



COMPLAINTS MANAGEMENT UPDATE

June Quarter 2016

A. Background

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

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 with the LFIs to refer their complaints to the RBF for mediation and resolution.

This report provides an update on the complaints referred to the RBF in the second quarter of 2016. The complaints data provided in this report excludes the complaints received and resolved by the LFIs at their level.

B. Highlights

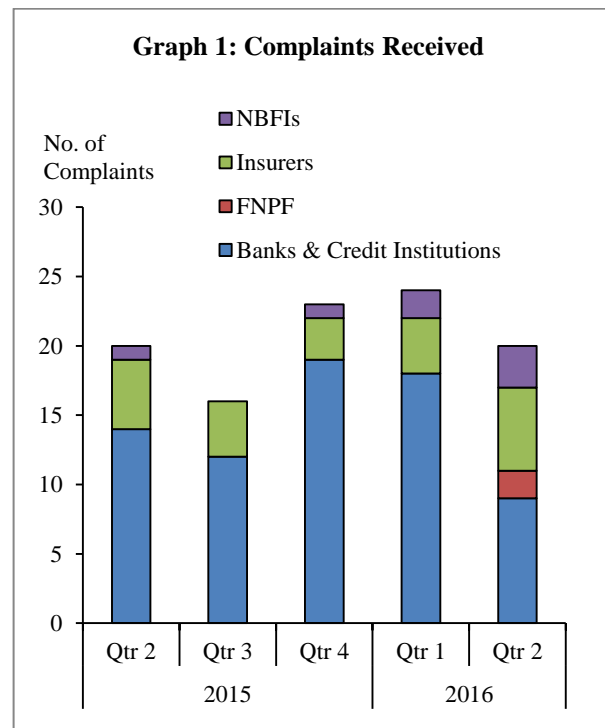
In the second quarter of 2016, 20 complaints were referred to the RBF for mediation and resolution.

This was a decrease from 25 complaints received in the first quarter of 2016. However, no change was noted in the

¹ Commercial Banks, Credit Institutions, Capital Market Participants, Insurance Companies or brokers, FNPF and Foreign Exchange Dealers

complaints received when compared to the same period last year.

The complaints received were related to the banks and credit institutions, Insurers, Fiji National Provident Fund (FNPF), non-bank financial institutions (NBFIs) (Graph 1).



Source: Reserve Bank of Fiji

C. Complaints Analysis

For the review quarter, all the complaints were resolved, however, one complaint remained unresolved from the first quarter. This complaint is currently being assessed by the financial institutions (Table 1).

Table 1: Status of Complaints Received

Industry Type	2015						2016			
	Qtr 2		Qtr 3		Qtr 4		Qtr 1		Qtr 2	
	R	P	R	P	R	P	R	P	R	P
Banks & Credit Institutions	14	0	12	0	19	0	18	1	9	0
Insurers	6	0	4	0	3	0	4	0	6	0
FNPF	0	0	0	0	0	0	0	0	2	0
NBFIs	0	0	0	0	1	0	2	0	3	0
Total	20	0	16	0	23	0	24	1	20	0
Resolved	20		16		23		23		20	

Source: Reserve Bank of Fiji
R – Complaints Received
P – Pending Complaints

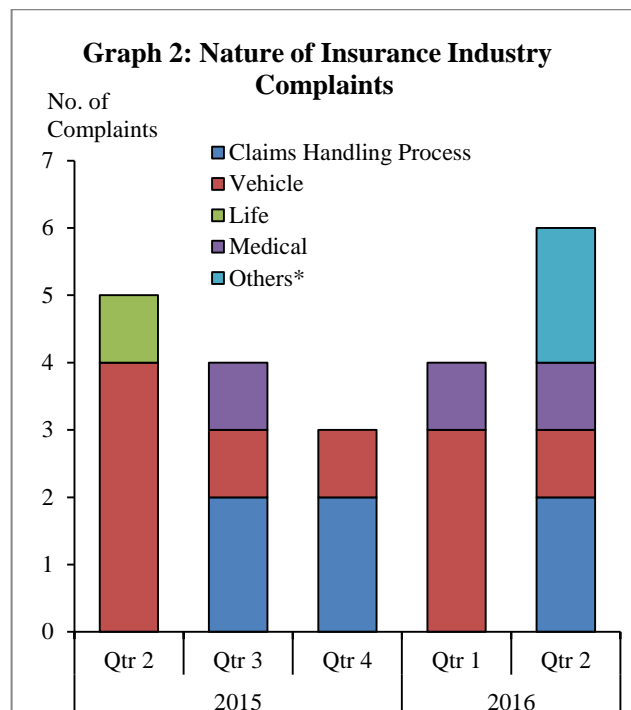
D. Complaints under investigation and resolved

For the June 2016 quarter, 100 percent of the complaints were resolved.

Resolution of these complaints included reversal of fees and charges, bringing the complainant and LFIs together to better understand their rights and duties, processing of telegraphic transactions and rebate of interest charged to loan account.

E. Types of Complaints Received

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



Source: Reserve Bank of Fiji

*other complaints are on mortgage advertisement in newspapers, not receiving notice on premium payments

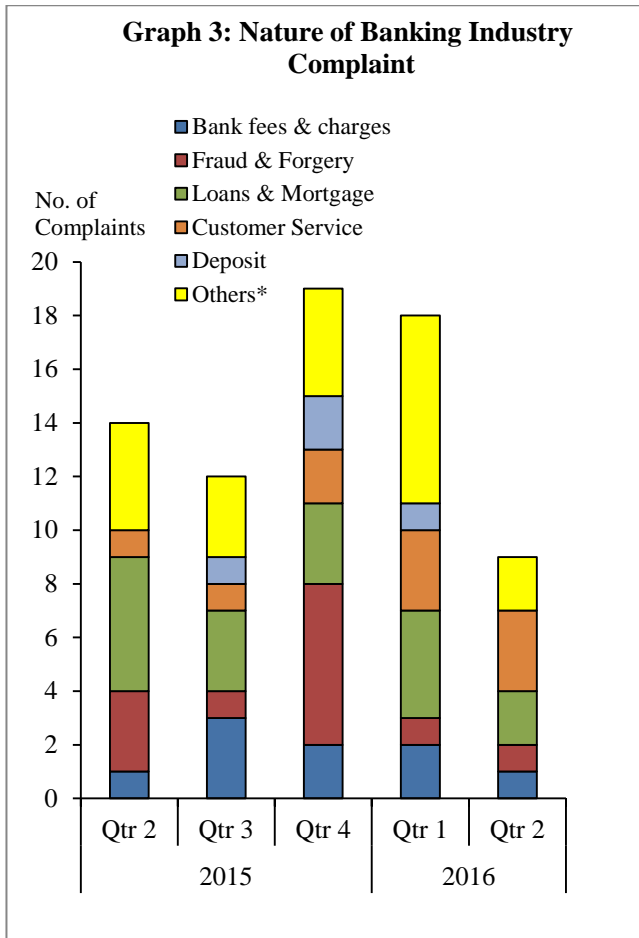
The nature of complaints received by the RBF on the banks and credit institutions were mainly on customer service, fees and charges, fraud, loans and mortgages (Graph 3).

F. Consultative Meetings

During the quarter, the RBF held nine meetings with complainants to resolve their complaints.

In addition, the RBF held two meetings with financial institutions. These meetings involved mediation and clarification of issues raised by complainants.

Graph 3: Nature of Banking Industry Complaint



Source: Reserve Bank of Fiji

**Other complaints include unlawful withdrawals, failure to discharge security documents (insurance policies), process, system, banks' lack of action on court ruling and disputes on credit card transactions*

G. Other Major Activities

In the review quarter, RBF conducted an onsite examination of an insurance company to ensure its compliance with the requirements of Insurance Supervision Policy No. 9 on Policy Guideline on Complaints Management.

The RBF also attended the Fiji Mediation Centre Seminar for stakeholders on 26 May 2016 which was organised by the Judicial Department, Consumer Council of Fiji and supported by European Union. The RBF presented on “Use of Mediation to Resolve Disputes”. The presentation also covered mediation at RBF.

Staff attended a training seminar organised by Bankable Frontier Associates on 18-19 May 2016. The training focused on the Regulatory Impact Assessment of Fiji’s Financial Inclusion Policies issued by the RBF.

Reserve Bank of Fiji **July 2016**