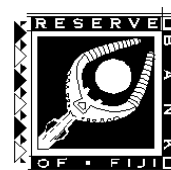


RESERVE BANK OF FIJI

QUARTER 3, 2010 COMPLAINTS MANAGEMENT UPDATE



A. Number of Complaints

1. As shown in Table 1 below, the Reserve Bank of Fiji (RBF) received 18 complaints from customers of financial institutions in the 3rd quarter, which is a reduction by 25 percent over the 2nd quarter of this year. As at the end of the 3rd quarter, 39 percent of the complaints received were “Closed”, while for the 2nd and 1st quarters, 75 and 100 percent of those received, respectively, were “Closed”.

Table 1: Status of Complaints Received by Industry and Quarter, 2010

Industry Type ¹	Quarter and Status								
	3 rd			2 nd			1 st		
	Received	Closed	Under Investigation	Received	Closed	Under Investigation	Received	Closed	Under Investigation
Banking	8	3	5	11	9	2	6	6	0
Insurance	6	2	4	5	4	1	4	4	0
NBFIs	3	1	2	3	1	2	2	2	0
Superann	1	1	0	2	1	1	0	0	0
Cap Mkts	0	0	0	3	3	0	0	0	0
Forex	0	0	0	0	0	0	0	0	0
TOTAL	18	7	11	24	18	6	12	12	0

2. Out of the 11 complaints reported as “Under Investigation” for the 3rd quarter, 3 complaints were being internally assessed by the RBF, while 8 were with the financial institutions for their assessment.

Table 2: Industry Composition of Complaints Received by Quarter, 2010

Quarter	Industry Type						
	Banking	Insurance	NBFIs	Superann.	Cap Mkts	Forex	Total
3 rd	44.4%	33.3%	16.7%	5.6%	0.0%	0.0%	100.0%
2 nd	45.8%	20.8%	12.5%	8.3%	12.5%	0.0%	100.0%
1 st	50.0%	33.3%	16.7%	0.0%	0.0%	0.0%	100.0%

3. Table 2 above shows that the banking and insurance industries recorded the highest proportion of complaints in each quarter. The non-bank financial institutions, superannuation and capital markets industries followed with the foreign exchange industry receiving no complaints in any of the quarters.

B. Nature of Complaints

4. For all the quarters, the nature of complaints received varied as shown in Table 3. Complaints received against the banking industry in the 3rd quarter were related mainly to fraud and forgery and loan and mortgage contracts, similar to the statistics for the 2nd quarter.

¹ The industries include Banking (Banks and Credit Institutions), Insurance (Insurers, Agents and Brokers), NBFIs (Non-Bank Financial Institutions, such as Fiji Development Bank, Finance Companies, etc), Superannuation (Fiji National Provident Fund), Capital Markets (Licensed Persons, Approved Issuers, Listed Companies, etc) and Forex (Restricted Foreign Exchange Dealers and Money Changers).

5. Complaints received against the insurance industry in the 3rd quarter pertained to disagreements on the insurance claims, mainly under the life and motor vehicle insurance classes.

Table 3: Nature of Complaints Received by Industry and Quarter, 2010

Nature of Complaint by Industry	Quarter		
	3 rd	2 nd	1 st
A. Banking			
1. Loan and Mortgage Contract	2	3	1
2. Credit Cards	0	0	1
3. Interest Rates and Fees & Charges	1	2	0
4. Remittances	0	0	1
5. Customer Service	0	1	1
6. Fraud and Forgery	2	2	0
7. Others	3	3	2
B. Insurance			
1. Life	2	2	0
2. Health and Medical	1	0	1
3. Motor Vehicle	2	0	1
4. Excess Amount	0	0	1
5. Surrender of Policy	0	1	0
6. Fees and Charges	0	0	1
8. Others	1	2	0
C. Non-Bank Financial Institutions			
1. Loan and Mortgage Contract	0	0	1
2. Interest Rates and Fees & Charges	3	3	0
3. Others	0	0	1
D. Superannuation			
1. Pension Payment	0	1	0
2. Superannuation Contribution	0	1	0
3. Death Benefit Scheme	1	0	0
E. Capital Markets			
1. Share Pricing	0	1	0
2. Brokerage Fees	0	1	0
3. Investment Advice	0	1	0
TOTAL	<u>18</u>	<u>24</u>	<u>12</u>

6. For the non-bank financial institutions, complaints on the interest rates and fees and charges dominated in both the 3rd and 2nd quarters of this year.

C. Meetings with Complainants

7. In the 3rd quarter, there were 6 meetings held with the complainants, and 15 and 8 meetings were held in the 2nd and the 1st quarters, respectively. These meetings were aimed at addressing concerns raised by the complainants.

25 October 2010

Financial Systems Development & Compliance Group
Reserve Bank of Fiji