

RESERVE BANK OF FIJI

Complaints Management Bulletin

Quarter 2, 2023

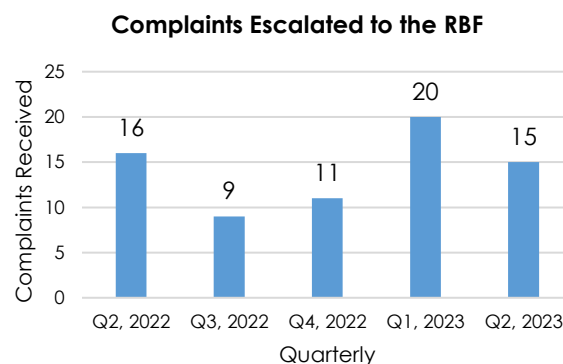


COMPLAINTS ESCALATED TO RBF

15 new complaints received + **6** carried from Q1, 2023

14 resolved within the reporting period

7 carried forward to Q3, 2023



Source: Reserve Bank of Fiji

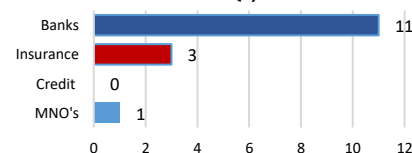
Top 3 Complaint Types

- 1 Account Access
- 2 Fund Transfers
- 3 Customer Service

Location

- 1 Central Division
- 2 Western
- 3 Overseas/Northern

Number of complaints escalated to the RBF in Q1, 2023



A total of 21 complaints were assessed in the June 2023 quarter; which consisted of 15 new complaints (*Central Division 9, Western 4, Overseas 1 and Northern 1*) and 6 carried forward from quarter 1, 2023. This reflected a decrease of 25.0 percent when compared to the previous quarter and a decrease of 6.3 percent when compared to the same period in 2022. A total of 7 complaints has been carried forward to quarter 3, 2023 for assessment and mediation. Of these, 2 complaints were received towards the end of the quarter 2, 2023, 3 complaints related to legal matters while 2 related to issues older than 10 years, for which the financial institutions and complainants are collating the relevant information required.

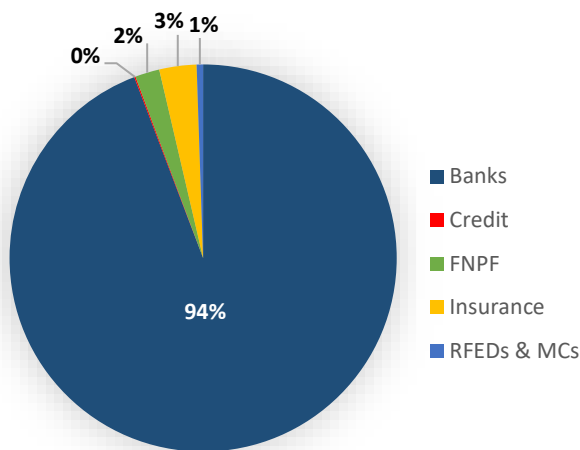
For banking and credit institutions, 36.4 percent of complaints escalated to RBF were issues relating to customer services such as the behaviour of staff, and incomplete information or advice by staff. This was followed by complaints relating to fund transfer at 36.4 percent, followed by 25.0 percent of complaints relating to account access where customers were not able to access their account due to holds placed on their respective accounts, banks closing accounts without any valid reasons and alleged unlawful deductions from account.

For the insurance industry, only 3 complaints were escalated to the RBF, similar to the previous reporting period. The complaints received related to life insurance policies, property insurance and insurance agent license.

The RBF received 15 complaints which related to a total of 26 issues, since some complaints had more than one underlying issue. Despite the numerous issues raised, most complaints were accompanied by a customer service issue to be addressed.

Complaints escalated to the RBF have generally declined over the last five years. The establishment of senior and experienced staff customer advocates and the direct involvement of the respective heads of institutions in the internal complaints management process, had resulted in notable efficiencies in complaints handling at institutional level. As a result, more complaints are being resolved by LFIs on time, thus reducing the number of complaints escalated to the RBF.

Industry Report



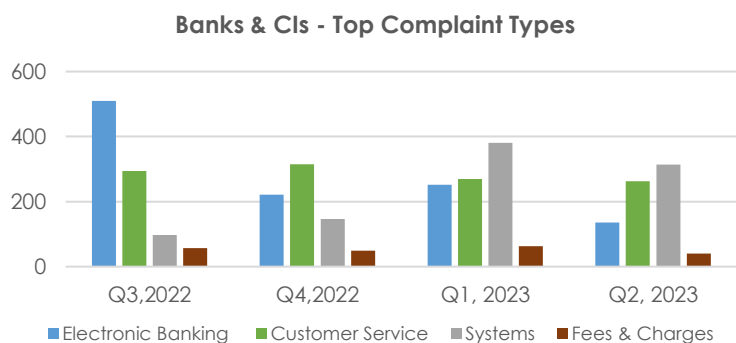
A total of 933 complaints were received by LFIs in quarter 2, 2023, representing decreases of 23.5 percent when compared to the previous quarter and 42.5 percent when compared to the same period in 2022. A total of 98.5 percent of complaints were resolved within the reporting period and the remaining 1.5 percent was carried forward to the new financial period.

Of the total complaints received by the industry, 1.6 percent (or 15 complaints) was escalated to the RBF for further action, a decrease of 25.0 percent from the previous reporting period.

BANKS & CREDIT INSTITUTIONS

880 (-21.7%) complaints made to Banks & Credit Institutions

868 (93.0%) complaints resolved in quarter 2, 2023



Source: Banks & Credit Institutions

TOP COMPLAINT TYPES

1. System

System related complaints include ATM and EFTPOS related type of complaints. These complaints decreased by 17.6 percent in quarter 2, 2023 when compared with the previous quarter, but increased by 134.3 percent when compared to the same period in 2022. System related complaints are expected to remain on the high side, as customers are becoming more comfortable in transacting using their cards rather than handling cash.

A power outage experienced by one of the commercial banks also affected their ATM and EFTPOS terminals.

2. Customer Service

Customer service complaints decreased by 2.6 percent over the quarter but increased by 1.2 percent complaints when compared to the same period in 2022. Complaints received during the reporting period related to bad service and behaviour, lack of follow up, delays in responding to queries, provision of incorrect information and long queues during peak business hours.

3. Electronic Banking

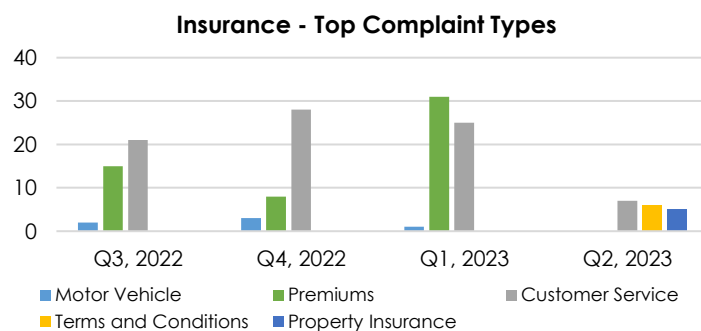
These complaints relate to internet/online banking services and products. A decrease of 46.0 percent was noted for electronic banking related complaints in quarter 1, 2023 and similarly a decrease of 85.8 percent when compared to the same period in 2022.

One of the banks recorded a system outage within the reporting period which affected their internet banking and App users. The internet banking and App services was fully restored within an hour after the outage.

INSURANCE

29 (-56.7%) total complaints received by the Industry

28 (96.6%) complaints resolved in quarter 2, 2023



Source: Insurance Companies

TOP COMPLAINT TYPES

1. Customer Service

Complaints relating to customer service accounted for 24.1 percent of complaints reported by insurers, and showed a decline of 72.0 percent over the June quarter.

The decline is attributed to regular awareness and training conducted by the insurers to their frontline staff and agents. With insurance being a complex product for an ordinary citizen, the RBF is encouraging the insurers to translate the basic insurance information into vernacular to assist customers make informed decisions.

It was also noted that discussions relating to insurance policies between an insured and the insurer/agent are mostly verbal which poses issues when conflicts arise especially for insured persons who need to rely on documentary evidence to prove their case. Discussions with the insurers are underway on how to address this issue.

2. Terms and Conditions

Complaints relating to terms and conditions accounted for 20.7 percent of complaints reported by the insurers in this reporting period. This was an increase of 500.0 percent when compared to the last quarter from 1 to 6 complaints. Policy holders raised issues relating to the terms and conditions of their policies as they are not fully aware of how the insurance product works. Some customers do not understand that omission of information can lead to claims being declined or policies terminated. Particularly, for medical insurance, omission of prior medical history can have a negative impact on future medical claims and this all because customers fail to read and understand the terms and conditions of insurance policies.

3. Property Insurance

Property Insurance complaints accounted for 17.2 percent of complaints reported from the industry in this period. This was an increase of 150.0 percent, from 2 to 5 complaint when compared to the last quarter. It was noted that the increase was due to decline in property insurance claims and delay in the claims process.

Fiji National Provident Fund¹

The Fund reported a decrease of 32.1 percent in the number of complaints received from 28 to 19 complaints in this reporting period. Whilst the majority of complaints reported relate to delays in processing applications within an acceptable timeframe, this still decreased by 58.3 percent in the June quarter.

RFEDs and MCs

RFEDs and MCs reported an increase of 400.0 percent in complaints received, from 1 to 5 complaints in the last six monthly reporting period. The complaints reported related to funds being remitted overseas being put on hold due to account deposit process changes in the receiving country. This has since been resolved.

¹ The type of complaints received by FNPF differs from the other LFIs as majority of their complaints are to do with employer related concerns. A standardised template is being designed in collaboration with FNPF so that it will be easier to do a comparative analysis and reporting going forward.