

RESERVE BANK OF FIJI

Complaints Management Bulletin

Quarter 4, 2023



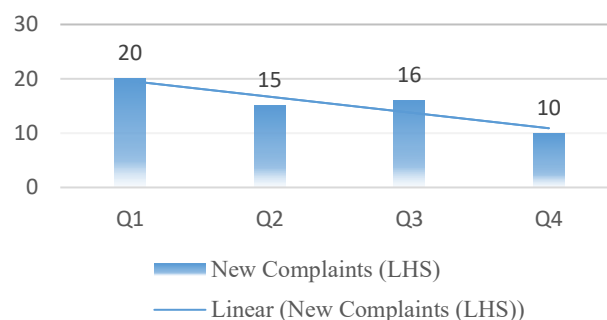
COMPLAINTS ESCALATED TO RBF

10 new complaints received + **3** carried forward from Q3, 2023

11 resolved within the reporting period

2 carried forward to Q1, 2024

COMPLAINTS ESCALATED TO RBF IN 2023



Top 3 Complaint Types

3 Insurance

2 Loan

4 Account Access

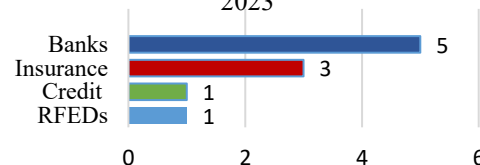
Location

1 Overseas

3 Western

6 Central

NUMBER OF COMPLAINTS ESCALATED TO THE RBF IN Q4, 2023



In the December 2023 quarter, the RBF assessed a total of 13 complaints which included 3 carried forward from the previous quarter. Of the total:

- 11 complaints were resolved;
- 2 unresolved complaints are carried forward to the next quarter;
- More than 50 percent of the complaints were lodged by male complainants in the Central Division, accounting for 66 percent of the total complaints received.

From the 10 complaints received by RBF in this quarter, 6 were from the Banking sector, and 1 from a Credit Institution totalling 11 separate underlying issues. Majority of these issues were related to customer service and account fees. The remaining 3 complaints were from the Insurance Industry and had 6 separate issues related to claims declinature, customer service, and delay in the claims process.

In the review quarter, the banking and credit industry faced several challenges, with electronic banking and customer service issues being the most prominent. System-related issues and fees were also a concern. The increase in electronic banking concerns can be attributed to user error and accessibility issues. Customers may have faced challenges in navigating banking platforms due to unfamiliarity with the technology or accidental mistakes such as entering incorrect information or transferring funds to the wrong recipient.

Poor communication between customers and their LFIs has led to misunderstanding, misaligned expectations, and customer dissatisfaction. The Reserve Bank continues to encourage LFIs to work on improving their communications with customers by simplifying responses and refraining from using industry jargon.

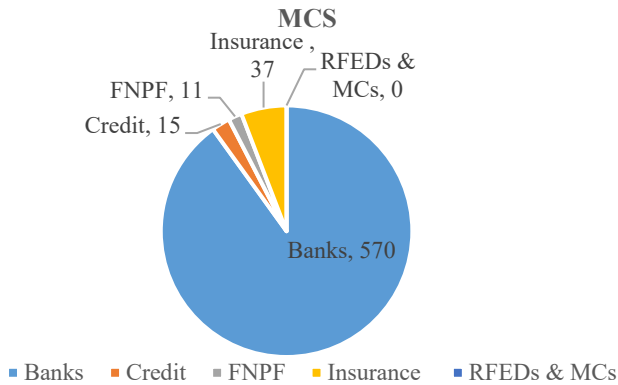
In the review quarter, 62.5 percent of complaints escalated to the RBF from banking and credit institutions were related to issues such as accounts and loan fees whilst 37.5 percent were insurance-related. In contrast, only 4 complaints were escalated to the RBF from the insurance industry. These complaints were related to life insurance policies and payment of premiums.

Out of the 13 complaints assessed by the RBF in this quarter, 6 particular complaints surpassed the standard resolution period of 21 working days. This is attributed to the delay in assessment and prioritization of complaints from the relevant LFI.

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

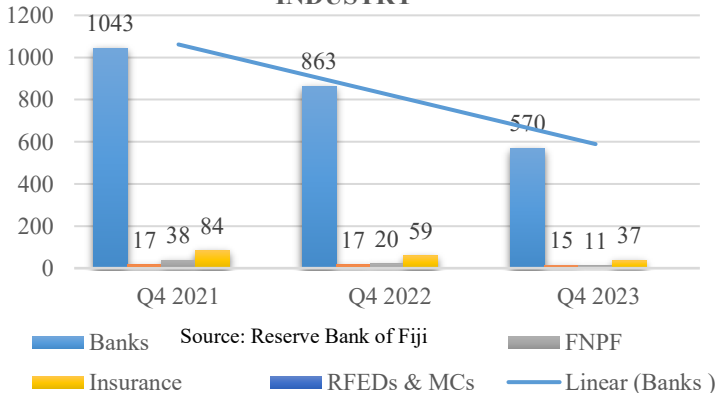
BANKS CREDIT FNPF INSURANCE RFEDS & MCS



At the industry level, Credit institutions received a total of 15 complaints, the Insurance sector registered 37, FNPF at 11 and Banks at 570 with no complaints assessed or escalated to the RFEDs industry.

Generally when compared to the past quarters within 2023, the number of complaints had steadily decreased which can be attributed to the inclusion of senior customer advocates who assess and handle complaints, and the direct communication line between advocates and the head of each LFI. This provides for a more efficient complaints handling process and much prioritization is given to each complaint.

TOTAL COMPLAINTS RECEIVED BY INDUSTRY



In the December 2023 quarter, 633 complaints were lodged directly with LFIs. This number represents a 7.6 percent decrease from the previous quarter and a 43.2 percent decrease when compared to the same period in 2022.

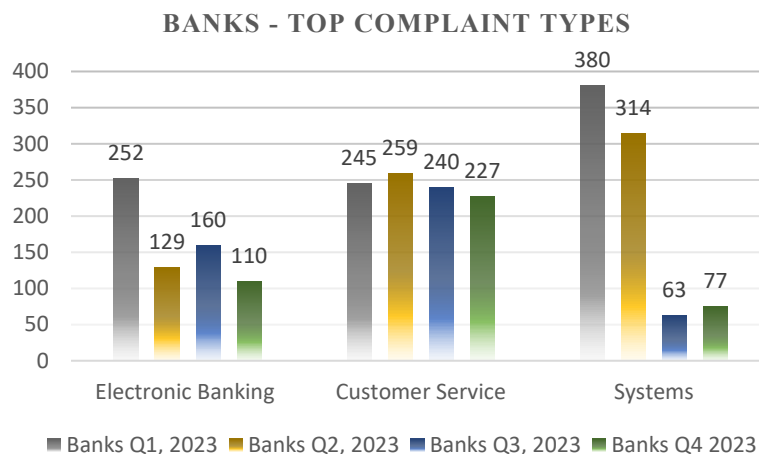
Of these complaints, 96.1 percent (608) were resolved within the reporting period while the remaining 3.9 percent (25) were carried forward to quarter 1, 2024.

Only 1.6 percent (10) of the total complaints received by the industry was escalated to the RBF for further action.

BANKS

570 (90 %) complaints made to Banks.

555 complaints resolved in quarter 4, 2023. (Includes complaints carried forward from quarter 3, 2023)



Source: Banks, Fiji.

TOP COMPLAINT TYPES

1. Customer Service

Customer services related complaints continue to feature in the top 3 types of complaints in this industry despite the 4.9 percent decrease in the quarter in customer service related complaints. Similarly, when compared to the same period in 2022, there was a 24.4 percent decrease in complaints. Complaints received during the reporting period were related to poor customer service and behaviour, lack of follow-up, delays in responding to queries, provision of incorrect information and long queues during peak business hours.

2. Electronic Banking

Electronic banking complaints decreased by 31.3 percent over the quarter and also decreased by 50.2 percent when compared to the same period in 2022. The complaints were attributed to poor network connectivity in certain areas, rendering incomplete transactions over the mobile banking applications and transaction errors related to incorrect punching in of figures and account details. This can also be attributed to the increased intensity in volume of transactions during the festive season.

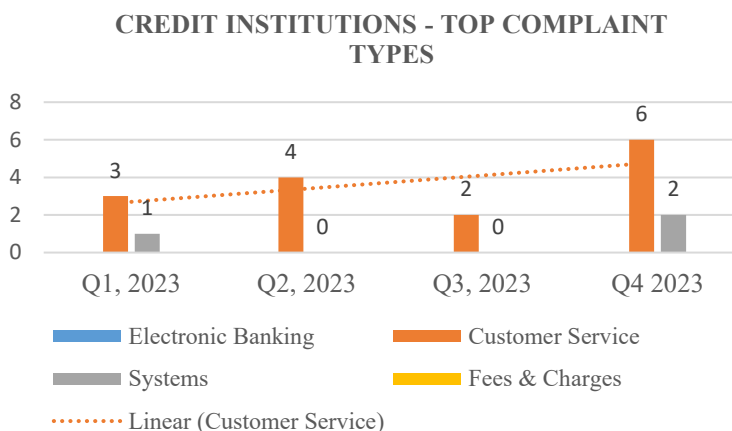
3. System

System related complaints stem from a variety of issues such as downtime and maintenance, account access problems or technical glitches. For this reporting period, there were 77 system related complaints which is an increase of 22.2 percent over the quarter, and a decrease of 47.3 percent when compared to the same period in 2022. This can be attributed to system upgrades and the popularity of AI algorithm software's to increase efficiency in computation related work.

CREDIT INSTITUTIONS

15 (2.4 %) complaints made to Credit Institutions.

13 complaints resolved in quarter 4, 2023. (Includes complaints carried forward from quarter 3, 2023)



Source: Credit Institutions, Fiji.

TOP COMPLAINT TYPES

1. Customer Service

Customer services related complaints continue to feature in the top 3 types of complaints in this industry registering an increase by 25 percent over the quarter, and a decrease of 11.8 year on year. Complaints received during the reporting period were related to poor customer service and behaviour, lack of follow-up, delays in responding to queries, provision of incorrect information and long queues during peak business hours.

2. Lending

Complaints related to lending entered the top 3 category of complaints in this review quarter with 4 complaints received by the credit industry. When compared to the same quarter in 2022, complaints related to lending increase by 100 percent (2) and remained static when compared to Quarter 3 of 2024 (4). The rise in lending related complaints can be attributed to complex loan products with hidden fees or unclear terms might leave borrowers feeling misled and confused, thus fuelling complaints.

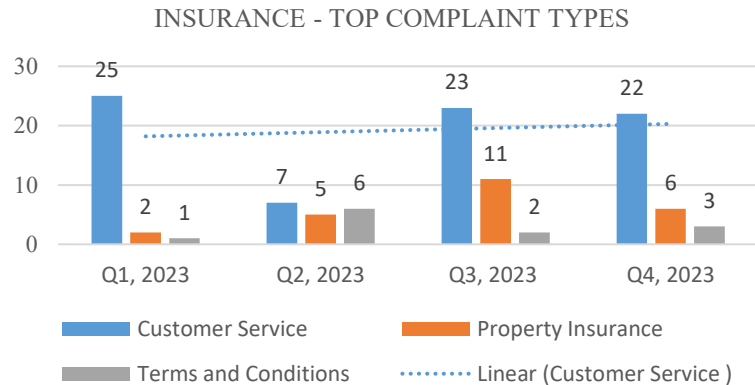
3. System

In this review quarter, there were 2 complaints received by the credit industry related to systems. In Quarter 3 of 2024, there were no complaints received by the Credit Industry, however when compared to the same period in 2022, complaints of this nature registered an increase of 100 percent (1). The increase in complaints of this nature can be attributed to complex digital systems and potential glitches or system failures rendering disruptions to transactions and leaving customers dissatisfied.

INSURANCE

37 (5.8 %) complaints received by the Industry

29 (78.4%) complaints resolved



Source: Insurance Companies

Total insurance related complaints decreased by 24.5 percent when compared to the last quarter and similarly a decrease by 37.3 percent on an annual basis.

TOP COMPLAINT TYPES

1. Customer Service

Customer service continues to account for the most number of complaints in the industry. Complaints relating to customer service accounted for 59.5 percent (22) of total complaints reported by insurers, and showed a decrease of 4.3 percent over the December quarter and by 21.4 percent when compared to the same period in 2022.

Lack of effective communication from the insurers to policyholders is a major contributory factor to the overall increase in insurance-related complaints when compared to the last quarter. Communication gaps, insufficient and unclear information about policy terms and coverage, or changes in a product, consequently offer dissatisfied customers and reflect poor customer service on the LFI.

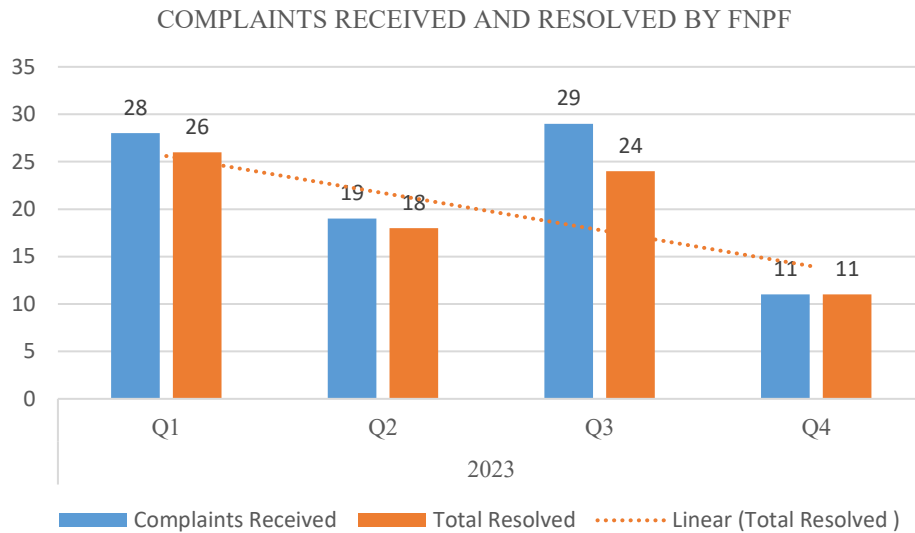
2. Property Insurance

Property Insurance related complaints accounted for 16.2 percent (6) of the industry complaints in this period. This was a decrease of 45.5 percent over the quarter. Certain customers, despite timely payment of premiums and compliance with terms of the policy contract, face denial of property insurance claims. Lack of clear communication and updates from insurers throughout the claims process have left policyholders feeling frustrated and uninformed.

3. Terms and Conditions

Terms and Conditions registered at the top 3 types of insurance-related complaints in this quarter, replacing motor vehicle-related issues last quarter. Over the quarter, terms and conditions complaints decreased by 60 percent, and a further decrease of 33.3 percent when compared to the same period in 2022. The rise in complaints is attributed to the complexity of insurance policies and legalistic language, which make it challenging for policyholders to understand their coverage and the claims process. With growing competition and evolving risks, insurers may be adding more complex clauses and riders, making it harder for policyholders to understand what they're covered for.

Fiji National Provident Fund



Source: FNPF, Fiji.

The Fund reported a decrease of 62.1 percent in the number of complaints received from 29 to 11 complaints in this reporting period. The majority of these complaints were related to FNPF policies and slow service rendered by staff. When compared to the same period in 2022, the fund also reported a decrease of 45 percent from 20 to 11 complaints in this reporting period.

RFEDs and MCs

There were no complaints received by this industry in this reporting period.