



**GENERAL INSURANCE**  
Code Governance Committee

# **How insurers handle consumer complaints**

2014 General Insurance Code of Practice  
Desktop Audit

**January 2019**

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# Chair's message

Why do consumers' complaints matter? Put at its simplest, complaints are an important voice of the consumer – a response to matters that directly affect consumers. At the highest level, complaints help organisations, their boards and the general insurance industry identify and understand consumer dissatisfaction, emerging risks and what is going wrong. The way that organisations respond to complaints is reflective of business culture. Complaints provide a valuable opportunity to listen and learn, leading to better products, higher standards of service, improved business systems and ultimately advancing confidence and trust in the general insurance industry.

Each year, consumers are making more and more complaints to their insurers. Increasingly, it appears, these complaints are not being successfully resolved by their insurers and consumers are having to escalate their concerns to the [Australian Financial Complaints Authority](#) for external dispute resolution. There have been other signs of possible problems with insurers' internal dispute resolution processes, including increasing breaches of the complaints and disputes standards in the [General Insurance Code of Practice](#).

Much is happening in this area. The Royal Commission into Banking, Superannuation and Other Financial Services has had particular regard to complaints handling procedures. The Insurance Council of Australia is in the midst of a [review of the Code](#), including the standards that apply to the handling of complaints and disputes.

We are also conscious that the Australian Securities and Investments Commission (ASIC) gives guidance to financial firms on how to comply with its requirements for a dispute resolution process, in [RG 165 Licensing: Internal and external dispute resolution](#). ASIC has also stated in its [2018-22 corporate plan](#) that this year it has planned to “support and drive implementation of government initiatives, including...[in relation to] internal dispute resolution (IDR) – implementing new ASIC standards and rules and developing a framework for collecting and publishing IDR data on a recurrent basis...” ASIC recently released Report 603 [The consumer journey through the Internal Dispute Resolution process of financial service providers](#). The report presents the outcomes of ASIC's qualitative and quantitative exploration of consumer experiences of the IDR process.

Against this backdrop, the [General Insurance Code Governance Committee](#) – the independent body that monitors compliance with the Code – decided to examine subscribers' arrangements for complying with the Code's complaints and disputes standards. These standards comprise a two-stage internal complaints process, but we understand that the new Code will introduce new, streamlined complaints handling processes designed to facilitate the practice of making complaints.

The Committee's aim in this desktop audit was to promote better complaints handling by:

- benchmarking current performance;
- identifying both breaches and examples of good practice; and
- offering guidance to subscribers on improving their compliance with the Code's important complaints and disputes standards.

Twenty subscribers were chosen to participate in the audit. Many subscribers provided detailed responses to the audit, supported with extensive documentation, and for that, we thank them very

much. However, some subscribers' responses tended to lack concrete, specific detail, or were not backed up with the requested documents. We will therefore be following up with a number of subscribers to seek clarification and evidence of their responses. On a related note, the Committee continues to be concerned that some subscribers may be incorrectly categorising complaints referred back to them by the Australian Financial Complaints Authority (AFCA), and therefore under-reporting stage two complaints.

While subscribers' responses yielded some examples of good practice – showcased throughout this report – they also revealed problems and potential non-compliance by every subscriber. In total, the audit brought to light some 40 possible breaches of the Code, some of which are or may be significant breaches. These potential breaches spanned a range of Code obligations. The top concerns were the timeliness of complaint handling, subscribers use of service suppliers to handle complaints, the possible lack of a documented complaint handling process, and the failure to provide written responses to all stage one and stage two complaints.

Subscribers' poor compliance with the Code's complaint handling timeframes is a particular concern for the Committee. We found that the Code's timeliness standards are frequently not being met – and are being exceeded considerably in a small but significant minority of cases. We have urged subscribers to analyse why they are failing to meet the Code's timeliness standards, and to ensure that their complaints teams are adequately resourced with skilled staff to handle complaints within a reasonable timeframe.

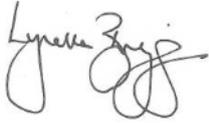
It is absolutely critical that the complaints process is accessible for consumers. Subscribers' customers are as diverse as the Australian community. While the Code does not impose strict accessibility standards on subscribers, the Committee believes that subscribers can and should do more to ensure that their complaint processes are accessible to all consumers, including those who may need assistance to access the complaints process.

Subscribers rely heavily on authorised representatives and service suppliers in their service to customers, however, the Code is clear in its requirement that subscribers must handle complaints themselves. The Committee's recent inquiry into outsourced services found that some subscribers were allowing service suppliers to handle complaints. The desktop audit uncovered more examples of apparent non-compliance with these requirements. We will be following up individually with these subscribers, and have also made recommendations for all subscribers to ensure that training and documented procedures support authorised representatives and service suppliers to refer any complaints back to the subscriber to be handled internally.

In the course of writing this report, we completed an initial analysis of the 2017–18 breach data reported by subscribers as part of our annual collection of industry data. The analysis has revealed a continuing and upward trend in breaches of the complaints standards – they accounted for more than one third of all breaches in 2017–18. In addition, in early October 2018 we started an inquiry into the adequacy of compliance monitoring and reporting frameworks, encompassing 45 subscribers. The inquiry arose from our identification of issues about the level and adequacy of breach reporting and how deficiencies are being viewed and addressed.

We expect subscribers to distribute this report to all levels within their organisations and highlight and implement our 18 recommendations for improved compliance with the Code's complaints standards. Moreover, we will conduct follow up work to assess the extent to which subscribers have taken up the recommendations.

Complaints can tell subscribers a great deal about the service they are providing, in turn helping the subscriber to improve and provide customers with a higher standard of service. However, it appears that by and large, subscribers are not conducting post-implementation reviews or reviewing complaint trends. As a result, learning from complaints is limited – a missed opportunity for improvement.

A handwritten signature in black ink, appearing to read "Lynelle Briggs". The signature is fluid and cursive, with the first name "Lynelle" written in a larger, more prominent script than the last name "Briggs".

Lynelle Briggs AO  
Independent Chair, General Insurance Code Governance Committee, January 2019

# Introduction

In recent years, subscribers to the General Insurance Code of Practice have reported both increasing numbers of complaints and a growth in complaints-related breaches. At the same time, the General Insurance Code Governance Committee's work has highlighted concerns with subscribers' complaints processes. The Committee conducted a desktop audit to look more deeply at subscribers' compliance with the Code's important complaint handling standards.

## The Code obligations

Providing a fair and effective mechanism for the resolution of complaints and disputes is one of the Code's five objectives.

Subsection 10.3 of the Code explicitly states that a consumer is entitled to make a complaint to a subscriber about any aspect of their relationship with it. The Code defines "complaint" widely to mean an expression of dissatisfaction made to a subscriber, related to its products and services, or its complaints handling process, where a response is explicitly or implicitly expected.

The Code does not specify the way in which subscribers should provide consumers access to their internal complaints process, whether and how subscribers should prioritise complaints, or how to format complaints information. However the Code requires subscribers to have regard to the law when pursuing the objectives of the Code<sup>1</sup> – this includes ASIC's guidance on how it will apply the Australian Standard on Complaints Handling to internal complaints procedures<sup>2</sup> found in [ASIC RG 165](#).

Moreover, the Committee can provide guidance to subscribers on how to comply with their Code obligations and has done so by making specific recommendations throughout this report.

Under the Code, subscribers are required to have a process to deal internally with complaints and disputes from consumers. The Code allows subscribers to operate a complaints process with two stages. At stage one, the subscriber considers the complaint and responds with its decision. If the consumer is dissatisfied with this response, they can escalate their complaint to stage two. At stage two, an employee or employees who were not involved in the stage one decision reviews the complaint and provides a final decision. If the consumer remains dissatisfied, or the subscriber is unable to provide a final decision within 45 calendar days of receipt of the complaint, they may take the complaint to AFCA for independent external dispute resolution.

As well as detailing this two-stage process, section 10 of the Code sets out a number of complaint handling standards that subscribers must comply with. Subscribers must provide information about the complaints process on their websites and in relevant written communications, including specified communications relating to claims and financial hardship. They have a general obligation to handle complaints in a fair, transparent and timely way. When handling a complaint, they must rely only on

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<sup>1</sup> See subsection 2.2 of the Code.

<sup>2</sup> The Australian Standard is AS ISO 10002—2006 available from SAI Global – see [infostore.saiglobal.com](http://infostore.saiglobal.com).

relevant information, and must fix any errors they make. Most complaints require a written response that includes specified information, and the Code sets out response timeframes for each stage of the complaint process and for complaints overall. Subscribers must also be a member of an independent external dispute resolution scheme (previously Financial Ombudsman Service (FOS), now AFCA), and provide information about consumers' rights to take their complaints to AFCA.

Other parts of the Code contain requirements that are also relevant to complaint handling. Section 8, which details subscribers' financial hardship obligations, requires subscribers to make the internal complaint process available to people who owe the subscriber money and who experience financial hardship. Subsections 5.2 and 6.7 state that Code subscribers will handle complaints made to authorised representatives and service suppliers acting on their behalf, and require subscribers to ensure that these third parties notify the subscriber of such complaints. If subscribers have selected and directly authorised a repairer, subsection 7.20 requires subscribers to handle any complaint about the quality or timeliness of the repair or the repairer's conduct.

Finally, the Code contains general obligations that also apply to subscribers' complaint handling. These include the obligation to be open, fair and honest in dealings with consumers and the obligation to ensure employees and authorised representatives are appropriately trained to recognise and deal with consumers' complaints.

## Complaint trends and compliance

Subscribers' data shows that the volume of complaints has been increasing. Notwithstanding a small decrease between 2015–16 and 2016–17, the number of stage two retail insurance complaints received by subscribers has risen 34% over four years, increasing from 21,719 in 2014–15 to 29,187 in 2017–18 (**Chart 1**). The rate of stage two retail complaints per 10,000 retail insurance policies also shows steady growth from 6.5/10,000 in 2015–16 to 6.8/10,000 in 2016–17 and 7.2/10,000 in 2017–18.<sup>3</sup>

At the same time, the number of general insurance external disputes received by AFCA continues to grow (**Chart 1**). AFCA reports that external disputes increased 8% to 14,252 between 2016–17 and 2017–18. This followed a more marked 25% increase the previous year, from 10,588 in 2015–16 to 13,200 in 2016–17. External disputes also grew steadily when taken as a rate per 10,000 retail insurance policies: from 2.4/10,000 in 2015–16 to 3.2/10,000 in 2016–17 and 3.5/10,000 in 2017–18.

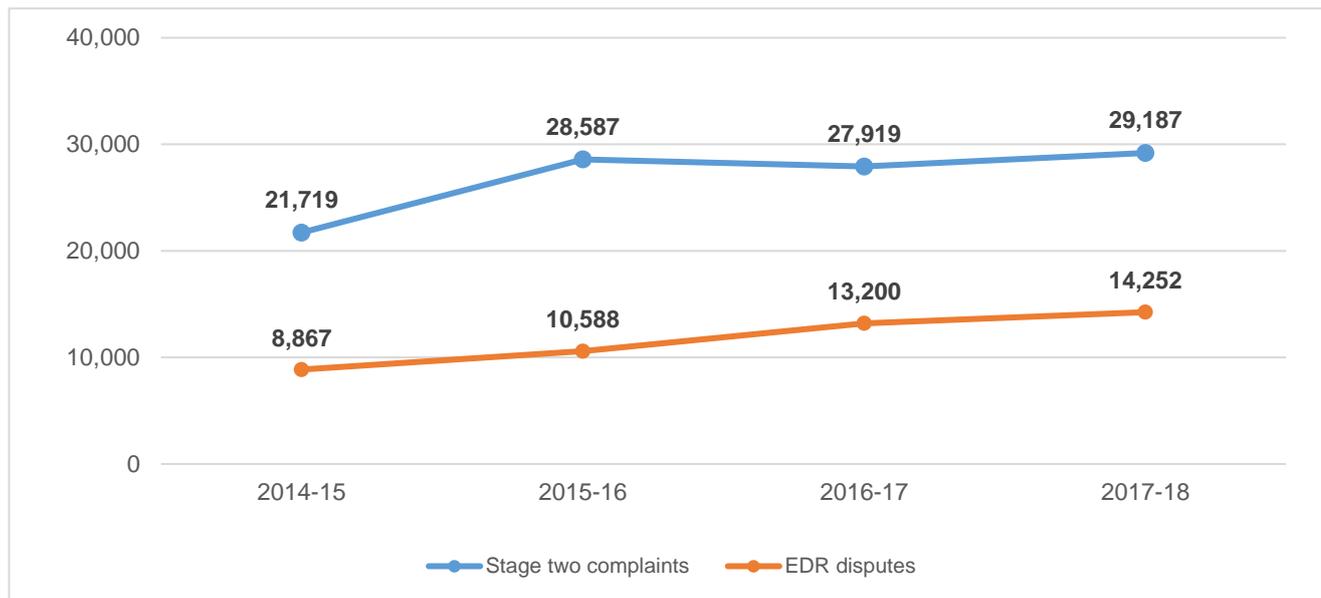
The rising number of complaints has been accompanied by growth in breaches of the Code's complaints standards, which more than doubled from 531 in 2015–16 to 1,167 in 2016–17. Breaches of these standards represented some 13% of 2016–17 Code breaches, ranking second only to breaches of the claims standards.

Although we have not completed our assessment of breach data for 2017–18, preliminary analysis highlights a continuing and sharp increase in breaches of the complaints standards (section 10). In 2017–18 there were 4,087 breaches of section 10 – more than double the figure in 2016–17. These breaches accounted for 35% of all breaches in 2017–18.

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<sup>3</sup> After 2014–15 subscribers began reporting policy data to the Code Governance Committee in a more granular way. As a result, we have not cited the 2014–15 retail insurance policy data.

**Chart 1. Stage two retail insurance complaints and general insurance external disputes received, 2014–15 to 2017–18**



**Source:** CGC data; Financial Ombudsman Service, 2018, *Annual Review 2017–18*, p. 65.

Alongside these complaint and breach trends, the Committee’s recent investigations of alleged Code breaches have also highlighted problems in some subscribers’ complaint processes. For example, one investigation revealed that a subscriber had failed to provide some consumers with a written response to their stage one complaints, which is required under subsection 10.13. A second subscriber also self-reported a significant breach of subsection 10.13 when it closed some complaints without providing a response after losing contact with consumers.

The Committee’s 2017 inquiry into claims investigations and outsourced services also uncovered non-compliance with the Code’s requirements concerning complaints made to service suppliers acting on behalf of a subscriber. The Committee found that some subscribers were allowing service suppliers to handle complaints themselves, rather than referring them to the subscriber to be handled under its own complaints process.

## The desktop audit

In light of these issues, the Committee decided to conduct a desktop audit of subscribers’ compliance with the Code’s complaints and disputes standards. A sample of 20 subscribers completed a questionnaire that asked them to describe how they comply with the Code standards. The Committee reviewed subscribers’ responses and supporting evidence to assess whether their processes, procedures and systems facilitate compliance.

The aims of this audit were to:

- benchmark current industry practice and performance against the Code’s complaint standards
- identify any non-compliance and monitor implementation of Code subscribers’ corrective actions
- provide guidance to subscribers where practices require improvement
- provide guidance to subscribers about risk management and mitigation to reduce the likelihood of non-compliance occurring or recurring.

## Quality of subscribers' responses

In order to properly assess subscribers' arrangements for compliance with the Code's IDR obligations, the Committee required Code subscribers to supply detailed information about their policies, processes and procedures. The desktop audit questionnaire contained:

- **3 quantitative** questions seeking numerical data about subscribers' complaint volumes and resolution timeframes
- **17 qualitative** questions that called for descriptive answers
- **7 multiple choice** questions that also asked for further comments clarifying or elaborating upon the subscriber's selection.

The Committee also requested supporting documentation, such as process documents, template letters, sample reports and system screen shots. This crucial supporting documentation provides concrete evidence of the adequacy of subscribers' compliance arrangements, allowing us to draw robust conclusions.

Some subscribers provided extensive and detailed responses supported by documents and examples. The Committee understands and appreciated the time and effort that these subscribers gave to responding to the desktop audit. However, the Committee was disappointed with some of the responses received. Some subscribers provided answers that lacked detail, or that addressed a general theme but did not respond to the specifics of the questions. Subscribers sometimes failed to supply relevant supporting documents. The Committee will engage further with the relevant subscribers to identify why their responses fell short of expectations and provide feedback and guidance to assist with future targeted monitoring tasks.

# Providing access to complaint processes

If subscribers are to receive and resolve complaints and disputes proactively, the complaints process must be accessible to consumers. This means consumers must be informed of their right to complain and how to exercise it. It should be simple for any consumer to lodge a complaint, and consumers should be helped to navigate the process with clear information about the progress of their complaint.

## Complaints information for consumers

The Code recognises that giving consumers accessible information about a subscriber's complaints process is crucial: consumers need to know that they have the right to complain about any aspect of their relationship with their insurer and how to do this.

### Types of information

Subscribers are required, under subsection 10.5, to make information about the right to complain and the complaints process available to consumers.

Most subscribers reported that the complaints information includes a description of the complaints process and stages, contact details and instructions for escalating a complaint internally or referring it to AFCA. Other details commonly covered include:

- complaint timeframes, including when a consumer can expect to receive a response
- the Code's complaints and disputes requirements, or a link to the Code
- the consumer's right to request a copy of the information the subscriber used to make a decision on a complaint or claim.

In addition, one subscriber noted that it includes instructions for referring a privacy-related complaint to the Office of the Australian Information Commissioner, while another provides information about specific types of complaints.

All subscribers reported that their consumer complaint information is easy to read. However, only two referred to a specific policy or process for ensuring that consumer information is presented in plain English.

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### Recommendation 1

Subscribers should ensure that all information and communications that they provide to consumers about their complaints processes are in plain English.

Subscribers should be aware that with the FOS's transition to AFCA from 1 November 2018, consumers can now bring a complaint to AFCA. As a result, subscribers' complaints information for consumers should contain contact details for AFCA.<sup>4</sup>

## Information formats

While subscribers are often prepared to offer special assistance to consumers over the phone or face-to-face, written information about complaints is generally only made available in English and in standard formats. Only two subscribers offer some limited written complaint information in languages other than English, while three reported that they provide large print material<sup>5</sup> on request. No subscriber provides information in braille or audiotape formats.

Consumers are entitled to make a complaint and this means that subscribers must provide an accessible complaints process and complaints information in a variety of formats. As a result, the Committee believes that Code subscribers should do more to ensure that all consumers can readily access the complaints process.

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### Recommendation 2

Code subscribers should do more to ensure that vulnerable consumers, including those with additional needs, have general access to basic complaints information in an accessible format, including in different languages. At the very least, subscribers should be prepared and able to refer consumers to appropriate support services such as the National Translating and Interpreter Service.

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## How information is made available

If the complaints process is to be accessible, information about it must be generally available to consumers. Subsection 10.5 specifies that information about the right to complain and the complaints process must be provided on the subscriber's website and in relevant written communications.

Positively, subscribers universally reported that they provide complaints information on their websites and in their Product Disclosure Statements (PDS) or policy wordings (**Chart 2**). While almost all (95%) subscribers also include complaints information in their Financial Services Guide (FSG), one subscriber stated that its FSG does not contain complaints information.<sup>6</sup> This is inconsistent with the requirements of subsection 10.5 and a potential breach of the Code. The Committee will be reviewing the information supplied by this subscriber and contacting it about our concerns.

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### Recommendation 3

To comply with subsection 10.5, all subscribers should include complaint information in their Financial Services Guides.

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<sup>4</sup> See [AFCA's guidance on transitional arrangements for disclosure of AFCA contact details](#).

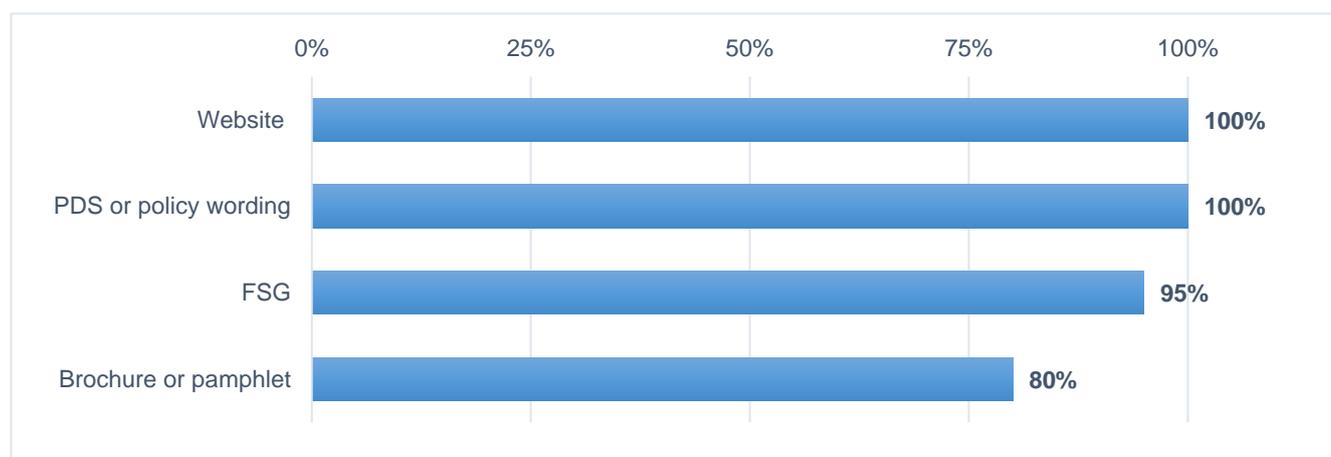
<sup>5</sup> Some additional subscribers noted that consumers can enlarge or zoom in on website text or PDFs.

<sup>6</sup> ASIC RG 165 states that financial firms must include information about complaints processes in the FSG – see RG 165.131 and Guiding Principle 4.2 (Visibility).

Most subscribers – four in five – have a complaint brochure, fact sheet or pamphlet for consumers. Subscribers said that they use these documents in a range of ways: making them available online; providing print versions in offices or branches; distributing them via agents; or enclosing them with key correspondence to consumers. Many subscribers said that they include complaints information in templated correspondence at certain key points, such as when a consumer has their claim declined or makes a complaint or financial hardship request.

Some subscribers also identified other documents that include some complaint information, such as privacy policies, welcome packs, claim disclosure forms and social media pages. Some subscribers also noted that complaint information is provided verbally over the phone.

**Chart 2. Main documents in which complaint information is made available**



## The complaint process

As well as informing consumers about their right to complain, subscribers should be making their complaint processes easily accessible to consumers, including vulnerable consumers who may have additional needs.

### Ways of complaining

The Code does not specify how subscribers should receive complaints. However, by defining complaints broadly, the Code obliges subscribers to consider a wide range of 'expressions of dissatisfaction' as complaints, and to handle them accordingly.

Half of the subscribers we questioned also define complaints broadly, adopting a definition that is essentially identical to that contained in both ASIC RG 165 and the Code. A few subscribers define complaints even more broadly, or are more explicit about what is included in the definition of a complaint. For example, one subscriber's definition makes it clear that complaints can also be made to authorised representatives and service suppliers, and that a complaint can be about the services provided by these third parties.

Conversely, one subscriber's complaint definition specifies that complaints are made 'by telephone, letter or email'. This could be problematic because it may limit how consumers may express dissatisfaction. The Committee is aware that some subscribers have a business model which is strictly website-based. As a result, the Committee will review the subscriber's complaint definition

against the definitions provided in the Code and ASIC RG 165,<sup>7</sup> and will contact the subscriber about our concerns.

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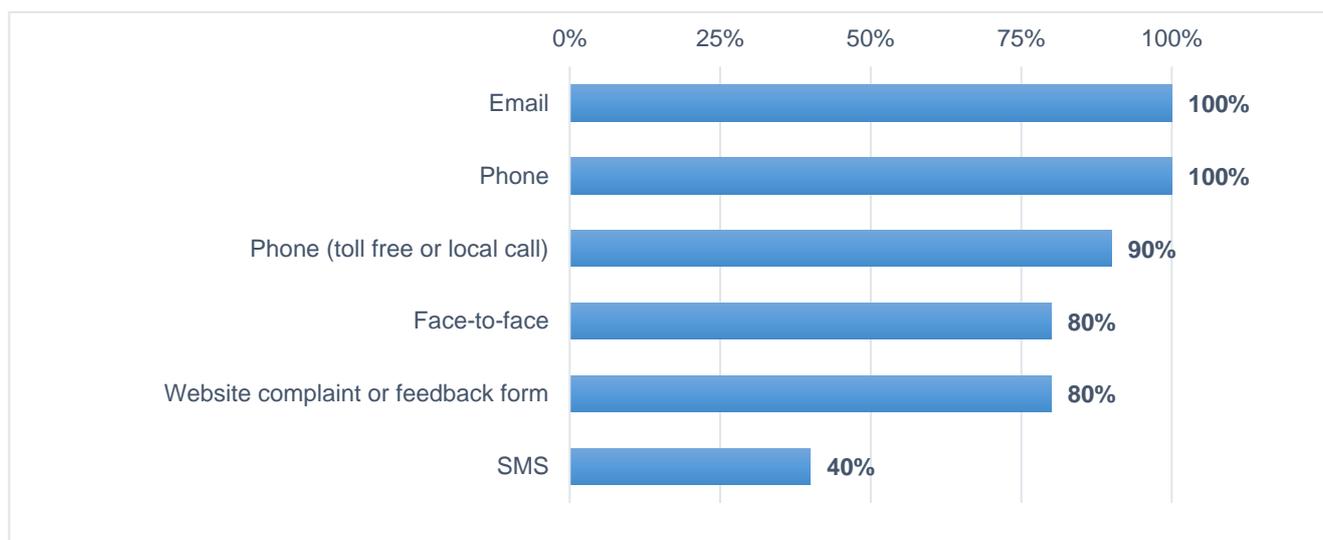
#### Recommendation 4

All subscribers should adopt a broad complaint definition that does not limit the ways in which a complaint can be made.

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Subscribers typically accept complaints via a range of channels (**Chart 3**). All subscribers accept complaints lodged over the phone or by email. Typically, complaints can be made over the phone to a toll-free number or for the cost of a local call. Most subscribers have one or more dedicated email addresses for consumer feedback and complaints. In addition, four in five subscribers report that they accept complaints lodged in person, such as at a head office, branch or to a third-party partner such as a bank branch or car dealership. The same proportion, 80%, accept complaints via a complaint or feedback form on their website. Some 40% of subscribers accept – although they may not encourage – SMS complaints. Finally, some subscribers commented that they also take complaints by post, social media, fax or web chat. Two subscribers accept or even solicit complaints via consumer surveys.

**Chart 3. Main channels by which complaints are accepted**



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#### Recommendation 5

Subscribers should aim to capture and respond to all complaints, regardless of how they are communicated. As technologies evolve and consumers change how they communicate with insurers, subscribers should adapt their complaint processes to ensure that all consumer complaints – including, for example, those expressed over social media – are captured and followed up.

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<sup>7</sup> Also see ASIC RG 165, Guiding Principle 4.3 (Accessibility).

### **Good practice example**

One subscriber sends a feedback form to consumers who have bought, amended or cancelled a policy; made a claim or had it declined or finalised; or had their property assessed. Consumers are invited to rate the service received. Any ratings of 'bad' or 'very bad' are automatically recorded as a complaint and reviewed by the client relations team.

### **Assistance to make a complaint**

Some vulnerable consumers – such as people with limited English or with a disability affecting communication – will need assistance to make a complaint. Subscribers were asked how they assist these consumers to complain.

Most subscribers support vulnerable consumers by accepting complaints over the phone or in person and offering additional support. At the most basic level, subscribers allow consumers to authorise a support person, family member or other representative to deal with the subscriber on the consumer's behalf. Some subscribers also provide support by encouraging staff to communicate simply and clearly. For example, one subscriber referred to its guidance for staff on using simple language, while another reported that it trains staff in how to check consumers' understanding of what is communicated.

Subscribers often have processes in place to assist consumers with language difficulties or disabilities. Many use interpreter services and/or bilingual staff to communicate with consumers with limited English. To assist deaf or hearing-impaired consumers, a number of subscribers have TTY capability or use the National Relay Service, and one subscriber noted that it had some staff proficient in Auslan.

### **Good practice examples**

One subscriber noted customers with a disability who contact its call centre can choose a menu option that places them in a shorter queue and puts them in contact with a specially trained agent. One subscriber reported that its IDR staff refer consumers to the company's Consumer Advocate if they become aware that they are dealing with a vulnerable consumer at any stage of the complaint process.

While most subscribers indicated a general willingness to assist vulnerable consumers, there appears to be a difference in how proactively subscribers do this. Some responses seemed to indicate that the subscriber expected or hoped that staff would assist consumers as needed, but did not describe any steps taken to guide or train staff accordingly. On the other hand, some subscribers had developed or were developing a vulnerable consumer policy or had given staff specific guidance or training in how to identify and assist consumers with, for example, language needs or hearing impairment. More proactive subscribers also described the monitoring, review or quality assurance processes that consider whether consumers with special needs received appropriate assistance.

It is positive that all subscribers indicated a willingness to assist vulnerable consumers, however, the Committee expects subscribers to translate this willingness into concrete action. There are a number of good practices, noted above, that other subscribers can draw inspiration from.<sup>8</sup>

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<sup>8</sup> Also see ASIC RG 165, Guiding Principle 4.3.

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## Recommendation 6

Subscribers should adopt mechanisms to equip staff to provide assistance to vulnerable consumers such as by:

- providing information about complaints processes in different languages on request
- facilitating access through the [National Translating and Interpreter Service](#) and the [National Relay Service](#)
- allowing consumers to nominate their preferred method of communication
- including functionality to increase the font size on websites and, on request, making correspondence available in a larger font size, and
- referring consumers to appropriate community support services.

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Subscribers should not rely on staff to identify and assist vulnerable consumers on an ad hoc basis. Instead, procedures for assisting these consumers should be documented, with staff given the resources and training to apply these procedures.

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## Access for all potential complainants

Under the Code, the right to make a complaint is not restricted to customers of the subscriber. Complaints can be made by:

- insureds, including small businesses and third-party beneficiaries
- individual insureds and third-party beneficiaries who owe the subscriber money, including when they are in financial hardship
- other consumers the subscriber is seeking to recover money from for damage or loss caused by them to its insureds or third-party beneficiaries, including when they are in financial hardship.

Subscribers were asked how they ensure that their complaints process encompasses complaints made by all these parties. Subscribers typically reported that they achieve this inclusion through a combination of:

- **complaint policies** that identify the range of potential complainant types, or that define complaints in a non-limiting way
- **systems, processes and procedures** that either apply to all complainant types, or, less commonly, differentiate between different types of complainant
- **training** that educates staff on who may make a complaint
- **consumer communications**, including correspondence related to financial hardship and recoveries, that identify who may make a complaint.

While this is an appropriate combination of approaches, it appears that few (if any) subscribers are able to easily differentiate between different complainant types for reporting purposes.

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## Recommendation 7

Subscribers should capture more information about complainant types. This could give subscribers more insight into how different groups access the complaints process, and whether certain groups require more information or assistance.

## Acknowledging and responding to complaints

Subscribers should assist consumers to navigate the complaint process by providing them with clear information about the progress of their complaint. The Code and ASIC regulations set out how subscribers should acknowledge and respond in writing to consumers' complaints.

### Complaint acknowledgment

While the Code does not specifically deal with complaint acknowledgment, subscribers must comply with relevant law and regulation, including ASIC RG 165. ASIC requires insurers to 'aim to acknowledge receipt of a complaint or dispute immediately' or, where this is not possible, 'as soon as practicable'.<sup>9</sup>

Most subscribers indicated that they aim to acknowledge complaints immediately or on the same day they are received. The channel by which a complaint is received affects how quickly it is acknowledged. Subscribers reported that complaints made in person or over the phone are acknowledged on-the-spot; the consumer is often also given a reference number for their complaint, and may receive a follow-up written acknowledgment. Acknowledgment of emailed complaints is more variable: while one subscriber reported that emailed complaints receive an immediate automated acknowledgment, others acknowledge receipt within one, two or three business days, using a manual email based on a template. Several subscribers said that acknowledgment is slower for written complaints received by post. Extenuating circumstances can also delay acknowledgment – for example, where a consumer does not answer phone calls or provide email contact details.

One subscriber explained that when a consumer email contains a complaint, it is uploaded to the claims system as a task and flagged as a complaint. Delays in actioning these tasks can mean acknowledgment takes more than five days. This is poor practice, and may not meet the requirements of RG165 and therefore the Code. An initial delay in acknowledgment of five days can also be expected to have a negative impact on how the complaint is subsequently handled. The Committee will raise its concerns with the subscriber.

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### Recommendation 8

Subscribers should aim to acknowledge all complaints upon receipt, or, if this is not practicable, within no more than two business days.

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Subscribers acknowledge complaints via a range of channels, most commonly by phone, email or letter. Some subscribers appear to acknowledge most complaints using the channel through which they were received or as requested by the consumer, while others have a default approach, such as acknowledging all complaints with a phone call and follow-up email or letter. Around a quarter of subscribers will acknowledge complaints via SMS on occasion, such as where no other contact method is available or successful. Social media complaints are typically acknowledged on the social media platform or as requested by the consumer.

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<sup>9</sup> Also see ASIC RG 165, Guiding Principle 4.4 (Responsiveness).

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## **Recommendation 9**

Subscribers should ensure that all stage one and stage two complaints are acknowledged in writing, with any initial verbal acknowledgment followed up in writing.

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## **Complaint decisions**

The Code contains different requirements for complaint response depending on the type of complaint, how quickly it is dealt with or its stage of completion. The complaints standards do not apply to complaints resolved to the consumer's complete satisfaction within five business days of receipt, if a written response is not requested and the complaint is not about financial hardship, a declined claim or claim value.

For all other complaints, including complaints about financial hardship, a declined claim or claim value, subscribers are required to provide consumers with a written response to all complaints that have completed stage one or stage two. The written response must set out:

- the decision and the reasons for the decision
- the consumer's right to escalate their complaint – either to stage two (for complaints that have completed stage one) or directly to AFCA for complaints that have completed stage two, and
- AFCA contact details and timeframe information.

Although subscribers are not required to provide a written response to all complaints resolved within five business days, two subscribers indicated that they respond in writing to all complaints resolved in this timeframe.

Almost all subscribers confirmed that they respond in writing, either by email or by post, to all complaints handled at stage one and stage two, as required under the Code. Not all subscribers offered details on what information is contained in written responses, but those who did appeared to cover the details required under the Code. Some subscribers stated that some complaint information, such as information about the escalation process, is provided in an enclosed brochure, rather than detailed in the correspondence itself. Correspondence should set out crucial information, and where detail is instead included in an enclosed brochure, the correspondence should highlight this.

In addition, a number of subscribers reported that they include information about the documents used in making a decision, or that they attach copies of these documents. This exceeds the Code requirement to provide these documents upon request only.

### **Good practice example**

A number of subscribers said that their usual practice is to provide a complaint decision both over the phone and in writing, providing both written confirmation and an opportunity to discuss the decision, any concerns or misunderstandings, and potential next steps.

The Code is clear in its requirement that all stage one complaints receive a decision in writing. However, two subscribers' responses appeared to suggest that consumers do not always receive a written response to stage one complaints. One of these subscribers indicated that the response might

instead be provided verbally if agreed by the consumer. The Committee will follow up with each of these subscribers to clarify their processes, reiterate the Code obligation and address any breaches.

Additionally, as a result of the desktop audit, another Code subscriber identified and reported to the Committee a significant breach of subsections 10.13 and 10.19 requirements concerning written responses to stage one and stage two complaints. The Committee is investigating this significant breach, and has contacted the subscriber to obtain more information on its cause, its impact, and how it is being remediated (see case study below). As a result of the desktop audit, the subscriber also identified a significant breach of the Code's claims handling standards.

### **Case study – a significant breach of the Code's written response requirements**

The subscriber identified that staff had, on occasion, failed to provide written responses to both stage one and stage two complaints about a specific motor vehicle insurance product.

Most of the complaints concerned had been fully resolved in favour of the consumer. In communicating this, however, staff has either only responded verbally with no written follow-up, or had provided a written response that did not contain all the information required under the Code.

Less often, the breach occurred when stage one complaints were resolved fully in the customer's favour. Although these customers were notified verbally – and most appeared satisfied with the response – they were not sent a written follow-up and were not always advised of their right to escalate the complaint to stage two or external dispute resolution.

The subscriber is still investigating the cause of the breaches, which do not appear to be linked to particular individuals or circumstances. Although the procedure set out in manuals and training materials is correct, there appeared to be some confusion among staff about when a written response was required.

The subscriber is still assessing the impact of the breach, and is reviewing its complaints register to identify customers with complaints resolved not fully in their favour who did not receive a written response. The subscriber believes that customers whose complaints were resolved fully in their favour would not have suffered financial loss as a result of the breach.

To correct the breach, the subscriber has changed its process to require that all complaints (even those resolved within five business days) receive a written response. The subscriber updated its training material accordingly and will now repeat refresher training every six months. Systems will be upgraded with a check box to confirm that the written response has been sent. Additionally, to monitor compliance, the subscriber has introduced a monthly quality assurance audit of a sample of complaints.

### **Recommendation 10**

Subscribers must respond to **all** stage one and stage two complaints in writing within the required timeframes and ensure that the written response contains all of the required details specified in the Code.

If a subscriber's written response provides any complaint information in an attached brochure, this must be clearly highlighted.

Subscribers must ensure that a verbal response is followed up with a written response within the required timeframe.

**Referral to AFCA**

Under the Code, consumers have the right to escalate a complaint to AFCA if a subscriber is unable to provide a final decision within 45 calendar days; they do not have to wait for a decision.

Subscribers, if they are unable to provide a final decision within 45 calendar days, must inform the consumer of the reason for the delay, their right to take the complaint to AFCA, and AFCA’s contact details. For this desktop audit, subscribers were asked how they inform consumers of the right to take their complaint to AFCA because this internal dispute resolution timeframe has elapsed.

Around two-thirds of subscribers reported that this information is included in key documents such as the PDS, the FSG, a complaints brochure or fact sheet, or a complaints page on the website. Around the same proportion advise consumers of this right in standard complaints (and sometimes claims) correspondence, such as where a claim is declined or at the end of stage one. However, only around half of subscribers referred to a specific process for telephoning and/or writing to consumers when the 45-calendar day deadline is approaching.

While general complaints information should refer to the consumer’s right to access AFCA if unable to provide a response within 45 calendar days, the Code requires subscribers to also proactively contact consumers whose complaints are approaching this deadline and are unlikely to receive a response before it elapses.

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**Recommendation 11**

In addition to providing general information about the complaints process, to comply with the Code, subscribers must proactively contact consumers whose complaints are approaching the 45-calendar day deadline, alerting them to their right to escalate the complaint to AFCA.

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# Handling complaints

Once a complaint has been made, it must be handled in a fair, timely and transparent way. To achieve this, subscribers need systems, processes and documented procedures that enable compliance with the Code's complaint standards, including the complaint timeframes it sets out. Staff must be trained to resolve complaints competently and professionally. Under the Code, subscribers must handle all complaints internally, including those made to service suppliers or authorised representatives acting on behalf of a subscriber.

## Timely complaint handling

The Code sets out timeframes for each stage of the complaints process and the complaint overall. Stage one and stage two must each be completed within 15 business days, and a subscriber must, where possible, provide its final decision in response to a consumer's complaint within 45 calendar days of receipt.

If a subscriber is unable to respond within 45 calendar days, it must inform the consumer before that time of the reason for the delay and the consumer's right to take the complaint to AFCA. The Code also requires that consumers are updated at least every 10 business days.

### Stage one complaints

Subscribers provided data on the complaints in the January to March 2018 quarter. In total, subscribers indicated that they received some 52,863 stage one complaints during the quarter. A further 1,857 were carried over from the previous quarter, adding to a total of 54,720 stage one complaints handled. Of these matters, subscribers provided a decision on 48,904 complaints, or 89% of the total. That subscribers received, considered and responded to most of these complaints indicates that subscribers are generally equipped to handle stage one complaints in very high volumes.

Subscribers also provided data on how quickly they responded to those 48,904 stage one complaints that were decided in the January to March 2018 quarter (**Table 1**).

Most stage one complaints are handled in a very timely fashion: 80% of consumers (39,081) received a response to their stage one complaint within five business days. This would appear to indicate that subscribers are resourcing their businesses to handle stage one complaints efficiently and quickly.

Of concern, however, are the 7% of stage one complaints (3,308) that received a response after 15 business days had elapsed. While this percentage is relatively low, taking longer than 15 business days to respond to a stage one complaint is likely to negatively affect a subscriber's capacity to respond in a timely way to complaints that move from stage one to stage two. If consumers do not agree to allow an extension to the stage one timeframe, they have the right to escalate their complaints to stage two.

**Table 1. Stage one complaint response times, January to March 2018**

Timeframe	No.	Percent
≤5 business days	39,081	80%
6–10 business days	4,403	9%
11–15 business days	2,112	5%
>15 business days	3,308	7%
<b>Total</b>	<b>48,904</b>	<b>100%</b>

Responses to the audit highlighted some 18 potential breaches or significant breaches of the Code’s standards for timely complaint handling. These 18 matters concerned 17 different subscribers – 85% of those selected to participate in the desktop audit. For 10 subscribers, audit responses suggested that non-compliance with Code timeframes may be a concern at both stage one and stage two of the complaints process. The Committee had specific concerns about stage one response timeframes for one additional subscriber. The Committee will review each of these subscribers’ responses in detail and follow up with the subscribers for clarification.

### Stage two complaints

Far fewer complaints are dealt with at stage two. Subscribers reported that they received 6,230 stage two complaints in the January to March 2018 quarter. An additional 1,498 stage two complaints were carried over from the previous quarter, for a total of 7,728 stage two complaints handled. Subscribers responded to 76% of these (5,899) during the quarter.

In stark contrast to stage one complaints, only a fraction of the stage two complaints (12% or 690) that received a response were dealt with within five business days (**Table 2**). The largest proportion of stage two complaints (45% or 2,661 complaints) were resolved in between 11 and 15 business days, while subscribers took more than 15 business days to respond to some 20% of stage two complaints. Stage two complaints also figured in 17 of the 18 potential breaches or significant breaches that the Committee identified to do with complaint handling timeframes. The Committee will review each of these subscribers’ responses in detail and follow up with the subscribers for clarification.

**Table 2. Stage two complaint response times, January to March 2018**

Timeframe	No.	Percent
≤5 business days	690	12%
6–10 business days	1,348	23%
11–15 business days	2,661	45%
>15 business days	1,200	20%
<b>Total</b>	<b>5,899</b>	<b>100%</b>

Long timeframes for the resolution of stage two complaints, combined with the large number of potential Code breaches and significant breaches identified, is of concern. Stage two complaints are likely to involve more complex issues and require higher-level skills, due to this complexity as well as

the great difficulty of managing consumer expectations. Longer timeframes to respond to stage two complaints may indicate that subscribers are not adequately resourcing their complaints team with enough staff with appropriate expertise.

In addition, the failure to resolve stage two complaints within 15 business days may mean that subscribers are taking longer than 45 calendar days to provide a final decision in response to complaints. When this occurs, subscribers must inform consumers of the reasons for the delay and their right to escalate their complaint to AFCA.

In the January to March 2018 quarter, subscribers reported 1,255 complaints that were more than 45 calendar days old in the January to March 2018 quarter. The number of aged complaints reported by individual subscribers varied. Four subscribers reported none while a further seven subscribers reported fewer than 10 complaints more than 45 calendar days old. At the other end of the spectrum, two subscribers reported that 6% of their complaints were more than 45 calendar days old and this included some stage one complaints.

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### **Recommendation 12**

Subscribers who did not meet stage two timeframes should examine the reasons for this. In particular, they should:

- assess whether their complaint teams are appropriately resourced with the staff, skills and experience needed to deal with stage two complaints
- analyse the relevant complaints to identify the types of complaints involved and the factors that contributed to delays, and
- assess whether consumers were informed of the reasons for the delay and the right to escalate their complaint to AFCA before the end of the 45-calendar day timeframe.

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### **Compliance measures**

Subscribers were asked how they ensure their compliance with the Code's complaint timeframes. Most subscribers said that their complaints or claims management systems are used to track complaints. It appears that different subscribers' systems have different levels of functionality. Several reported that their systems are set up to automatically assign tasks with Code-compliant due dates. The system may also display, for each complaint record, the number of business and calendar days the complaint has been open. Many also generate automatic diary entries or send automatic email alerts to the complaint handler (and sometimes their manager) when key dates are approaching. These systems also allow tracking of key complaint dates, activities and correspondence.

A smaller number of subscribers appear to rely on manual processes to record and diarise due dates. For instance, one subscriber reported that one person in its IDR team is responsible for ensuring that the correct 10-, 15- and 45-day timeframes, as well as AFCA response due dates, are entered into a live register of open stage two complaints. Complaint handlers then manually diarise due dates for the complaints they are allocated. Another subscriber noted that its smaller underwriting agencies with low complaint volumes may record and monitor response timeframes manually, using diary management and calendar reminders. It is unclear how effective these systems might be, and this constitutes a potential breach or significant breach of the Code. The Committee will contact the subscriber for more information about these manual systems and the subscriber's oversight of it.

Two subscribers noted that they encourage compliance in other ways. One of these subscribers emphasises the importance of adhering to Code timeframes in internal communications; the other incorporates resolution timeframes into staff performance measures.

Around half of subscribers also described processes for monitoring and reporting internally on compliance with complaint timeframes. Several subscribers said that they run daily, weekly or monthly reports on open, ageing or closed complaints, or on complaint closure times. Some also referred to periodic (such as monthly) or ad hoc reviews of complaints by team leaders, quality assurance teams or senior executives. A number of subscribers also give managers (and sometimes users) access to real-time reporting or activity queues for monitoring.

While the Committee acknowledges that the Code's complaint timeframes will sometimes be exceeded, subscribers should strive to provide a timely response except where exceptional circumstances prevent this.

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### **Recommendation 13**

To achieve timely complaint responses, subscribers should ensure that their systems and processes highlight Code timeframes, preferably with automated tasks and alerts, and monitor response times so that any issues can be identified and addressed.

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Further, it is critical that subscribers adequately resource teams that have responsibility for reviewing complaints, to ensure they have the expertise and skills needed to deal with complaints effectively, efficiently and in a timely way. If subscribers are unable to provide a consumer with a final decision in response to their complaint within 45 calendar days, they must notify the consumer before the end of that timeframe of the reasons for the delay and their right to escalate their complaint to AFCA.

### **Complaint prioritisation**

While the Code does set out timeframes in which complaints must be addressed, it is silent on the matter of whether and how subscribers should prioritise complaints.<sup>10</sup> For this desktop audit, subscribers were asked about their process for prioritising complaints.

Roughly two-thirds of subscribers (13 or 65%) described some sort of triage or prioritisation process. Among these subscribers, the types of complaint most commonly prioritised are those:

- about financial hardship (12)
- made by vulnerable consumers (8)
- with time-sensitive outcomes (4)
- presenting high risk, for example, due to potential compliance breaches or reputational damage (3)
- about declined claims (2)
- about the value of a claim (2).

Less commonly, some subscribers prioritise complex complaints; complaints where early resolution is likely; complaints about specialist products; or complaints made or copied to the CEO, Director or Managing Director (1 each).

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<sup>10</sup> Also see ASIC RG 165, Guiding Principle 4.4 (Responsiveness).

Seven subscribers reported that they do not triage or prioritise complaints, instead handling them in order in which they were received.<sup>11</sup> This lack of prioritisation is a compliance concern and subscribers should implement procedures that enable them to prioritise complaints according to urgency, especially complaints from vulnerable consumers and including those experiencing financial hardship.

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#### **Recommendation 14**

All subscribers should prioritise complaints based on their urgency. This also applies to complaints from vulnerable consumers, including those experiencing financial hardship, where swift resolution is likely to improve the consumer's situation.

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#### **Good practice example**

One Code subscriber triages complaints as they are received, escalating directly to stage two all complaints about declined claims, the value of a claim, financial hardship assessment or specialist products. At this point, particularly complex cases may be allocated to a specialist complaint manager. In addition, the subscriber uses daily management reports and weekly or twice-weekly team meetings to review the complaint portfolio and prioritise work.

## **Complaint processes and systems**

All subscribers reported that they have a documented complaint procedure for staff to follow when handling complaints. While certain complaints may be handled within a specific team or expedited as discussed above, all are handled in essentially the same way.

Sixteen subscribers provided a copy of their complaint handling procedure, guideline or policy. Four subscribers did not provide a copy of their complaint handling process document; it is unclear whether this is because these subscribers have not documented their complaint handling process, or if they simply failed to supply it. If the former, this may constitute a breach of the Code. The Committee will review each response and follow up these subscribers to obtain a copy of the documented process, if available.

Where subscribers did supply a copy of their complaint handling procedure, these varied in their level of detail: some set out a high-level overview of complaint handling obligations, while others detailed a step-by-step procedure for staff to follow. A number of subscribers also referenced or provided copies of templated letters to guide staff corresponding with consumers about a complaint.

Subscribers also described their complaints management systems and how they are used to record and track complaints. While each system is company-specific, they appear to have similar functionality, encompassing:

- recording complaint details
- tracking the complaint from receipt to closure
- identifying complaint handling tasks and due dates, often with automated reminders to staff

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<sup>11</sup> One of these seven subscribers, however, is currently developing a triage process.

- generating template letters
- workflow and resource planning.

On a related note, most subscribers (17) confirmed that they record complaints referred back to them by AFCA for internal review as stage one or stage two complaints. However, the remaining three subscribers record such complaints as 'stage three – external dispute resolution' disputes. We will be following up with these three subscribers to ensure they are not under-reporting stage two complaints.

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### **Recommendation 15**

All subscribers should have a detailed complaint handling process document that sets out not only high-level obligations and principles, but also the step-by-step procedures of recording, managing, prioritising, escalating and responding to complaints. The documented process should also include timeframes for each step, aligned with the Code's requirements.

As well as using standardised passages to meet Code obligations on the content of correspondence, template letters should allow flexibility for staff to respond to the specific circumstances of each complaint.

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## **Staff training**

To handle complaints competently, staff need to be well-trained in the Code's complaint handling standards and the subscriber's complaint processes and systems. The Code's subsection 5.1 is relevant here: subscribers must ensure that employees and authorised representatives acting on the subscriber's behalf receive Code training as well the education and training necessary to provide their services competently and deal professionally with consumers.

### **Types of training**

Generally, subscribers appear to have sound arrangements for training employees, in compliance with subsection 5.1. Almost all subscribers reported that they provide stand-alone training in complaints handling. This training covers matters such as the identification, acknowledgment and management of complaints, complaint timeframes, escalation, and the use of complaints management systems or complaints registers. Some subscribers' complaint handling training incorporates assessment questions, with required pass scores ranging from 80% to 100%.

Most subscribers provide specific complaint handling training only to relevant staff. 'Relevant staff' may be interpreted broadly to include managers and all staff in contact with consumers, or more narrowly, covering specialist complaints staff, claims staff or senior customer service staff. Only a handful of subscribers specifically stated that training is also extended to authorised representatives.<sup>12</sup>

It appears that the content of complaint handling training is often generic, however, a few subscribers deliver role-specific complaints training for different staff groups. For instance, one subscriber explained that staff handling stage two complaints are trained in both the overall complaint handling process and processes related to their segment; other subscribers described targeted complaints training for claims staff or authorised representatives.

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<sup>12</sup> Authorised representatives do not handle complaints themselves, however they need to be aware of the obligation to notify a subscriber of any complaint they receive while acting on a subscriber's behalf.

Not all subscribers stated how often complaints training is provided. Among those that did, induction training combined with annual or biennial refreshers is the most common approach. One subscriber noted that complaint handling training is also provided whenever processes change.

Most subscribers also noted that mandatory Code training includes coverage of the Code's complaints and disputes standards. Typically, this training is delivered as an e-learning module, although one subscriber reported that Code training includes a face-to-face component. Typically, subscribers said that Code training is completed at induction with annual refreshers. Around half of these subscribers specifically noted that Code training is mandatory for both employees and authorised representatives.

Finally, a few subscribers described on-the-job training and continuing professional development activities related to complaints handling. These activities include buddy systems; mentoring from legal or compliance staff; one-on-one or group training delivered on an ad hoc basis, such as where an issue has been identified; and bulletins and communications about complaints handling. One subscriber appeared to focus heavily on on-the-job training, reporting that it had introduced a senior internal dispute resolution role focused on onboarding new employees, providing individual coaching and delivering group feedback. This subscriber also has its internal dispute resolution team buddy with claims staff to share skills and knowledge. A few subscribers noted that they encourage or require staff to attend events such as AFCA forums, the Insurance Council of Australia (ICA) Annual Forum and events run by the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) or the Society of Consumer Affairs Professionals (SOCAP).

Subscribers' arrangements for training employees on complaints broadly meet the Committee's expectations, although in many cases, subscribers did not specify whether these arrangements extend to authorised representatives. In these cases, the Committee cannot be sure whether these subscribers are referring only to employees, or describing general arrangements that apply to both employees and authorised representatives.

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### **Recommendation 16**

Subscribers must ensure that all staff, including authorised representatives, receive Code training that includes coverage of the Code's complaints and disputes obligations. This training should equip staff and authorised representatives with an understanding of what a complaint is, how to recognise complaints, and what to do when a complaint is received, as well as detailing the Code's complaint handling standards.

In addition, subscribers should ensure that staff handling complaints receive stand-alone complaint handling training.

Both types of training should be provided at induction and followed up with periodic refresher training.

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### **Training effectiveness**

Under Code subsection 5.1, subscribers are also required to measure the effectiveness of training. Asked how they do this, some subscribers referred to general compliance monitoring activities without describing how these are used to assess the effectiveness of training or plan future training. However, other subscribers identified three main ways in which they assess training effectiveness.

At the most basic level, several subscribers noted that they track training completion and assessment results. Based on the results, subscribers can assess whether employees have understood and retained the training content. One subscriber reported that its learning and development team reviews assessment results to identify any areas of concern.

Subscribers also described how a range of monitoring activities are used to identify knowledge or skill gaps that are then addressed through individual coaching and performance management. Several subscribers use file audits and call monitoring to identify gaps in the knowledge of individual employees. Feedback from these activities is provided to a manager who mentors and coaches the employee. Other sources of performance information include peer reviews, analysis of calls escalated to managers and weekly case presentation to an internal dispute resolution panel.

At the system level, some subscribers reported that they review and analyse complaint registers, incident registers and related data to identify any trends that suggest a need for additional complaints training. For example, one subscriber said that a review of its complaints register by the compliance team identified a gap, which was then addressed with localised complaint handling training delivered by the quality assurance team to the claims team. Another subscriber said that it monitors, analyses and reports on incidents related to complaint handling as well complaints escalated to AFCA.

### **Good practice example**

As well as monitoring the number of complaints, complaint-related incidents and complaint escalations, one subscriber has a clear process for reviewing stage one responses once a complaint reaches stage two. The internal dispute resolution team reviews stage one complaints in light of internal policies and the Code. Any issues are raised as an incident or breach and rectified with assistance from the risk and compliance team.

The internal dispute resolution team also has a process for providing feedback to other business areas, including feedback about complaint handling. Based on the issues identified in its review of complaints, the team identifies 'learning points', which are circulated to the relevant business units and discussed in quarterly meetings.

Almost all subscribers (95%) said that they review complaints training when there are changes to regulatory requirements, the Code or internal processes. For example, one subscriber reported that it will review its training in light of the transition to AFCA and the introduction of a revised Code. Most subscribers indicated that changes to education and training are made as soon as the Code or regulatory change occurs. In addition, most subscribers said that they review education and training every year (75%) or every two years (20%). One subscriber stated that it reviews its training annually, but does not review training in response to regulatory or Code changes. This approach could breach the Code, and the Committee will follow up with the subscriber to clarify its response.

Around half of all subscribers said that they had identified and addressed gaps in complaints training as a result of either the review of training materials or issues identified in practice. Gaps and concerns identified and addressed concerned matters such as logging complaints, identifying priority complaints, using the complaints management system, and understanding delegation limits. Two subscribers identified a need to cover wholly new topics, and as a result, developed training on vulnerable consumers and handling calls from consumers experiencing mental illness. Pleasingly, two subscribers identified and rectified gaps in the training of authorised representatives and service suppliers. One subscriber reviewed the intermediary's training material for accuracy and compliance, requesting a number of changes as a result. A second subscriber identified deficiencies in how

training was presented to authorised representatives, and is revising the training to make it more learner-centred.

## Referral from service suppliers

Subscribers use a range of service suppliers, comprising investigators, loss assessors and adjusters, collection agents and claims management services. Under the Code, service suppliers acting on behalf of a subscriber are not permitted to handle complaints themselves. Instead, as set out in subsection 6.7, they must notify the subscriber of any complaints so that these can be handled under the subscriber's complaints process. The Committee's 2017 inquiry into outsourced services uncovered a number of breaches of this requirement.<sup>13</sup>

While the Code does not specify how quickly service suppliers should refer complaints to subscribers, the Committee has previously recommended that subscribers ensure service suppliers refer complaints either immediately or by the next business day at the latest. The Committee further recommended that Code Subscribers include this requirement in their contracts with service suppliers.<sup>14</sup>

## Contractual arrangements

Seven subscribers said that they had contractual arrangements in place requiring service suppliers to notify the subscriber of any complaints. Of these, three subscribers required complaints to be reported within one business day or by the end of the next business day; one required immediate notification; and one required notification 'as soon as possible'. A further seven subscribers referred to contractual requirements without describing the specific requirements, or referred to a general contractual requirement that service suppliers comply with the Code. Given that many subscribers appear to have a poor understanding of the subsection 6.7 requirements, the Committee is not confident that these seven subscribers have contractual arrangements that specifically require service suppliers to notify the subscriber of complaints.

Troublingly, seven subscribers described contractual arrangements that appear to breach subsection 6.7. Two Code subscribers stated that their contractual arrangements spell out the complaint handling process and require service suppliers to report weekly or monthly on these complaints, suggesting that service suppliers handle complaints themselves. One of these subscribers' contractual arrangements with service suppliers are already under investigation by the Committee. The Committee will closely examine the response of the second subscriber, seek clarification and investigate if there is a breach.

An additional subscriber referred to similar arrangements, without stating whether they were contractual. This subscriber has already reported significant breaches relating to this arrangement; these are under investigation. One subscriber reported that service suppliers' contracts set out how complaints should be handled, while stage two complaints are handled internally by the subscriber. Another subscriber said that service suppliers are only required to notify it of complaints that are not resolved on the spot.

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<sup>13</sup> General Insurance Code Governance Committee (2017) *Own Motion Inquiry: Investigation of Claims and Outsourced Services*, p. 39.

<sup>14</sup> *Ibid.*, p. 23.

## Procedures and training

Subscribers also referred to other measures intended to ensure that service suppliers are aware of their obligation to refer complaints. Four subscribers said that service suppliers receive Code training, exceeding Code requirements; another subscriber said that its service supplier has a documented complaint referral procedure.

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### Recommendation 17

All subscribers that engage service suppliers should ensure that they receive Code training, including training in the Code's complaints and disputes standards and how to refer a complaint to the subscriber. Subscribers should also provide service suppliers with a documented complaint referral procedure.

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## Monitoring

Nine subscribers said that they had some type of process for monitoring and providing feedback to service suppliers with regard to complaints. Some subscribers said that they conduct regular audits or reviews of service suppliers' performance; one has a specific database for tracking service suppliers' performance. Another subscriber said that it sends a post-claim survey to all consumers inviting feedback and complaints about the entire claims process, including those parts managed by service suppliers. Results of this survey can highlight instances where a service supplier has not passed on a complaint. One subscriber monitors its service suppliers and requires them to conduct and report on their own quality assurance reviews. A few subscribers said that feedback on complaints issues is given as part of monthly performance review meetings with service suppliers.

### Good practice example

One subscriber's arrangements with claims management services combines contractual requirements and thorough compliance monitoring. Under their service level agreements (SLAs), claims management services must report any complaints or Code breaches to the subscriber. Claims management services are also required to report on their compliance with the SLAs and conduct and report on internal quality assurance reviews.

In addition, the subscriber conducts quarterly reviews and reviews a sample of claims. As part of these reviews, the subscriber identifies any complaints that the claims management service failed to pick up or report back to the subscriber.

Finally, as part of the compliance assurance planning process, the subscriber also periodically reviews its third-party arrangements.

Having reminded subscribers of their subsection 6.7 requirements just over a year ago, the Committee is disappointed to see that continued non-compliance appears to be common. The Code is very clear in its requirement that subscribers handle complaints relating to service suppliers acting on their behalf. It specifies that service suppliers must notify subscribers about **any** complaint about a matter under the Code, and does not limit this to only stage two complaints or complaints not resolved on the spot.

Overall, only a handful of subscribers described adequate arrangements to ensure that service suppliers refer complaints to the subscriber. Among those subscribers who are aware of their

obligations, only a few appear to have in place both contractual requirements and appropriate monitoring. To ensure compliance with subsection 6.7, subscribers should combine clear contractual requirements with monitoring of service suppliers' performance.

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### **Recommendation 18**

Service suppliers' contracts must explicitly require them to notify subscribers about any complaint connected with a matter covered by the Code when acting on subscribers' behalf.

Subscribers must have monitoring arrangements in place to assure them that service suppliers are notifying them about complaints they have received.

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## **Compliance monitoring and governance**

The Code requires all subscribers to have:

- appropriate systems and processes in place to enable the Committee to monitor compliance with the Code, and
- a governance process in place to report on their compliance with the Code to their Board of Directors or executive management.

Coupled with these responsibilities, subscribers have an obligation to report an identified significant breach of the Code to the Committee within 10 business days.

The desktop audit required subscribers to inform the Committee about compliance monitoring and governance systems. However, the Committee has not outlined its findings in this report because in early October 2018 it commenced an inquiry into the adequacy of compliance monitoring and reporting frameworks, encompassing 45 subscribers.

The inquiry arose from the Committee's identification of issues about the level and adequacy of breach reporting and how deficiencies are being viewed and addressed, especially:

- the reliability of breach reporting by subscribers,
- compliance monitoring frameworks,
- the controls used to test the effectiveness of the compliance monitoring and reporting frameworks subscribers have in place,
- how breaches are addressed, and
- what improvements are being made to address framework deficiencies.

The Committee will publish a report on its inquiry findings, outcomes and recommendations in 2019.

# Recommendations for improved compliance

**One of the functions of the General Insurance Code Governance Committee is to provide guidance on compliance with the Code to subscribers and other interested people.**

The Committee has provided guidance to subscribers on how to comply with the Code's complaints .....and related standards by making specific recommendations throughout this report. This part of the report has brought together all 18 recommendations.

The Committee expects subscribers to implement the recommendations across the relevant business areas, including authorised representatives and service suppliers where applicable.

These recommendations are a mechanism for clarifying any gaps in subscribers' and others' understanding of how the Committee will interpret the relevant standards and assess whether subscribers have complied.

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## **Recommendation 1**

Subscribers should ensure that all information and communications that they provide to consumers about their complaints processes are in plain English.

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## **Recommendation 2**

Code subscribers should do more to ensure that vulnerable consumers, including those with additional needs, have general access to basic complaints information in an accessible format, including in different languages. At the very least, subscribers should be prepared and able to refer consumers to appropriate support services such as the National Translating and Interpreter Service.

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## **Recommendation 3**

To comply with subsection 10.5, all subscribers should include complaint information in their Financial Services Guides.

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## **Recommendation 4**

All subscribers should adopt a broad complaint definition that does not limit the ways in which a complaint can be made.

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## **Recommendation 5**

Subscribers should aim to capture and respond to all complaints, regardless of how they are communicated. As technologies evolve and consumers change how they communicate with

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insurers, subscribers should adapt their complaint processes to ensure that all consumer complaints – including, for example, those expressed over social media – are captured and followed up.

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### **Recommendation 6**

Subscribers should adopt mechanisms to equip staff to provide assistance to vulnerable consumers such as by:

- providing information about complaints processes in different languages on request
- facilitating access through the [National Translating and Interpreter Service](#) and the [National Relay Service](#)
- allowing consumers to nominate their preferred method of communication
- including functionality to increase the font size on websites and, on request, making correspondence available in a larger font size, and
- referring consumers to appropriate community support services.

Subscribers should not rely on staff to identify and assist vulnerable consumers on an ad hoc basis. Instead, procedures for assisting these consumers should be documented, with staff given the resources and training to apply these procedures.

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### **Recommendation 7**

Subscribers should capture more information about complainant types. This could give subscribers more insight into how different groups access the complaints process, and whether certain groups require more information or assistance.

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### **Recommendation 8**

Subscribers should aim to acknowledge all complaints upon receipt, or, if this is not practicable, within no more than two business days.

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### **Recommendation 9**

Subscribers should ensure that all stage one and stage two complaints are acknowledged in writing, with any initial verbal acknowledgment followed up in writing.

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### **Recommendation 10**

Subscribers must respond to all stage one and stage two complaints in writing within the required timeframes and ensure that the written response contains all of the required details specified in the Code.

If a subscriber's written response provides any complaint information in an attached brochure, this must be clearly highlighted.

Subscribers must ensure that a verbal response is followed up with a written response within the required timeframe.

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### **Recommendation 11**

In addition to providing general information about the complaints process, to comply with the Code, subscribers must proactively contact consumers whose complaints are approaching the 45-calendar day deadline, alerting them to their right to escalate the complaint to AFCA.

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### **Recommendation 12**

Subscribers who did not meet stage two timeframes should examine the reasons for this. In particular, they should:

- assess whether their complaint teams are appropriately resourced with the staff, skills and experience needed to deal with stage two complaints
  - analyse the relevant complaints to identify the types of complaints involved and the factors that contributed to delays, and
  - assess whether consumers were informed of the reasons for the delay and the right to escalate their complaint to AFCA before the end of the 45-calendar day timeframe.
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### **Recommendation 13**

To achieve timely complaint responses, subscribers should ensure that their systems and processes highlight Code timeframes, preferably with automated tasks and alerts, and monitor response times so that any issues can be identified and addressed.

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### **Recommendation 14**

All subscribers should prioritise complaints based on their urgency. This also applies to complaints from vulnerable consumers, including those experiencing financial hardship, where swift resolution is likely to improve the consumer's situation.

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### **Recommendation 15**

All subscribers should have a detailed complaint handling process document that sets out not only high-level obligations and principles, but also the step-by-step procedures of recording, managing, prioritising, escalating and responding to complaints. The documented process should also include timeframes for each step, aligned with the Code's requirements.

As well as using standardised passages to meet Code obligations on the content of correspondence, template letters should allow flexibility for staff to respond to the specific circumstances of each complaint.

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### **Recommendation 16**

Subscribers must ensure that all staff, including authorised representatives, receive Code training that includes coverage of the Code's complaints and disputes obligations. This training should equip staff and authorised representatives with an understanding of what a complaint is, how to recognise complaints, and what to do when a complaint is received, as well as detailing the Code's complaint handling standards.

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In addition, subscribers should ensure that staff handling complaints receive stand-alone complaint handling training.

Both types of training should be provided at induction and followed up with periodic refresher training.

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**Recommendation 17**

All subscribers that engage service suppliers should ensure that they receive Code training, including training in the Code's complaints and disputes standards and how to refer a complaint to the subscriber. Subscribers should also provide service suppliers with a documented complaint referral procedure.

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**Recommendation 18**

Service suppliers' contracts must explicitly require them to notify subscribers about any complaint connected with a matter covered by the Code when acting on subscribers' behalf.

Subscribers must have monitoring arrangements in place to assure them that service suppliers are notifying them about complaints they have received.

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# Glossary

## Defined terms from the Code

**Authorised representative** means a person, company or other entity authorised by **us** to provide financial services on **our** behalf under **our** AFS licence, in accordance with the Corporations Act 2001.

**Code** means the General Insurance Code of Practice 2014.

**Complaint** means an expression of dissatisfaction made to **us**, related to **our** products or services, or **our Complaints** handling process itself, where a response or resolution is explicitly or implicitly expected.

**Employee** means a person employed by **us** or by a related entity that provides services to which this **Code** applies.

**Insured** means a person, company or entity seeking to hold or holding a general insurance product covered by this **Code**, but excludes a **Third Party Beneficiary**.

**Retail Insurance** means a general insurance product that is provided to, or to be provided to, an individual or for use in connection with a **Small Business**, and is one of the following types:

- (a) a motor vehicle insurance product (Regulation 7.1.11);
  - (b) a home building insurance product (Regulation 7.1.12);
  - (c) a home contents insurance product (Regulation 7.1.13);
  - (d) a sickness and accident insurance product (Regulation 7.1.14);
  - (e) a consumer credit insurance product (Regulation 7.1.15);
  - (f) a travel insurance product (Regulation 7.1.16); or
  - (g) a personal and domestic property insurance product (Regulation 7.1.17),
- as defined in the Corporations Act 2001 and the relevant Regulations.

**Small Business** means a business that employs:

- (a) less than 100 people, if the business is or includes the manufacture of goods; or
- (b) otherwise, less than 20 people.

**Service Supplier** means an **Investigator, Loss Assessor or Loss Adjuster, Collection Agent, Claims Management Service** (including a broker who manages claims on behalf of an insurer) or its approved sub-contractors acting on **our** behalf.

**we, us** or **our** means the organisation that has adopted this **Code**.

**you** or **your** means an **Insured** or **Third Party Beneficiary**, or as otherwise stated in relation to a particular section of this **Code**.

# Appendix 1. The Code complaints and disputes standards

## 10 COMPLAINTS AND DISPUTES

10.1 This section applies to **Retail Insurance** only.

10.2 The **CGC** may include any recommendations on **our Complaints** process in its quarterly reports to the **ICA** Board.

### Internal Complaints Process

10.3 **You** are entitled to make a **Complaint** to **us** about any aspect of **your** relationship with **us**.

10.4 **We** will conduct **Complaints** handling in a fair, transparent and timely manner, in accordance with this section.

10.5 **We** will make available information about **your** right to make a **Complaint** and about **our** processes for dealing with **Complaints** on **our** website and in **our** relevant written communications.

10.6 **We** will only ask for and rely on information relevant to **our** decision in dealing with **Complaints**. **We** will supply **you** with the information **we** relied on in assessing **your Complaint** within ten **business days**, if **you** request it, in accordance with section 14 of this **Code**.

10.7 Where **we** identify, or **you** tell **us** about, an error or mistake in handling **your Complaint**, **we** will immediately initiate action to correct it.

10.8 **We** will notify **you** of the name and relevant contact details of the **Employee** assigned to liaise with **you** in relation to **your Complaint** at each stage of the **Complaints** process.

10.9 **Our Complaints** process described below does not apply to **your Complaint** if **we** resolve it to **your** satisfaction by the end of the fifth **business day** after **your Complaint** was received by **us**, and **you** have not requested a response **in writing**. This exemption to the **Complaints** process does not apply to **Complaints** about a **Declined Claim**, the value of a claim, or about **Financial Hardship**.

10.10 Stage One and Stage Two of **our Complaints** process described below will not exceed 45 calendar days in total, unless **we** are unable to provide **you** with a final decision within 45 calendar days. If **we** are unable to provide **you** with a final decision within 45 calendar days, **we** will inform **you** before the end of that period of the reasons for the delay and **your** right to take **your Complaint** to **FOS**, together with contact details for **FOS**.

### Stage One

10.11 **We** will respond to **your Complaint** within 15 **business days** of the date of receipt of **your Complaint**, provided **we** have all necessary information and have completed any investigation required.

10.12 If **we** cannot respond within 15 **business days** because **we** do not have all necessary information or **we** have not completed **our** investigation:

(a) **we** will let **you** know as soon as reasonably practicable within the 15-**business-day** time frame, and agree a reasonable alternative timetable with **you**. If **we** cannot reach an agreement on an alternative timetable, **we** will advise **you** of **your** right to take **your Complaint** to Stage Two of the **Complaints** process; and

(b) **we** will keep **you** informed about the progress of **our** response at least every ten **business days**, unless **you** agree otherwise.

10.13 **We** will respond to **your Complaint in writing** and tell **you**:

(a) **our** decision in relation to **your Complaint**;

(b) the reasons for **our** decision;

(c) **your** right to take **your Complaint** to Stage Two if **our** decision at Stage One does not resolve **your Complaint** to **your** satisfaction; and

(d) if **you** are still not satisfied with **our** decision after Stage Two, **your** right to take **your Complaint** to **FOS**, together with contact details for **FOS** and the time frame within which **you** must take **your Complaint** to **FOS**.

## Stage Two

10.14 If **our** Stage One decision does not resolve **your Complaint** to **your** satisfaction, **you** may advise **us** that **you** wish to take **your Complaint** to Stage Two.

10.15 If **you** advise **us** that **you** wish to take **your Complaint** to Stage Two, **your Complaint** will be reviewed by an **Employee** or **Employees** with the appropriate experience, knowledge and authority, who is/are, to the extent it is practical, different from the person or persons whose decision or conduct is the subject of the **Complaint**, or who was/were involved in the Stage One decision.

10.16 **We** will keep **you** informed about the progress of **our** review at least every ten **business days**.

10.17 **We** will respond within 15 **business days** of the date **you** advise **us** that **you** wish to take **your Complaint** to Stage Two, provided **we** have all necessary information and have completed any investigation required.

10.18 If **we** cannot respond within 15 **business days** because **we** do not have all necessary information or **we** have not completed **our** investigation, **we** will let **you** know as soon as reasonably practicable within the 15-**business-day** time frame, and agree a reasonable alternative timetable with **you**. If **we** cannot reach an agreement on an alternative timetable, **we** will advise **you** of **your** right to take **your Complaint** to **FOS**.

10.19 **Our** response to the review of **your Complaint** will be **in writing** and will include:

(a) **our** final decision in relation to **your Complaint** and the reasons for that decision; and

(b) **your** right to take **your Complaint** to **FOS** if **you** are not satisfied with **our** decision, together with contact details for **FOS**, and the time frame within which **you** must take **your Complaint** to **FOS**.

## External Dispute Resolution

10.20 **We** subscribe to the independent external dispute resolution scheme administered by **FOS**.

10.21 **FOS** is available to consumers and third parties who fall within the **FOS** Terms of Reference.

10.22 If **our** decision at Stage Two does not resolve **your Complaint** to **your** satisfaction, or if **we** do not resolve **your Complaint** within 45 calendar days of the date **we** first received **your Complaint**, **you** may refer **your Complaint** to **FOS**.

10.23 External dispute resolution determinations made by **FOS** are binding upon **us** in accordance with the **FOS** Terms of Reference.

10.24 If **FOS** advises **you** that the **FOS** Terms of Reference do not extend to **you** or **your** dispute, **you** can seek independent legal advice or access any other external dispute resolution options that may be available to **you**.

# Appendix 2. Desktop audit subscriber questionnaire

## A: The scope of your organisation’s complaints process

1. Please provide the definition of ‘complaint’ that you adopted.

2. How do you ensure that your **complaints** process covers **complaints** made by:

- **insureds**, including **small businesses**, and **third party beneficiaries**
- individual **insureds** and **third party beneficiaries** who owe you money, including when they are in **financial hardship**
- other consumers your organisation is seeking to recover money from, for damage or loss caused by them to its **insureds** or **third party beneficiaries**, including when they are in **financial hardship**?

*Please upload any supporting documents for Part A...*

## B: Consumer awareness of, and access to, your organisation’s complaints process

3. What are the ways in which consumers may make a **complaint** to you?

*Please select ALL that apply and provide comment where necessary.*

How consumers may make complaints	Comment
<input type="checkbox"/> By email	
<input type="checkbox"/> By phone	
<input type="checkbox"/> By phone on a toll-free/local call fee facility	
<input type="checkbox"/> In person (face to face)	
<input type="checkbox"/> By SMS/text	
<input type="checkbox"/> Via complaint/feedback form on website	
<input type="checkbox"/> Other, please provide details	

4. How do you assist consumers who have limited literacy skills, different or special needs, to make a **complaint**?

5. What information do you provide to consumers about your **complaints** process?

6. Is the information about your **complaints** process easy to read and in plain English, and available in alternative formats such as other languages, printed in large print, Braille or made available on audiotape?

*Please select ALL that apply and provide comment where necessary.*

<b>Format of information about complaints process</b>	<b>Comment</b>
<input type="checkbox"/> Easy to read and in plain English	
<input type="checkbox"/> Other languages	
<input type="checkbox"/> Large print	
<input type="checkbox"/> Braille	
<input type="checkbox"/> Audiotape	
<input type="checkbox"/> Other, please provide details	

7. The Code requires you to make information about your **complaints** process generally available – how do you this?

*Please select ALL that apply and provide comment where necessary.*

<b>Availability of complaints process information</b>	<b>Comment</b>
<input type="checkbox"/> Product disclosure statement/policy wording	
<input type="checkbox"/> Financial Services Guide	
<input type="checkbox"/> Brochure/pamphlet	
<input type="checkbox"/> Website	
<input type="checkbox"/> Other, please provide details	

8. When do you acknowledge receipt of consumers' **complaints**?

*Please select ALL that apply and provide comment where necessary.*

When	Comment
<input type="checkbox"/> Same day	
<input type="checkbox"/> Within 24 – 48 hours	
<input type="checkbox"/> Within 5 business days	
<input type="checkbox"/> More than 5 business days	
<input type="checkbox"/> Other, please provide details	

9. How do you acknowledge receipt of consumers' **complaints**?  
Please select ALL that apply and provide comment where necessary.

How	Comment
<input type="checkbox"/> Email - automated	
<input type="checkbox"/> Email - personal	
<input type="checkbox"/> Face to face	
<input type="checkbox"/> Letter	
<input type="checkbox"/> Phone call	
<input type="checkbox"/> SMS/Text	
<input type="checkbox"/> Other, please provide details	

10. When you provide consumers with a decision in response to their **complaints**, including a final decision, how is this done and what information is provided to them?

11. How do you inform consumers of their right to complain to **FOS** and how to contact **FOS** if you do not provide a final decision within 45 calendar days?

*Please upload any supporting documents for Part B...*

### **C: Operating a complaints process that is fair, transparent and timely**

12. How do you prioritise consumers' **complaints**?

13. How do you ensure that consumers' **complaints** about a **declined claim** are dealt with in accordance with your **complaints** process?

14. How do you ensure that consumers' **complaints** about the value of a claim are dealt with in accordance with your **complaints** process?

15. How do you ensure that consumers' **complaints** about **Financial Hardship** are dealt with in accordance with your **complaints** process?

16. 16(a) When a consumer has lodged a dispute with FOS that did not complete your **complaints** process, FOS will refer the dispute back to you to resolve or provide a final response under your **complaints** process. Do you record these disputes as a stage one **complaint** or stage two **complaint** (as applicable) or as a 'stage three/EDR complaint/dispute'?

Disputes referred by FOS to complaints process	Yes/No/NA
<input type="checkbox"/> Recorded as a stage one/two complaint	
<input type="checkbox"/> Recorded as a stage three/EDR complaint/dispute	

16(b) If you selected "Recorded as a stage three/EDR complaint/dispute", please provide further comment and/or information.

17. How do you track consumers' **complaints** to ensure that they are being reviewed within the Code timeframes that apply to the **complaints** process?

*Please upload any supporting documents for Part C...*

#### D: Education and training

18. What education and training do you provide to your **employees** and **authorised representatives** to ensure they can correctly identify consumers' **complaints** and deal with them as required?

19. How do you measure the effectiveness of its education and training on the **complaints** process?

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20. How often do you review your education and training on the **complaints** process?  
*Please select ALL that apply and provide comment where necessary.*

Review of education and training	Comment
<input type="checkbox"/> In response to regulatory/Code changes	
<input type="checkbox"/> Annually	
<input type="checkbox"/> Every two years	
<input type="checkbox"/> More than two years ago	

21. Have you identified any gaps in your education and training on the **complaints** process? What are they and what have you done to remedy them?

22. How do you ensure that **service suppliers** correctly identify consumers' **complaints** and refer them to you?

*Please upload any supporting documents for Part D...*

### E: Governance

23. What governance process do you have in place to report on your compliance with your **complaints** process to your Board of Directors or executive management?

*Please upload any supporting documents for Part E...*

### F: Internal complaints data

**Important:** Do not include data about **complaints** that have completed your **organisation's complaints** process and were referred by consumers to **FOS** for external dispute resolution.

24. Please provide the following data for **complaints** in stage one of your complaints process for the period 1 January 2018 to 31 March 2018 (Qtr 3 2017–18) *unless stated otherwise*. Note: in this question a reference to “responded to” means “respond to” in accordance with the requirements of subsection 10.13. *[Numerical data only]*

24 (a) The number of <b>complaints</b> in stage one (stage one <b>complaints</b> ) carried over from the previous quarter (ending 31 December 2017).	
24 (b) The number of stage one <b>complaints</b> received from consumers.	
24 (c) The number of stage one <b>complaints</b> responded to within 5 business days of receipt from consumers.	
24 (d) The number of stage one <b>complaints</b> responded to within 6 – 10 business days of receipt from consumers.	
24 (e) The number of stage one <b>complaints</b> responded to within 11 – 15 business days of receipt from consumers.	
24 (f) The total number of stage one <b>complaints</b> responded to.	
24 (g) The number of stage one <b>complaints</b> resolved to consumers' satisfaction.	
24 (h) The number of stage one <b>complaints</b> that were not resolved to consumers' satisfaction.	
24 (i) The number of stage one <b>complaints</b> carried over to the next quarter (starting 1 April 2018).	
24 (j) The number of <b>complaints</b> in stage one that exceeded 15 business days (if any).	

25. Please provide the following data for complaints in stage two of your complaints process for the period 1 January 2018 to 31 March 2018 (Qtr 3 2017–18) *unless stated otherwise*. Note: in this question a reference to “responded to” means “our response” in accordance with the requirements of subsection 10.19. *[numerical data only]*

25 (a) The number of <b>complaints</b> in stage two (stage two <b>complaints</b> ) carried over from the previous quarter (ending 31 December 2017).	
25 (b) The number of stage two <b>complaints</b> received from consumers.	
25 (c) The number of stage two <b>complaints</b> responded to within 5 business days of receipt from consumers.	
25 (d) The number of stage two <b>complaints</b> responded to within 6 – 10 business days of receipt from consumers.	
25 (e) The number of stage two <b>complaints</b> responded to within 11 – 15 business days of receipt from consumers.	
25 (f) The total number of stage two <b>complaints</b> responded to.	
25 (g) The number of stage two <b>complaints</b> that were resolved to consumers' satisfaction.	
25 (h) The number of stage two <b>complaints</b> that were not resolved to consumers' satisfaction.	
25 (i) The number of stage two <b>complaints</b> carried over to the next quarter (starting 1 April 2018).	

25 (j) The number of <b>complaints</b> in stage two that exceeded 15 business days (if any).	
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26. If any complaints exceeded 45 calendar days during the period 1 January 2018 to 31 March 2018 (Qtr 3 2017–18) please provide the number.

*[numerical data only]*

The number of <b>complaints</b> in the internal complaints process that exceeded 45 calendar days (if any).	
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*Please upload any supporting documents for Part F below...*

### **G: Additional information**

27. If you would like to provide any other information, supporting documents or comment in response to this audit, please provide it below.

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*Please upload any supporting documents for section F below...*