

# ***Financial Services Ombudsman***

**Presentation to the CUCC Inaugural Conference**

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**By**

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**Financial Services Ombudsman**

# Our Mission

*Independent adjudication of unresolved disputes between Complainants and Financial Service Providers, in an independent and impartial manner, thereby enhancing the financial services environment for all stakeholders*

# Who can complain to us.....

- All personal customers/consumers
- Limited companies with a turnover of €3,000,000 or less
- Unincorporated bodies, credit unions, charities, clubs, partnerships, trusts, etc.

# Who can consumers complain about.....

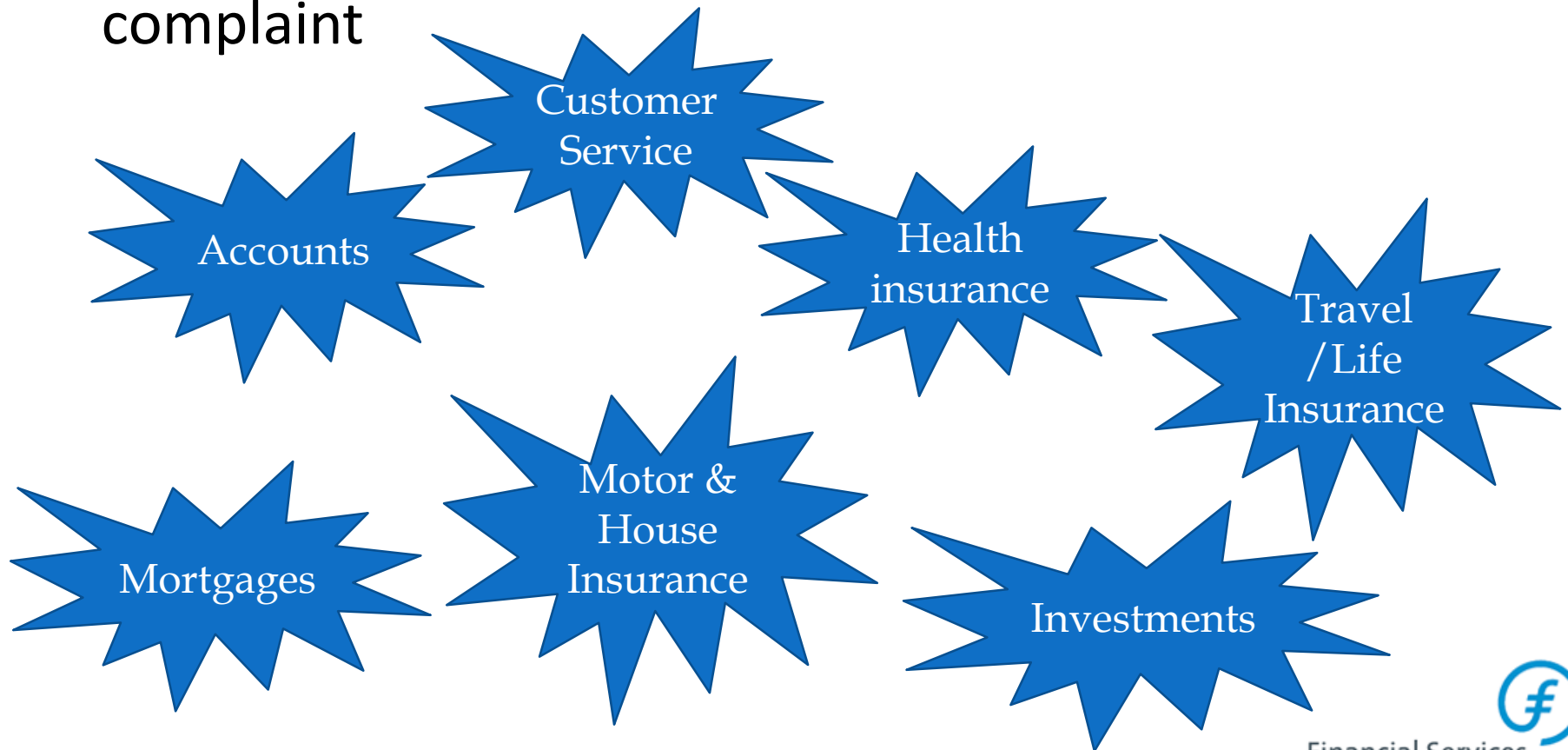
Any financial service provider regulated by the Central Bank of Ireland - 700 institutions within our remit

Including:

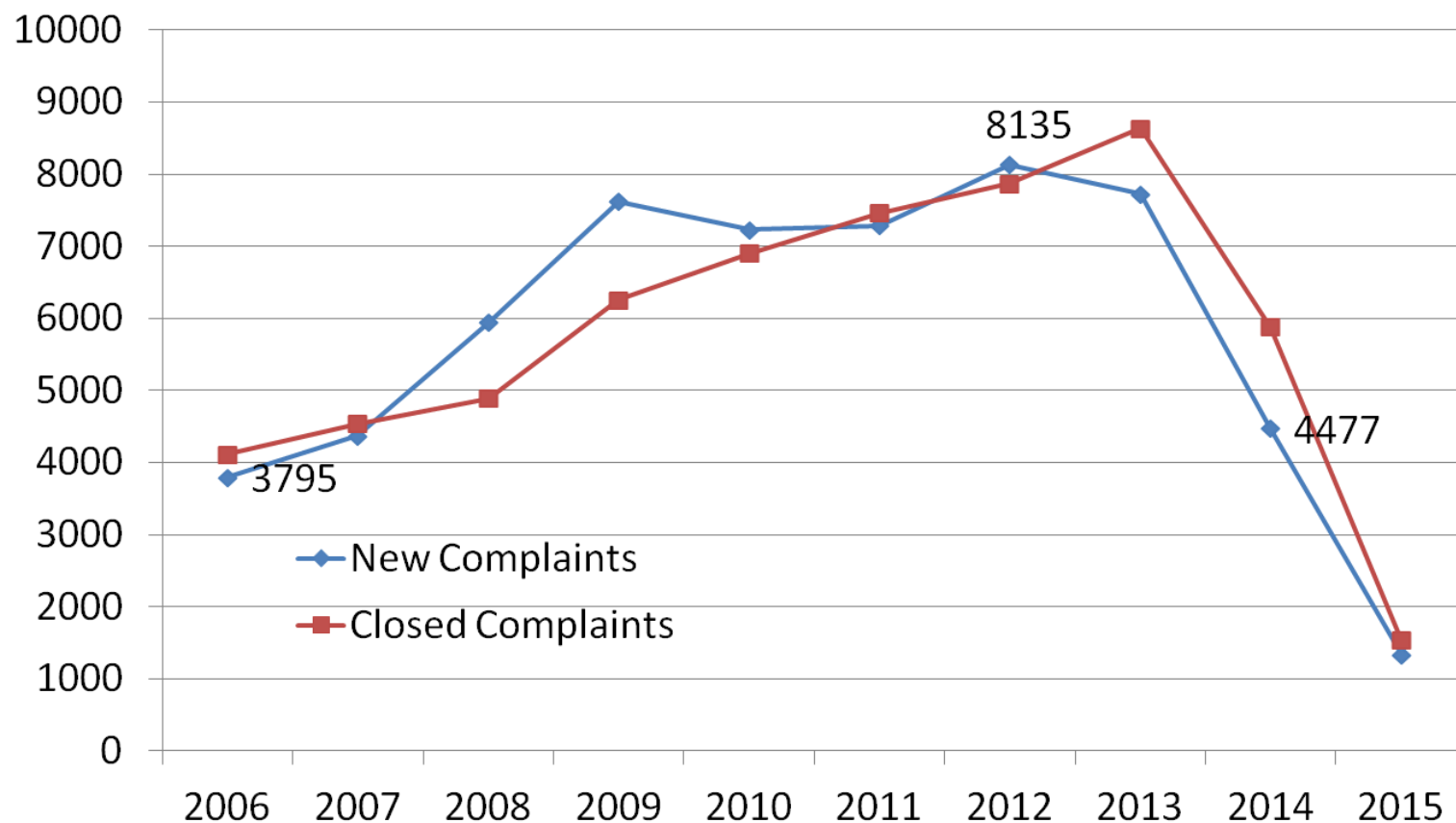
- Credit Unions (less than 1%)
- Banks
- Building Societies
- Insurance Companies
- Mortgage, Insurance & other Credit Intermediaries
- Stockbrokers
- Moneylenders
- Health Insurers

# What can consumers complain about....

- Over 30 product types and over 80 potential types of complaint



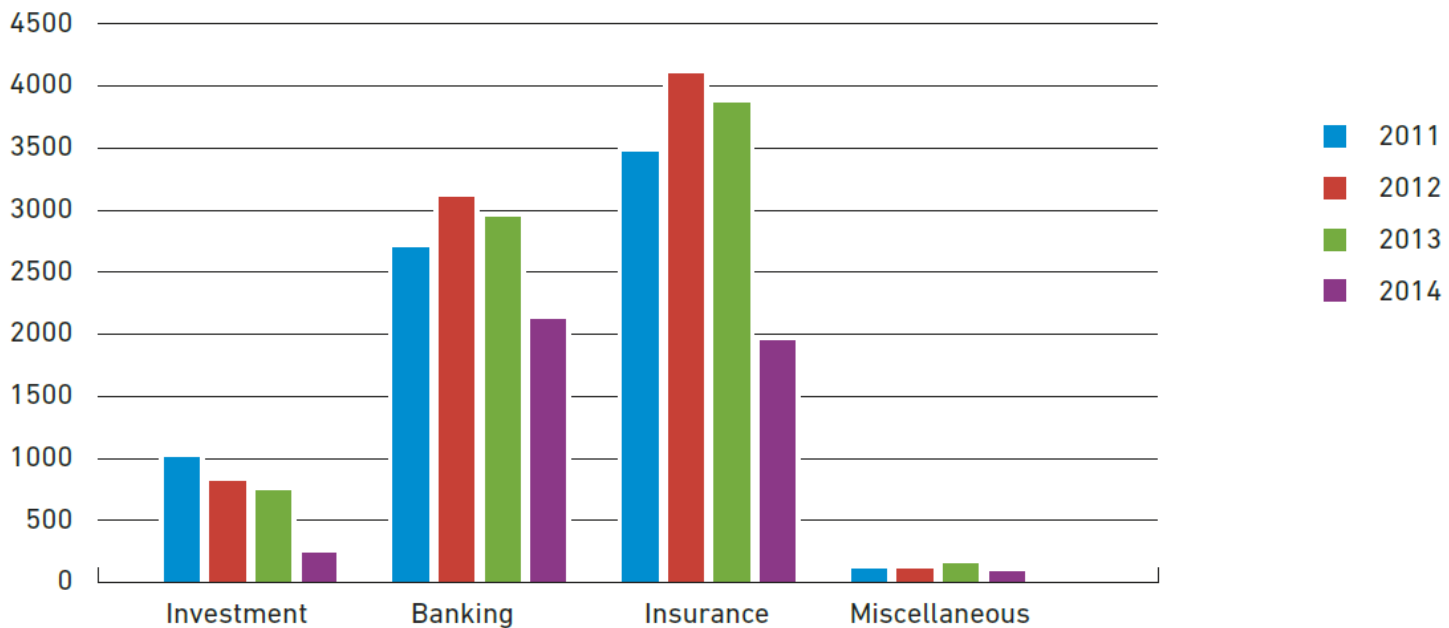
# Complaints Received and Closed



# Why the reduction?

- More active engagement between Provider and Consumer
- Power to publish complaints records of individual providers
- Improved Economy

# Complaints Received by Sector

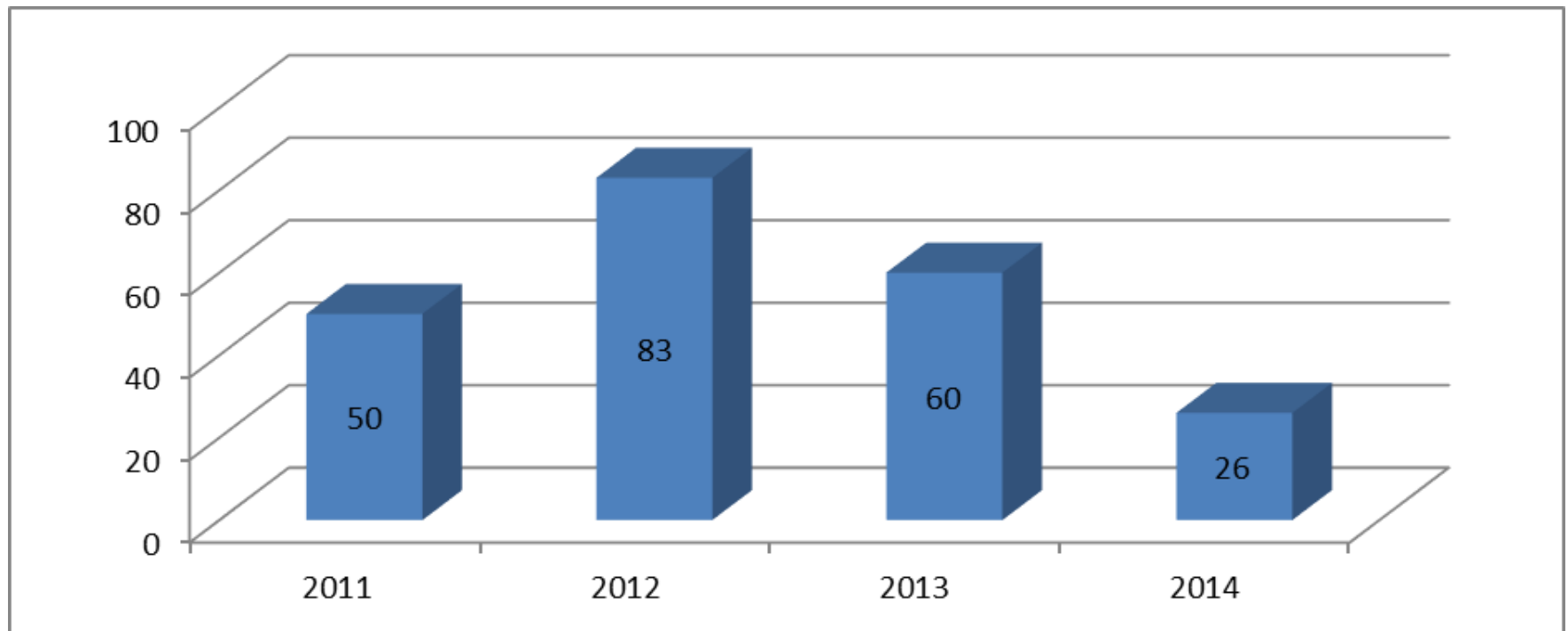




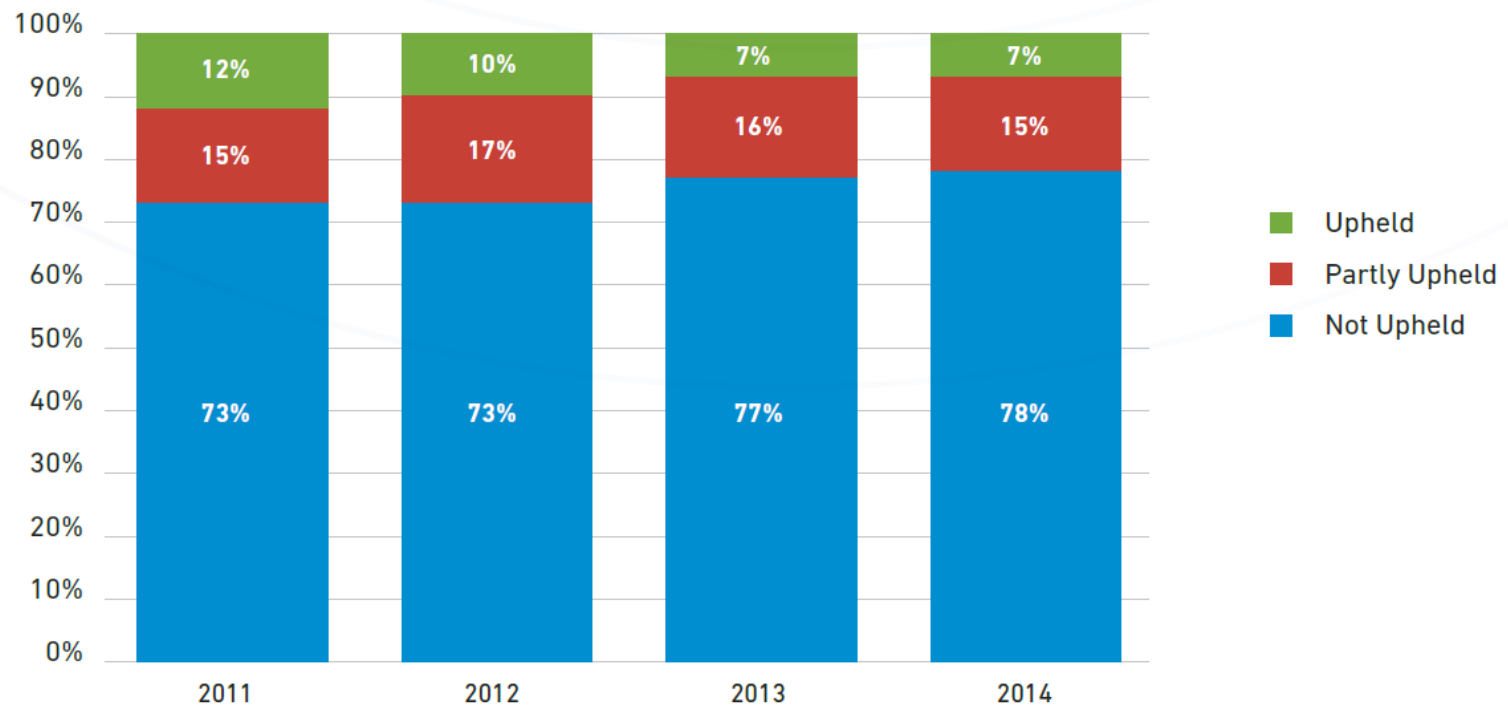
# Complaints by Product

Product Type	2011	2012	2013	2014
Accounts	712	1078	815	547
ATM	113	93	47	35
Commercial	5	15	8	5
Credit Card	332	323	260	153
Foreign Exchange	10	10	8	4
Lending	442	433	297	146
Mortgages	1038	1098	1464	1237
Miscellaneous	28	37	26	0
Total	2680	3087	2925	2127

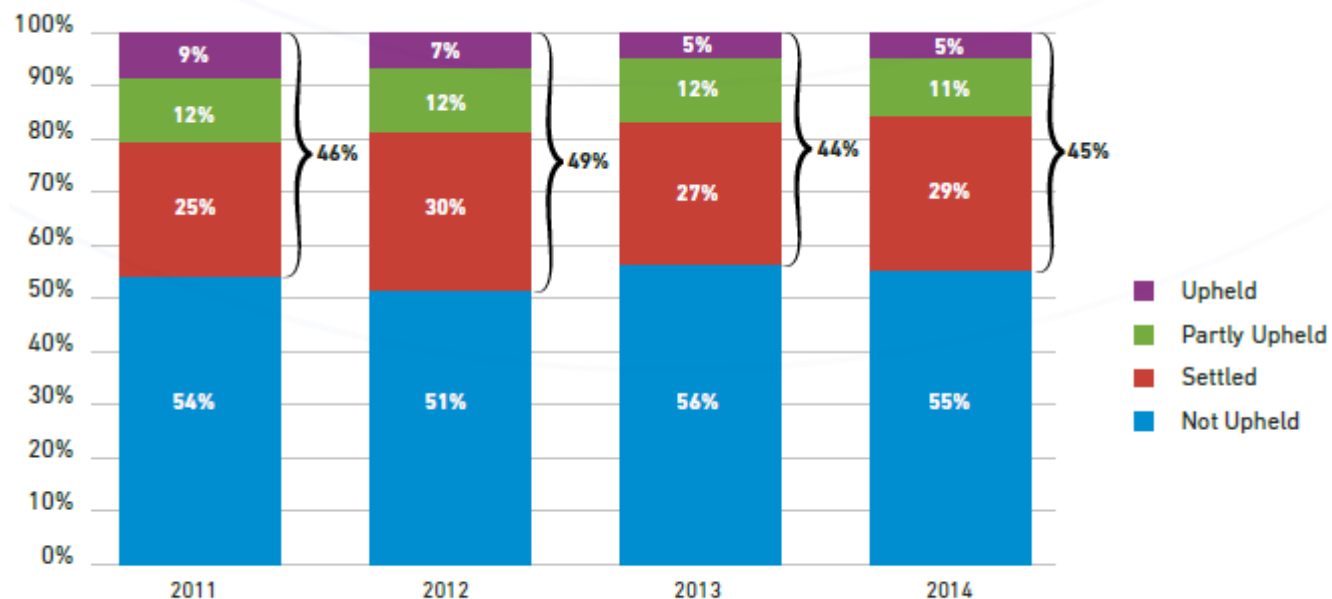
# Credit Union Complaints 2011 -2014



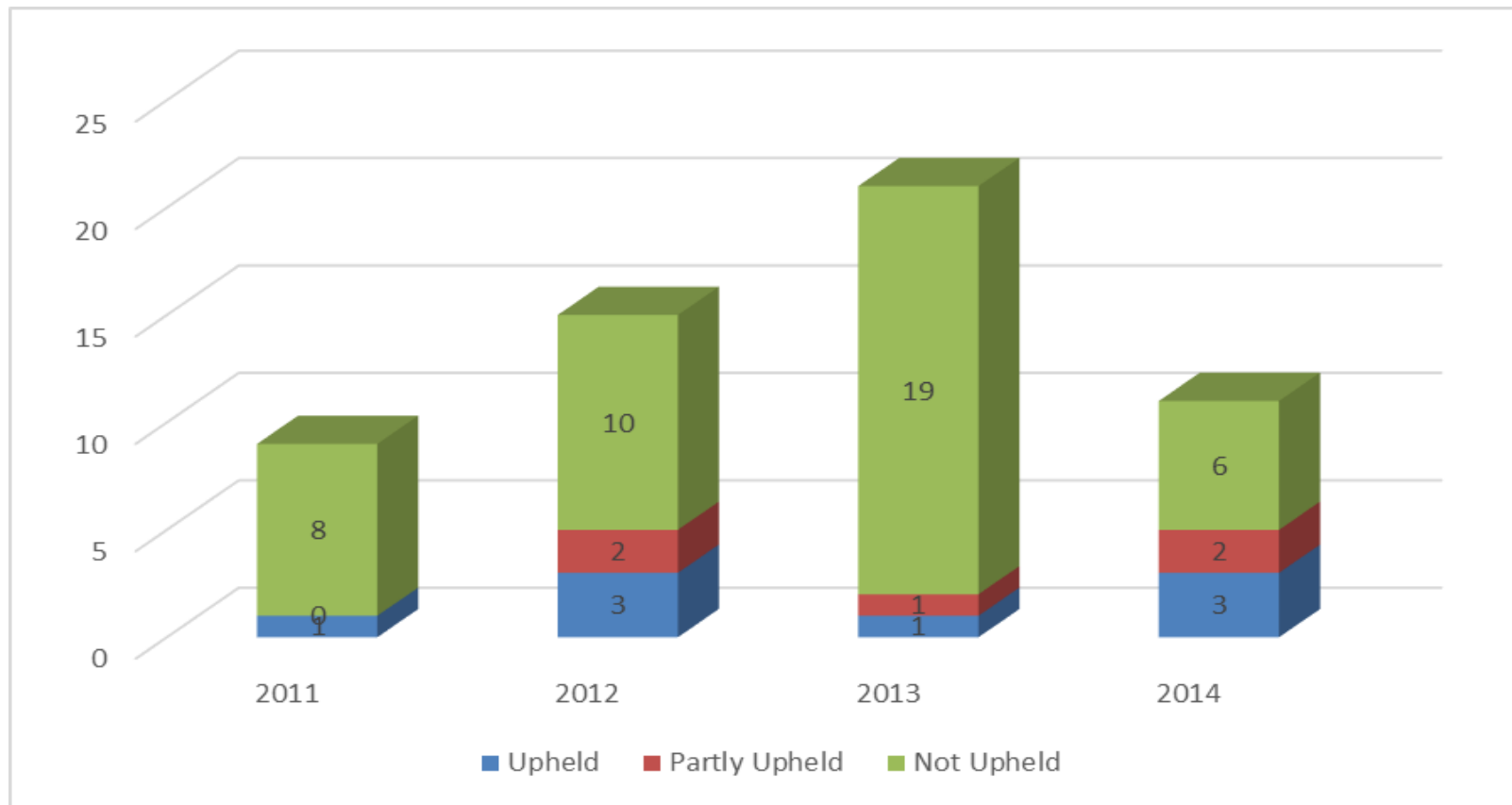
# Overall Findings



# Complaints Closed by Finding Outcomes and Settled



# Credit Union Findings



# How we handle complaints

We are “required to act in an informal manner and according to equity, good conscience and the substantial merits of the complaint without regard to technicality or legal form” S. 57BK (4) Central Bank Act 1942

- Mediate/Investigate /adjudicate complaints
- Award compensation up to €250k
- Direct rectification
- Publish complaint records
- Findings - legally binding, can only be appealed to the High Court

# Early Resolution

- We encourage parties to resolve issues before coming to us – credit unions are particularly good at this!
- Encourage discussion and meaningful engagement
- Best outcome is resolution without the need for adjudication
- Our aim is to resolve disputes/complaints at the earliest possible opportunity
- This should be the aim of the service provider too!
- Is it?

# Mediation

We recommend mediation as the first and best option to resolving complaints/disputes because it is:

- Informal
- Confidential
- Potentially quicker
- Voluntary
- Offers a better possible range of solutions



# Credit Unions & Mediation

- Credit Unions have a better record than most banks/providers in accepting mediation as an option
- How empowered are those who participate in mediation on behalf of credit unions?
- Important to have the decision maker(s) in the room

# Investigation

Where mediation is refused or is not successful we:

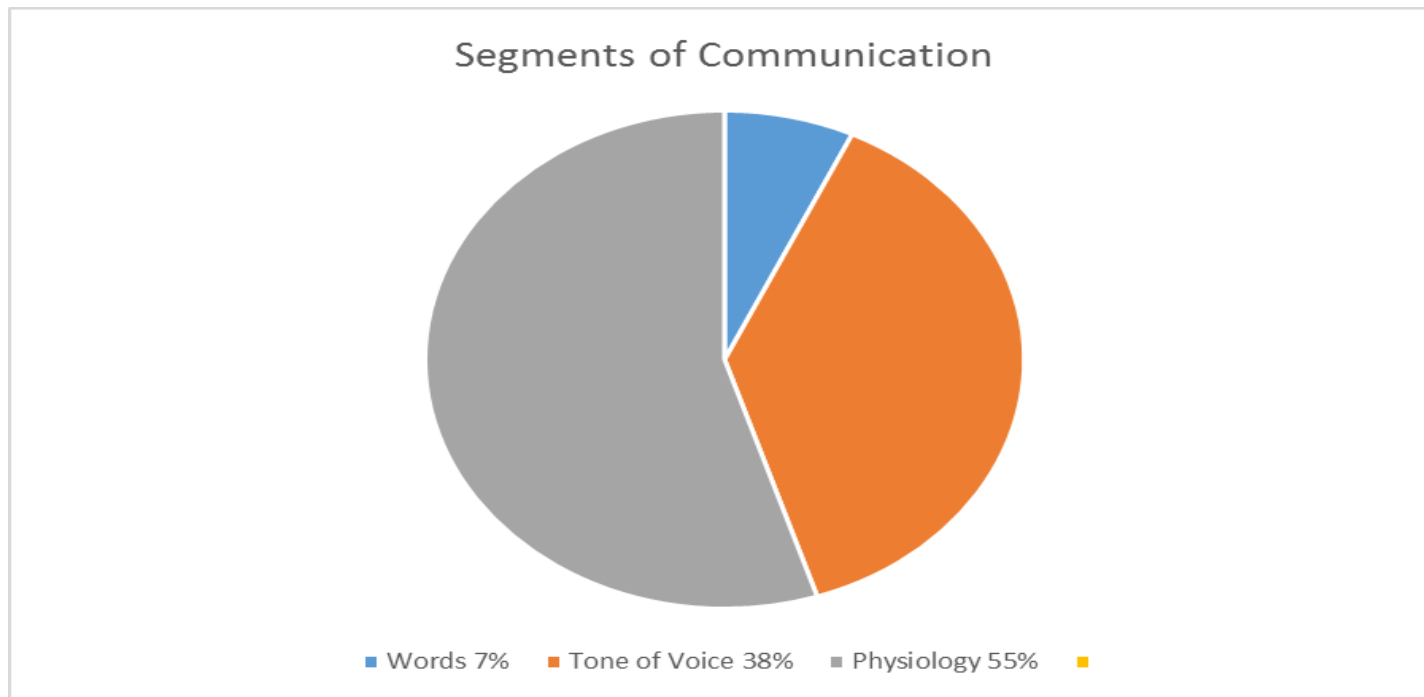
- Appoint an investigator
- Draft a summary of the complaint and put a list of questions to the provider
- Give the provider's response to the complainant
- Exchange documents
- Possibly have an oral hearing

# Adjudication

- Following an investigation and if necessary an oral hearing the Ombudsman adjudicates – makes a decision
- Notifies both parties of the decision
- The only appeal of this decision is to the High Court

# It's All About Communication

- You cannot not communicate
- Even when you are not communicating you are communicating



# Complaints – an Opportunity

‘Criticism may not be agreeable, but it is necessary. It fulfils the same function as pain in the human body. It calls attention to an unhealthy state of things’.

Winston Churchill

Complaints can be:

- An early (or not so early) warning system
- A tool for measuring performance & customer satisfaction
- An opportunity to win back customers

# The Future

- Amalgamation of Financial Services & Pensions Ombudsman
- Legislation Required
- Strategic and Operational Review
- Important to hear your views
- We want to engage with service users in relation to their past experiences and future expectations

# Our Aim

- Implement the simplest, most efficient and effective complaint processes
- Resolve disputes in an informal and expeditious manner and, only when necessary, proceed to formal investigation, oral hearings and adjudication
- Reduce the number of invalid and inadmissible complaints

# Our Aim

- Improve communications
- Improve public understanding of the issues related to complaints against services providers
- Promote best practice in the provision of products and services and complaint handling by service providers
- Emulate best practices in similar organisations and dispute resolution services, develop benchmarks, performance indicators and outcomes-focused measures by which services can be measured