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| INFO Network E-Bulletin April 2016 |

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| INFO Network website | **Network news****New senior representative**This month we are pleased to welcome the recently-appointed Financial Services Ombudsman of Trinidad & Tobago, Dominic Stoddard, to our INFO Network family.[More](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-y/)**'Getting to know you' member survey**Many thanks to members who have responded to the 2016 version of the 'Getting to know you' survey we emailed to you on 20 April. Please don't forget to send your office's information in. Can't find the email? Just ask the Secretariat to resend it. |

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|   | INFO 2016 in Yerevan**WONDERING ABOUT THE WEATHER?**With our conference taking place from 18 to 21 September, we are very pleased to learn that the best time to visit Armenia is September. Average temperature is about 25C. Sunshine hours are 11, and the chance of sunny days is 72%. | **INFO 2016****Less than 5 months to go**Don't forget that **early-bird registration** closeson 31 May 2016: [http://info2016.am/registration](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-t/)**Follow in the footsteps of George Clooney!**Hundreds of international guests, including actor George Clooney, participated in Aurora Prize Ceremony in Yerevan on Sunday 25 April 2016. [Read about it here](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-d/).**Travel update**Given the recent tensions in Western Asia, we've been keeping in close contact with our INFO 2016 hosts from the Financial System Mediator Armenia to ensure that all arrangements for the conference in Yerevan are progressing well. We are pleased to report that they are. The conference program, including social events and tours, will take place in the immediate Yerevan area. UK, USA and Australian government travel advisories give no cause for concern, citing the normal safety precautions travellers should take.[Travel information on the INFO 2016 website](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-h/)[Tourism Armenia website](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-k/) |   |

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|   | **News grabs** |   |

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|   | [**UK regulator to review how it runs redress schemes**](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-u/)Announcement that the UK financial regulator will examine how it deals with redress exercises, drawing on its experience with issues such as mis-sold payment protection insurance and interest rate swaps, and will question how the FCA should operate redress programmes in future.[**Targeting financial services licensees using the term 'independent'**](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-o/)Australian financial regulator acts on use of the word 'independent' in entities’ marketing and promotional materials, saying, ''The independence of financial system gatekeepers such as financial advisers is an important issue for consumers and investors and may sway their decisions about their investments or their choice of adviser. Consumers must not be misled into believing that an adviser is independent and free from influence by commissions or other benefits or associations, when that is not the case.''[**Supreme Court: 'land bank' was unauthorised collective investment scheme**](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-b/)UK's highest court confirms that a 'land bank' arrangement, which sold small plots of land to investors at 'hugely inflated prices', was an unauthorised collective investment scheme (CIS) which ought to have been regulated. |   |

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|   | **News from INFO Network members** |   |

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|   | http://i3.createsend1.com/ei/t/16/065/B57/211005/csfinal/FMB-Malaysia.png | Jeremy Lee, Chief Executive OfficerFinancial Mediation BureauMalaysia |   |

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|   | **Financial Mediation Bureau to become FOS operator**Our scheme, the current alternative dispute resolution provider for the banking and insurance industries, will transform into the operator of the full-fledged Financial Ombudsman Scheme (FOS). This will give us jurisdiction over a wider scope of disputes and awards. I am optimistic that this will be implemented in the second half of 2016. To reflect the new role (as the operator of the FOS), certain changes are being made, including amending the Memorandum and Articles of FMB and proposing a new name for the consideration of the relevant authorities. The FOS framework has been formulated based on the six internationally accepted principles of independence, fairness and impartiality, accessibility, accountability, transparency and effectiveness. [More here](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-x/)In other news, our [2015 Annual Report](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-m/) is now available on our website.  |   |

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|   | http://i4.createsend1.com/ei/t/16/065/B57/211005/csfinal/IOBelgium.gif | Josette Van Elderen,  Ombudsman Insurance OmbudsmanBelgium |   |

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|   | **Through Wikifin.be, which is the portal website for financial education, the Financial Services and Markets Authority or FSMA has for the first time in Belgium organised a 'Money Week', together with newspaper L’Echo / De Tijd and radio station Radio 1.**This week coincided with the 'Global Money Week' and the 'European Money Week'.  The 'ring the bell' ceremony at the Euronext Brussels stock exchange was the official kick-off of the 'Money Week' on Monday morning 14 March 2015. The purpose of the 'Money Week' was to increase knowledge on financial matters among the broader public and school children, and to make financial matters a subject for discussion for everyone.  The promoters of the 'Money Week' also demand extra awareness for financial education of consumers. The Insurance Ombudsman of Belgium participated in this theme week, together with 12 other partners, including Ombudsfin, the Ombudsman in Financial Conflicts.Insurance matters in general, and the answering of questions and acknowledging of complaints on insurance matters are without doubt part of the financial education of consumers. The best way to increase the financial capability of consumers is through the development of co-ordinated strategies and activities. Hence, various activities were organised on different locations in Belgium. Each activity was aimed to reach the broader public and schools. Our office was present in these different locations, with a stand at the Brussel Centraal train station, the Place de la Cathédrale in Liège and the Groenplaats in Antwerp.One of our aims is to improve the protection of citizens by enhancing their knowledge of insurance matters and by stressing the importance of the transparency of the decisions taken by the actors of the sector as well. Our ambition during 'Money Week' was certainly to increase the visibility and the impact of our work to the consumers on the one hand and to all actors of the insurance sector on the other hand.We organised a quiz together with Ombudsfin, which tested knowledge of the functioning of both Ombud services. The majority of the participants obtained a good score. Most consumers were aware that the Insurance Ombudsman of Belgium is free of charge, and that we strive for an amicable settlement or deliver a reasoned objective advice. The participants did not have to go home empty handed, as they received a useful gadget as a gift.We also distributed information brochures and organised demo sessions of our website. Of course, specific questions of passers-by were also addressed. Some questions showed that insurance matters, and the practices used by insurance companies or insurance intermediaries, are not always correctly or fully understood.The 'Money Week' website ([www.deweekvanhetgeld.be](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-q/) / [www.lasemainedelargent.be](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-a/)) gives an overview of all activities organised within the frame of this theme week, by the various participating partners. |   |

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|   | http://i5.createsend1.com/ei/t/16/065/B57/211005/csfinal/IOSwitzerland.jpg | Martin Lorenzon, OmbudsmanOmbudsman Foundation for Private Insurance and SuvaSwitzerland |   |

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|   | **Summary of our Annual Report 2015**The number of queries and complaints within the Ombudsman’s jurisdiction fell by 8% in the year under review, from 3,229 to 2,982.A total of 2,654 cases were resolved directly with policyholders or complainants, without the need to contact the insurer. 328 complaints resulted in interventions with the relevant insurance companies (intervention rate: 24.6%). Of these, 89% were resolved before the end of the year. The intervention success rate was 66.6%. The highest dispute value in an intervention was CHF 400,000, while the lowest contested amount was EUR 45.As in previous years, the complex complaints in the field of personal insurance were the key focus of our office's activities, making up 50% of the caseload. These predominantly involved complaints against sickness benefit and accident insurers following a refusal or suspension of benefits. Mediation cases with legal protection insurers and travel insurance companies frequently proved difficult when stringent claims practices clashed with high demands on the part of policyholders. For the first time, we had to deal with a travel insurance company’s web portal as it allowed invalid insurance policies to be concluded online.We also dealt with an increasing number of complaints against mobile phone insurers following refusals of benefits to cover smartphone damage, on the grounds that it had been caused by gross negligence on the part of policyholders. |   |

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|   | http://i6.createsend1.com/ei/t/16/065/B57/211005/csfinal/FOS-AU1.png | Shane Tregillis, Chief OmbudsmanFinancial Ombudsman ServiceAustralia |   |

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|   | **When things go wrong we need a simple system for consumers:financial services dispute resolution in Australia under review**Financial services are very much in the news in Australia as we head into a national election and the media respond to allegations of poor behaviour by banks, insurers and other financial services providers. There is a strong focus on culture, service, ethics and trust in financial services, resulting in calls for a Royal Commission into financial services by some, including the Opposition, and announcements by the Government of reviews of external dispute resolution (EDR) approaches in financial services.The Financial Ombudsman Service (FOS) Australia has said we will work with ASIC (Australia’s corporate, markets and financial services regulator) on the review of FOS’s small business jurisdiction under our Terms of Reference, which has been proposed by the Australian Government. We are looking forward to working with the panel of eminent persons, when it is established, in the review of EDR approaches in the interests of reducing complexity for consumers in accessing effective redress.The Financial Systems Inquiry reinforced the important role we play in upholding the fair treatment of financial sector consumers, and we are pleased that this role was acknowledged by the Australian Treasurer in his statement. We look forward to working with the review panel and playing our part in enhancing the role of future EDR arrangements in the delivery of fair outcomes for consumers and small businesses.It is also critical that implementation of a compensation scheme of last resort be addressed by the panel in its review of financial system external dispute resolution. Recently, the Australian Bankers’ Association (the peak body for all major banks), said it will evaluate a prospective scheme being introduced where consumers of financial products who receive a FOS determination in their favour would have access to capped compensation where an adviser’s professional indemnity insurance is insufficient to meet claims. This is what we have been calling for.We have consistently argued this clear gap should be addressed so that consumers can have confidence that if things go wrong, they will be compensated when a decision is made by FOS in their favour. We look forward to working with the Australian Securities & Investments Commission (ASIC) review panel to enhance current dispute resolution arrangements for consumers of financial services. |   |

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|   | http://i7.createsend1.com/ei/t/16/065/B57/211005/csfinal/OBS-South-Africa.jpg | Clive Pillay, OmbudsmanOmbudsman for Banking ServicesSouth Africa |   |

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|   | **Ombudsman for Banking Services (OBS) case stats show that South African consumersare no shrinking violets.**The South African consumer is no longer prepared to sit back and accept inferior products and below-standard service. Consumers are becoming more aware of their rights and are gaining confidence in taking on institutions when they feel unfairly treated. This, and the increasing numbers of banked consumers and growing sophistication of banking, saw a growth in OBS case numbers in 2015 of more than 500 over the previous year.ATMs continued to dominate our case load, accounting for 1 530 of the 4 899 complaints logged in 2015. Only 20% of cases were found in favour of the consumer, which indicates that, in spite of repeated warnings from banks and the Ombudsman, ATM users are still not taking sufficiently seriously the need for security and for protection of PINs and passwords.This trend is not confined to less sophisticated consumers. Our records show that consumers from all backgrounds and education levels may let their guard down in certain circumstances and, thus, run the risk of losing money to fraudsters. Clearly, more education initiatives are needed to convince consumers across the spectrum of the importance of safeguarding their information.Our report touches on the eagerly awaited launch of the so-called 'fraudless card', a South African development that promises to eliminate internet banking fraud by creating a virtual credit card for every online purchase. As has been the case in previous years, the second largest category of complaint in 2015 was internet banking, with 752 files opened. Again, most of these went the way of the banks, in fact 7% more than in 2014, as there was no evidence of bank maladministration in these cases.A second exciting development, this time taking on the problem of unauthorised debit orders, is the authenticated collections system being created by the Payment Association of South Africa. This will allow banks to verify whether the account holder has authorised the debit. Our report commends the banks for having largely embraced the principles of Treating Customers Fairly (TCF), the Financial Services Board initiative whose launch is scheduled for 2016 with the promulgation of the Financial Sector Regulation Bill.However product suites need greater attention. There is still often a mismatch between a customer’s needs and circumstances and the product solution he or she is offered. Retrenchment insurance is inappropriate for a pensioner, for example. Products must be suitable, not just innovative.In our report we also highlight developments that will enhance OBS service in years to come. For one, the Office recently reached a co-operative agreement with the South African Fraud Prevention Services, which will give it access to the organisation’s data on fraud and identity theft. This will be invaluable given the prevalence of banking fraud and the number of complex cases lodged by consumers.The tracking of demographic data of complainants initiated in the previous year is proving beneficial in allowing us to direct our communications efforts to consumers most needing of information on the scheme. During 2015, we reached 5.5 million South Africans, predominantly in rural areas, through a nine-month radio campaign.   [Full annual report](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-e/) |   |

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|   | http://i8.createsend1.com/ei/t/16/065/B57/211005/csfinal/CIO-AU.jpg | Raj Venga, Ombudsman and CEOCredit & Investments OmbudsmanAustralia |   |

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|   | **Events and Outreach in Australia**The Credit & Investments Ombudsman participated in several community eventsin the first months of 2016 to raise our profile and consumer awareness of theservices we offer.In February we hosted a stall at the Mardi Gras Fair Day in Sydney. The community fair is held annually in conjunction with the world-famous Sydney Gay and Lesbian Mardi Gras Festival. Fair Day attracted 80,000 people making it one of the largest community events in Australia. Consumers who visited our stall enquired about responsible lending and unconscionable conduct against timeshare providers and raised questions about general fees and charges.We partnered again with other Ombudsmen and consumer advocates to host a stall at the Sydney Royal Easter Show for the Seniors' Days. The Easter Show is Australia’s largest annual event with more than 800,000 visitors per year. The fair offers agricultural competitions, live entertainment, carnival rides, and more. Hundreds of seniors dropped by our stall to learn more about consumer rights.We work closely with financial counsellors to facilitate a more integrated and effective approach to dealing with financial hardship complaints.  We continue to attend and sponsor national and state conferences for financial counsellors, where case managers present, participate in panel discussions and host stalls to share information about our scheme.In March, we sponsored the 2016 Queensland Financial Counsellors’ Association's annual conference in Brisbane and our Senior Manager - Financial Hardship, participated in a panel discussion on unjustness and responsible lending. Next month, we will co-host the annual External Dispute Resolution (EDR) Forum for financial counsellors with other Ombudsmen in Adelaide. Delegates will have the opportunity to discuss current issues with senior staff from EDR schemes. Domestic violence and 'sexually transmitted debt' will be a key topic.In Australia, organisations are encouraged to develop frameworks to build relationships, respect and economic opportunities with Aboriginal and Torres Strait Islander people with the aim to drive social change. Within the next three years, we will roll out a number of initiatives to support Indigenous Australians and to improve accessibility to our scheme. Indigenous Australians make up 3% of the Australian population, yet they are underrepresented in our complaint statistics. Social, cultural and economic factors relevant to Aboriginal consumers mean they are at a higher risk of falling victim to predatory mis-selling. Furthermore, they may be disadvantaged by impaired literacy and numeracy skills, and can find it a challenge to obtain documentary evidence in support of their complaints.Our case managers and clients services officers have already participated in a workshop on Aboriginal Cultural Appreciation to gain a better understanding of the particular issues Indigenous consumers face.  In April our first case manager from an Aboriginal background joined the financial hardship team. He will also be working closely with our stakeholder engagement department to provide feedback and share insights on ways to improve accessibility for Indigenous consumers. Next month we will also celebrate National Reconciliation Week to show support of Aboriginal and Torres Strait Islander people.  Our staff will take part an evening cruise in Sydney Harbour to see Aboriginal artworks projected by lasers on the sails of the Opera House. Due the course of our reconciliation program we will also investigate our supplier diversity to support Aboriginal and Torres Strait Islander owned businesses. |   |

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|   | http://i9.createsend1.com/ei/t/16/065/B57/211005/csfinal/IFSO-NZ1.jpg | Karen Stevens, OmbudsmanInsurance & Financial Services Ombudsman SchemeNew Zealand |   |

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|   | **Recently the New Zealand media have helped us to raise both consumer and industry awareness, by conveying messages about:**Our [training programme](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-w/) for insurance & financial service providers[Easter tips](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-yd/) to avoid declined insurance claimsSpeaking up, no matter how [“unusual” insurance claims](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-yh/) might beThe “[top ten reasons claims are declined](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-yk/)” and steps consumers can take to ensure they are coveredOur [rise in complaints](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-yu/) over the past four months |   |

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|   | **More news grabs** |   |

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|   | [**Ombudsmen take on reckless lenders**](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-jl/)South African reporting (with caricatures!) that the Ombudsman for Banking Services, Clive Pillay, and the Credit Ombud, Nicky Lala-Mohan, have taken on credit providers for prime facie reckless lending, and as a result of their interventions, consumers have had their principal debts or interest charges and fees written off.[**27% more payouts to customers tricked into signing up for expensive deals**](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-jr/)Reporting that furious UK customers are battling for compensation after being tricked into signing up for expensive current accounts by their bank — related to packaged accounts where customers pay a monthly fee for extras such as travel insurance or mobile phone cover.[**Customer caught by trauma insurance vs income protection insurance**](http://infonetwork.createsend1.com/t/t-l-dhltddy-ilditultj-jy/)Reporting of how the customer, while at the bank in 2008, was persuaded by the branch's financial planner to cancel her existing insurances, including a long-standing income protection policy with another company, and switch to insurance sold by him. The policies included trauma insurance, but not income protection. She says she questioned this and was told that was now what they called trauma insurance. Eight years later, having not worked for nearly two months and about to have a serious operation, she found out she was no longer covered for income protection. An independent financial advisor notes the big difference between trauma insurance and income protection insurance. "Trauma only covers a limited amount of diagnosed events. So you may be off work for illness which isn't covered by trauma, so you wouldn't be entitled to any payment." |   |

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|   | A monthly e-bulletin for INFO Network membersTo keep you informed of INFO Network developmentsTo share Ombudsman news itemsTo point you to updated information on the INFO Network websiteTo contribute, email your links, news items, articles to the Secretariat at any time |   |

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