

RESERVE BANK OF FIJI

Complaints Management Bulletin

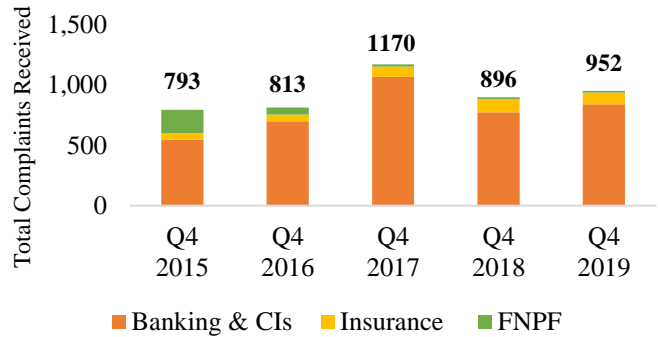


Key Highlights – Q4 2019

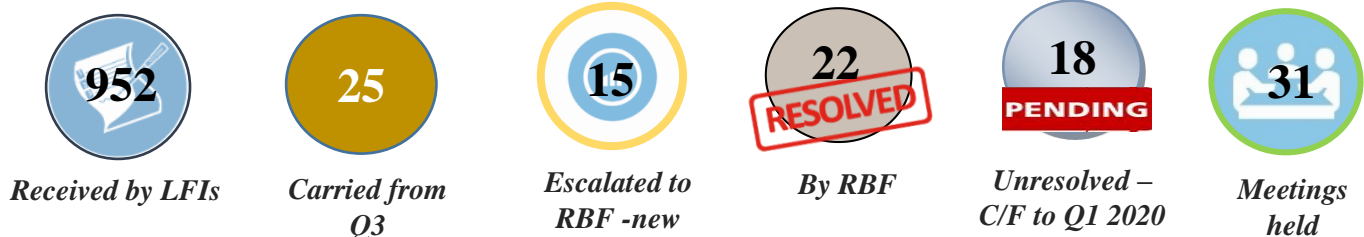
Decrease in Complaints by 37.5% QOQ

In the review quarter, 15 complaints were escalated to the RBF. This was a decrease of 37.5% from the previous quarter and a decrease of 40.0% when compared to the same period in 2018. The Returns for the quarter submitted by the licensed financial institutions (LFIs) showed that a total of 952 complaints were made to the various LFIs. This is an increase of 15.5% from Q3 2019 and on an annual basis, is an increase of 1.7% in total complaints.

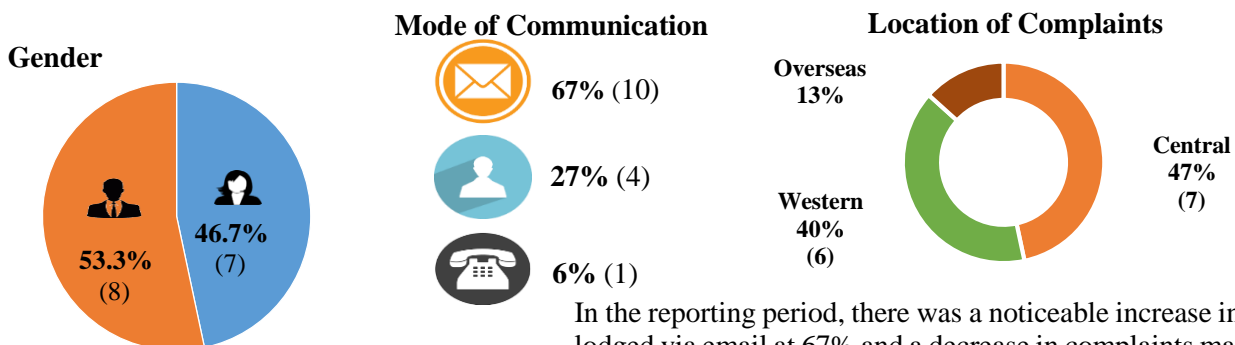
Complaints Received by LFI's - Yearly



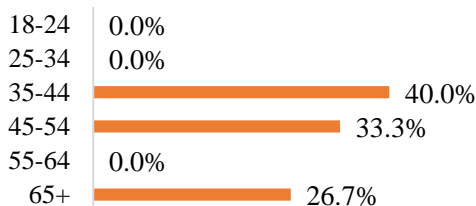
Summary of Complaints over the quarter



Summary of Complaints escalated to the RBF



Age of Complainants

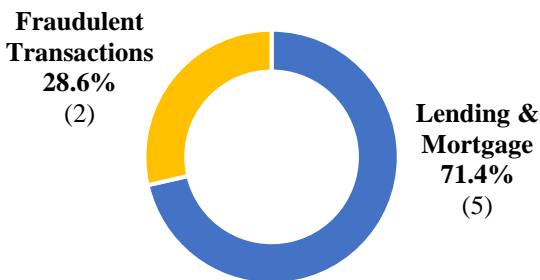


Majority of the complaints to the RBF were lodged by males aged between 35-44 years.

In the reporting period, there was a noticeable increase in complaints lodged via email at 67% and a decrease in complaints made in person at 27%. The increase in emails were mainly from complainants living outside of the Central division and a number from referrals from those who had been assisted in the past. As in previous quarters, majority of the complaints were made by individuals living in the urban areas of the Central and Western divisions and a small number from Fiji residents living overseas, whose complaints related to fees & charges and activities with their Fiji held accounts. Whilst there is an assumption that complaints are made mainly by customers who may not understand financial services and products, the data received shows however that the RBF receives complaints from people of various backgrounds. In this reporting, 60% of complaints were received from individuals who are educated and working in the formal sector and did not fully understand the processes or the implications of what was initially agreed.

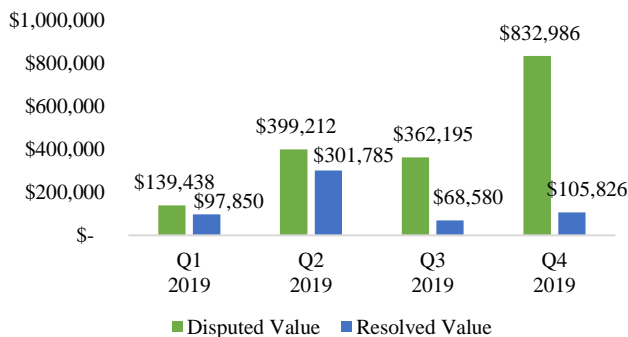
Types of Complaints

BANKING & CREDIT INSTITUTIONS



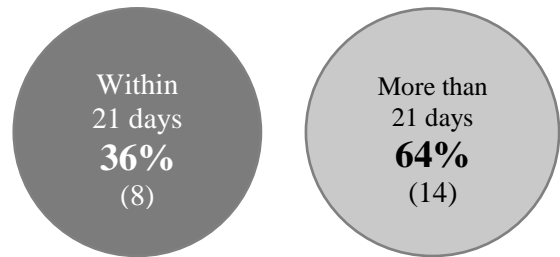
In the Banking Credit Institutions sector all the complaints received in the quarter related to either lending and mortgages or fraud related. With regards lending and mortgages complaints related mainly to non-disclosures of additional fees and charges customers were not aware of, systems related mistaken deduction of fees and in one case a customer had been waiting 12 months for the bank to discharge their mortgage on their property. For fraud related, the complaints related to the remittance of funds overseas which the customer alleges was not authorised by him and the withdrawal from an account under a Power of Attorney. Investigations on these fraud related complaints are ongoing.

Value of Complaints

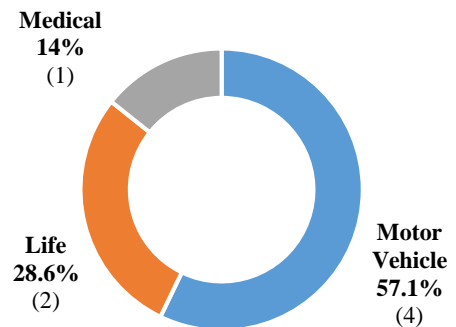


The total value of disputed complaints reported over the quarter was \$832,986 which was the highest recorded for 2019. This was due mostly to one complaint with a disputed value of \$575,000. The combined value of all the resolved complaints was \$105,826. It must be noted that some complaints do not have any monetary value as they relate often to issues about customer services or other banking services which the banks must provide but were not providing. In handling complaints escalated to the RBF settlement through various forms of alternative dispute resolution (ADR) option to ensure that as much as possible, resolution is a win-win for both parties.

Number of days taken to resolve a complaint



INSURANCE



In this quarter most of the complaints were insurance related. In the insurance industry, complaints relating to motor vehicle claims continued to make up majority of the complaints. Particulars of the complaints included delays and non-disclosures by the insurer in assessing and conveying claims decisions to complainants, and complaints relating to the methods being practiced by agents and the investigator hired by the insurer.

With regards to life insurance sector, the RBF undertook investigations into complaints of fraud at a Western branch and delayed tactics and attempts by the branch to withhold knowledge and details of the fraud from head office based in Suva. Other complaints related to wrong payments at maturity of life policy. In the medical insurance sector, the complaint was contract related concerning exclusions introduced mid-policy without any discussions with the policy holder.

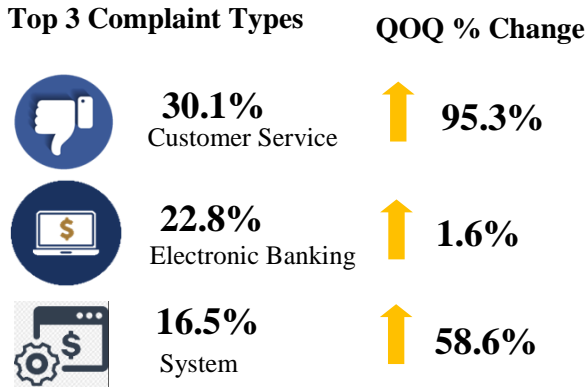
NEW RFEDs & MCs

The Complaints Management Supervision Policy was issued for the RFEDs and MCs in December 2010. The policy was finally enforced in 2019. The licensed institutions have been advised that providing data pertaining to this policy is a mandatory requirement which they need to report on a six monthly basis.

We received the six monthly report from 7 RFEDs and MCs as at 31 December 2019. Of these only one RFED reported receiving 3 complaints of which 2 have been resolved during this period. The RBF also received 1 complaint against one RFED which is currently being investigated.

Summary of Complaints received by Industry

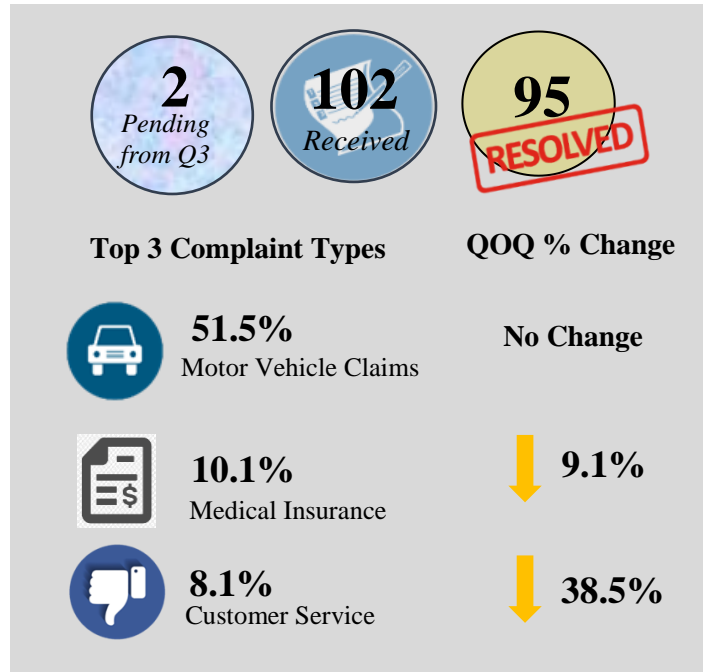
BANK & CREDIT INSTITUTIONS



(Refer Annexure Table 2)

Total complaints made directly to banks & credit institutions increased by 20.4% over the quarter from 696 to 838 complaints. A similar trend was noted on an annual basis where an increase of 8.7% was recorded. A substantial increase of 95.3% 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 1.6% which is expected given the services available to encourage customers to migrate towards more electronic forms of banking. An increase was also noted for system related complaints increasing by 58.6%.

INSURANCE



(Refer Annexure Table 5)

Total insurance related complaints decreased by 8.3% over the quarter and by 10.8% 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 and recorded the same number of complaints in this quarter when compared to the previous quarter. Customer service related complaints recorded a decrease by 38.5% 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.

FDB

Government has announced the inclusion of the Fiji Development Bank (FDB) under the RBF's supervisory arm. The FDB is anticipated to provide their QCMR from Quarter 1, 2020.