
Editorial

Growth of the Ombudsman Role

The Annual Report of the Banking Ombudsman, Mr Laurence Shurman, published at the end of November, reveals that in the twelve months to 30 September the number of complaints received was 2,706 – thirty percent up on the preceding year. The ombudsman adjudicated upon 1,376 complaints, of which “at least 307 could be regarded as successfully resolved in favour of the complainant”. However, a mere 87 cases reached the stage of a formal recommendation. Mr Shurman attributes the increase in his case-load to a growing public awareness of his office and to the growing number of people with multiple bank accounts, rather than to any deterioration in the quality of banking services. Disputes about automatic cash dispensers regularly head the league table of complaints.

In the wake of the prototype official ombudsmen (the Parliamentary Commissioner, the Health Commissioner and the Commissioners for Local Administration), set up by statute in the mid 1960s and early 1970s to tackle maladministration in public authorities, the 1980s have seen a burgeoning interest in ombudsman and ombudsman-style remedies, in the private sector as well as the public sector. The Banking Ombudsman, set up on a non-statutory footing in January 1986, is just one example of this phenomenon. Others include the Building Societies Ombudsman (who operates on the basis of the Building Societies Act 1986), a non-statutory Insurance Ombudsman, a Unit Trust Ombudsman, and the Lay Observer (soon to become a Legal Services Ombudsman); in the sphere of the mass media, there is the Broadcasting Standards Authority and The Press Council – and newspapers themselves are moving towards a code of practice

enforced through an independent ombudsman system.

This enthusiasm for ombudsmen may be symptomatic of a welcome solicitude for consumers – or perhaps of a fear that failure to be seen putting one’s own house in order may prompt the forcible imposition of a sterner external discipline. The Banking Ombudsman is evidently in good company and the only cloud on his horizon seems to be a recommendation in the Jack Report on Banking Services (Cm 622, January 1989) that his role be put onto a statutory footing – partly on the ground that an adjudication scheme must be transparently free of any hint of partiality and partly because of the need for comprehensive coverage of the banking industry. Mr Shurman is apparently opposed to this. But, while accepting that he is doing an excellent job within the inevitable limitations of a voluntary scheme, we believe that those limitations lend overwhelming support to the contrary view of Professor Jack.