

## Financial Services Ombudsman WELCOMED BY ALL

During the past two months, I have had the opportunity to meet with the CEOs of the commercial banks and insurance companies individually and also through their organizations BATT and ATTIC. The welcome was most reassuring as all the financial service providers reaffirmed their commitment to provide quality service to their customers. In addition, I have met members of the public as they bring their complaints to the OFSO. Their main issues continue to be the lack of professional courtesy extended to them by some financial service providers; undue delay in settling their claims and the amount offered in settlement.

Clearly there is a gap between the perceptions of the financial service provider and the complainant. This gap, the OFSO seeks to reduce by ensuring that all financial service providers comply in full with the Terms of Reference of the Scheme and by increasing public awareness of the services offered by the OFSO. I intend to address this gap with personal visits to all branches, offices and agencies of the financial service providers. This initiative will begin in July and continue through September.

Our vision is to ensure that members of the public in Trinidad and Tobago are aware of the services offered by the OFSO which are FREE to complainants. Therefore the Office will be engaging the public in meetings and expositions, through radio and television advertisements and by direct contact through the postal service. I look forward to meeting with members of the public and with the financial service providers to ensure a sound and stable financial sector through enhancing public confidence and trust.

This issue seeks to update the reader with statistics from our last Annual Meeting held in April 2010. These statistics revealed an increase in the number of complaints with a continued predominance of motor vehicle claims.

More information is available on our website, [www.ofso.org.tt](http://www.ofso.org.tt) in the 2009 Annual Report.



SUZANNE ROACH  
FINANCIAL SERVICES OMBUDSMAN

Categories of Insurance Complaints

Categories	No. of Complaints		Per cent of Total	
	2009	2008	2009	2008
Inadequate	109	84	38	37
Undue Delay	99	77	35	34
Denial Of Claim	74	58	26	26
Other	3	6	1	3
TOTALS	285	225	100	100

Banking Complaints Received: By Type

	2009		2008	
	Total	% of Total	Total	% of Total
Accounts and Transactions	7	32	17	68
Card Services	3	14	0	0
Fees and Charges	2	9	2	8
Loans and Credit	5	23	2	8
Mutual Funds	1	5	0	0
General Interest Rate Level	0	0	1	4
Credit Policies and Decisions	1	5	2	8
Other	3	14	1	4
TOTAL	22	100	25	100

Demographics of Insurance Complaints received by the OFSO in 2009

Location		
Maraval to Western Peninsula		28
Port of Spain & environs to San Juan		47
North East to Guayaguayare		66
Central		53
South		72
Tobago		19
Total		285 <sup>1</sup>
Age		
Under 25		4
25 to 50		184
51 to 75		90
Older than 75		4
Total		282
Gender		
Male		208
Female		74
Total		282

<sup>1</sup>Three (3) complaints were received from small businesses

# CASE STUDIES

## INSURANCE CASE – Motor

### No Liability - Misrepresentation on Proposal Form

Around 4.40p.m, Ms. G was driving her car on her way home when she was hit from behind by another vehicle. She proceeded to the police station where she lodged a report on the accident followed by a claim to the other party's insurer seeking compensation for the damages sustained by her car.

After several months, despite her constant visits and phone calls to the insurance company, Ms. G was unable to have her claim settled. By then she decided that the company was unnecessarily delaying the payment of her claim and she visited the Office of the Financial Services Ombudsman seeking assistance in having her matter resolved.

The Office reviewed the case and made some enquires with the company concerning the status of Ms. G's claim. The company indicated in their response that an investigation was ongoing and they were awaiting the findings since there were some discrepancies regarding the owner of the vehicle and the person listed

as policyholder at the time of the accident. This information was necessary before a final position could be determined.

The findings of the company's investigation revealed that at the time of the application for the motor insurance, the person purporting to be the owner of the vehicle was not the legitimate owner. The company contended that the policy was issued under fraudulent circumstances because the applicant misrepresented the material facts on the proposal form. As a result, the policy was deemed null and void which meant that there was no insurance cover at the time of the accident. Based on this, the company denied liability for the payment of Ms. G's claim.

The Office perused all the pertinent details of Ms. G's case and concurred with the insurance company's position. Ms. G was informed of the company's position and she was further advised that, given the facts, it was unlikely that this matter could be resolved through the mediation services provided by the Ombudsman. The complaint against the company was withdrawn and the file was closed.

### Useful Information:

1. In the event of a claim, arising out of an accident caused by an uninsured vehicle, the only recourse for the claimant is to take action against the registered owner of the vehicle, through the Courts. This process can be both time consuming and costly and may not always result in the desired outcome if the registered owner does not have the resources to meet the damages which may be awarded by the Courts.

It is your duty therefore, that upon the sale (or other form of disposal) of your motor vehicle, ownership is legally transferred at the Licensing Office of the Transport Division as required by law so as to avoid any unwarranted liability or litigation.

2. When applying for insurance coverage on a new or used vehicle, it is important that you submit the following documents to your broker, insurance company, or insurance agent:

- **Certified copy of ownership of vehicle. (in the new owner's name)**
- **Valid Driver's Permit (include a list of intended drivers)**
- **Passport or National Identification Card**
- **No Claim Discount Letter from your previous insurer (where applicable)**
- **Pro Forma Invoice (for new vehicles)**

In addition to the above, you will be required to complete a Motor Insurance Proposal Form. It is your responsibility to ensure that the questions are answered truthfully and correctly and to the best of your knowledge. Failing to do so may result in the insurance policy being deemed null and void in the event of a claim.



The Office of the Financial Services Ombudsman was set up by the Central Bank in conjunction with the Banks and Insurance companies to investigate complaints from individuals and small businesses in respect of services provided by the financial institutions.

The aim of the Office is to render impartial and prompt resolution to complaints that customers have not been able to resolve satisfactorily with their financial institutions.

The Office is not a court of law. The process is relatively informal.

**The Ombudsman's decision is based on four basic criteria:**

1. **overall fairness and equity**
2. **general principles of best practice**
3. **accepted industry standards and codes of conduct**
4. **due regard to the law**

The recommendations of the Ombudsman are not binding except when an award is made by the Ombudsman and accepted by the customer.

The customer does not surrender his/her legal rights and is free, at any time, to explore other options for resolution of his complaint including taking the matter to court.

## Complaints Process

### Scope of Services

The OFSO can consider matters relating to a wide range of products and services offered by the banks and insurance companies. Generally, we will investigate issues such as:

#### Banks

- Deposit Accounts
- Loan Accounts
- Investment Services
- Trust Accounts
- Mutual Funds

#### Insurance

- Life policies
- Individual Annuity contracts
- Fire and general insurance
- Third Party Property Damage claims to a maximum of \$ 25,000.00, under a Motor Policy

### Complaint Guidelines

Before the Ombudsman office can accept a complaint, the following guidelines should be considered:

- The matter must have first been referred to the institution at which the complaint arose and the complainant is still not satisfied with the outcome.
- The subject of your complaint must have first occurred on or after January 1, 2003 in the case of a banking complaint and after January 1, 2004 in the case of an insurance complaint.
- The complaint must not be related to the institution's general risk management policies, general rate of interest offered, or the pricing of products and services, such as premium rates, fees and charges.

- The matter must not currently be or have been before the courts or an arbitration body or any other dispute resolution process.

### Making a Complaint

- The complaint must be in writing on the prescribed form. (Forms available at our offices or can be downloaded via our website).
- The form must be signed by the Complainant and the authorized representative, if necessary.
- It must state the names and addresses of both the Complainant and the branch of the bank or insurance company.
- The facts pertaining to the complaint must be supported by any relevant documents. Also, you should include the nature and extent of the loss suffered and the relief being sought from the OFSO.

### Resolution of Complaint

The Ombudsman Office will assess your complaint to determine whether it falls within its terms of reference. Thereafter, all attempts are made to settle the dispute by agreement between the two parties, that is, yourself and the financial institution.

If no agreement is reached, then a full investigation is launched into the matter leading to the making of a recommendation or finally to an award by the Ombudsman to settle the matter.

The complainant does not surrender his/her legal rights and is free, at any time, to explore other options for the resolution of his/her complaint including taking legal action. In this case the OFSO will consider the matter closed at that stage.

For Further information, you may contact or visit:

### The Office of the Financial Services Ombudsman

Located at: First Floor, Central Bank Building, Eric Williams Plaza, Independence Square, Port of Spain  
The OFSO Tobago office is located at the THA Conference Facility, Glen Road, Scarborough

Tel: 625-4921 Ext.2685/2681/2675/2650

• Email: [info@ofso.org.tt](mailto:info@ofso.org.tt)

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