

RESERVE BANK OF FIJI

Complaints Management Bulletin

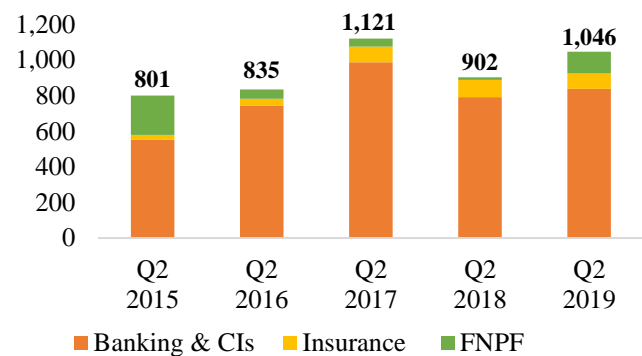


Key Highlights in Q2 2019

Decrease in Complaints by 29.6% QOQ

In the review quarter 19 complaints were lodged with the RBF. This was a decline of 29.6 percent from Q1, 2019 but an increase from those received in the same period in 2018. During the June quarter a total of 1,046 complaints were made directly to the licensed financial institutions (LFIs). This was a decrease of 1.3 percent from Q1 2019. On an annual basis, total complaints made to LFIs increased by 18.8 percent.

Complaints received by LFIs - Yearly



Summary of Complaints over the quarter



Received by LFIs



Escalated to RBF



By RBF



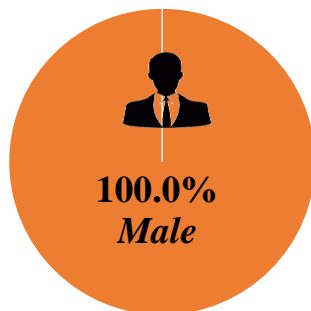
Meetings held



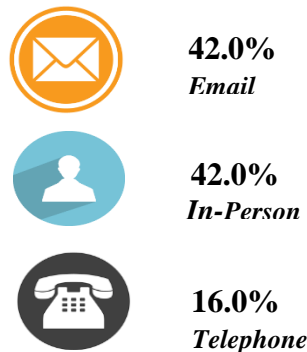
As at Q2

Summary – Breakdown of Complaints received at RBF

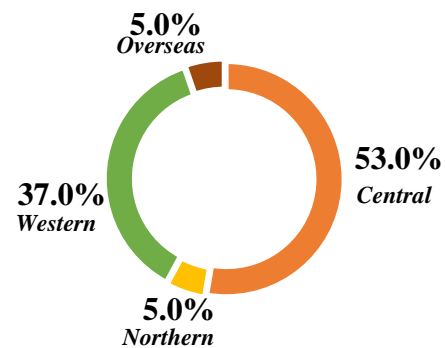
Gender



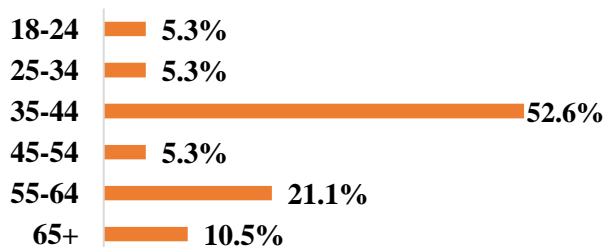
Mode of Communication



Location of Complainants



Age of Complainants



In the reporting period 42 percent of the complainants lodged their complaint in person and via emails. The Bank is seeing more complaints lodged via email from working consumers. As in previous quarters, almost all the complaints were lodged by consumers residing in the urban areas of the Central Division. There was one complaint from the Northern division and one made via email from a Fiji resident living overseas.

All complaints received in this quarter were by males aged between 35 - 44 years.

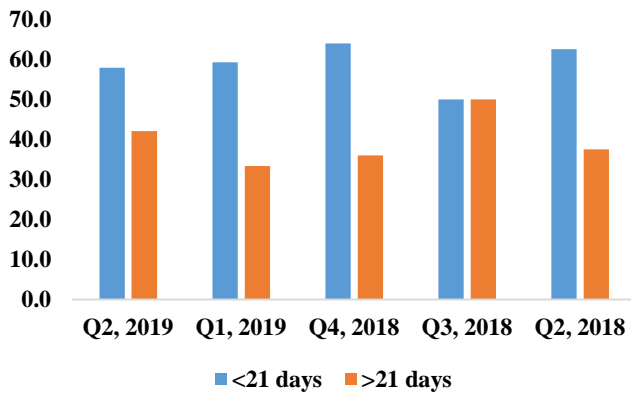
The RBF receives complaints from consumers of various backgrounds. Work on root cause analysis of the types of complaints we receive are currently underway as part of the work on developing a Market Conduct framework for Fiji.

Outcome of Complaints

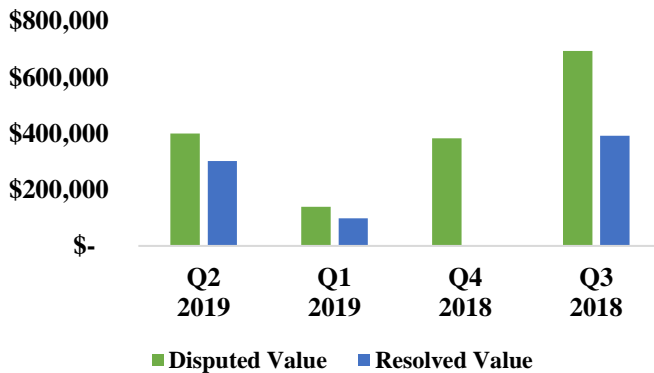
52.6% **RESOLVED** through Alternative Dispute Resolution

47.4% **IN PROGRESS** Awaiting response from LFI or pending submission of documents from complainants.

Average No. of Days to Resolve a Complaint



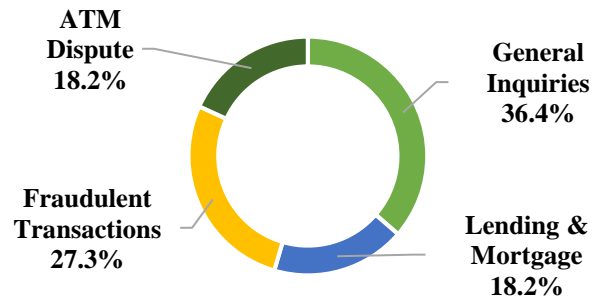
Value of Complaints



The total value of disputed complaints reported over the quarter was \$399,212. The combined value of the resolved complaints was \$301,785. 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.

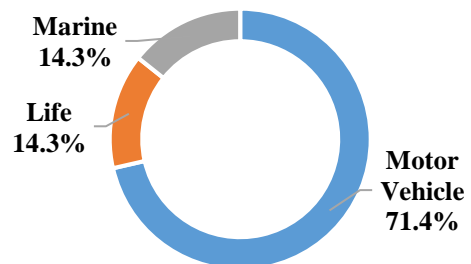
Types of Complaints

Banking



36.4 percent complaints under General Inquiries related to questions on lack of disclosures about products and services and foreign exchange transfers. 27.3 percent of complaints were suspected fraud cases which the LFIs have been directed to investigate. Under Lending and Mortgages, complaints related to variation of interest rates, rate of fees charged and lack of disclosure for charges of additional fees. In most cases however, consumers don't read and understand their contracts and LFIs don't take the time to explain to the consumers. For ATM disputes, complaints mainly related to ATM machine malfunctions and removal of EFTPOS machines from business premises.

Insurance



Consistent with the trends in the past quarters, complaints relating to motor vehicle claims dominated the numbers for the insurance industry. Delays in the claims handling processes (14.2%), lack of disclosures by insurers when declining claims (28.6%) and disputes regarding claims amounts (28.6%) made up the bulk of the complaints. Delays in claims handling and failure to provide required complaint claims, underwriting, and policyholder service disclosures formed the main recurring compliance issues (14.3%) under Life and Medical related complaints during the quarter. The Bank also received one claim in relation to marine insurance (14.3%). This is awaiting further disclosures from the complainant.

Summary of Complaints received by Industry

BANK & CREDIT INSTITUTIONS



Top 3 Complaint Types



32.4%

Customer Service



121.1%



20.4%

Fees & Charges



1,040.0%



17.0%

Electronic Banking



49.5%

QOQ Change

(Refer Annexure Table 2)

Total complaints made directly to banks and credit institutions increased by 0.6 percent over the quarter from 834 to 839. On an annual basis, an increase of 5.9 percent was noted. The increase in customer services were mainly due to waiting time at the Banks, miscommunication between customers and bank officers and debit card issues. Complaints relating to Fees and Charges increased notably and were mostly due to customers who had Mortgage & Lending facilities with Banks and Credit Institutions and their lack of understanding of the fees and charges offered.

INSURANCE



Top 3 Complaint Types



55.2%

Motor Vehicle
Insurance Claim



6.7%



11.5%

Medical Insurance

No Change



9.2%

Customer Service



61.9%

QOQ Change

(Refer Annexure Table 5)

Total insurance related complaints declined by 7.4 percent over the quarter and by 9.4 percent annually. Motor Vehicle Insurance claims recorded an increase of 6.7 percent and remained in the top three types of complaints. These were specifically related to the claims handling process. However, Customer Service related complaints recorded a significant decrease of 61.9 percent and these were mainly due to either lack of response or untimely claims process. Complaints relating to medical insurance attributed to either a lack of understanding by consumers or shortage of key disclosures provided by the insurer. In addition, complaints on other insurance related services also increased whereas complaints against terms & conditions registered a decrease (42.9%).