

# RESERVE BANK OF FIJI



## COMPLAINTS MANAGEMENT UPDATE

March Quarter 2017

### A. Background

In January 2010, the Reserve Bank of Fiji (RBF) issued its Supervision Policy on Complaints Management to the Licensed Financial Institutions (LFIs)<sup>1</sup>.

The Policy requires LFIs to implement a Complaints Management Framework that will effectively and efficiently resolve complaints by customers of LFIs. The Policy also enables customers who are dissatisfied with the outcome of their complaints, to refer their complaints to the RBF for mediation and resolution.

Since 2012 the RBF has also been conducting mediations between Complainants and LFI's to try and resolve complaints amicably. Mediation is a form of Alternative Dispute Resolution (ADR) where the parties themselves reach a consensus decision to resolve their complaints. The Reserve Bank plays a facilitating role in the process. Mediation is an effective and efficient process which is free of charge and enables the parties to avoid the expensive fees charged by the legal system to resolve their complaints.

This report provides an update on the complaints referred to the RBF in the March quarter of 2017. The complaints data provided in this report excludes the complaints received and resolved by the LFIs at their level.

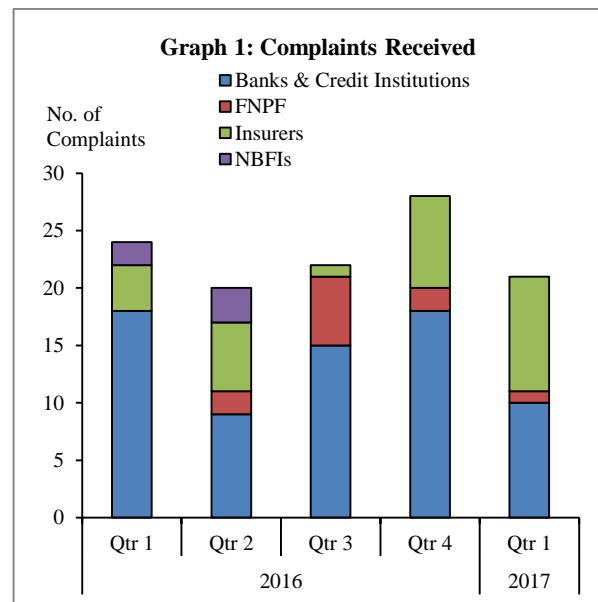
<sup>1</sup> Commercial Banks, Credit Institutions, Capital Market Participants, Insurance Companies and Brokers, FNPF and Foreign Exchange Dealers.

### B. Highlights

In the March quarter of 2017, 22 complaints were referred to the RBF for mediation and resolution.

This was a decrease from 29 complaints received in the previous quarter and 24 complaints when compared to the same period last year.

The complaints received were related to Banks and Credit Institutions, Insurance Companies, Capital Market Participants, and Fiji National Provident Fund (FNPF) (Graph 1).



Source: Reserve Bank of Fiji

### C. Complaints Analysis

For the review quarter, 16 complaints were resolved and six complaints are still pending investigation. Of these six complaints, five

complaints are with RBF for assessment and one complaint is with the LFIs. Similarly, one complaint is pending from the previous quarter and is with the LFIs (Table 1).

**Table 1: Status of Complaints Received**

Industry Type	2016								2017	
	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Qtr 1	
	R	P	R	P	R	P	R	P	R	P
Banks & Credit Institutions	18	0	9	0	15	0	18	0	10	2
Insurers	4	0	6	0	6	0	8	1	10	3
Capital Market	0	0	0	0	0	0	1	0	1	0
FNPF	0	0	2	0	1	0	2	0	1	1
NBFIs	2	0	3	0	0	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>29</b>	<b>1</b>	<b>22</b>	<b>6</b>
<b>Resolved</b>	<b>24</b>		<b>20</b>		<b>22</b>		<b>28</b>		<b>16</b>	

Source: Reserve Bank of Fiji

R – Complaints Received  
 P – Pending Complaints

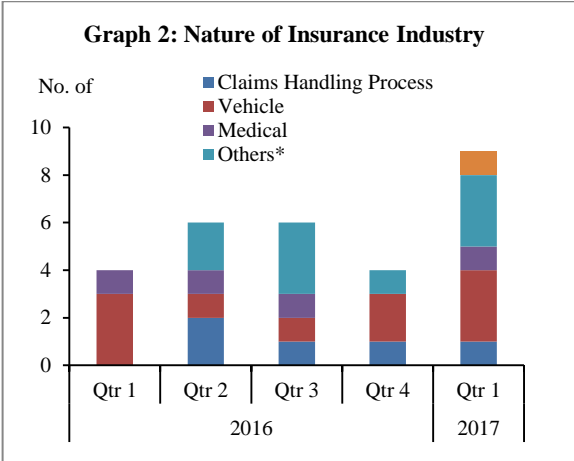
**D. Complaints under Investigation and Resolved**

For the March quarter, 73 percent of the complaints were resolved.

Resolution of these complaints included mediation with the parties to better understand their financial commitments, LFIs agreeing to assist customers in hardship situations, loan repayment arrangements, reversal of fees and charges and claims procedures.

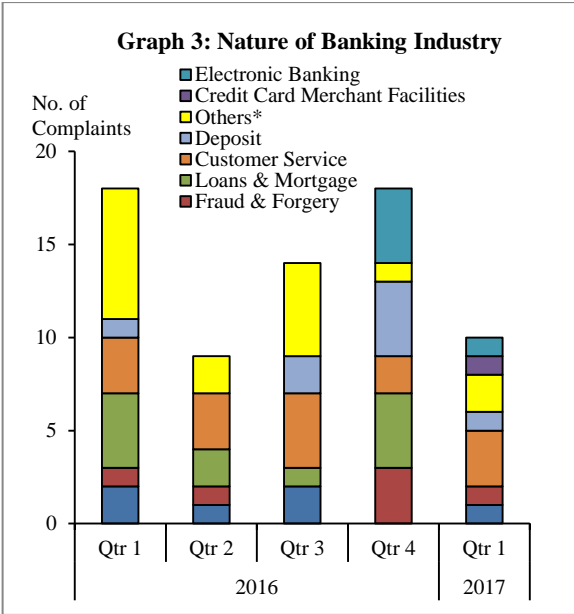
**E. Types of Complaints Received**

The complaints received by the RBF against the insurers were on motor vehicle insurance, medical insurance claims, issues with agents and the claims handling process (Graph 2).



Source: Reserve Bank of Fiji  
 \*other complaints include terms and conditions of the policy and staff conduct.

The nature of complaints received by the RBF on the Banks and Credit Institutions were mainly on customer service, deposits, fees and charges, fraud and electronic banking (Graph 3).



Source: Reserve Bank of Fiji  
 \*Other complaints include fees and charges and staff attitude.

## **F. Consultative and Mediation Meetings**

During the quarter, the RBF held 14 consultative meetings with complainants or LFI's to clarify their complaints.

In addition, the RBF held six mediation meetings with both complainants and financial institutions to try and resolve their complaints.

**Reserve Bank of Fiji**  
**March 2017**