

RESERVE BANK OF FIJI



Complaints Management Bulletin

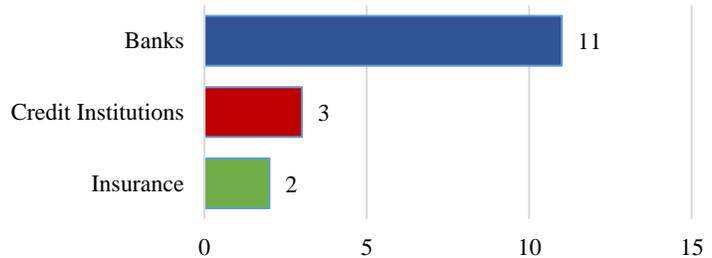
RBF REPORT

16 new complaints (+77.8%)
escalated to RBF in Q1, 2022

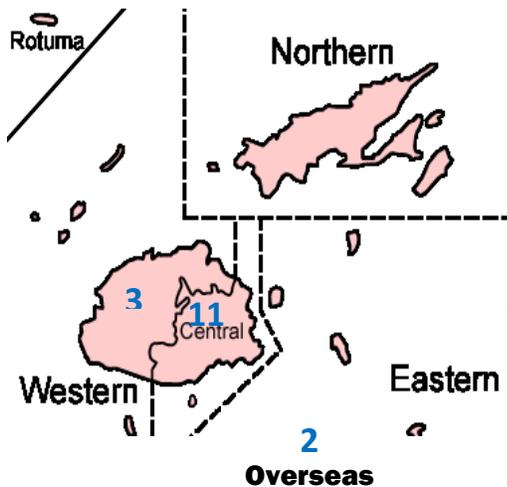
25 complaints **resolved** in the
quarter

7 complaints carried forward to Q2,
2022

Number of complaints escalated to RBF in
Q1, 2022



LOCATION



GENDER



68.8%



31.3%

In the March 2022 quarter, 16 new complaints were escalated to the RBF which was an increase of 77.8 percent from the previous quarter. An additional 16 complaints were carried forward from the previous quarter which brought the number of complaints under assessment in the reporting quarter to 32. Of this, 25 were resolved during the quarter; 13 new complaints and 12 that were carried forward.

Most of the complaints received during the quarter were lodged by males via email, which was consistent with submission trends over the past two years.

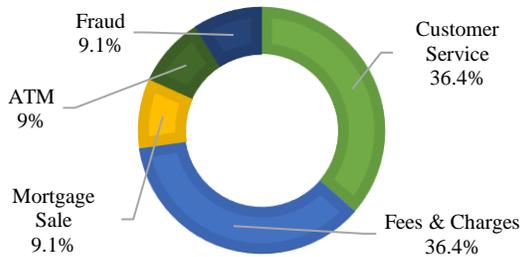
In this period, majority of complaints received related to banking products and services, specifically customer services and fees & charges.

Customer services related complaints continued to rank in the top three complaint types in the two major sectors, banking and insurance. In majority of the cases, the general lack of communication from the LFI to the complainant was assessed as the underlying cause.

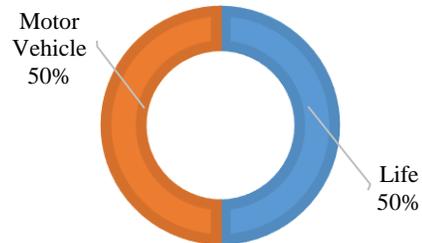
Instances of delayed and no responses from the LFI are a common complaint. However, there were also cases where responses from the LFI were timely but too technical for the customer to comprehend. In one particular case involving a professional body, the RBF intervened to request a bank to simplify their instructions as it was evident from emails that the complainant did not understand what the bank required. The matter was easily resolved when the simplified list of instructions was sent.

TYPES OF COMPLAINTS ESCALATED TO THE RBF

BANKING & CREDIT INDUSTRY



INSURANCE INDUSTRY



From the total complaints escalated to the RBF in this quarter, 70 percent were from the banking sector and related to customer service and fees & charges. The complaints were mainly about incomplete and incorrect advice from bank frontline staff. According to the customer complaints bank staff, specifically frontline customer service staff, were either unaware or did not understand some product specifications resulting in incomplete information provided to customers. Similar complaints were raised regarding bank fees & charges where frontline staff were unable to explain the increases in certain fees & charges or new fees being applied. In other cases, customers complained that their bank failed to respond to their queries altogether despite several attempts made to obtain information or clarification on various issues.

There was one fraud related matter reported in the quarter regarding missing account funds. In response, the respective bank carried out internal investigations and discovered evidence of fraud committed by an ex-staff member not only on the complainant's account but on a number of other bank accounts. In this instance, the bank was quick to refund all the affected account holders.

Customers are urged to check their accounts regularly and keep track of account activities. The RBF will continue to remind LFIs of the importance of regular training especially of frontline and customer services officials.

The RBF received 2 insurance-related complaints during the quarter. The first complaint related to a life insurance policy maturity payout that did not match the amount the complainant was advised by the agent when the policy was initially purchased. The absence of documentary evidence to corroborate the claim resulted in the matter not being pursued further. Customers are advised to obtain details in writing and have agents sign-off on any specification indicated at time of sale.

The second complaint related to a COVID travel insurance claim. The complainant did not agree with what the insurer was paying out on the claim as certain expenses incurred by the complainant as a result of a family member testing positive for COVID on the trip was not covered. The insurer initially only paid what the policy dictated and declined to reimburse the fee charged by the travel agent for changes in the travel dates. The complainant was adamant that the expense was incurred as a result of COVID and not a result of their actions.

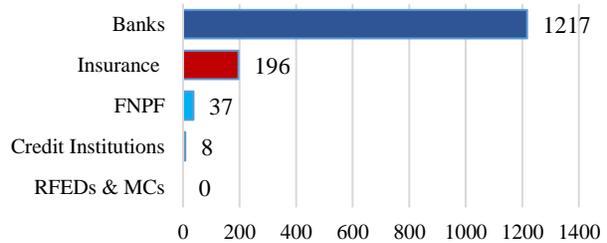
Following submissions from the RBF, the insurer agreed to relook at the expense in question and eventually reimbursed the complainant.

INDUSTRY REPORT

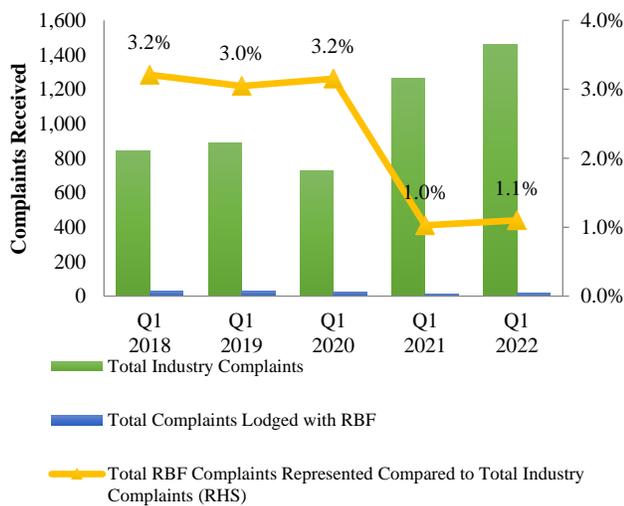
1,458 complaints (+15.6%)
received by LFI's

97.5% complaints resolved at
institution level

Number of complaints received by the LFI's in Q1, 2022



Complaints Received by RBF & Industry



TOP 3 COMPLAINT TYPES

BANKS & CREDIT INSTITUTIONS

Type	Complaint	% of complaints	QoQ % Change
Electronic Banking		43.1%	↑ 51.3%
Customer Service		25.3%	↓ 9.4%
System related		14.9%	↑ 37.6%

INSURANCE

Complaint Type	% of complaints	QoQ % Change
Motor Vehicle	30.6%	↑ 17.6%
Customer Service	20.4%	↑ 21.2%
Premiums	19.4%	↑ 15.2%

A total of 1,458 complaints were made directly to LFI's from their customers during the reporting quarter, an increase of 15.6 percent from the previous quarter and 15.2 percent when compared to the same period in 2021. Of this, 97.5 percent were resolved within the reporting period and the remaining 2.5 percent were carried forward to quarter 2 to be resolved internally by the LFI.

Of the total complaints received by the industry only 1.1 percent was escalated to the RBF for further action.

FNPF

Complaint Type	% of complaints	QoQ % Change
Incorrect Information	32.4%	↑ 300.0% (12)
Correspondences from FNPF	29.7%	↑ 1000.0% (11)
Delays in Processing	10.8%	↓ 75.0% (4)

BANKS & CREDIT INSTITUTIONS

Total complaints registered by the banks (1,217) and credit institutions (8) increased by 15.5 percent over the quarter from 1,060 in the last period to 1,225 complaints and on an annual basis by 11.6 percent.

Similar to previous quarters, the majority of the complaints (43.1%) were electronic banking related; a notable increase of 51.3 percent over the quarter and an increase of 14.8 percent on an annual basis. The increases in electronic banking related complaints are expected given the pick-up in usage of electronic banking services following the onset of COVID, which has continued despite the return to normal activities and operations therefore indicating an increase in the preference for transacting electronically.

Customer service related complaints decreased by 9.4 percent from the last quarter, however still remained amongst the top 3 complaint types. It is expected that the number of complaints in this category will moderate going forward now that institutions have returned to normal operations and staff returning to work are able to resolve issues promptly on site.

Institutional system related complaints increased by 37.6 percent when compared to the last quarter and is linked to the pick-up in usage of digital services.

RFEDs & MC INDUSTRY

This industry reports on a six monthly basis and the next report will be provided as at end of June quarter.

INSURANCE

Total insurance related complaints increased by 21.0 percent when compared to the last quarter and by 58.1 percent on an annual basis. Past trends indicate that motor vehicle related complaints continue to register in the top three complaint types for the industry. Complaints relating to motor vehicles increased by 17.6 percent over the quarter and 13.2 percent on an annual basis.

Customer service related complaints recorded an increase of 21.2 percent when compared to the previous quarter and also increased by 344.4 percent on an annual basis. The increase in customer related complaints was primarily due to customers' lack of understanding on how an insurance product works when purchasing a policy. Other reasons include lack of disclosures, particularly for medical insurance.

Policy premium related complaints reported an increase of 15.2 percent when compared to the previous quarter and 442.9 percent on an annual basis. The LFIs reported that the increase is attributed to premium payment recalculations and premium pricing as individuals who had existing policies were unable to meet the scheduled premium payments due to job losses or a reduction in pay as their work hours had not returned to normal yet.

FNPF

FNPF related complaints decreased by 2.6 percent over the quarter to 37 complaints and similarly decreased by 15.9 percent on an annual basis.

Majority of complaints related to incorrect information issued which increased by 300.0 percent over the quarter from 3 to 12 complaints.

Complaints about a lack of feedback provided to members or failure to respond to applications/correspondences within an acceptable timeframe increased by 1,000.0 percent from 1 to 11 complaints.

The number of complaints received for the last reporting quarter has significantly decreased compared to the previous quarters as the COVID relief payout phases have ceased and the Fund has reverted to the normal operations.