

# Trevor Slater

## National Relations Manager

### Intermediaries & Complaints



FINANCIAL INDUSTRY  
COMPLAINTS SERVICE  
LIMITED

# Overview

FICS has a 3 level process:

## 1. **Initial Assessment**

- Enquiry Officer and/or National Operations Manager or Legal Case Manager

## 2. **Conciliation**

- Case Manager or Conciliator

## 3. **Formal Determination**

- Panel Case Manager and Panel or Adjudicator

# Some Features of FICS

- The consumer must approach the Member Company (of FICS) to give them a chance to resolve the complaint (45 days to respond)
- No cost to consumers
- Formal Determinations binding on member, not binding on consumer
- Service is funded by industry, combination of fees and levy, operates independently, i.e. has overseeing body with consumer representatives, transparent appointment processes
- Make decisions based on fairness or what is fair and reasonable and industry practice. Not just the law
- FICS Formal Determinations are made by the Panel, consisting of an independent Chairman, Industry and Consumer representatives
- Non-complex matters under \$30,000 can be dealt with by the Adjudicator
- Majority of complaints finalised prior to Panel/Adjudicator (78% YTD)

# FICS Rules

## Monetary Limits

\$250,000 Life Insurance

\$6,000 Per month income stream

\$100,000 Funds, Planning, Stockbroking

# 2005/6 COMPLAINTS

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	2005	YTD
Telephone Enquiries	13,204	4684
Written Complaints	1,165	936
Complaints referred for Investigation by Case Manager	689	508

# 2005/6 COMPLAINTS

## Complaints Referred for Investigation

	2005	YTD
<i>Life Insurance</i>	<i>310</i>	<i>192</i>
<i>Financial Planning</i>	<i>189</i>	<i>225</i>
Stockbroking	92	36
Managed Investments	87	45
Other	11	10
<b>TOTAL</b>	<b>689</b>	<b>508</b>

# The Challenges for FICS

- ***Who is the complaint against?***
  - The insurer/company or the intermediary
  
- ***'He said - I said'***
  - Non-disclosure or intermediary actions

# The Challenges for FICS

- ***No version of events provided***
  - Decline to co-operate / paraphrasing
- ***Remedies and enforcement***
  - Non-Member or out of business

# The Challenges for Insurers

- ***Poor Practices = exposure***
  - Lazy work / deliberate deception
  
- ***Finding Quality Intermediaries or representatives***
  - A Licence is not enough

# Investigating / Rectification

- ***Highly Qualified and Experienced Complaints Handling Staff***
  - Well trained in ADR skills – mediation etc
  - Ability to communicate at all levels
  - Can build rapport quickly using various techniques such as 'matching'
  - Can investigate but not interrogate
  - Has knowledge of investigative tools such as 'SCAN'

# Investigating / Rectification

- *Good complaint handling is important*
  - Well resourced
  - Well supported by top management
  - Well recognised
  - Use of 'visitation officer'

**Trevor Slater**  
**National Relations Manager**

***Questions?***

