

RESERVE BANK OF FIJI

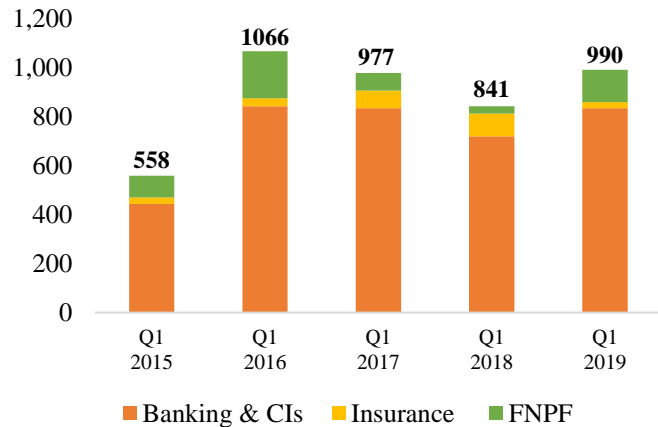
Complaints Management Bulletin



Key Highlights in Q1 2019

Increase in Complaints by 4.3% QOQ

In the review quarter 27 matters were lodged with the RBF. This was an increase of 4.3 percent from Q4 2018 but unchanged from the total received in the same period in 2018. According to the returns received, a total of 990 complaints were registered by the various licensed financial institutions (LFIs) during the review quarter. This represented an increase of 0.1 percent from the December 2018 quarter. On an annual basis, total LFI complaints increased by 17.7 percent.



Summary of Complaints over the quarter



Received by LFIs



Escalated to RBF



By RBF



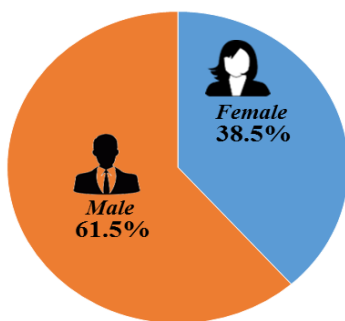
Meetings held



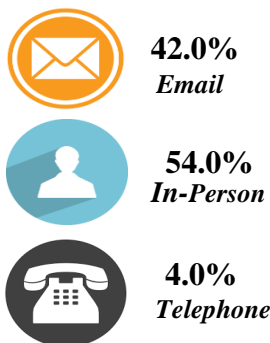
As at Q1

Summary of Complaints received by RBF

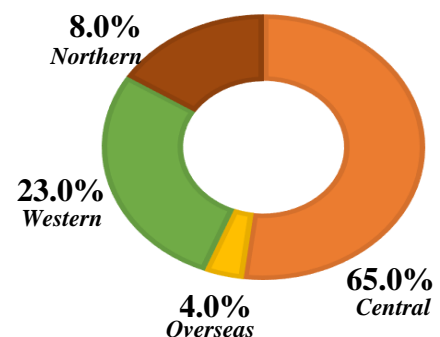
Gender



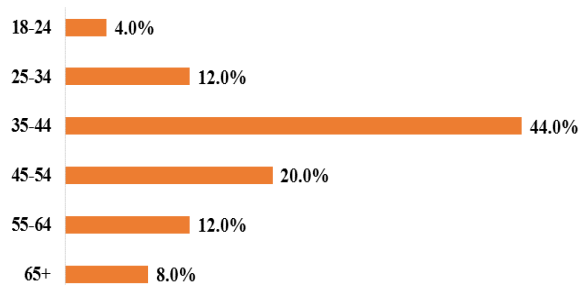
Mode of Communication



Location of Complainants



Age of Complainants

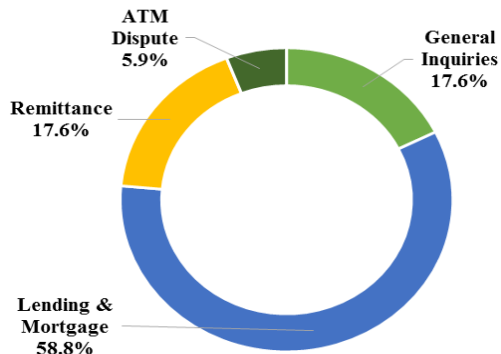


As per previous quarters, the majority of complaints made are by males aged between 35 - 44 years.

In the reporting period, more than half (54.0%) of the complainants made initial lodgements of their complaint in person. The remaining 46 percent of complainants either emailed or telephoned. As in previous quarters, majority of the complaints were lodged by people living in the urban areas of the Central division. The Bank received two (2) complaints from the Northern division and one (1) complaint was sent via email from a Fiji resident living overseas. The RBF receives complaints from people of various backgrounds and usually from those who do not fully understand the processes or the implications of what they have agreed to. During this quarter however, 11.1 percent of the complaints were received from sole proprietors from various business sectors.

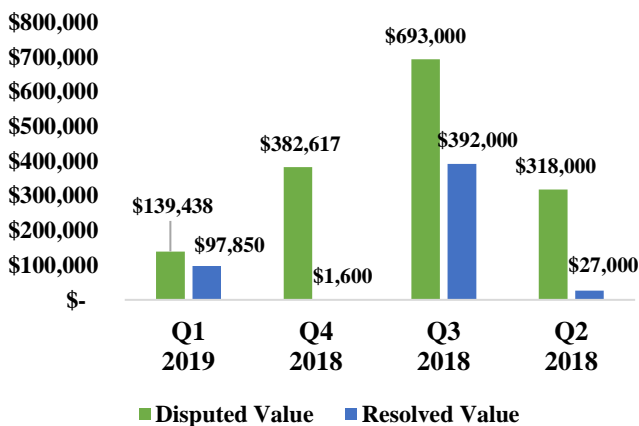
Types of Complaints

Banking



More from the banking sector related to Lending and Mortgages. Specifically, the complaints related to bank processes and decisions on the variation of interest rates, rate of fees charged, delays in the mortgage discharge process, lack of disclosure for charges of additional fees and changes to the loan product type without customer approval. Under General Enquiries, banks received complaints relating to questions on whether the standard operating procedures were followed for joint account withdrawals and lack of disclosures about products and services. Remittance type complaints were about lack of response/communication from the banks on the progress of the transaction and ATM disputes where consumer faced delays in the reversal of the disputed funds.

Value of Complaints



The total value of disputed complaints reported over the quarter was \$140,000. The combined value of the resolved complaints was \$97,850. Once referred, the RBF undertakes alternative dispute resolution methods, such as mediation, conciliation or negotiation, in the effort to arrive at a win-win resolution for both parties. The Unit has an accredited mediator on staff and training of remaining staff in ADR is a priority for 2019.

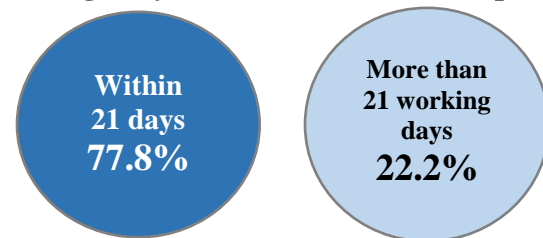
Outcome of Complaints

77.8% **RESOLVED** through Alternative Dispute Resolution¹

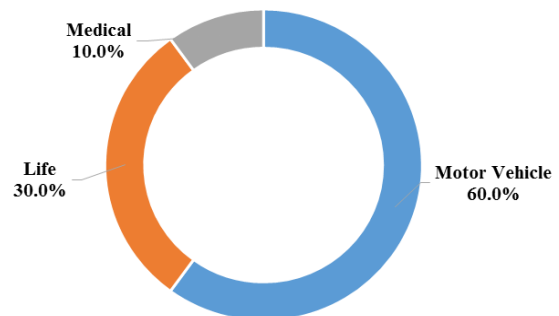
0.0% **UNRESOLVED** - lack of substantial evidence with complainant, refusal by LFI to reconsider decision, lack /absence of relevant powers of the RBF.

22.2% **IN PROGRESS** Awaiting response from LFI or pending submission of documents from complainants.

Average days taken to resolve a complaint



Insurance



Consistent with the trends in the past quarters, complaints relating to motor vehicle claims continued to dominate the statistics of the insurance industry. Particulars of the complaints included delays in responding to claims applications, lack of disclosures of details by insurers in declining of claims, delays in claims decisions and disputes regarding claims amounts. In at least 4 cases, complainants attempted to use the RBF procedures for resolution of fraudulent claims. Where fraud is strongly suspected, the RBF will immediately inform the complainant to provide verifying evidence. In all the mentioned cases, complainants were unable to provide the required information and documentations. The cases were closed forthwith.

Delays in claims handling and failure to provide required complaint claims, underwriting, and policyholder service disclosures formed the main recurring compliance issues under Life and Medical related complaints during the quarter.

Summary of Complaints received by Industry

BANK & CREDIT INSTITUTIONS



Top 3 Complaint Types



33.9%

Electronic Banking



17.0%

Systems



14.7%

Customer Service

QOQ Change

↑ 29.8%

↓ 21.0%

↓ 21.2%

(Refer Annexure Table 2)

Total complaints made directly to banks & credit institutions increased by 8.2 percent over the quarter from 771 to 834. On an annual basis however, a decline of 16.0 percent was noted. The increase in Electronic Banking complaints were mainly due to downtime/technical issues in the EFTPOS, ATM and transaction difficulties for Internet Banking facilities. Complaints relating to customer service and systems issues also decreased in the quarter.

INSURANCE



Top 3 Complaint Types



33.3%

Customer Service



20.8%

Policy Terms & Conditions



8.3%

Motor Vehicle Insurance Claim

QOQ Change

↓ 50.0%

↓ 58.3%

↓ 95.8%

(Refer Annexure Table 5)

Total insurance related complaints substantially declined by 78.4 percent over the quarter and by 74.2 percent annually. Customer service related complaints recorded a significant decrease by 50.0 percent and these were mainly due to either lack of response or untimely claims process. Complaints relating to policy terms and conditions attributed to either a lack of understanding by consumers or shortage of key disclosures provided by the insurer. Motor vehicle related complaints continued to register in the top three (3) types of complaints specifically related to the claims handling process. In addition, complaints on other insurance related services which comprises complaints against the systems, premiums and property registered a decrease.