



GUIDELINE 5

COMPLAINTS HANDLING AND REDRESS

FEBRUARY 2024

Disclaimer

This Guideline does not constitute legal advice. Financial Service Providers (FSPs) are encouraged to seek professional advice on how the requirements could be implemented within each institutions. FSPs are responsible for determining the extent of each obligation. Any examples in this Guideline are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

GUIDELINE ON COMPLAINTS HANDLING AND REDRESS

A. Introduction

1. Pursuant to Section 5.5 of the *Financial Sector Development Policy Statement No. 3 on the Policy for the Protection and Fair Treatment of Financial Consumers* ('Policy'), the following Guideline is issued to ensure that balanced rules are in place regarding complaints handling and redress mechanisms that FSPs provide to consumers.
2. This Guideline is intended to provide the minimum standards only to assist FSPs comply with Principle 5 on Complaints Handling and Redress and is issued in addition to the requirements under the Banking Supervision Policy Statement No. 12 (BSPS 12)¹, Insurance Supervision Policy Statement No. 9 (ISPS 9)², and Restricted Foreign Exchange Dealers and Money Changers Supervision Policy Statement No. 3 (RFEDMC SPS 3)³.
3. This Guideline applies to all FSPs defined in the Policy.
4. The terms and expressions used in this Guideline have the same meaning as those expressed in the Policy, unless stated otherwise.
5. This Guideline will be reviewed every 3 years from the implementation period, or whenever necessary.

B. Requirements of the Guideline

Complaints Handling

6. In addition to BSPS 12, ISPS 9, CMSPS 3, FNPFS 3 and RFEDMC SPS 3, FSPs must consider the following:
 - a) **Dedicated Customer Advocate:** FSPs should ensure to appoint a customer advocate who shall be an officer of senior rank dedicated to handle all complaints in addition to their managerial or other non-operational responsibilities, and must be independent from the daily operations of the institution. *For instance, staff who interact with customers on the frontline are not to handle complaint matters.* The appointed customer advocate is to be well versed with the institutions products and services and the approved internal complaints handling policies and procedures; and should have a direct line of communication with the head of institution for all matters relating to customer complaints.

¹ Banking Supervision Policy Statement No. 12 - Minimum Guidelines on the Establishment of a Local Advisory Board.

² Insurance Supervision Policy Statement No.9 - Policy Guideline on Complaints Management.

³ Restricted Foreign Exchange Dealers and Money Changers Supervision Policy Statement No. 3 – Minimum Guidelines on Complaints Management.

FSPs must ensure to display in their reception area, the name and contact details of their consumer advocate which should be clearly visible;

- b) **Complaints Register:** FSPs must ensure to maintain both a hard copy and an e-copy of the complaints register at branch level and a centralised register to be maintained at the head office;
- c) **Resolution of complaints:** FSPs must ensure that every reasonable effort is made to resolve complaints as soon as practical but not exceeding twenty one (21) working days, except if legal proceedings are required; and at the resolution of a complaint whether in favour or not of the financial consumer, a formal decision in writing must be conveyed. If resolution is not in favour of the financial consumer, then reasons are to be provided.

Redress

7. In addition to BSPS 12, ISPS 9, CMSPS 3, FNPF SPS 3 and RFEDMC SPS 3, every FSP should consider the following:

- a) **Consumer Protection Processes:** FSPs must ensure that consumer protection processes are given appropriate priority; of which complaints are accepted constructively and financial consumers are not harassed or intimidated for lodging a complaint against their product or services. FSPs must also ensure to have provisions that allow and assist financial consumers in their vernacular language when lodging complaints. If possible have the loan agreements available in the language that the customer can read and understand, and this can be made available on a case-by-case basis;
- b) **Customer Responsibility:** FSPs must have available awareness material (printed or electronic) on what the institution expects from customers as their responsibility towards the products and services that are being offered;
- c) **Digital Portal:** If possible, FSPs may consider developing a digital portal that allows financial consumers to lodge complaints easily and provision to track the progress of their complaints;
- d) **Complaints Resolution:** FSPs must ensure to provide details on how to escalate a complaint to the RBF for mediation and resolution if a financial consumer is not satisfied with the outcome of a complaint matter.