



# **Reserve Bank of Fiji Banking Supervision Policy No. 13**

## **Policy Guideline on Complaints Management**

**NOTICE TO BANKS AND CREDIT INSTITUTIONS  
LICENSED UNDER THE BANKING ACT 1995**

## **1.0 Introduction**

- 1.1 This guideline is issued under Section 14(3) of the Banking Act 1995 as part of the Reserve Bank of Fiji's standards governing the Licensed Financial Institutions (LFIs) in Fiji.
- 1.2 Safeguarding of depositors' interests is a fundamental requirement in the financial system. These interests if neglected could lead to differences between customers and LFIs through customer complaints. Unresolved complaints may lead to losses for the customers, or LFIs. The publication of complaints through the media may damage the reputation of LFIs in the public eye, and could erode public confidence in the financial system if complaints are not handled with proper procedures.
- 1.3 One of the functions of the Reserve Bank of Fiji is to "promote sound financial structure". Therefore, the Reserve Bank deems it necessary to establish minimum guidelines for customer complaints management that must be implemented by LFIs. This would assist LFI customers develop a positive attitude knowing that there are procedures that would adequately address their cause, should the need arise.
- 1.4 The minimum standards in this guideline have been aligned to international standards.

## **2.0 Objectives of this Guideline**

- 2.1 The objective of this guideline is to provide LFIs with a minimum framework for complaints management, to ensure that customer complaints are promptly investigated and resolved in a satisfactory manner.
- 2.2 This guideline applies to LFIs who may be recipient of complaints, whether verbal or written, lodged by individual customers, or authorised customer representative, about the LFIs provision, and/or failure to provide a service, or product, including the unfair treatment of customers by management, and/or staff of the LFIs.

## **3.0 Minimum Requirements of this Guideline**

- 3.1 The minimum requirements of this guideline are stipulated in two parts.
- 3.2 The first part outlines the responsibility of the Board of the LFIs (or its proxy) to approve the policy framework for complaints management. The second outlines the operational procedures for complaints management.

## **4.0 Complaints Management Policy Framework**

- 4.1 A policy framework governing complaints management procedures and practices must be established, which must include, but not be limited to the following:

- a. A clear mandate for complaints management and resolution within the LFI;
- b. Roles and responsibilities;
- c. Delegation of complaints authority;
- d. Resources and training;
- e. Confidentiality;
- f. Conflict of interest;
- g. Record keeping; and
- h. Review of complaints management policy.

## **4.2 Roles and Responsibilities**

4.2.1 The Board of Directors or its proxy must approve the complaints management policy and the associated key procedures. A complete governance structure in relation to complaints management, compliance of policies and procedures must be put in place. Complaints management function must be subject to internal audit.

4.2.2 The role of Senior Management must include, but not be limited to the following:

- a. implement the policy and procedures approved by the Board;
- b. ensure that the LFIs' staff gives appropriate priority to helping complaints handling staff investigate and resolve complaints;
- c. ensure that complaints that cannot be resolved by complaint handling staff are referred to branch, or business unit managers in line with an approved delegation of complaints authority; and
- d. ensure that adequate training is given to complaints handling staff at all levels.

4.2.3 LFIs are required to have a unit, or function established specifically or combined with other duties in each branch with designated staff to handle and resolve complaints lodged by customers or authorised customer representatives.

4.2.4 LFIs should ensure that complaints handling staff:

- a. are independent, unbiased and skilled;
- b. keep complaint registers updated;
- c. acknowledge in writing by no later than seven working days from the date complaint is received, clearly stating the name of the designated officials or business unit manager that could be contacted for redress as per the approved delegation of complaints authority, their telephone and fax number, and email address for proper and timely contact by customers;
- d. are familiar with the complaints management policy; and
- e. have knowledge of the products and activities of the LFIs.

### **4.3 Delegation of Complaints Authority**

- 4.3.1 Senior management must establish a clear delegation of complaints authority. The delegation of complaints should take into account relevance, complexity and sensitivity of complaints.
- 4.3.2 Delegation should include the names and positions of staff and senior executives involved, and the types of complaints they are to handle. This includes complaints that would be referred to legal practices, or other complaints investigatory entities. This would avoid complaints held at levels that do not have the authority to resolve such complaints.

### **4.4 Resources and Training**

- 4.4.1 The complaints handling system must be properly staffed and resourced. The LFIs must meet quality and timeliness standards for complaints handling.
- 4.4.2 Complaints handling staff should be well versed with the LFIs complaints handling policies and procedures.

### **4.5 Confidentiality**

- 4.5.1 LFIs should implement and maintain proper procedures to maintain confidentiality of all complaints it receives from customers, or authorised customer representatives.
- 4.5.2 Information privacy should be observed when collecting, storing, using and disclosing personal information obtained in the complaint handling.
- 4.5.3 LFIs should ensure that the identity and information relating to any complaints, or complaints against staff should be treated with confidentiality including whistleblowers' complaints.

### **4.6 Conflict of Interest**

- 4.6.1 LFIs should ensure that complaints are investigated by an employee who was neither directly nor indirectly involved in the matter which is the subject of the complaint.
- 4.6.2 LFIs should implement other measures as it deems necessary to ensure that any potential conflict of interest for employees is effectively alleviated.

### **4.7 Record Keeping**

- 4.7.1 LFIs' branches must maintain Complaints Registers and records of complaints received. The registers should include, but not be limited to the following:

- a. Date complaints received;
  - b. Name and contact details of the complainant or authorised customer representative;
  - c. Name of staff receiving and recording the complaints;
  - d. Brief description of the complaints;
  - e. Appropriate person(s) and business unit(s) handling the complaints;
  - f. Progress on the complaints; and
  - g. Settlement date.
- 4.7.2 Head/main offices must maintain a Master Register of all complaints throughout Fiji for record keeping, reporting and transparency purposes.
- 4.7.3 In situations where complaints received require legal proceedings and other professional investigatory skills, the LFIs must have in place adequate procedures to cover these areas of complaint handling. Such complaints also need to be recorded and updated in the Master Register held at the head/main office.
- 4.7.4 LFIs are required to record, retain the receipts, handling and resolution of complaints in line with the timeline required under the statute of limitation.

#### **4.8 Review of Policy**

- 4.8.1 LFIs must ensure the availability of the complaints management policy to its staff for internal use and reference.
- 4.8.2 Senior management must be responsible for reviewing the complaints management policy at least annually.

### **5.0 Operational Procedures for Complaints Management**

#### **5.1 Receiving of Complaints**

- 5.1.1 LFIs shall accept complaints lodged by customers, or authorised customer representative.
- 5.1.2 Complaints may be lodged in writing, or verbally, by any reasonable means (for example, letter, telephone, facsimile, email, or in person). Complaints can also be lodged by filling a LFIs prescribed complaint form.
- 5.1.3 Special attention should be given to client with intellectual disability, language problem, poor mental health and difficulty in understanding written information.
- 5.1.4 Complaints may be received at any LFIs' branch, and shall not only be restricted to the branch at which the customer opened an account, or branch at which the customer conducted a financial activity or transaction.

- 5.1.5 Where possible, electronic complaints lodgement system could be programmed to send an automated response to reassure the customer that the complaint was received.
- 5.1.6 A description of the complaints handling system, or LFI's prescribed complaint form should be accessible to customers, via the LFI's website, if possible, or in correspondence with customers, through pamphlets and posters.
- 5.1.7 Complaints registered online should be also registered on the main complaints register kept at the head/main office.

## **5.2 Complaints Handling and Dispute Resolution**

- 5.2.1 LFI's must endeavour to resolve complaints received no later than twenty-one working days unless legal proceedings are required.
- 5.2.2 When complaints are resolved, the LFI's must convey the decision in writing to the customer or authorised customer representative as soon as practicable.
- 5.2.3 Where legal proceedings are required, relevant parties concerned, including the complainant must be informed accordingly. Outcome from the legal proceedings must be communicated soon after the proceedings.
- 5.2.4 For complaints lodged, the LFI's may require complainants to enclose photocopies of originals and full disclosure of supporting documents. The twenty-one working days timeline begins from the date when the LFI's receive full documentation from the complainant.
- 5.2.5 The LFI's must provide the status of complaints at any time, either voluntarily, or when the customer or the authorised customer representative makes a request.
- 5.2.6 Where complaints cannot be resolved, LFI's must state clearly the reasons and is to be signed by the appropriate senior executive.
- 5.2.7 LFI's must provide complainants with internal and/or external review options<sup>1</sup> if he or she is dissatisfied with the outcome, or with the manner in which the complaint was handled. If a complainant wishes to refer his/her complaint to a senior officer, then this must be facilitated.

---

<sup>1</sup> Customers can be referred to the Reserve Bank for review of complaints. Such referral can be made by LFI's or the customers themselves.

### **5.3 Monitoring of Complaint Handling and Resolution**

5.3.1 LFIs must establish internal reporting mechanism on complaint resolution process, effective procedures to monitor complaints, and produce regular reports to senior management for review. All complaints reports must be read by senior management.

5.3.2 Monitoring of complaints handling and resolution may include gathering data on:

- a. complaints received;
- b. complaints substantiated;
- c. complaints acknowledged or resolved outside target time and those that remain outstanding;
- d. complaints going to court;
- e. suggestions from customers arising from complaints; and
- f. complainants who remain dissatisfied with the resolution of the complaints.

### **6.0 Oversight by the Reserve Bank**

6.1 The Reserve Bank will conduct ongoing monitoring of LFI's compliance with the requirements of this policy.

6.2 In addition to ongoing monitoring, the Reserve Bank will carry out on-site examination of the complaints management policy and implementation.

6.3 Where complaints have been referred to the LFIs by the Reserve Bank, such complaints must be fully investigated. LFIs must respond appropriately by no later than seven working days of receipt of complaints from the Reserve Bank.

6.4 The Reserve Bank will establish an advisory group from a wide representation of the community that will meet once every six months. Members of such a group will, among others, include Non Government Organizations, Consumer Council of Fiji, the Fiji Chamber of Commerce and Church and other Religious Groups. At such meetings, the Reserve Bank will brief the advisory group of the complaints management of LFIs and receive feedback on issues of concern by the public on LFIs.

6.5 LFIs must submit its Quarterly Complaints Reports to the Reserve Bank, including the return in Annex 1, "RBF Form Q-CMR".

6.6 Should a LFI fail to comply with the requirements of this policy, the Reserve Bank will determine appropriate sanctions under the Banking Act 1995.

## **7.0 Implementation and Arrangements**

- 7.1 This guideline applies to all banks and credit institutions licensed under the Banking Act 1995. This guideline becomes effective from 01 January 2010.
- 7.2 This guideline will be reviewed as deemed necessary from time to time and changes maybe made to the policy or procedures as contained herein.

**Reserve Bank of Fiji  
December 2009**

### **Annex 1:**

- 1. RBF Form Q-CMR**



## SCHEDULE

### Interpretation –

- (1) Any term or expression used in this Notice that is not defined in this Notice:
- (a) which is defined in the Act, shall, unless the context otherwise requires, have the meaning given to it by the Act;
  - (b) which is not defined in the Act and which is defined in any of the Reserve Bank of Fiji Policy Statements shall, unless the context otherwise requires, have the meaning given to it by those policy statements; and
  - (c) which is not defined in the Act or in any of the Reserve Bank of Fiji Policy Statements shall, unless the context otherwise requires, be interpreted in accordance with generally accepted accounting practice.
- (2) In this Notice, unless the context otherwise requires:

**‘Act’** means the Banking Act 1995 unless otherwise specified.

**‘Bank’** means a bank with the meaning given to it in the Banking Act 1995.

**‘Complaint’** means the expression of customer dissatisfaction arising from potential financial loss or poor services to the customer including those caused by error or negligence on the part of the LFIs.

**‘Complainant’** means either the authorised customer representative or customer;

**‘Credit Institution’** means a credit institution with the meaning given to it in the Banking Act 1995.

**‘Customer’** means any party using the banking services of LFIs, including any walk-in customer not holding an account but using the banking services to conduct financial transaction.

**‘Customer Representative’** means any individual, agency and legal entity with the consent of the customer to act on its behalf or in its name.

**‘Foreign incorporated LFI’** means a LFI incorporated outside Fiji which has been licensed as a branch to conduct banking business in Fiji. The parent is also to be a LFI in its country of domicile, authorized, registered or licensed by the appropriate banking supervisory authority.

**‘Licensed financial institution(s) (LFIs)’** means any company licensed under the Banking Act 1995 to conduct banking business which in Fiji includes local and foreign incorporated banks and credit institutions.

**‘Locally Incorporated’** means a LFI incorporated in Fiji which has been licensed to conduct banking business in Fiji.

**‘Reserve Bank’** means the Reserve Bank of Fiji.

**‘Senior Management’** include those persons whose conduct is most likely to have a significant impact on banks sound and prudent management, including senior managers, senior executives and the General Manager or Chief Executive Officer.