



COMPLAINTS MANAGEMENT UPDATE REPORT

JUNE QUARTER 2014

A. Background

The Reserve Bank of Fiji (RBF) issued Bank South Pacific No.13 on Complaints Management to the Licensed Financial Institutions (LFIs)¹ in 2010. The Policy requires LFIs to implement a Complaints Management Framework that effectively and efficiently resolves complaints by customers of the LFIs. The Policy also enables customers who are not satisfied with the outcome of their complaints to further refer their complaints to the Reserve Bank for mediation and resolution. In the second quarter of 2014, 25 complaints were referred to the RBF for mediation and resolution. The purpose of this report is to provide an update on those complaints. The data in this report does not include the complaints received and resolved by the LFIs themselves in the second quarter of 2014.

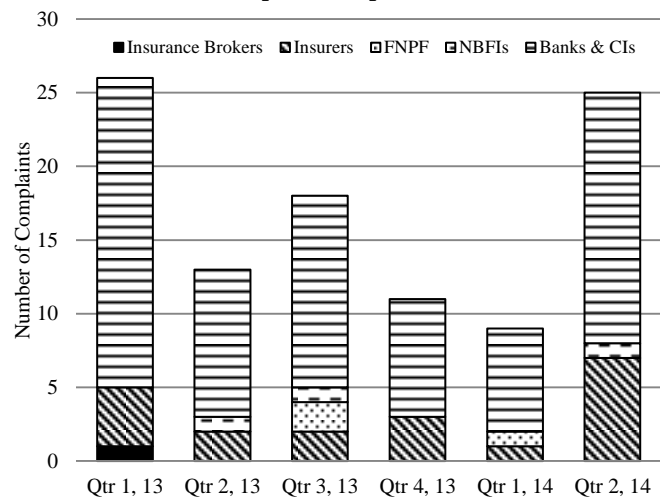
B. Highlights

The number of complaints received increased

by 16 over the quarter to 25. When compared with the same period last year, the number of complaints rose by 7.

The majority of complaints received were related to the banking and insurance sector (Graph 1).

Graph 1: Complaints Received



Source: Reserve Bank of Fiji

¹ Commercial Banks, Credit Institutions, Insurance Companies or brokers, Fiji National Provident Fund.

C. Complaints Analysis

Table 1: Status of Complaints Received

Industry Type	2014				2013			
	Qtr. 2		Qtr. 1		Qtr. 4		Qtr. 3	
	received	investigation	received	investigation	received	investigation	received	investigation
Banking & CIs	17	3	7	0	7	0	13	0
Insurance	7	1	1	0	3	0	2	0
FNPF	0	0	1	0	0	0	2	0
NBFI ²	1	0	0	0	1	0	1	0
Insurance Brokers	0	0	0	0	0	0	0	0
Total	25	4	9	0	11	0	18	0
Resolved	21		9		11		18	

Source: Reserve Bank of Fiji

Complaints under investigation and resolved

In the review quarter, 4 complaints remained unresolved. Of this, 2 complaints are currently being assessed by RBF while the remaining 2 have been forwarded to LFIs for clarifications.

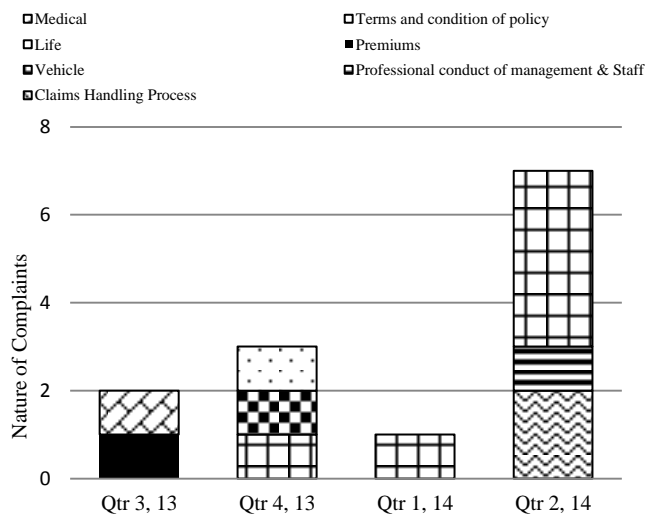
For the June 2014 quarter, 84 percent of complaints were resolved of which half of the complaints were resolved successfully through mediation. Resolutions to these complaints included accounts restructure on the grounds of hardship, adjustment to one bank's system for

resident interest withholding tax calculations, refund of withholding tax to a bank account holder, refund of basic excess to policy holder, rebate of interest rate charged, copy of insurance policy provided to policy holder and consumer advocate groups.

D. Types of Complaints Received

The complaints received by the RBF against the insurance industry were on motor vehicle claims and the claims handling process (Graph 2).

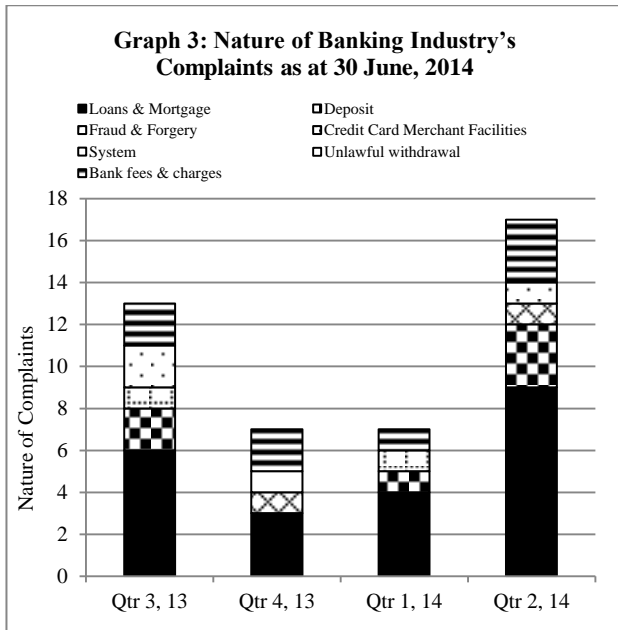
Graph 2: Nature of Insurance Industry's Complaints as at 30 June, 2014



Source: Reserve Bank of Fiji

The nature of complaints received by the RBF on the banking industry was mainly on lending and mortgage, fees/charges and deposit (Graph 3).

² Non bank financial institutions



Source: Reserve Bank of Fiji

E. Consultative Meetings

During the quarter the RBF held 15 meetings with complainants. These meetings were aimed at addressing concerns raised by the complainants.

In the quarter, RBF held 9 meetings with financial institutions. These meetings were on mediation and clarification of issues raised by complainants.

F. Complaints Management Forum

The second Complaints Management Forum meeting was held on 1 July, 2014.

Financial System Development Group
Reserve Bank of Fiji
22 July 2014.