

People Committee: terms of reference

(July 2026)

1. Constitution

- 1.1. The People Committee is constituted as a committee of the Board of the Financial Ombudsman Service Limited.
- 1.2. The committee's terms of reference (ToR) may be amended at any time by the Nomination Committee.

2. Authority

The committee is authorised by the Board to:

- 2.1. undertake business within its ToR
- 2.2. seek any information it requires from any employee (all employees are directed to cooperate with any request made by the committee)
- 2.3. obtain external legal or other professional advice
- 2.4. secure the attendance of anyone it considers has relevant experience, expertise or knowledge, enhancing the committee with independent members as appropriate.

3. Membership

- 3.1. The committee shall be appointed by the Nomination Committee from amongst the Board membership and shall consist of not less than three members.
- 3.2. The Chair of the committee shall be appointed by the Nomination Committee.
- 3.3. The Chair of the Board shall not chair the committee.
- 3.4. In the absence of the committee Chair, the remaining members present shall elect one of their number to chair the meeting.
- 3.5. A member of the Chief People Officer's team shall provide secretariat support to the committee.

4. Meetings

- 4.1. Meetings shall be held at least three times a year at appropriate times in line with the cycle of the regular business it considers, and as otherwise required.
- 4.2. The quorum necessary for the transaction of the business of the committee shall be at least two committee members.
- 4.3. Only members of the committee have the right to attend committee meetings. Other individuals, including other Board, executive and staff members, may be invited by the Chair to attend all or part of any meeting as and when appropriate.
- 4.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and the supporting papers, shall be forwarded to each member of the committee and any other person required to attend, no later than five working days before the date of the meeting.

5. Minutes of meetings

5.1. A member of the Chief People Officer's team shall minute the proceedings and decisions of all committee meetings, including the names of those present.

5.2. Where possible, the minutes shall be prepared for the Chair's review within five working days of the meeting.

5.3. The Chair will provide an oral update on People Committee business at the next Board meeting, a summary note and minutes will be shared, once approved.

6. Responsibilities

6.1. The committee shall approve:

- Workforce strategy, including organisational design principles
- Remuneration strategy for the Service and the Executive Directors, including Chief Executive Officer and Chief Ombudsman
- Executive Director annual goals and performance
- bonus scheme annual approach and payment, including any correction or discretion changes
- performance management approach
- annual pay gap publication.

6.2. The committee shall monitor compliance with legal and regulatory requirements relevant to its remit, and shall review substantive, new or major changes to people policies, including in the areas of

- diversity, inclusion and wellbeing
- employee culture and engagement
- casework target and incentive schemes
- annual outturn for pay and performance
- succession planning for critical senior (non-Executive) roles
- safeguarding and health and safety matters.

6.3. The committee shall be responsible for monitoring, reporting and approving the internal Whistleblowing policy and investigations, with other Board sub-committees, including the Audit, Risk and Compliance Committee, providing appropriate oversight. Investigations may also be delegated by the People Committee to other sub-committees, where appropriate.

6.4. The Committee shall be responsible for approving and periodically reviewing the Service's Whistleblowing Policy and for monitoring the effectiveness of whistleblowing arrangements, including receiving reports on whistleblowing concerns, outcomes, themes and trends.

6.5. The Committee shall maintain oversight of whistleblowing investigations, including determining whether responsibility for oversight of a particular investigation should be

delegated to another Board sub-committee where appropriate (for example where the complaint relates to financial reporting, fraud or internal controls, this would be more suitable for the Audit, Risk and Compliance Committee).

6.6. The committee shall make recommendations for any goodwill element to annual bonus payment to the Board for approval.

7. Approval and reporting procedures

The committee shall:

- 7.1. make recommendations to the Board on matters requiring Board approval
- 7.2. make recommendations to the Board on any area within its remit where action or improvement is needed
- 7.3. approve policies or changes which fall within the responsibilities of the People Committee and delegations agreed by the Nomination Committee
- 7.4. produce an annual summary on its activities for submission to the Board and for inclusion in the Directors' annual report.

8. Other matters

The committee shall:

- 8.1. have access to sufficient resources to carry out its duties, including access to the Chief People Officer's team for assistance, as required
- 8.2. ensure members have appropriate skills and expertise, enhancing the committee with independent members as appropriate
- 8.3. oversee any investigation of activities which are within its ToR
- 8.4. review its performance, constitution and ToR periodically (at least annually), and put forward any changes to its ToR to the Nomination Committee for approval.