their favour, is quite a positive response. I think that is because we often do more than just determine whether something is or is not maladministration. We try to think about how we can resolve the issue, even if we are not doing that. Can I give an example of a case?

Q13 David Mackintosh: Well, in the case that I had, everything kept getting pushed back to the residents to take action. There was never a feeling that any work was being progressed by the ombudsman.

It was just reflecting the rules back, as opposed to giving any advice. I found it very frustrating, I have to say.

Denise Fowler: Perhaps we can talk about that particular case offline. One issue is that there are some things we cannot do prior to it coming into our formal remit. We will do what we can during local resolution, but, at that point, we are not making a finding of maladministration or non-maladministration. We are not an advocate for either side. At that point, we are presenting options and helping complainants access the landlord's complaints procedure, trying to encourage landlords to come up with options to resolve the complaints and trying to bring people together. In a large proportion of cases, that is successful, but it is not going to be successful in all of them. Until it gets into the formal complaints procedure, we are not making those determinations. But I am happy to talk about individual cases offline.

Q14 Kevin Hollinrake: Ms Fowler, if you compare your performance with other ombudsmen, such as the Parliamentary and Health Service Ombudsman, your ability to turn cases around within a year is much worse and your customer satisfaction ratings are much worse: 88% versus 81%, I think.

Denise Fowler: I do not think that is right, actually.

Q15 Kevin Hollinrake: That is what I have in front of me here.

Denise Fowler: Looking at the Local Government Ombudsman, overall, their customer satisfaction is 50%.

Q16 Kevin Hollinrake: The satisfaction score for the Parliamentary and Health Service Ombudsman is 88%.

Denise Fowler: Oh, okay. I am sorry; I looked at those on the website.

Q17 Kevin Hollinrake: Do you have a target for where you would like to take your organisation?

Denise Fowler: Is that in terms of all complaints or just complaints that have been resolved in their favour?

Kevin Hollinrake: Where complaints have been upheld.

Denise Fowler: Ours are of all cases, regardless of the outcome, so that is not a direct comparison.

Q18 Kevin Hollinrake: What about in terms of timescale? I think only 1% of matters had not been resolved within timescale for those other two ombudsmen.

Denise Fowler: I said what I think about where our timescale should be, but it is worth saying that the majority of our cases are resolved locally, so the formal remit is only a small proportion of our cases.

Q19 Kevin Hollinrake: In terms of training, prevention is better than cure. You do some e-learning and you do training courses, I understand. You have 2,488 landlords, and a similar number, just under that, have been on your training courses, but do you know what percentage of staff from your landlords have been on your e-learning training courses, for example?

Denise Fowler: I know how many individual landlords have been on. 202 landlords have attended the e-learning. 365 individual landlords have attended the face-to-face events we have had. A larger number will have attended the events we have gone to that the sector organised.

Q20 Kevin Hollinrake: That is 202 landlords out of the 2,488. Are you planning to try to increase that number? That is 10%.

Denise Fowler: Ideally, we would. I have to balance the amount of resources we put into sector development work and the amount we put into casework, and this year my priority has been the casework. Instead of doing a large amount of work across the piece, spending a lot of our resources on running sector development events for all 2,300-odd landlords, we have said we will run some landlord engagements events for those who are interested in attending. They have been very positive and people have been keen to attend. We will also then piggyback on other people's events, because that takes less of our time and resources but has a significant impact.

We have also mainstreamed our learning and sector development work. Our dispute resolution managers, when engaging with landlords about complaints, have been developing stakeholder management relationships with landlords, dealing with chief execs and complaint managers to talk about what needs to be done to improve complaint processes, in the context of our actual complaints and complaint-handling, rather than running training events. Our peer learning and engagement events are not quite training events, because they are aimed at discussing and sharing experiences, as much as us training people. They are about us sharing our principles and talking about how they apply in practice.

We are also looking at targeting for attendance at the specific events some landlords where we think we can have the biggest impact. Those are people who have not previously attended any of our events or who have a high proportion of complaints that are upheld, not just complaints, because it can be a really good indicator of a landlord if a number of complaints are coming through to us: it could mean they have no problem with people having access to the ombudsman. It can be a bad landlord who is blocking complaints. It might be on the basis that a high proportion of complaints are upheld or that there is something going on and they are looking to get support, so perhaps the landlord is introducing a new process at that time and therefore would like its staff to have access to additional support.

We are targeting our resources at those landlords. That will be a rolling programme, so that we move through the years in terms of giving that support. That way, we will be able to evaluate the impact of the work. One of the problems with just having open access, large-scale events is that they take an enormous amount of resources and it is difficult to identify the impact, because you are doing an enormous amount.

Q21 Kevin Hollinrake: With e-learning, you can judge adherence and presumably put in place assessments at the end of it. But less than 10% of your landlords have gone through that process, and that does not take any of your precious time and resources, especially if it is targeted at the people about whom you are receiving the majority of upheld complaints. Should you not be insisting more of those landlords take on those assessments?

Denise Fowler: I would certainly like more landlords to do the e-learning. I am not sure that I would want to, unless there was a significant problem, and, if there was a significant problem, I am not sure my first thing would be to insist that people did the e-learning. I would go beyond that if there was a serious problem. In terms of engaging with e-learning, I want people to be engaging in a positive way, but I acknowledge I would like more people to be doing the e-learning.

In terms of the landlords, we may well do a bigger push on that next year. That is something we will be doing when we revamp our website next year. It is not something I have prioritised this year, because I have been prioritising casework in the first 10 months. We have a new communications manager coming into post soon, and one of their key roles will be to look at our website and all the offerings on it, thinking about how we can promote that to the sector. E-learning is one of those things, but all of our sector development is part of that. That said, people are very positive about it when they use it, so I am not in

any way saying that it is not useful or that it would not be better if more people used it.

Q22 Kevin Hollinrake: I am not saying for a minute that you would say, "You have a problem with your complaints procedure or with the condition of your properties. Therefore, just do e-learning." But surely that would be something you would insist upon, as one of a number of different potential areas for improvement and education.

Denise Fowler: I can certainly think about whether that is part of the things we do.

Q23 Kevin Hollinrake: Moving on to the tenants side of that, I think, out of 5 million tenants in the UK, 228 have done your module on training for tenants. I can understand it would be frustrating getting them to do it, but is that a complete waste of time? Should you not just spend more time focusing on your landlords?

Denise Fowler: Both packages were, I understand, developed in consultation with landlords and tenants. My feeling is that I can see why more tenants do not really want to do the e-learning package. For landlords that have a number of complaints coming up, I can see that staff will want to know how to deal with further complaints in the future. The majority of tenants want to get their individual complaint resolved, and I can see that they are not going to want to do a package to think about how they would next do it. Having said that, I have looked at the individual feedback that comes back, and there are some tenants who have done it and have said, "This has really helped me. I can see where I have gone wrong with my landlord and I want to approach them differently in future", so some people have found it useful.

The people who find it most useful, I think, are tenants sitting on tenants panels, so there may be something there about promoting it to people sitting on tenants panels or acting as representatives for other tenants. That is something we will explore next year, when we look at how we do this. I realise that I sounded as if I was saying I did not want to support e-learning. I am not saying that I do not want to support e-learning in terms of the landlords; I was just explaining why we had not done a big push on it this year. It is definitely something that we promote when we go out and talk on our landlord engagement events and talk elsewhere. I would like all 2,000 landlords to do the landlord training, but I completely understand why the tenants do it less.

Q24 Kevin Hollinrake: Would you welcome a day when every private sector landlord had to be part of an ombudsman scheme?

Denise Fowler: That is a matter for Government. There are issues that it is not in my remit to decide on, but we welcome any private sector landlords who want to come and join, and we really like the voluntary sector members we have at the moment. They engage with us really positively. The sector development work is really important for those landlords, and they are very positive about our e-learning and the events, and they tend to attend.

Q25 Kevin Hollinrake: Presumably you believe a private sector landlord being part of your scheme drives up the quality of accommodation and process.

Denise Fowler: That is why they join, I think, because it is a Kitemark for them. They see it as a way of showing that they have taken those issues seriously.

Q26 Alison Thewliss: We have had evidence from the Scottish Public Services Ombudsman to say that you have had a very good relationship and have been working quite well with them. Can you tell us a bit more about sharing good practice with other ombudsmen and what you think you can learn from other organisations?

Denise Fowler: One of the things I have really enjoyed this year has been getting to know other ombudsmen and finding out about their services and the things they do. I think Julie Mellor told me that ombudsmen should flock together. I am not sure that is quite right, but it has certainly been very helpful getting to know them all. There is the Ombudsman Association, which has a very wide group of ombudsmen—I had no idea there were so many ombudsmen until I came into post—and the public service ombudsman group, both of which I have attended. I found them invaluable in getting insight into how others do things. I have been very grateful to those people who have been doing this for a lot longer than I and have been willing to share their insight.

In terms of the Scottish Public Services Ombudsman, Jim and Niki have been very helpful, talking about the work they have done to drive up complaints standards in Scotland and the role they now have in terms of the authority. We have talked a lot about local resolution, because they also do a lot of early and local resolution, and they came to see us when they were first thinking of doing that. I have also had quite a lot of discussions with the Public Services Ombudsman for Wales, because they have a housing remit.

I am thinking that, now the decision has been made about the public service ombudsman, I have to get on and set up my advisory panel. I have been talking to a range of different ombudsmen and different people about what kind of structure I want for that. I quite like the structure that Nick Bennett has in Wales, where his audit and risk committee sits on the advisory panel, so there is a clear link between the two. I quite like that as a model. He openly advertised for the people on the advisory panel as well, so it has been really helpful talking about how that governance works. He is a corporation sole as well. That has been good.

With the LGO, we have talked about a range of issues. Obviously, we have a lot of links with the LGO, because of the transfer of local housing authority complaints across to us. We have a memorandum of understanding, and we have regular meetings between our two organisations. We have lead staff who work together on those issues, and we have quarterly meetings to discuss things. Jane has also been very helpful on their quality assurance framework, and I have been looking at that as I build our new quality assurance framework. I have been talking to others. I can go on. Anyway, we have done lots of work for other ombudsmen and they have been very useful.

Q27 Alison Thewliss: It is really reassuring to hear that you are not working in isolation; there are lots of things going on and lots of sharing of information.

Denise Fowler: It is really helpful, and I think you need it in this job.

Q28 Alison Thewliss: Particularly looking at funding for the organisation, I noted, first of all, in your annual report and financial statements that you are having some problems in finding a home for yourselves, office accommodation. How is that search for an office going?

Denise Fowler: We are looking at the moment. It looks quite likely that it will be in government estate, and we are exploring options at present. It is taking a little while. Things were a bit uncertain when it was not clear whether we would be moving into accommodation on our own or with other ombudsmen. We have a couple of options at the moment that we are going to see, although I am not at liberty to say which ones they are, but we expect to have somewhere by August.

Q29 Alison Thewliss: That is good to know. I was quite interested in the funding models. The SPSO in Scotland is funded directly from the Scottish Parliament, and you seem to have subscriptions to fund your activities. With the increased pressures on your services, as discussed earlier on, do you feel that the funding or the subscriptions you

have will be sufficient, or do you feel that you have to be able to increase that somehow?

Denise Fowler: I really like our funding model. This per-unit subscription, which is funded, essentially, by landlords and tenants, because it is on a per-unit basis, is a really positive model, because it preserves our impartiality while at the same time giving the sector, both landlords and tenants, a sense of ownership. It really gives me a sense that I am accountable not just to the Secretary of State and to Parliament, but also to the sector, and the sector feels that it has a say in how the organisation is run. The focus on local resolution is something that the sector very much supports and is quite different to the way a lot of ombudsmen traditionally ran. That comes from the sense that we own the organisation as a whole, so I very much like that.

The sector is under pressure. It needs to make efficiencies, and both local housing authorities and registered providers need to think about how they manage their money. I do not think we are going to be in a position to make significant increases in our subscriptions, so we need to be efficient as well. I think I have shown that is a key priority for me and will continue to be.

I like the model of the Financial Ombudsman, which consults the sector on its business plan each year before putting it across to the FCA. Ideally, next year, I would like to do that before we do ours. I have not been able to do it this year. It is my first year in the post. I am still getting to grips with things, but ideally, next year, I would like to do that, to go into a bit more detail. This year I did consult people about the new mission, vision and strategic objectives. I had a series of stakeholder meetings, sent out letters to every chief exec and met with all the tenants' organisations to say, "This is where we are going forward." They helped me to craft that, so they decided the overall direction of where we are going, but next year I would like to go into more detail and do that in terms of the business plan. I think that will ensure we have that accountability to the sector, as well as the formal accountability through my accounting officer role.

Chair: Thank you very much indeed for coming this afternoon. We wish you well in your discussions with the Department and in getting the service brought up to the level that you obviously want to see it at. That is something I am sure we will continue to monitor as a Committee. Thank you very much for coming.

