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| INFO Network E-Bulletin  March 2016 |

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| [INFO Network website](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-r/) | **Network news**  **Welcome to the family!**  Welcome to the Ombudsman of Financial Services (OFS)Swaziland and its Ombudsman, Nondumiso Simelane (Ms). [Visit the OFS website](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-y/)  Welcome also to the new French Insurance Mediator, Philippe Baillot.  We hope to have the opportunity to meet you both at INFO 2016!  **Getting to know you**  We will soon repeat our popular 'Getting to know you' member survey initiative from 2012. Please watch for the email and take a few minutes to share your scheme/office's story. |

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|  | [INFO 2016 in Yerevan](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-j/)  **YEREVAN** One of Europe's oldest cities, settled by its earliest inhabitants in 782 BC | **INFO 2016**  **Conference theme: Defining individuality—going global**  **Our conference hosts from the Financial System Mediator Armenia describe the conference theme** Defining our individual character within a diverse global family is a very hot issue especially nowadays. We all follow international principles and try to adopt best practices. Yet we need to remember that we are all unique, our national and cultural particularities influence our day-to-day work. And something that might be great for one country may be a total failure for another. In this context, we have tried to build the programme in a way to emphasize how our cultural heritage impacts the way we think, act and work. This also certainly has its influence on how different Ombudsman schemes view fairness, transparency and confidentiality, and how schemes build complaints resolution processes and procedures. [More information on the INFO 2016 programme](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-t/) [Register now](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-d/) |  |

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|  | **Making news: reports, developments, issues** |  |

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|  | **Interesting reports**  **Guilty until proven innocent: Insurance investigations in Australia** *Financial Rights Legal Centre, Australia* Released in mid-March 2016, this report ''details the trials faced by 40 consumers subject to investigations'', providing case studies and drawing on a survey of insurance law service callers, interviews with insurers and investigators, and an analysis of Financial Ombudsman Service decisions. It argues a lack of consumer protections and proposes a series of recommendations to improve the situation for both consumers and the industry. [Media release and link to full report](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-h/)  **Ageing population and financial services** *Financial Conduct Authority (FCA), United Kingdom* Released as part of the FCA's ongoing work to make financial advice more accessible to the general population, this discussion paper presents a range of different perspectives on the financial needs of older consumers. it also explores how well financial products and services meet those needs and what financial services providers can do  to adapt their products to better serve an ageing population. [Download it here](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-k/)  **Making news**—**spotlight on lending**  **Online entity operating as a self-styled 'community bank'**  [**WeRe: unauthorised online bank**](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-u/) Media reporting that large numbers of borrowers face losing their home or having their credit records wrecked after signing up to an unauthorised online bank, and are furious their lender won’t accept cheques issued by a website called WeRe Bank. The firm had promised to help customers clear their debts. In exchange for a £10 monthly fee, it said it would pay off their mortgage.  [**Regulator's concerns**](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-o/) In a Consumer Notice on its website in late 2015, the Financial Conduct Authority (FCA) said it had received many reports from consumers, public bodies and commercial organisations about an entity styling itself as WeRe Bank. The FCA is concerned that vulnerable consumers may be attracted to WeRe Bank’s claim that they will be able to pay off their debts ‘for free’ using RE cheques, even though they have not had to pay any money into an account. The FCA says it has received numerous reports from financial institutions, councils, utility companies and other businesses that have been presented with WeRe cheques by consumers attempting to pay off their debts. None of these institutions has accepted the cheques as legitimate payment.  [**And another WeRe regulatory warning in Europe**](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-b/) The Financial Market Authority, Austria, warns investors against the conclusion of banking services requiring a licence with this provider.  **Lending — online and otherwise**  [**Online pay-day lending**](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-n/) Media report that Cash Converters International has reported a return to profits, helped by a boom in the number of Australians taking out payday loans online.  [**Cash advances in the form of debit cards**](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-p/) Media report that Cash Converters is preparing to issue all of its cash advance loans electronically, in the form of prepaid debit cards that can be used at ATMs—a development generating concern among financial counsellors and consumer advocates, who say it is designed to trap more users into high-interest loans.   [**Online lending – small business borrowers**](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-x/) Media report quotes Noah Breslow, Chief Executive of New York Stock Exchange-listed alternative lender OnDeck as predicting that the number of online business lenders could double in the coming years to meet growing demand from small business borrowers, but will ultimately consolidate to a handful of dominant players.  [**Lending to people who can't afford it**](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-m/) Media report that a soaring rise in home loans approved outside serviceability requirements has prompted Australia's financial regulator to put banks on notice and demand a 'please explain.' The ease of loans being ticked off despite failing to meet lenders’ set criteria is described as a 'potential time bomb' waiting to happen. |  |

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

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|  | [http://i3.createsend1.com/ei/t/5F/96C/E9C/224055/csfinal/HOBIS-Greece2.jpg](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-c/) | Dimitrios G. Pavlakis,  Ombudsman  Hellenic Ombudsman for Banking-Investment Services Greece |  |

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|  | **The Hellenic Ombudsman for Banking-Investment Services is part of the wide range of alternative systems of dispute resolution (Alternative Dispute Resolution) developed in Europe in the last twenty years, to complement judicial processes in order to boost consumer confidence in the Single Market.**  In particular in the financial sector, new technologies, internationalization and liberalization of trade and the growing competition, coupled with the existence of gaps in the legislation on consumer protection and the slowness, cost and complexity of the judicial system, led to self-regulation, with a prevalence of ethical standards and the establishment of court redress schemes.  On 18.06.2013 the new legislative framework for ADR was published, comprising   * The Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on the alternative dispute resolution for consumer disputes (Alternative Dispute Resolution) and * The Regulation (EU) No. 524/2013 of the European Parliament and of the Council of 21 May 2013 on the online dispute resolution for consumer disputes (Online Dispute Resolution - ODR).   The Directive ensures that consumers may use ADR entities that meet certain quality criteria, for each type of difference they have with suppliers of goods or services, regardless of what they bought. The Regulation also establishes the creation and operation of a single EU-wide platform for online dispute resolution (ODR platform), which serves all the EU countries and enables consumers and suppliers to submit any disputes arising from online shopping, at an online resolution process.  The ODR platform connects all national ADR entities. This single entry point is an interactive, user friendly website, available in all official EU languages ​​and accessible free of charge. ADR rules apply from 9 July 2015 and the operation of the platform began on 15 February 2016. The process by ODR platform is completed electronically and is performed in four steps:   * Complaint submission by the consumer at the supplier by completing a form * The complaint is sent to the supplier - agreement between the two parties on an ADR body * The ODR platform automatically sends the complaint to the ADR entity * Processing of the complaint by the dispute settlement body, results and conclusion of the complaint within 90 days   [For more on the ODR platform, see the [European Union media release](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-q/)] |  |

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|  | [http://i4.createsend1.com/ei/t/5F/96C/E9C/224055/csfinal/Insurance-Mediator1.jpg](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-f/) | Francis Frizon for the French Insurance Mediator |  |

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|  | **Changes in the French insurance mediation scheme**  As stated in the last [French insurance mediator annual report](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-z/), a new organization has been set up through an association which covers now all insurance companies, mutual insurance and insurance brokers activities in France. In full compliance with the EU Directives on ADR and ODR, the new scheme has been registered by the French Authorities and notified to the European Commission. A new Mediator has been appointed, Philippe Baillot, for a period of 3 years.  The former Mediator, Francis Frizon, who has retired will though continue to act and represent the French insurance mediation scheme as regard to all the international activities, including the INFO Network, during a transitional period allowing the new scheme team to first focus on its organization and domestic activities. |  |

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|  | [http://i5.createsend1.com/ei/t/5F/96C/E9C/224055/csfinal/France_amf1.gif](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-v/) | Marielle Cohen-Branche AMF Ombudsman France |  |

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|  | **Marielle Cohen-Branche, the AMF Ombudsman, has been authorised by the *Commission nationale d’évaluation et de contrôle de la médiation de la consommation* (National Commission on the Assessment and Supervision of Consumer Mediation – CECMC).**  This new procedure results from the transposition, effective since 1 January 2016, of the European directive on alternative dispute resolution for consumer disputes.  The goal of the directive is to extend this scheme, which is free of charge to consumers, to all sectors of the market economy. It also introduces authorisation and supervision for ombudsmen handling such disputes on an amicable basis.  The first ombudsmen authorised by the CECMC have been notified to the European Commission by Minister of State Martine Pinville, among them Marielle Cohen-Branche, authorised as the AMF’s public ombudsman.  The AMF ombudsman service may be contacted by any retail saver, investor or consumer, whether an individual consumer or a legal entity such as a company, non-profit organisation or pension fund, that is involved in an individual dispute with a financial intermediary or issuer.  The role of mediation, previously devolved to the AMF as an institution, now falls within the remit of the ombudsman service itself. In this regard, Marielle Cohen-Branche was reappointed in November 2015 for three years by the Chairman of the AMF, acting on the opinion of the AMF Board.  While the AMF Ombudsman, as public ombudsman, now has exclusive jurisdiction under the law to examine financial disputes, he/she may also agree to share out cases among other existing mediators in the sector, and in particular banks’ private mediators. Retail investors will thus have the choice of referring cases to either the public ombudsman or the bank’s own mediator. |  |

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|  | **The Banking Ombudsman Scheme has joined the Financial Capability Practitioners & Providers network, which has just set up in Wellington by the Commission for Financial Capability.**  More than 50 representatives from the banking sector, government agencies, financial dispute resolution schemes, community organisations, and educational interest groups attended the first meeting.  While the scheme already has more formal relationships with many of these organisations, the network offers us the opportunity to work and collaborate with other organisations such as community groups working with less mainstream communities. The network is ultimately about improving connectivity in a sector in which there is a certain amount of duplication of effort in some areas and gaps in others. The network will set up a programme of regular seminars for members to share their expertise and combine resources.  For other scheme news, including our latest effort to promote safe banking practices to younger people, have a look at the current issue of our e-newsletter which we have re-named ['On balance'](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-s/). |  |

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|  | [http://i7.createsend1.com/ei/t/5F/96C/E9C/224055/csfinal/FOS-AU.png](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-g/) | Shane Tregillis, Chief Ombudsman Financial Ombudsman Service Australia |  |

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|  | **FOS has been extremely active on the outreach front this (Australian) summer, with a FOS presence at a diverse range of public events, with a key focus on engaging with vulnerable and disadvantaged sections of the community.**  We attended at the Yabun Festival, the largest one day celebration of Aboriginal and Torres Strait Islander cultures in the country. With many of the attendees having travelled from far away and rural communities, it was a great opportunity to raise awareness among Indigenous people from a broad area of Australia.  We were also present on Mardi Gras Day, drawing an enormous number of visitors. And we’ve continued to raise awareness with people with a disability, as well as carers and case workers, at a series of events rolling out the Australian Government’s National Disability Insurance Scheme.  In an exciting new sponsorship arrangement, we supported the 4th Annual Elder Abuse Conference, which drew together a broad selection of industries to discuss ways to highlight the importance of tackling elder abuse. Following up on this theme, we recently attended the seniors’ days at the Sydney Show, Australia’s largest annual event with almost a million attendees.  And coming up is the EDR Forum and Financial Counsellors Australia Conference, a collection of dispute resolution services in support of the financial counselling sector. |  |

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|  | **It’s been a busy month at the ombudsman service.**  Following our annual consultation which ran from December to February, we have published our final [plans and budget for the year ahead](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-yd/), which set out our priorities for the coming year.  We have also published the latest edition of our regular newsletter, *ombudsman news*, which includes case studies on the problems people bring to us — and how we sort them out.  This edition includes a special feature on things that go wrong with cars. Many of the problems we deal with today are about similar issues to those we’ve dealt with since we were set up. We continue to give answers on unpaid claims, fair valuations, and the quality of new cars. And poor communication continues to be an underlying problem in a number of the complaints people bring to us.  But while some things haven’t changed, developments in technology, for example, mean the individual factors we’d expect a business to consider *have*changed — while continuing to follow our fair and reasonable approach to sorting things out.  In the past, a complaint about a stolen car, for example, might have been decided by — among other factors — whether someone could provide both sets of keys. But we know from experience that some newer 'keyless' cars can be stolen without a key. In cases like these, we’ll check an insurer has fully explored all the options — and not just told their customer that without a key, a car can’t be stolen.  In many of the complaints we deal with, we find a business hasn’t acted unfairly — but they could have explained things more simply or clearly.  Falling back on jargon like 'misrepresentation' or 'fault claim' can leave people feeling confused or frustrated. And by making things more straightforward, we often find people are more likely to understand — and accept — the outcome.  The case studies we’ve published highlight the range of issues we see, and you can read more about them [here](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-yh/). |  |

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|  | **Complaints rise for the Insurance & Financial Services Ombudsman Scheme**  More insurance and financial services customers have been contacting the IFSO Scheme in recent months, with a rise in complaints. From December to February, we received 687 complaint enquiries, and we accepted 68 complaints for investigation. This is a steep rise for complaints in particular — during the same period a year ago, we accepted 41 complaints for investigation.  House insurance complaints made up 32% of the complaints received, followed by contents (10%), vehicle (9%) and income protection (9%) insurance. Complaints about credit contracts made up 6% of the total and, interestingly, financial advice complaints remain relatively low at 4%, as the majority of complaints are about products, rather than service.  We are pleased to hear from more consumers, and we will continue to encourage consumers to speak up if they have issues. For example, [in this media article](http://infonetwork.createsend1.com/t/t-l-dtkhjit-ilditultj-yu/) about ‘weird’ insurance claims, our message is don’t be embarrassed to make an unusual claim. |  |

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|  | A monthly e-bulletin for INFO Network members  To keep you informed of INFO Network developments To share Ombudsman news items To point you to updated information on the INFO Network website To contribute, email your links, news items, articles to the [Secretariat](mailto:secretariat@networkfso.org) at any time |  |

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