



Australian Financial Complaints Authority

Presented by Dr. June Smith
Deputy Chief Ombudsman



Agenda

- > AFCA Complaint trends
- > Our Key strategic goals
- > Improving the member experience
- > The impact of COVID 19
- > AFCA's Engagement with parties
- > The intersection between EDR and RG 271

Complaints

Between 1 February 2020 and 31 January 2021

Source: AFCA Roadshow Dashboard.
Extraction date: 8 Feb 2020
True as at: 7 Feb 2020

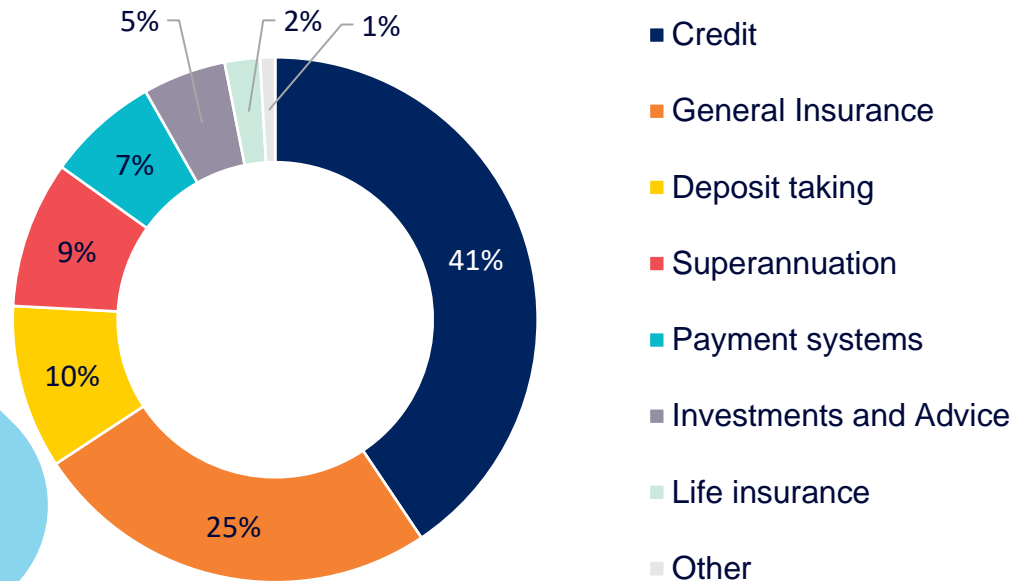
Complaints closed statistics refer to closure of complaints received and closed within the same period. Closure statistics do not include predecessor schemes. Closure statistics are not comparable with Annual Review as that uses different closure methodology. Small business complaint type is based on information provided by complainant, not based on products or issues of complaint.
*NOTE: 60% resolved at Registration and Referral – determined by outcome type "resolved by financial firm"

Complaints received

76,700 complaints received

60%
resolved at Registration and Referral*

Complaints received by product



1 One complaint can have multiple products/issues.

Complaints received by top 5 financial firm types

Firm type	Total
Bank	26,707
General insurer	15,721
Credit provider	9,148
Superannuation fund trustee/advisor	4,293
Underwriting agency	2,511

Complaints closed

62,657 complaints closed

More than **\$149.4** million in compensation and refunds was awarded or obtained through AFCA's dispute resolution work

75% of complaints resolved by agreement, or in favour of complainants

68% of complaints resolved in 60 days or less

Key strategic priorities

Vision and purpose

Our purpose is to provide fair, independent and effective solutions for financial disputes.

Our vision is to be a world class ombudsman service: raising standards and minimising disputes; meeting diverse community needs, and trusted by all.

Key 2020-21 projects

- Enhancing our member experience
- Fairness jurisdiction and framework
- Data-driven analytics and member insights
- IT transformation of core systems

Goals

Australian community and government

A fair, ethical and trusted service that influences reform in the financial services sector.

Consumers and small business

An excellent customer experience that meets diverse needs and delivers fair outcomes.

Members

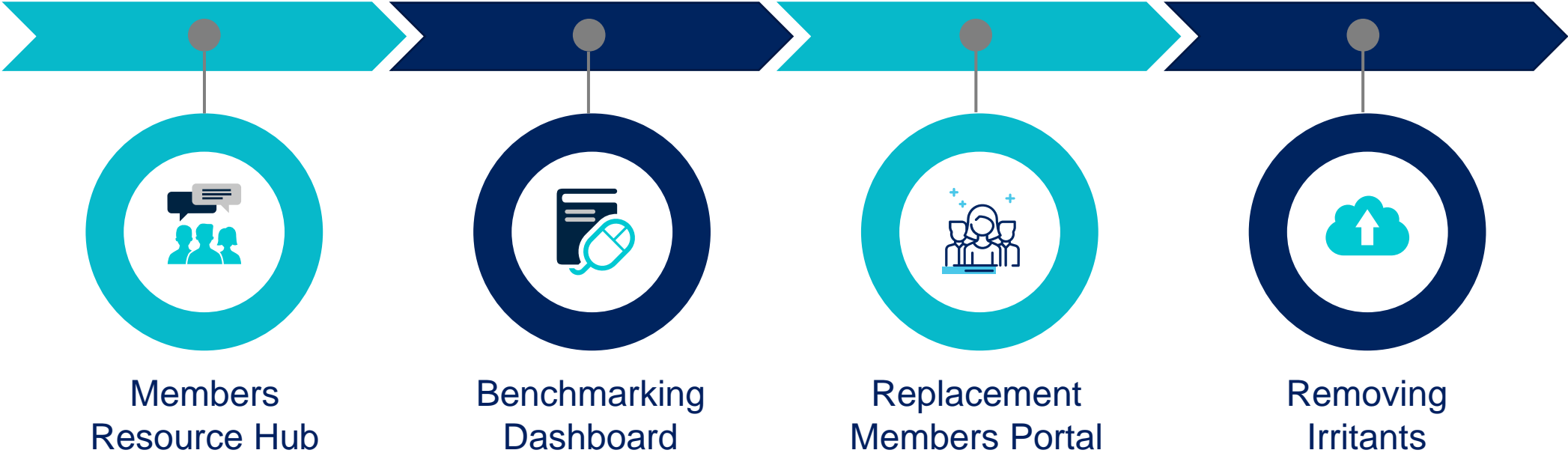
A valued member experience that helps members to improve internal practices to avoid or resolve disputes.

Our people

Highly skilled and engaged people with the tools they need to deliver high quality outcomes.

Improving the Members Experience

Source: November 2020 member forum presentation



COVID-19 complaints

Source: COVID-19 snapshot, February 2020 (as published on AFCA website)

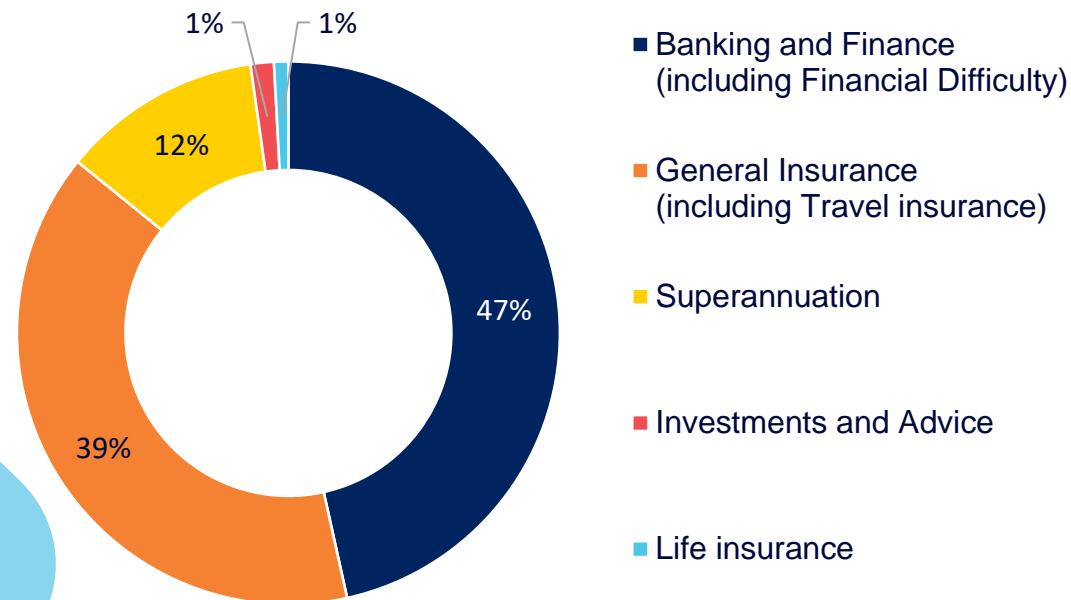
Between 3 March 2020 and 31 January 2021

11,017
complaints received

87%
of complaints closed as at 31 January 2021

2,255
COVID-19 complaints involved financial difficulty

COVID-19 complaints received by product



Top five complaints received by product¹

Product	Total
Travel insurance	3,454
Credit cards	1,505
Home loans	1,124
Superannuation account	979
Personal loans	738

Top five complaints received by issue¹

Issue	Total
Denial of claim – exclusion/condition	1,151
FF failure to respond to request for assistance	1,118
Denial of claim	1,106
Delay in claim handling	1,070
Service quality	725

¹ One complaint can have multiple products/issues.



Discretion to exclude

- > Rule A8.3 allows AFCA to decide it is not appropriate to continue to consider a complaint in certain circumstances
- > This can arise where the complainant has suffered no loss (or has already been compensated for loss and we would not award any further amount)
- > It can also arise where the financial firm has committed no error
- > We are currently reviewing the application of this Rule and the circumstances in which we may exercise our discretion.
- > [AFCA Approach to excluding complaints from website](#)

Engagement charter

- > Parties who use AFCA are entitled to expect fair dealings when participating in the resolution of their complaints.
- > AFCA expects that parties to a dispute engage respectfully and co-operatively to bring finality
- > Parties are expected to engage with each other and AFCA in a way that is:
 - transparent and honest
 - respectful and fair
 - in good faith and with ‘clean hands’
 - efficient and cooperative.
- > We have had feedback from our stakeholders that AFCA should outline our expectations clearly.
- > Our Engagement Charter will outline our expectations as well as what parties can expect of AFCA.
- > We hope to consult on our proposed Engagement Charter in the next few months. Look out for it on our website.

The intersection between RG271 and AFCA

- > We will work proactively and collaboratively with industry so the transition to shorter IDR timeframes is as smooth as possible
- > Resourcing of IDR teams and the right culture will be critical to success
- > AFCA has an internal working group to consider implications
- > Tell us what support financial firms need from us ahead of 1 October 2021
- > We will develop guidance and any specific criteria which may assist to identify complaint 'complexity' and our process when a financial firm wants to give an IDR Delay Notification under RG 271.64 to 271.68
- > We are keen to hear from you, please chat to our membership team

More information

Follow us on social media

-  @AustralianFinancialComplaintsAuthority
-  AFCA_org_au
-  Australian Financial Complaints Authority

Free call 1800 931 678
GPO Box 3 Melbourne VIC 3001

www.afca.org.au

Visit
afca.org.au

Email
info@afca.org.au

Call
1800 931 678

Thank you

