

## Complaints Procedure

### Why do we have a Complaints Procedure?

The Financial Service Providers (Registration and Dispute Resolution) Act requires all financial service providers (FSP) to be registered, to be members of an approved external dispute resolution scheme and to have a compliant internal complaint process.

Legislation is not the only reason that it is important to have a complaints procedure, however, in fact it is best practice for any client servicing business which relies on client retention and referral to others. The best result for any complaint is quick resolution and this is facilitated by having a robust process in place for handling complaints and attending to client concerns.

### What is a complaint?

According to the International and Australian Standard AS ISO 10002, a complaint is defined as: *An expression of dissatisfaction made to an organisation, related to its products, or its complaints-handling process itself, where a response or resolution is explicitly or implicitly expected.* ("Product" also means "Service").

While many of the complaints received by an insurance broker are often targeted at the insurer and their handling of the policy or claims transaction, there are still common areas of dissatisfaction which clients complain about and these range from severe breaches to low-level gripes.

They may include (but are not limited to):

- Delayed response to client communications
- Inadequate response to client communications
- Lack of follow-up on claims progress
- Amount of Broker fee charged
- Incorrect coverage placed or errors made when processing a transaction – e.g. incorrect excess applied
- Delayed renewal terms or terms not received until after the due date
- Failure to place cover which may or may not have resulted in client financial loss
- Dishonesty or misrepresentation

The above list is by no means exhaustive, particularly when regarded in the light of the broad definition and as client service professionals we should take note whenever clients voice concerns about our handling of their account.

## Levels of Complaints

### Level 1 Complaint:

These are complaints which are less complex; do not require lengthy investigation, and are unlikely to result in financial loss to the client. For example a client complains that they have not received a

progress report on a claim lodged a month ago, or that the excess quoted on their invoice schedule does not match what has been sent to them in the policy schedule.

In this case we immediately acknowledge the client's concern in writing, (or verbally followed up by a letter within 5 working days if no email address provided), and then aim to turn around these types of complaint within 24 hours.

### **Level 2 Complaint:**

A Level 2 Complaint is a complaint that cannot be resolved within 24 hours as it requires research into the cause and time to gather all the details. It may require lengthy discussion and potential negotiation with insurers, the client and even the external management team –Dave Penfold and Tony Walker.

We will immediately acknowledge the client's complaint in writing attaching our Complaints Policy, and advise that we are investigating this complaint and will attempt to have the complaint resolved within 20 working days. We then conduct the necessary investigations, ensuring that each and every conversation is fully documented and retained in a complaint file specifically for this client. This also means that all information is kept in one place should the complaint escalate. Once the complaint is resolved we ensure that it is included in our annual review of complaints to ensure that we are monitoring possible trends and improving processes in the affected areas.

### **Escalated Complaint – Referral to EDR scheme:**

Sometimes no matter how compassionately and comprehensively we manage a complaint, the client will wish to take the matter further and they are entitled to do so if the complaint remains unresolved for a certain length of time. Generally EDR providers will accept disputes after 40 working days.

Guidelines can be found at:

FSCL- <http://www.fscl.org.nz/how-make-complaint>

FDR - <http://www.fdr.org.nz>

*FDR is the Reserve Scheme set up under legislation to which all advisers contribute a levy.*

Details of our EDR provider are contained in our Complaints Policy, which we provide to all of our clients immediately they lodge a Level 2 complaint with us. We also refer to our EDR provider in our Disclosure Statement.

### **Complaint Recording**

It is important to record complaints made by a client, not only to monitor common occurrences to ensure that internal processes and staff are working effectively, but to ensure compliance with the Registration and Dispute Resolution Act. This record, called 'Complaints Register', is retained in a safe place accessible only to management staff, who are responsible for keeping this updated and conduct an annual review of register.

## Tips for Handling a Complaint Effectively

- All complaints are acknowledged immediately in writing, or verbally if the client has not provided an email address and followed up by post within 5 working days.
- For Level 2 Complaints, we always ensure that the Complaints Policy is sent to the client
- We endeavour to provide a compassionate and objective response to our clients no matter who is at fault
- We seek clarification where necessary, by asking relevant questions in a non-accusatory manner
- We make appropriate investigations to ensure that we have all information necessary to make a fair and balanced judgement
- Even if a complaint is taking a while to resolve, we keep in touch with our client(s) at least every fortnight, to advise them of progress