

# Editorial

## Private Ombudsmen

An important theme of the public service revolution of the Thatcher-Major years has been the "empowerment" of the consumer. The aim has been to improve the standards of service and to equip the consumer-citizen with the requisite knowledge and confidence to be able to insist upon services of acceptable quality – and to know what to do to claim a remedy if the product turns out to be sub-standard. This theme underlies the Citizen's Charter, one objective of which is the improvement of the machinery for redress of grievances throughout the public sector.

But public grievances are not, of course, confined to services provided by the State, and many privatised and contracted-out public services are in any case now provided by non-public bodies, or in collaboration between public bodies and private and voluntary organisations. The last fifteen years has witnessed the remarkable proliferation of new redress machinery not only in the public sector but also in the private sector – most visibly in the form of the various ombudsman schemes in the financial services sectors. An important part of the grievance-chasing industry has, itself, been privatised. And in a case decided last year, it was held that decisions of the Insurance Ombudsman are not amenable to judicial review, because the office is not in the public sector.

In some cases these ombudsmen have a statutory basis, as with the Pensions Ombudsman (a statutory tribunal in all but name), who is appointed by the Secretary of State for Social Security under the Pensions Schemes Act 1993, and who is responsible to

Parliament. Under sections 83-84 of the Building Societies Act 1986, building societies are obliged to join a recognised scheme for the investigation of complaints by an adjudicator/ombudsman. But other ombudsmen are non-statutory. There are voluntary ombudsman schemes in the personal investment sector (under the auspices of the PIA) and for the banking, corporate estate agents and insurance industries.

This is good news for the citizen. Even if the authenticity of these bodies' "ombudsman" status may sometimes be questioned (particularly on the grounds of their limited powers and of their imperfect independence from the bodies they investigate), most of them have respectable, though hardly spectacular, track records of achievement, and have shown themselves willing to take a robust line with the industries concerned. The financial ombudsmen collaborate, and tend to follow similar procedures.

There is, however, some overlap between them (*eg* in the areas of investments, banking and insurance) and the time may have come, in the interests of greater clarity to would-be complainants, for review and consolidation of these jurisdictions. But that seems a fairly remote prospect, given the present government's hands-off approach, and the different perspectives and interests of the industries concerned. Perhaps the Labour Party might be persuaded to take this matter on board, as an extension of its commitment to tougher regulatory policies?

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