



Treasury Committee

Ashley Alder
Chair
Financial Conduct Authority

Tuesday 11 February 2025

Subject: Operation of the Financial Ombudsman Service

Dear Ashley

We today heard in a public oral evidence session from the Chair of the Financial Ombudsman Service (FOS) about the recent departure of the Chief Ombudsman, Abby Thomas.

Despite extensive questioning today, the circumstances surrounding Ms Thomas' sudden departure did not appear to be fully shared with the Committee, preventing our Members from forming a full understanding of the process which led to her exit and what it means for the administration and operation of the FOS.

Under the Financial Services and Markets Act 2000 (as amended), and the Memorandum of Understanding between the FOS and the Financial Conduct Authority (FCA), the FCA "is required to take such steps as are necessary to ensure that the ombudsman scheme operator – the Financial Ombudsman Service – is, at all times, capable of exercising its statutory functions".¹

In particular, the FCA's responsibilities include appointing and removing the directors (including the Chair) of the Financial Ombudsman Service (in the case of the Chair, acting with the approval of Treasury) and approving the annual budget of the Financial Ombudsman Service and any variations to it.

Given the sudden departure of the Chief Executive of the FOS, the Committee would welcome the answer to the following questions:

- 1) When was the FCA first told that Abby Thomas would be leaving the FOS?
- 2) Did any member of the FCA Board discuss the departure of Abby Thomas with her, or with any member of the FOS?
- 3) What role, if any, did the FCA play in the departure of Abby Thomas?
- 4) Did the FCA agree to any departure payment, has the FCA been told of any severance payment, and would the FCA need to agree to any payment?

¹ [Memorandum of Understanding between the FCA and the Financial Ombudsman Service Limited](#)



Treasury Committee

5) In line with your responsibilities under FSMA, how has the FCA satisfied itself that this departure maintains the operational effectiveness of the FOS, and that the FOS board is operating effectively?

I would welcome the answer to these questions by the close of business on Tuesday 18 February 2025.

Yours sincerely

A handwritten signature in black ink that reads "Meg Hillier".

Dame Meg Hillier
Chair of the Treasury Committee