

# RESERVE BANK OF FIJI

## Complaints Management Bulletin

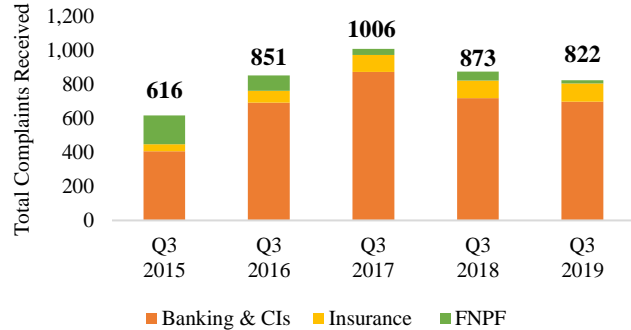


### Key Highlights in Q3 2019

#### Increase in Complaints by 26.3% QOQ

In the review quarter 24 matters were escalated to the RBF. This was an increase of 26.3% from Q2 2019 and an increase of 71.4% from the same period in 2018. According to the returns submitted by the licensed financial institutions (LFIs), 822 complaints were made to the various LFIs during the review quarter. This represented a decrease of 12.5% from the Q2 2019. On an annual basis, total complaints registered by the LFIs decreased by 5.8%.

#### Complaints Received by LFI's - Yearly



#### Summary of Complaints over the quarter



Received by LFIs



Pending from Q2



Escalated to RBF -new



By RBF



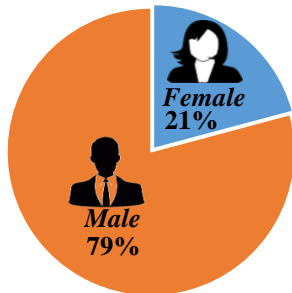
PENDING



Meetings held

### Summary of Complaints escalated to the RBF

#### Gender



#### Mode of Communication



54%

Email



42%

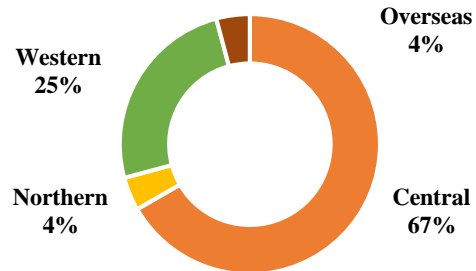
In-Person



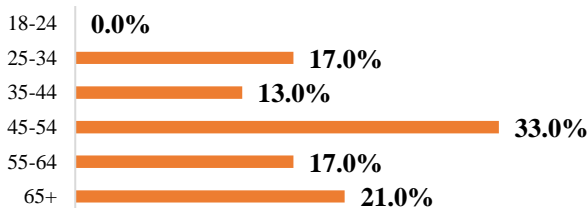
4%

Letter

#### Location of Complaints



#### Age of Complainants

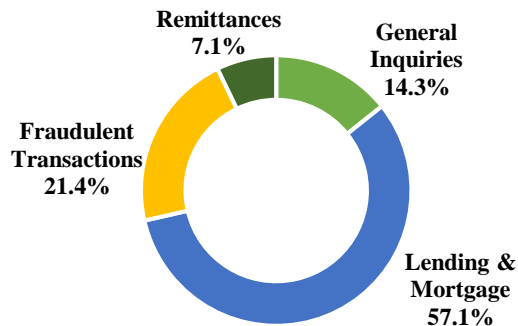


The majority of complaints were made are by males aged between 45-54 years.

In the reporting period, 54% of complaints were initially lodged via email, 42% made in person and one (1) complaint received via post mail. As in previous quarters, majority of the complaints (16) were made by individuals living in the urban areas of the Central division. The Bank received one (1) complaint from the Northern division and one (1) complaint was sent by email from a Fiji resident living overseas. The remaining six (6) complaints were received from the Western division. 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 when engaging financial services. During this quarter, 20.8% of complaints were from sole proprietors of various business sectors.

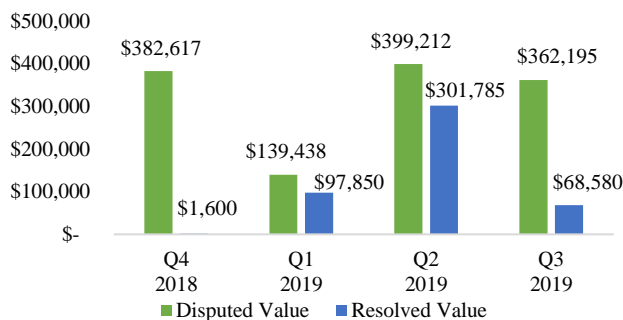
## Types of Complaints

### Banking



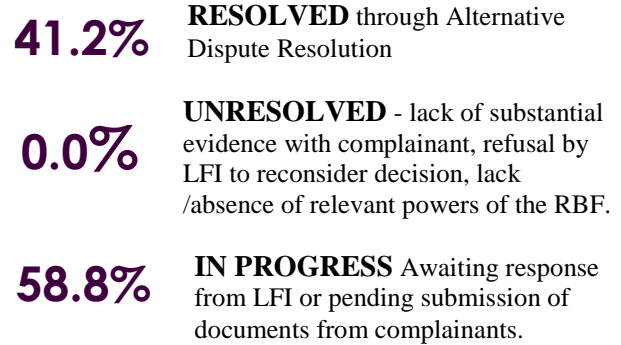
For complaints on Lending and Mortgages, the issues related mainly to non-disclosures of additional fees and charges that customers were not aware of, disagreements with decisions on the variation of interest rates and fees and charges and delays in the mortgage discharge process. In a number of cases, complainants were not aware of the provisions of mortgage agreements and how the bank calculated their fees and charges. Under General Enquiries complaints, the issues related to unclaimed monies procedures and account overdrafts occurring for VISA debit cards. Remittance related complaints were attributed to non-receipt of incoming payments. Additionally, there were complaint cases that highlighted issues of fraud and a number of investigations into bank staff practices for branches outside of Suva are underway.

### Value of Complaints

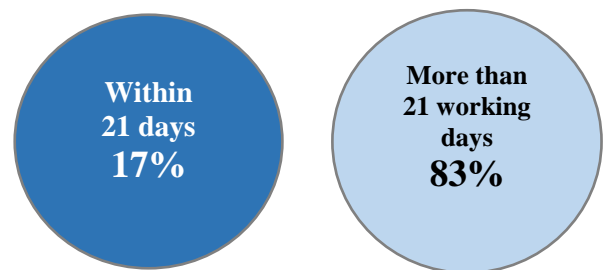


The total value of disputed complaints reported over the quarter stood at \$362,195. The combined value of the resolved complaints was \$68,580. When a complaint is escalated to the Bank, the RBF undertakes as a first option, alternative dispute resolution (ADR) methods such as mediation, conciliation 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



### Average days taken to resolve a complaint



### Insurance

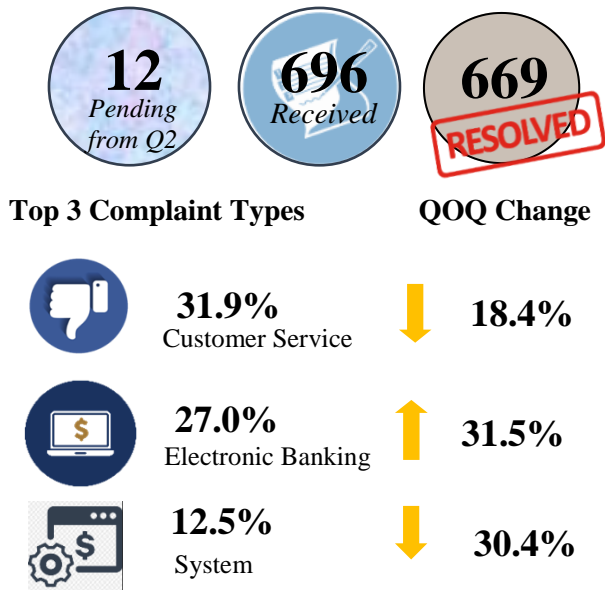


The complaints trend in the insurance industry has remained consistent in the past quarters, with complaints relating to motor vehicle claims continuing to dominate the complaints data. Particulars of the complaints included delays in claims handling process, non-disclosures of details by insurers when declining a claim, delays in claims decisions, complaints about the investigator outsourced by insurers and disputes over the excess applied.

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

## Summary of Complaints received by Industry

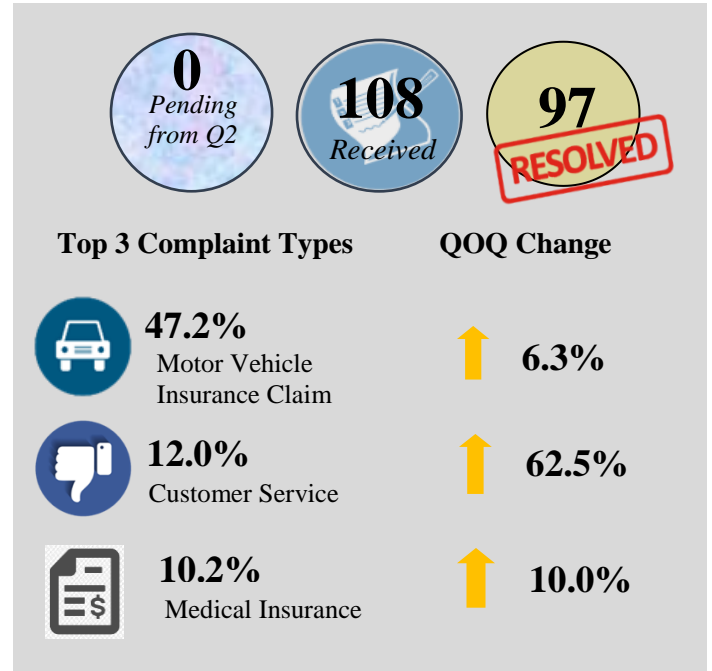
### BANK & CREDIT INSTITUTIONS



*(Refer Annexure Table 2)*

Total complaints made directly to banks & credit institutions decreased by 17% over the quarter to 696 complaints. A similar trend was noted on an annual basis where a decline of 2.9% was recorded. A decrease in customer service complaints were recorded by the LFIs. Customer advocates appointed are ensuring that complaints are dealt with as and when they receive these. Complaints relating to electronic banking increased by 31.5%. Reasons for this increase are in line with more and more customers moving towards the digital platforms. A decrease was also noted for system related complaints decreasing by 30.4%. The RBF has received a few complaints where deposits have been credited to wrong accounts due to systems errors and possible fraud.

### INSURANCE



*(Refer Annexure Table 5)*

Total insurance related complaints increased by 24.1% over the quarter and by 12.5% annually. Motor vehicle related complaints continued to register in the top three (3) types of complaints specifically relating to the claims handling process of insurers showing a 6.3% increase over the quarter. Customer service related complaints also recorded an increase by 62.5% and these were mainly due to either lack of response, untimely claims process or discourteous staff. Complaints relating to medical insurance attributed to either a lack of understanding by consumers or shortage of key disclosures provided by the insurer.