



Welcome again to the Public Awareness column of the Reserve Bank of Fiji (RBF). This is part of an outreach program creating awareness on what the RBF does in the banking, insurance, pension fund, capital markets, and foreign exchange industries. This month's article looks at the complaints management environment within Fiji's financial system that the general public may need to be aware of.

## COMPLAINTS MANAGEMENT

Have you encountered instances where you were dissatisfied with a product or service provided by a bank, insurance company, pension fund, or capital markets intermediary? Have you lodged a complaint with the institution as a result of your dissatisfaction? Has your complaint been addressed? Are you satisfied with the outcome of the complaint? Some of you may have raised complaints while others may not know how to go about doing so. Did you know that the RBF has put in place a complaints management environment to ensure your complaints are addressed effectively and efficiently by financial institutions? These are some questions that this article hopes to shed light on.

The RBF regulates and supervises Fiji's financial system under the RBF Act Rev. 1985 and other specific Acts whose administration and functions are delegated by the Minister for Finance. The regulated financial institutions include banking, insurance, pension fund, capital markets, and foreign exchange industries. At the apex of the RBF's regulatory and supervisory role is the ensuring of the safety and protection of customers of these regulated financial institutions. This includes having an effective system for redress where customers are not happy with the products and services, pricing, levels of disclosure, outreach of products and services to the wider community, and the level of consumer awareness and education. Customer complaints management by the financial institutions and the RBF are therefore of critical importance.

In April 2009, the RBF established the Financial Systems Development and Compliance Group. A core responsibility of this Group is to address complaints from customers of financial institutions that the RBF regulates and supervises.

Since then, the RBF has been actively engaged in building an environment where consumer issues and complaints management are a priority to financial institutions. An ideal environment is one in which customers and financial institutions have the opportunity to settle issues amicably and in a timely manner. The complaints management environment would see that as consumers of financial products and services, their interests are protected and grievances are addressed.

In January 2010, the RBF issued a Complaints Management Policy to Banks and Licensed Credit Institutions. The Policy requires these institutions to establish a complaints management policy governance framework. The framework should encompass appropriate processes and procedures that will effectively and efficiently address customer complaints. Amongst other things, the Policy intends that:

- Customers must have confidence that their complaints will be treated with priority;
- Customers, on enquiry, must know at any time, the status of their complaint and who is handling it;
- Customer complaints are time critical and these institutions are required to build this into their complaints handling procedures; and
- Customers may lodge complaints with any branch/head office and these institutions are obliged to facilitate this.

Similar Policy guidelines will be issued soon to Insurance Companies, FNPF and market participants in the Capital Market. This is to ensure complaints from insurance policyholders, FNPF members, investors in listed companies, unit and property trust holders, bond holders and customers of foreign exchange dealers are addressed effectively and efficiently.

A critical element in managing the complaints management environment effectively is regular consultation with relevant stakeholders, including financial institutions, customer advocates, regulatory bodies and other relevant organisations. Over the past year, the RBF met with regulated financial institutions to obtain feedback on how customer complaints are addressed. A meeting with the Consumer Council of Fiji was also held early this year. Similar meetings will be held with key players in the Capital Market.

A key outcome of these consultative meetings and discussions is to ensure that there exists a workable and sustainable complaints management environment for stakeholders. It is crucial that stakeholders appreciate and understand their role in the complaints management environment. This will assist in ensuring that the ultimate intention of customer complaints being heard and addressed is achieved.

As part of the complaints management environment, the RBF intends to meet with nominated institutions such as the Consumer Council of Fiji and specific Non-Government Organizations on a six monthly basis. At these consultative meetings, the RBF will brief the attendees on the complaints received and issues identified. This forum will provide a feedback mechanism to financial institutions where improvements can be made to better address consumer issues.

The RBF views complaints as positive feedback. Complaints provide valuable information to the RBF about financial institutions. They provide insights on the weaknesses/strengths in existing policies and practices, products and services, that require further investigation and possible action by the RBF or the financial institution.

## **THE RBF STANDS READY TO HELP**

If customers feel that their complaints have not been satisfactorily addressed by the financial institution, they can lodge their complaints with the RBF. The RBF has implemented processes and procedures to help in this regard.

## **LODGING A COMPLAINT WITH THE RBF**

If you have a complaint to lodge with the RBF, there are steps you need to follow. These are:

### **Go to the financial institutions first**

Many complaints can be resolved promptly if you raise it first with the financial institution concerned as they will be familiar with the concerns and are often in the best position to help. If you are dissatisfied with the outcome, you can lodge your complaint with the RBF.

### **Take action quickly**

Lodge your complaint immediately. The longer you wait the less clear details can become and the harder it can be to find a solution.

### **Ensure your complaint is clear**

Try to summarize your complaint. Do not go into too much detail. If detail is necessary, arrange your complaint in the order of events, like dates and description of events, phone calls, letters, emails or meetings.

## **Tell us your expectation**

Point out to the RBF what you expect and how things can be put right for you.

## **Keep a record**

Keep a copy of all correspondence in relation to the complaint and attach copies of these with your complaint letter to the RBF.

## **HOW WILL THE RBF HELP**

The RBF is committed in ensuring that your complaint is taken seriously. The RBF has internal guidelines on handling customer complaints. In handling customer complaints, the RBF will:

- investigate your complaint and determine the key issues. References to other relevant stakeholders if necessary will be made to help complete the investigation;
- seek views from the financial institution concerned based on facts, issues and circumstances of the complaint and meet them, if necessary; and
- complete assessing the complaint and provide a formal response to the customer.

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