



COMPLAINTS MANAGEMENT UPDATE REPORT

December Quarter 2014

A. Background

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

The Policy requires LFI's to implement a Complaints Management Framework that will efficiently and effectively resolve complaints by customers of LFI's. The Policy enables customers who are dissatisfied with the outcome of their complaints with the LFI's to refer their complaint to the RBF for mediation and resolution.

The purpose of this report is to provide an update on the complaints that the RBF received in quarter 4, 2014. The complaints data provided in this report excludes the complaints received by the LFIs.

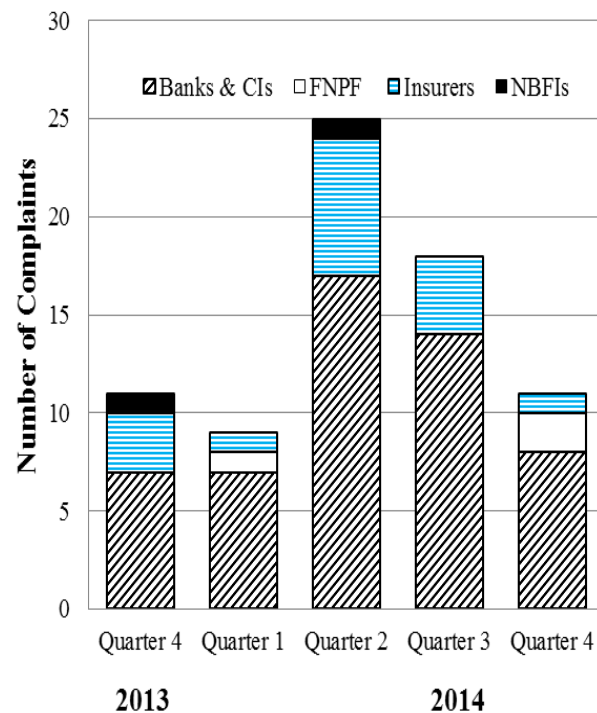
B. Highlights

In the fourth quarter of 2014, 11 complaints were received by the RBF for mediation and resolution.

This was a reduction from the 17 complaints received in the September quarter, but unchanged when compared with the complaints received in the same quarter of 2013.

The majority of the complaints received were related to the banking and insurance sector (Graph 1).

Graph 1: Complaints Received



Source: Reserve Bank of Fiji

¹ The LFI's are the Commercial Banks, Credit Institutions, Capital Market Participants, Insurance Companies or brokers, FNPF and Foreign Exchange Dealers.

C. Complaints Analysis

In the review quarter, seven complaints remained unresolved. Of this, one complaint is currently being assessed by RBF while the remaining six have been forwarded to LFIs for clarification (Table 1).

Table 1: Status of Complaints Received in Quarter 4, 2013 - Quarter 4, 2014

Industry Type	2014								2013	
	Qtr. 4		Qtr. 3		Qtr. 2		Qtr. 1		Qtr. 4	
	received	investigation	received	investigation	received	investigation	received	investigation	received	investigation
Banking & CIs	8	6	14	0	17	0	7	0	7	0
Insurance	1	0	3	3	7	0	1	0	3	0
FNPF	2	1	0	0	0	0	1	0	0	0
NBFI ²	0	0	0	0	1	0	0	0	1	0
Total	11	7	17	3	25	0	9	0	11	0
Resolved	4		14		25		9		11	

Source: Reserve Bank of Fiji

Complaints under investigation and resolved

For the complaints received in the September quarter, three remained unresolved. Of this, two complaints have been forwarded to LFIs for clarification and one has been assessed and

² Includes Fiji Development Bank and Housing Authority

forwarded to the complainant to provide more information.

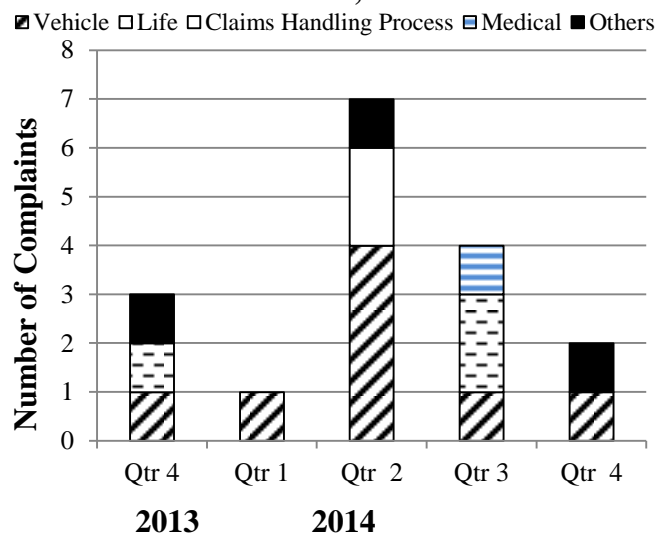
For the December 2014 quarter, 84 percent of the complaints were resolved.

Resolution of these complaints included accounts restructure on the grounds of hardship, refund of basic excess to policy holder, rebate of interest rate charged, copy of insurance policy provided to policy holder or consumer advocate groups, clarification on the declinature of insurance claims and mortgagee sales.

D. Types of Complaints Received

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

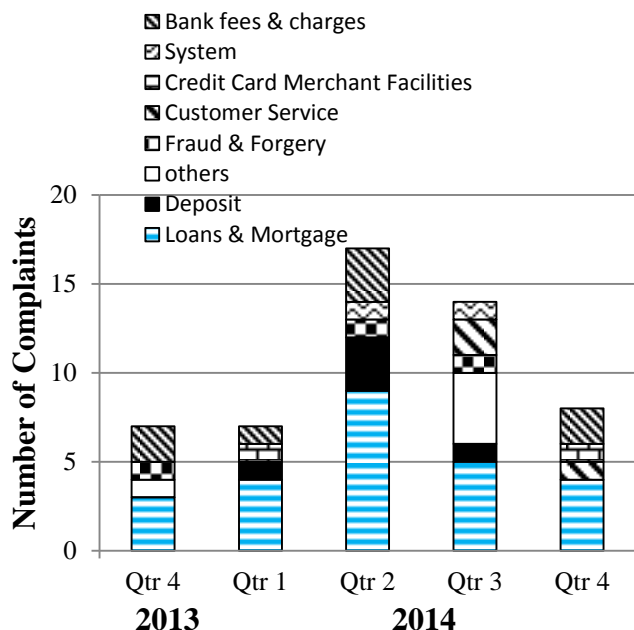
Graph 2: Nature of Insurance Industry's Complaints as at 31 December, 2014



Source: Reserve Bank of Fiji

The nature of complaints received by the RBF on the banking industry were mainly on lending and mortgages, fees/charges and deposits(Graph3).

Graph 3: Nature of Banking Industry Complaints as at 31 December 2014



Source: Reserve Bank of Fiji

E. Consultative Meetings

During the quarter, the RBF held 10 meetings with complainants to address their complaints. In addition, the RBF held five meetings with financial institutions. These meetings were on mediation and clarification of issues raised by complainants.

F. Other Major Activities

The Complaints Management Forum had its last meeting for the year on 9 December 2014. The Forum also invited members from the Pacific Financial Inclusion Program to discuss consumer protection initiatives in Fiji.

Three onsite examinations of LFI's were conducted by the RBF to ensure compliance with the Policy Guideline on Complaints Management. It was noted that the LFI's were generally in compliance with the Policy resulting in the LFI's resolving a significant number of complaints lodged against them. The findings were also discussed with the LFI's.

Reserve Bank of Fiji **January 2015**