



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN



ANNUAL REPORT 2012

A MORE PEOPLE SENSITIVE REGIME



MISSION STATEMENT

*To be Fair, Impartial and Confidential
in the resolution of Disputes*



2012 STAFF

CONTENTS

Foreword by the Governor
of the Central Bank of Trinidad and Tobago 01

Preface and Report by the Financial Services
Ombudsman 05

Report for the year ended December 31, 2012 10

- Report on Banking Services
- Report on Insurance Services
- Complainant Geographics
- New Initiatives
- Staffing and Training
- Kudos received for the year 2012
- Outreach Experience

Case Studies 30

- Banking 1: Use of ABM –Bank not liable
- Banking 2: Credit Card Transactions – Liability of the Customer
- Insurance 1: High Tech CCTV and Motor Vehicle Claim
- Insurance 2: No \$\$\$\$ Payout on Death Claim

Objectives and Procedural Arrangements
of the OFSO 38

- Establishment and Mandate
- Key Objectives
- The Complaints Process
- Complaints Outside of the Jurisdiction of the Ombudsman
- Settlement Options available to the Ombudsman

CONTENTS

Outreach 46

- Places we have been /People we have seen

List of Participating Financial Service Providers 54

Appendices 56

Notes 63

FOREWORD



Ladies and Gentlemen,

On behalf of the Central Bank, I extend a sincere welcome to the tenth Annual Breakfast Meeting of the Office of Financial Services Ombudsman (OFSO).

The OFSO's tenth anniversary celebration comes at a time when the global financial crisis highlighted the significant risks that weak financial consumer protection poses to stability of the world's financial system. The consumer as depositor, policyholder, saver and borrower is the central actor in the financial marketplace. Worldwide, some 150 million new consumers join the financial market each year. Yet, ironically, the consumer's voice is often the weakest and, very often, is not heard.

For this reason, the international community has increased its focus on how to better protect financial consumers.

The G20 has adopted nine High-level Principles for Financial Consumer Protection. Of immediate relevance to the Ombudsman's Office is Principle 9, which speaks to consumers having access to adequate complaints handling and redress mechanisms that are accessible, affordable, independent, fair, accountable, timely and efficient.

The World Bank has also released its Good Practices for Financial Consumer Protection. The Good Practices are intended to be used primarily as a diagnostic tool to answer the question, "How does a country's legal and regulatory framework for financial consumer protection compare to international practice?"

Our own recent financial turmoil arising from the failure of CLICO, CLICO Investment Bank and the Hindu Credit Union suggests that financial consumer protection, financial literacy and financial education are key priorities for regulators.

As many of you are aware, tin is the traditional gift of the tenth anniversary. Many explanations abound as to why tin was chosen as the gift for the tenth anniversary. One explanation is that the flexibility of tin represents the flexibility of a good relationship, the give and take that makes a relationship strong. Another explanation relates to the use of tin to stop corrosion and thus keep food safe. In this meaning, tin symbolizes preservation and longevity.

Whatever the meaning, it is clear that the Ombudsman's Office has demonstrated the good qualities associated with tin and can claim many successes over its ten years of operation. Some of these achievements are as follows:

- The OFSO remains the only financial ombudsman scheme in the Caribbean and is a respected member of the International Network of Financial Services Ombudsman Schemes.
- Of the 230 banking complaints which qualified for review under its Terms of Reference, the OFSO resolved an impressive 98 per cent over the period 2003-2012. More than 45 per cent of these complaints, which were directed toward issues related to accounts transactions, card



FOREWORD

services and loans and credit, were settled within 90 days;

- Of the 2,076 insurance complaints which qualified for review under its terms of reference, the OFSO resolved an equally impressive 97 per cent over 2005-2012. At least two-thirds of these complaints, mainly relating to undue delay in settling claims, inadequate settlement and denial of claims, were settled within 90 days;
- Creation of the Ombudsman's Office has catalyzed banks and insurance companies into strengthening their own internal dispute resolution mechanisms to better address customers' complaints. More than one-quarter of the complaints handled by banks were resolved by agreement between the two parties. In the case of insurance companies, more than two-thirds of the complaints were resolved by agreement between the insurers and clients.

The OFSO has, therefore, earned the right to begin the transition to a more prominent role in the country's financial architecture.

Against this background, the Central Bank and the OFSO commissioned Mr. David Thomas, who served as Chairman of the International Network of Financial Services Ombudsman Schemes and was the Chief Ombudsman of the Financial Ombudsman Service in the United Kingdom, to prepare a report on upgrading the existing regime of financial consumer protection in line with international best practice.

We have received the Draft Report entitled "**Financial Services Ombudsman in Trinidad and Tobago: A Strategy for the Future.**" The study highlights several issues which we need to take into account in crafting a financial ombudsman scheme that complies with the fundamental principles of independence, fairness, clarity of scope and powers, effectiveness and efficiency, and accessibility, transparency and accountability.

Please allow me to elaborate on what I consider to be some of the critical design issues, going forward.

Perhaps the first and most critical design issue relates to changing the voluntary nature of the Financial Services Ombudsman regime to one under-pinned by legislative authority. The voluntary nature of the Ombudsman scheme has restricted the jurisdiction of the Office to a narrow list of complaints to which banks and insurance companies have agreed. In thinking about the statutory backing for the Ombudsman's Office, it may be necessary to have a flexible legal framework where the foundations are enshrined in law, but scope and operational arrangements are set in regulations.

Independent governance is a second, critical design issue. Ideally, the Office of the Financial Services Ombudsman should be independent of consumers and of the financial services industry, whose disputes are being handled. In deciding cases, the Ombudsman also needs to be independent of the Central Bank, because the Ombudsman is acting as an alternative to the courts. So it is helpful for the Ombudsman Office to have an independent board, with a balanced membership reflecting persons with an understanding of regulation, the financial industry and consumer protection.

A third design issue revolves around the coverage of financial businesses. A significant number of complaints received by the Ombudsman are outside its Terms of Reference. The Office received 409 banking complaints which were outside its Terms of Reference in 2003-2012, 179 more than the qualified banking complaints it received for review. In 2011-2012, the Office received 1,173 enquiries regarding complaints outside the banking and insurance sectors.

Many complaints which fall outside the Ombudsman's Terms of Reference relate to bank fees and pricing of bank products and services, lapsed insurance policies, insurance premium charged, personal injury for motor vehicle accidents, credit union shares and loans, and general pain and suffering. Expanding the Ombudsman's mandate to include credit unions, the Unit Trust Corporation, pension schemes and mutual funds would go a long way in strengthening the credibility of the scheme.

Finally, in order to deliver on this expanded mandate the OFSO would need to be better resourced with the skill

FOREWORD

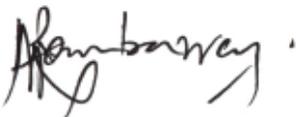
sets and talent as its jurisdiction and workload grows. The staff complement in the Ombudsman's Office are currently seconded from, or approved by, the Central Bank. Once a statutory Financial Services Ombudsman is established the Ombudsman would appoint the staff who would work for the Scheme and not be seconded from the Central Bank.

The Central Bank and the OFSO will be reviewing the Draft Report. Once finalized and accepted, the Final Report will form the basis for a Proposed Policy Document (PPD) on upgrading the regime of financial consumer protection. The PPD will serve as the starting point for initial discussions and consultations with key stakeholders in the financial services industry. Subsequently, a revised PPD will be used to finalize the various policy provisions of draft legislation relating to a statutory Financial Services Ombudsman. We anticipate the entire process to run for at least one year.

Ladies and Gentlemen, I would like to conclude by congratulating Ms. Suzanne Roach, the current Financial Services Ombudsman, her predecessors, and their respective staff, for shaping a formidable institution over the past decade. I would also like to thank BATT, ATTIC and the THA for their unstinting support for the Ombudsman scheme.

I certainly look forward to the Office of the Financial Services Ombudsman assuming a more prominent role in the country's financial strategy over the next decade.

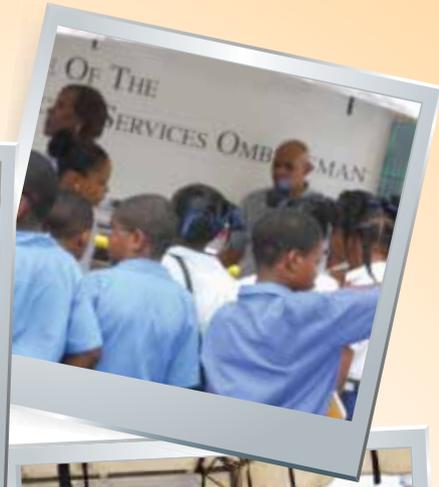
Thank you.



Jwala Rambarran
Governor



EXPOSITIONS



PREFACE AND REPORT BY THE FSO



Suzanne Roach
Financial Services Ombudsman

Today we pay tribute to all those who brought us to this juncture; this milestone where we celebrate our **10th Anniversary** as an independent, impartial, free and confidential organization which provides dispute resolution services for consumers who have not been able to resolve their matters directly with their financial service providers.

In keeping with our theme of promoting **A More People Sensitive Regime**, the year 2012 was all about people:

- How best to serve them;
- How to get our message across more effectively, that our *raison d'être* was known ;
- How best to respond to their needs; and

- How to remain receptive and current in the changing financial environment.

To address some of these issues, we acquired training in mediation skills and techniques with the intention that all Resolution Officers would attain certification in mediation within the next two years.

We worked on initiatives relating to Transparency and Accountability, Accessibility and Awareness.

- **Transparency and Accountability**
 - We shared our annual reports of the OFSO's activities to all stakeholders via all types of media including our website;
 - We maintained high quality levels of service built on strong internal benchmarks of accuracy, timeliness and thoroughness of the investigation, reasonableness of the outcome and keeping complainants informed about our progress which improved the resolution timeframe;
 - We continued rapport with member financial institution;
 - We commissioned a re-design of the website with the possibility of including social media such as facebook and twitter;
 - We increased the quality and quantity of information by constantly updating the OFSO's activities on the website e.g. all radio programmes;
 - We prepared for the conduct of a Three Year Strategic Plan; and
 - We provided to the Central Bank emerging trends emanating from complaints received.
- **Accessibility**
 - We remained a speedy dispute resolution mechanism which is viewed as flexible, versatile, objective and confidential;



PREFACE

- We continued operations from two Offices - at the Central Bank and in Tobago; and
 - We increased use of the **Technical Advice Desk** which provides general guidance on various issues to the general public; this resulted in a number of issues being resolved over the telephone.
 - **Awareness**
 - We broadened the scope of our Outreach Programme; our desire to share and be of assistance took us to places of worship, work, education and recreation. We distributed information on the role and function of the OFSO to the general public via presentations, exhibitions, media articles, publication of newsletters, radio and television interviews and on the website. This objective of increasing public awareness about the Office spread not only locally, but regionally and internationally.
- Locally*, we forged new alliances with consumer type organizations and strengthened working relationships with:
- **Our member financial service providers**
 - whom we visited and shared with the internal dispute resolution units (which some institutions have reported) have begun to take on ombudsman roles so as to provide greater service to their customers; and
 - held more meetings and increased our dialogue to address complaints and reduce the turnaround time for resolution;
 - **The Public and Interest groups**
 - especially **Senior Citizens' Associations** which requested personal sessions with their members and families; in their home communities and at annual general meetings of clubs; and
 - participating in the **Young Women of the Year Mentorship Programme** organized by the Network of Non-Governmental Organizations for the Advancement of Women;
 - **The Media** - three radio stations with programmes on selected topics such as Opening Accounts for people who are differently abled e.g. mentally or physically challenged, Issues of Early Dementia and Alzheimers, Issues of Security, Use and Abuse of Credit Cards, Comprehensive and Third Party Insurance, Mortgages, and Payment Systems including the rationale for the 4-day hold on cheques;
 - **Ministry of Legal Affairs** -
 - *Consumer Affairs Division* which invited us to participate in its expositions held on The Brian Lara Promenade and The Victor Chin Kit Park in Point Fortin;
 - **The Ministry of Labour Small and Micro Enterprises** –
 - *Office of the Registrar of Friendly Societies Division* where the Financial Services Ombudsman (FSO) was the feature speaker and presented on the theme: *Celebrating 194 years of Friendly Societies/Lodges in Trinidad and Tobago – Marketing Friendly Societies/Lodges in a Competitive Environment*;
 - **The Ministry of the People and Social Development** –
 - *The Division of Ageing* where the Director, Dr. Jennifer Rouse partnered with the OFSO to co-host sessions via the radio stations on problems faced by the elderly and elderly abuse ; and
 - invited the OFSO to participate in its Senior Citizens Public Forum Education Series in Tobago and Brazil (East Trinidad);

PREFACE

- **The Water and Sewage Authority** – to participate in its Life Skills Training Series for Retirement/VSEP Employees;
- **The Ministry of National Security** –
 - *The Police Welfare Unit* via Sgt. Roach who distributed 1000 OFSO packages at its Public Information expositions held in Port of Spain, San Fernando and Scarborough in Tobago; and
- **The Tobago House of Assembly** –
 - The Secretary of Tourism for granting approval for the OFSO to participate in and distribute 1000 bags at the Annual Blue Food Festival. This was the second occasion that the Office had the opportunity to market its services at this event. We say a special thank you to Mr. Orville London, Chief Secretary of the Tobago House of Assembly for facilitating this arrangement.
- **The Commonwealth Secretariat** which held its meeting on *Financial Inclusion* in August incorporating the Office as one of its presenters;
- **The Association of Caribbean Arbitrators** and its patron Sir Dennis Byron; and
- **The United Nations Commission on International Trade and Law (UNCITRAL)** which invited the Financial Services Ombudsman (FSO) to participate in a panel discussion at the *Second Colloquium on Micro Finance for Micro Entrepreneurs* in Vienna, Austria.

Given our motto of **WE CAN HELP**, we are committed to service for all so that everyone is well informed, knowledgeable; aware of the risks involved in making financial and life changing decisions and are prepared for the consequences of those decisions.

However, as much as was accomplished, we continue to face a number of challenges. Most significant is that of **accessibility** – **providing office services to those citizens in distant areas of Trinidad and Tobago**. This matter will continue to engage our attention in the coming months as we seek solutions that would allow for the continued independence and impartiality of the OFSO. One option may be to employ the model used by my colleague, Mrs. Lynette Stephenson, S.C – the Ombudsman of Trinidad and Tobago – of visiting different parts of our twin island republic on specific days. I am sure that this approach would find favour especially with our customers who hail from such places as Sangre Grande, Toco, Manzanilla, Brazil, Chaguanas, Penal, Siparia, Charlotteville and Plymouth.

Other challenges remain,

- **Regionally and Internationally**, through knowledge of such outreach sessions, contact was made and alliances were formed with **International bodies** such as:
 - **The Inter American Development Bank and Consumer International, UK** which invited the Financial Services Ombudsman (FSO) to participate in the *Seminar on The Legal Framework for Financial Services, Consumer Protection & Consumer Loan Agreements* in Barbados. This arrangement was initiated by the *Consumer Affairs Division*, of the Ministry of Legal Affairs;
 - **The Office of the Ombudsman of Rwanda** where the Acting Director of Fighting Crime and Corruption completed a three-week attachment with the Office to gain an understanding of and appreciation for our operations, policies, procedures and outreach programmes. This arrangement was initiated by the Commonwealth Secretariat;
- **Credibility** of information from some third party organizations;
- **Credibility** in reporting complaint statistics to the Office;
- **Absence** of internal dispute resolution units and questionable practices to settle complaints at some member financial service providers;



PREFACE

- Full agreement by all 46 member organizations before a change could be effected;
- Ensuring that our staff is exposed to continuous technical training to build capacity;
- Providing more technological avenues to communicate complaints to our Office; and
- The continuing need to create initiatives to break the cycle of dependency among members of the general public - a need to encourage/sensitize the public of Trinidad and Tobago to accept responsibility for their decisions as consumers of financial products and services; and to increase their level of financial literacy. **Members of the public, you have the right and you need to ask questions when in doubt and not be intimidated.**

These challenges provided the impetus for our theme for 2013 – **Promoting Responsible Consumer Behaviour and Consumer Protection** which is in line with Responsible Finance, one of the core principles for consumer protection.

Responsible Finance¹ has been defined as the delivery of retail financial services in a transparent and equitable fashion. It focuses on products, processes and policies that appropriately balance customers' interests with those of providers' interests and avoids harmful or unfair treatment. Responsible finance is promoted through measures that may include consumer protection regulation, industry or provider codes and standards and improvements in consumer financial capability.

But one component of Responsible Finance which applies to member financial institutions is that of reporting. Analysis of the 910 persons who contacted our Offices with complaints revealed that some complaints referred to member financial institutions for redress were not reported as part of their statistics at the end of the quarter. This led us to communicate with our member organizations on two points of concern:

- What is their definition of a complaint?

- When does an issue brought by a customer become a complaint reportable to the OFSO?

The Office is encouraged by the positive responses received from member institutions and their willingness through dialogue to strengthen the process for greater transparency, clarity and accountability in reporting. This matter will continue to engage our attention in the coming months.

In conclusion, it is important to recognize for an ombudsman scheme to be an effective resolution mechanism, it **must** include the principles of transparency, accountability, accessibility, awareness, governance and independence.

Therefore, I thank Mr. Jwala Rambarran, the Governor of the Central Bank who on taking office quickly addressed an issue which sought to impinge the independence of the OFSO's remit. In addition, approval was received for the conduct of a three year strategic plan, the re-design of the website, the hosting of the 2014 International Network of Financial Services Ombudsman Conference and numerous initiatives that would propel the Office to the next level. I thank the Board of Directors for its support of the Governor's actions and recommendations as it pertains to the Office.

Identifying with the artiste **Marvin Sapp** in his song ***Never Would Have Made It Without You***, we thank:

- Our member financial service providers, who continue to partner with us to provide a sound and secure financial system; for taking the journey with us and appearing on the radio stations to respond directly to the public; and for improving the quality of their operations especially those with internal dispute resolution units;
- The public of Trinidad and Tobago who trust our process that they would receive redress on using our service;
- Our international counterparts who provide avenues for us to share our model with the rest of the world;

PREFACE

- Our international colleagues whose experiences assist in enhancing the quality of resolution offered; One such scheme is the OBSI hence our feature speaker today;
- Our friends in the media who graciously gave us coverage to spread the message of financial awareness and accountability and respond to the public's concerns;
- Our colleagues at the Central Bank especially our liaison officers in the Corporate Communications Department, the Audio Visual Unit, the Legal Department, The Information Technology Services Department, The Financial Institutions Supervision Department, The Administrative Services Unit and the Procurement and Support Department who understand our role and therefore provide services that continue to make our lives and jobs that much easier to perform;
- We thank Judy Chang and Anne Marie Narine for laying the foundation and allowing me to take off;
- and last but certainly not least, a very dynamic group of persons, my staff – Lygia, Cbar, Karen, Debbie, Cynthia, Helen, Lester and John. These individuals are not only courageous but committed to making a difference in the lives of others. They walk that thin line between sympathy and empathy – to remain impartial and confidential in all their dealings with all our stakeholders. Although there are challenges the purpose for being with the Office remains one of a desire to be of service to others. I thank them for keeping me grounded while allowing dreams to become realities.

Ladies and Gentleman, in all humility, I add my sentiments in extending my thanks and appreciation to all those with whom I interacted over these past three years; your contributions and support have been invaluable and I never could have made it without you.

I sincerely thank you for this opportunity to be of service to the people of my country.



Suzanne Roach
Financial Services Ombudsman





REPORT FOR THE YEAR ENDED DECEMBER 31, 2012



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

REPORT ON BANKING SERVICES

NEW BANKING COMPLAINTS

During 2012, our relations with the banking community were such that some matters were resolved before complaints were formalized. There was greater dialogue among the internal dispute resolution units, the Office and customers leading to some issues resolved in an expedient manner. Both The Office of the Financial Services Ombudsman (OFSO) and the banking institutions reported a marked decrease in complaints, from three hundred and twenty nine in 2011, to two hundred and forty four in 2012. (*Table 1 refers*).

TYPES OF COMPLAINTS

Traditionally, complaints on the banking institutions fall into four main categories; fees and charges, accounts and transactions, loans and credit and card services. In 2012, seventy four per cent (74%) of the queries were directed toward issues related to accounts and transactions and card services, whereas in 2011, the major areas of concern were loans and credit and accounts and transactions. (*Table 2 refers*).

TABLE 1
TOTAL NEW COMPLAINTS - BANKING INSTITUTIONS
2011-2012

	2012	2011	% Change
OFSO	15	29	52
Banks	229	300	76.3
Total	244	329	74.2

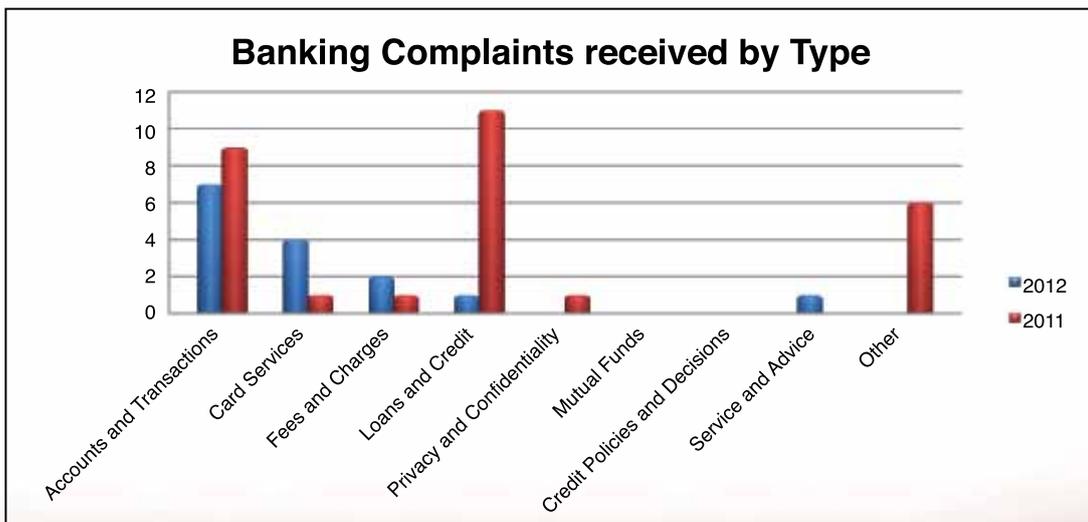
The OFSO received fifteen (15) new complaints from persons accessing services at banking institutions. This figure was fourteen (14) less than the twenty nine (29) complaints received in 2011, while the banking institutions total was 76 per cent less than previously received. Overall new customers were dissatisfied with services rendered at banking institutions.



REPORT ON BANKING SERVICES

TABLE 2
BANKING COMPLIANTS RECEIVED BY TYPE

	2012		2011	
	Total	% of Total	Total	% of Total
Accounts and Transactions	7	47	9	31
Card Services	4	27	1	3
Fees and Charges	2	13	1	3
Loans and Credit	1	7	11	38
Privacy and Confidentiality	0	0	1	3
Mutual Funds	0	0	0	0
Credit Policies and Decisions	0	0	0	0
Service and Advice	1	7	0	0
Other	0	0	6	21
TOTAL	15	100	29	100



REPORT ON BANKING SERVICES

RESOLUTION OF COMPLAINTS

The OFSO resolved 23 of the 27 complaints that were due for processing in 2012. The total included twelve complaints that were “in process” at the end of 2011, (Table 3 refers). At the end of the year, four complaints were carried over for completion in 2013.

The resolution rate improved markedly from 61 per cent in 2011 to 85 per cent in 2012 due to increased monitoring of the timeline for responses by the banking community.

TABLE 3
STATUS OF BANKING COMPLAINTS
2011 - 2012

	2012	2011
Brought Forward	12	2
Received	15	29
<i>Subtotal</i>	27	31
Resolved	23	19
Carried forward	4	12

OUTREACH EXPERIENCE

During outreach sessions, customers continued to express concerns about:

- The quality of service rendered by banks;
- The level of service fees and charges;
- Customer security inside the institutions and at the ATM's;
- Customer privacy when conducting transactions;
- The difficulty in opening accounts for senior citizen, persons under 25 years; the visually impaired; and persons with mental and physical disabilities;
- The quality of the information disseminated to customers;
- Access to banking institutions for the physically challenged (entry and teller services);
- Non-availability of services in rural areas; and
- The requirements for the elderly to facilitate the Direct Deposit System at banking institutions.



REPORT ON INSURANCE SERVICES

NEW INSURANCE COMPLAINTS

The OFSO received three hundred and four (304) new complaints against insurance companies in 2012, which represented a 14 per cent increase from 2011. This in addition to 53 cases that were brought forward from the previous year meant that there were 357 cases to be processed in the period. There were cases that did not fall within the Office's Terms of Reference and as such, 20 complaints were referred to the Market Conduct Unit of the Financial Institutions Supervision Department (FISD) of the Central Bank². At the end of the year, 280 cases were resolved and completed (Table 4a refers) and there were 57 complaints in process for completion, 33 of which were received within the last two months of the year.

TABLE 4(a)
SUMMARY OF INSURANCE COMPLAINTS PROCESSED

	2012	2011
Brought Forward	53	53
Complaints Received	304	267
Referred to the Central Bank	20	29
Processed by the OFSO	284	238
Closed	280	238
Carried Forward	57	53

2

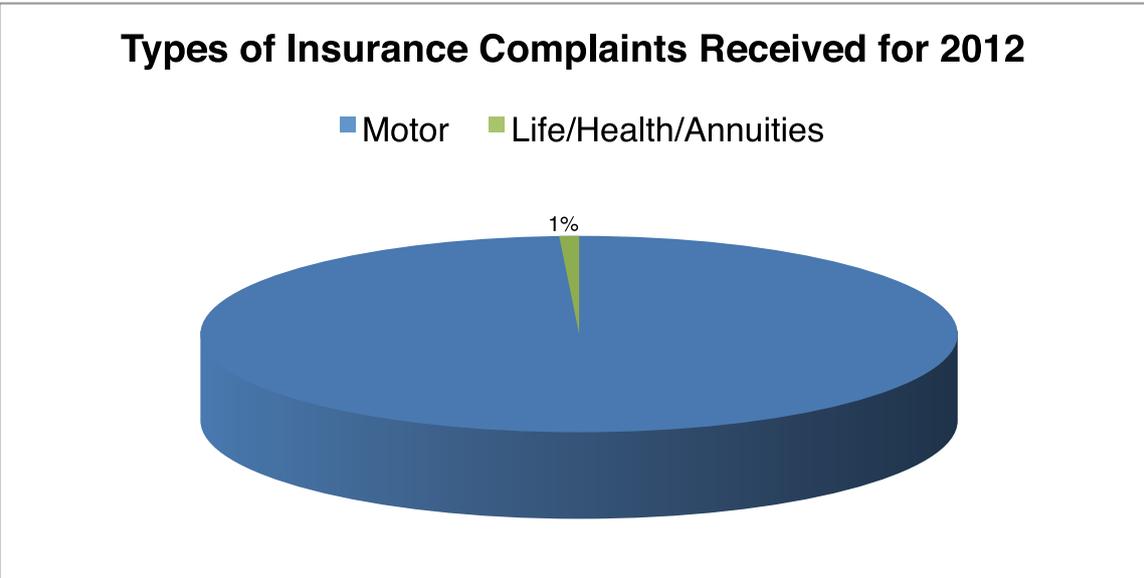
These areas include; Claims over \$50,000, Pain and Suffering and personal injury.

REPORT ON INSURANCE SERVICES

Table 4b shows that 99 per cent of the complaints received in 2012 pertained to motor vehicle accidents. The other 2 queries fell into the category of Life/Health/Annuities.

TABLE 4 (b)
TYPES OF INSURANCE COMPLAINTS PROCESSED

	2012		2011	
	No. of Complaints	% of Total	No. of Complaints	% of Total
Motor	282	99.3	235	98.7
Property	0	0.0	0	0.0
Life/Health/Annuities	2	0.7	3	1.3
Total	284	100	238	100



REPORT ON INSURANCE SERVICES

DISTRIBUTION OF COMPLAINTS

The majority of complaints for resolution by the OFSO were lodged in the first and final quarters of 2012.

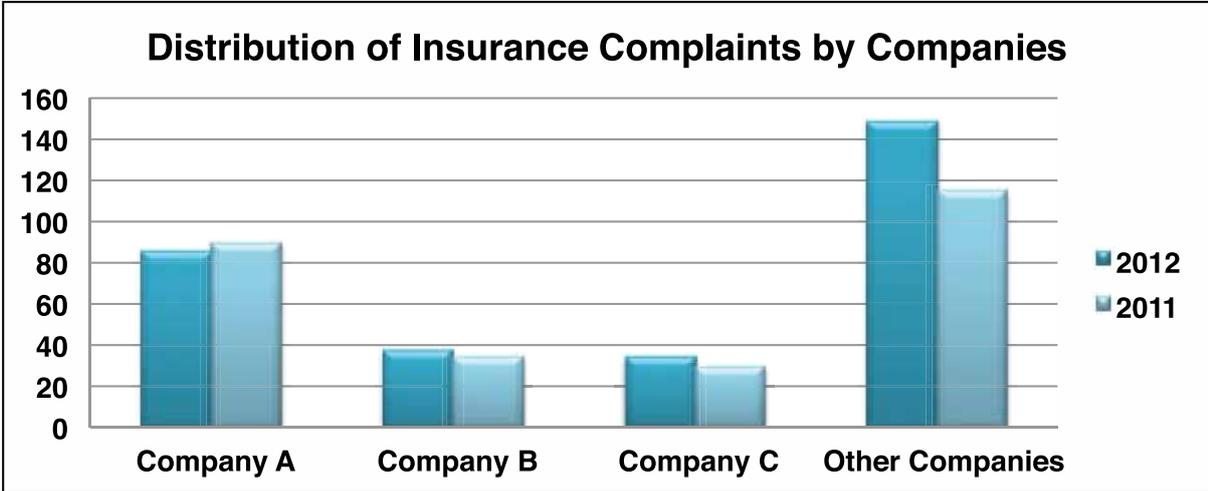
Of the three companies that accounted for more than 50 per cent of the new complaints received, 85 complaints (28 per cent) were recorded against Company A. (Table 5 refers). The trends in complaints from these companies have been reported to the Central Bank for action.

It should be noted that since 2010, there has been a steady increase in the percentage of cases to the 'Other Companies' sub-category. (The figures are: 42.3 per cent (2010), 43.1 per cent (2011) and 48.7 per cent (2012)).

TABLE 5
DISRIBUTION OF INSURANCE COMPLAINTS BY COMPANIES

COMPANY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Subtotal (OF SO)	FISD	Total 2012	Total 2011
Company A	21	19	16	25	81	4	85	89
Company B	11	11	8	7	37	0	37	34
Company C	6	5	7	11	29	5	34	29
SUB TOTAL	38	35	31	43	147	9	156	152
Other Companies	45	20	38	34	137	11	148	115
TOTAL	83	55	69	77	284	20	304	267

REPORT ON INSURANCE SERVICES



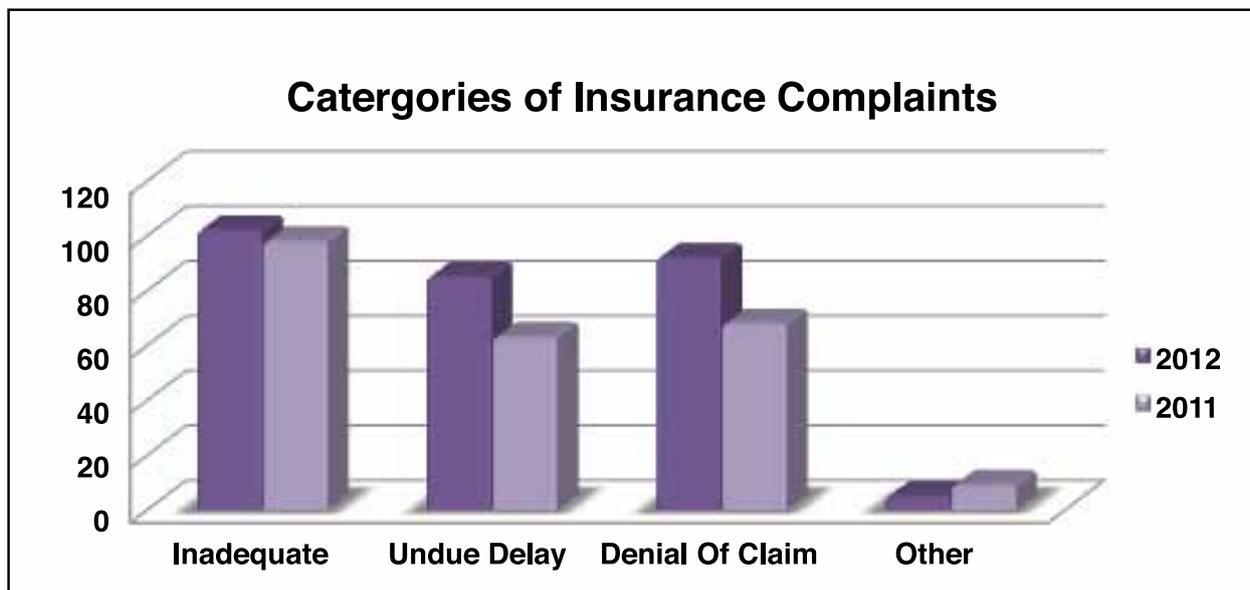
TYPES OF COMPLAINTS

As in 2011, the major cause of customer dissatisfaction (36 per cent) concerned the amounts that insurance companies offered for the settlement of claims. Another 92 persons took issue with the insurer’s denial of liability and their refusal to pay compensation, while 85 persons raised concerns about the delay in settling claims. (Table 6 refers).

REPORT ON INSURANCE SERVICES

TABLE 6
CATEGORIES OF INSURANCE COMPLAINTS

Categories of Complaints	No. of Complaints	
	2012	2011
Inadequate Settlement	102	98
Undue Delay	85	63
Denial Of Claim	92	68
Other	5	9
TOTALS	284	238



REPORT ON INSURANCE SERVICES

RESOLUTION OF COMPLAINTS

Between January and December 2012, 280 of the complaints made against insurance companies were completed. By the end of 2012, 57 cases were in the process of completion, 33 of which were received by the Office between November and December 2012.

The data in Table 7 shows that one hundred and ninety eight complaints were resolved by Agreement between the insurers and clients. This may be attributed to improvements in communication between the insurer, the OFSO and the complainant.

Eighty one (81) cases were withdrawn from the system either by the OFSO or the complainant.

When the OFSO receives a complaint, the documents are reviewed to ensure that the complaint falls within its mandate, that the circumstances are credible, that the complainants have had some interaction with the institution and are dissatisfied with the outcome.

Complaints are withdrawn by the OFSO if;

- Upon review, the case is found to be without merit;
- After dialogue the company maintains its denial of liability;
- The complainant fails to provide evidence to support the statements made; and
- There is no response to queries made to the complainant by the Office;

On the other hand, complainants withdraw if;

- They remain dissatisfied with the outcome of their complaint even after mediation; and
- They decide to take legal action or exercise other options of obtaining redress.

TABLE 7
RESOLUTION OF INSURANCE COMPLAINTS

Complaints Resolved By	2012		2011	
	Number of Complaints	% of Total	Number of Complaints	% of Total
Agreement	198	71	155	65
Withdrawals by OFSO	64	23	75	32
Withdrawals by Complainants	17	6	8	3
Referred to Court	1	0	0	0
Transferred to Liquidator	0	0	0	0
Recommendation/Awards	0	0	0	0
TOTAL	280	100	238	100



REPORT ON INSURANCE SERVICES

TIME FOR THE RESOLUTION OF COMPLAINTS

The OFSO intensified its efforts to communicate with claims representatives of insurance institutions in order to reduce the turnaround time in resolving issues in 2012. The formal structure remained intact but interaction was heightened through the exchange of e-mails, facsimile and telephone conversations. In a few instances working sessions were conducted where cases were discussed and resolved. As such, 74.3 per cent of the complaints were settled within sixty days (compared with fifty per cent in 2011). (*Table 8 refers*).

We again sought legal opinions and relied on independent Loss Adjusters for advice and guidance given the complexity of the cases and the fact that many of the collisions involved multiple vehicles. Notwithstanding the overall improvements, some companies remain largely uncooperative. Hence, fifty nine cases were in the system for up to one hundred and twenty days. Of the thirteen that were in process for more than one hundred and twenty days, three are at the stage of recommendation/award.

There were reasons put forward by the companies for delays in processing which include:

- Difficulty in obtaining a Police Report;
- Delays in investigating complex accidents; and
- Waiting for the insured to make a report before processing the complaint.

TABLE 8
TIME FOR RESOLUTION OF COMPLAINTS

Complaints Resolved Within	2012		2011	
	Number of Complaints	% of Total	Number of Complaints	% of Total
30 days of receipt	106	37.86	52	21.85
31-60 days of receipt	102	36.43	66	27.73
61-90 days of receipt	41	14.64	67	28.15
91-120 days of receipt	18	6.43	33	13.87
More than 120 days of receipt	13	4.64	20	8.4
TOTALS	280	100.00	238	100.00

OUTREACH

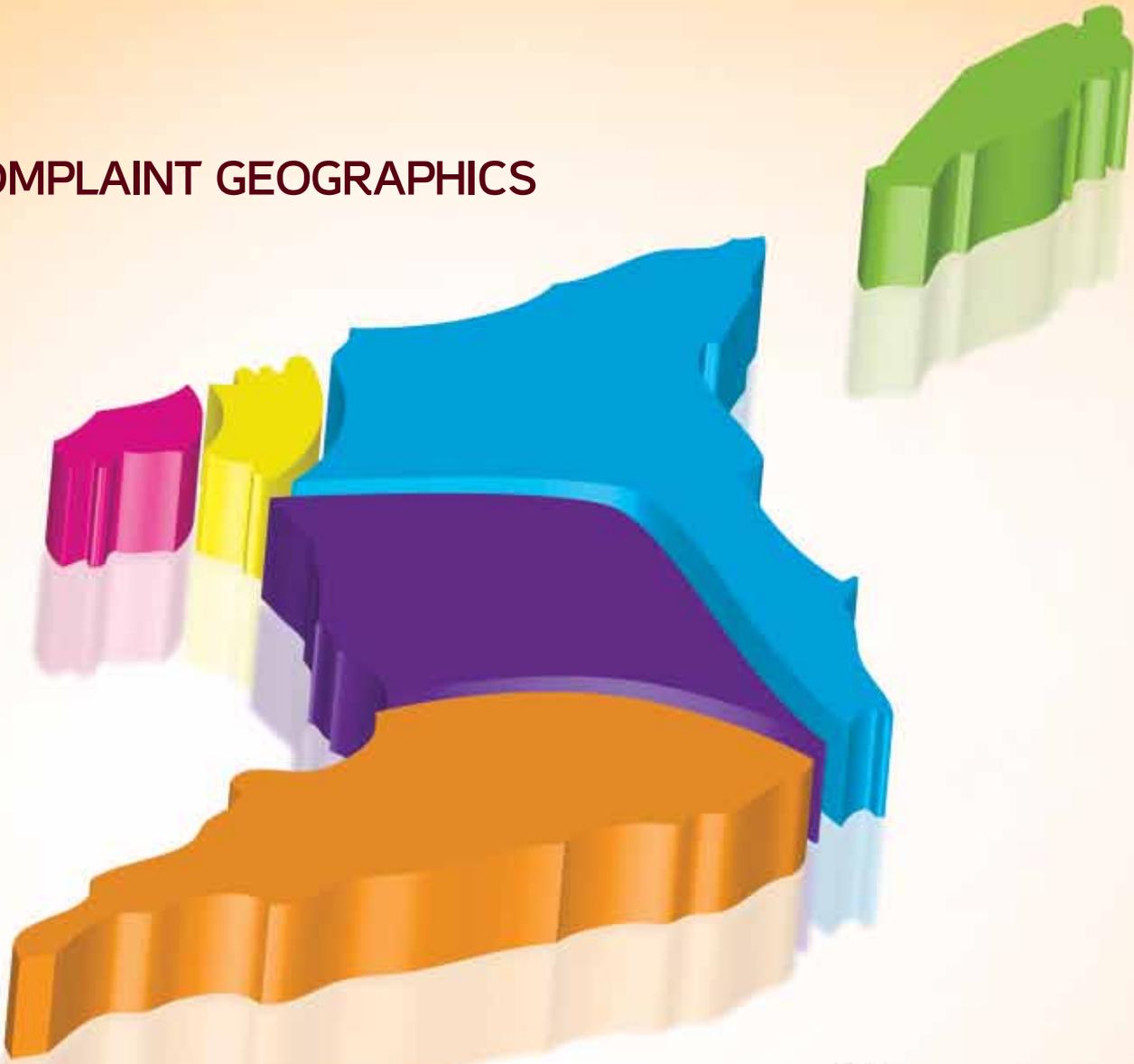
OUTREACH EXPERIENCE

Customers have voiced these concerns during outreach sessions:

- Poor service rendered by insurance representatives when dealing with customers and answering their questions;
- The lack of explanations provided when insurance packages are sold;
- The concept of loss of use and the payment of deductibles (excess);
- Insuring foreign used vehicles; and
- Interpretation of the Police Report and use of the Police Report in the deliberation of a matter.



COMPLAINT GEOGRAPHICS



The trend continued with accidents reported in the following regions:

REGIONS	2012	2011
Region 1 St. James/Maraval to Western Peninsula	34	28
Region 2 Port of Spain and environs to El Socorro	36	37
Region 3 North East to Guayaguayare Tunapuna / Caroni - Guayaguayare	83	67
Region 4 Central Bird Sanctuary - Pointe-A-Pierre - Guayaguayare	69	33
Region 5 South Marabella - Icacoy - Guayaguayare	49	64
Region 6 Tobago	9	9
TOTAL	280	238

HANDING OVER



INITIATIVES

Both of the initiatives that were started in 2011, were formalized in 2012. The recording of walk-in enquiries and complaints that are received by e-mail and via the telephone allowed the OFSO to;

- Streamline its operations;
- Expand the data collection capabilities of the Agency as Enquiries could be grouped according to geographical location, type of complaint (insurance; banking; not related to the Office), methods of solution; and
- Broaden its information and resource network as Officers extracted information from other organizations to facilitate customers and resolve issues.

To this end:

- 910 persons contacted the Office in 2012. (A 13 per cent increase from 2011);
- 30 per cent of the enquiries were lodged as formal complaints;
- The time spent in addressing the enquiries varied from 10 minutes to 1 hour. In some instances, although enquiries fell outside the Terms of Reference, the complaint was handled until the matter was solved; and
- The other enquiries were either directed to the relevant institutions or were solved “on the spot” through relationships with other consumer regulatory agencies.

Although all the insurance companies did not comply with the OFSO request for quarterly statistics on complaints received, the information submitted to the Office was enough to allow for a preliminary comparison of the complaints that the Office actually received against the figure that the institutions reported as total complaints. This data provided the basis for another initiative where the OFSO sought to rationalize the discrepancy in the totals. Financial institutions were asked to define a complaint, inform on the institution’s process of dealing with a complaint and inform the Office on the criteria used to report a complaint to the Office. The result of

this initiative would assist in greater transparency and accountability in statistical reporting.

Other Initiatives to treat with our theme of A More People Sensitive Regime included:

- Meeting with stakeholders and small groups to discuss financial literacy;
- Greater personal interaction with the public;
- More interactive radio programmes;
- Increasing the time spent with complainants so that not only were the immediate concerns addressed but also other matters of financial literacy;
- Increasing the institutional knowledge base and capacity of the staff through training as mediation officers;
- Increasing our information technology capabilities through up-grading and re-designing the website; and
- Advancing proposals for the increased scope of operations for the OFSO through the conduct of a 3 year strategic plan.

STAFFING AND TRAINING

STAFFING

There were no changes to the staff complement in 2012. The Office retained the services of two interns for two months from the Bank's Internship Programme. They completed two projects in the period and participated fully in all the Bank's activities during their stay.

TRAINING

In 2012, training was geared toward upgrading the human resources capability of the OFSO so that staff would be better equipped to cope with the changing dynamics of the financial landscape. Staff attended the following programmes:

- Organizing Workers to Combat Global Challenges—John Martin;
- Commonwealth Secretariat Conference on 'Financial Inclusion'—Karen Thompson Morris, Deborah Jean Esdelle, John Martin, Lester Paul and Lygia Moore;
- 'PR Basic Toolkit' Arthur Lok Jack School of Business—Cbar Ann Thompson, Cynthia Stephenson and Deborah Jean Esdelle;
- Alternate Dispute Resolution (Part 1) Chamber of Commerce—Karen Thompson Morris and Lygia Moore; and
- Alternate Dispute Resolution Workshop Stitt Feld Handy Group (Canada) Capital Plaza Hotel—Cynthia Stephenson, Deborah Jean Esdelle and Cbar Ann Thompson.



STAFF THROUGH THE YEARS

2003-2004



2005



2005



2006



2007



2008



2009



2009



2010



2010-2011



2011



2012



KUDOS RECEIVED FOR THE YEAR

I take this opportunity to thank your office for the mediator role that it played in resolving the matter presented.

Thanks for your attention. It could not have happened without your intervention.

This is to expressly convey my sincere thanks and appreciation in recognition of your kind and generous assistance.

I would like to say a heartfelt thank you for your assistance in this matter.

You are appreciated more than you realize.

Your radio programmes taught me a lot. Keep up the good work. Your sessions were very informative.

THANK YOU



OUTREACH



The Outreach Programme of the OFSO increased in significance over the past year as the Office sought to sensitize the public on its rights and responsibilities as persons who seek and utilize financial services. Moreso, as the theme for 2012 was geared toward a more people sensitive regime. The OFSO, under the watchwords 'Our Services are Free We can help' was involved with the dissemination of information to the public on a wide scale using all the available media. Our approach included presentations, meetings with special interest groups, site visits and publications.

SITE VISITS, MEETINGS AND PRESENTATIONS

The FSO met with the Lions Club and the representatives of the Trinidad and Tobago Young Women of the Year. Courtesy calls included visits to the Sangre Grande offices of Motor One Insurance, The Great Northern Insurance Company, First Citizens Bank and Scotiabank. Additionally, during the year, presentations on the role and function of the OFSO were delivered at The Commonwealth Secretariat Conference on 'Financial Inclusion', at the Division of Ageing (Ministry of the People and Social Development) "Forum on Ageing", the Annual General Meeting of the Friendly Societies/Lodges hosted by the Friendly Society Division (Ministry of Labour Small and Micro Enterprises), and at WASA at its Life Skills Training Seminar.

WEBSITE

In 2012, the OFSO continued to update its website so that users were kept current with activities. Initiatives were discussed for improvements to the website and consideration given to connecting with other social media sites.

PUBLICATIONS

In 2012, our newsletter 'The Mediator' and newspaper articles were not as consistent as in 2011. Our research showed that the public called for more personal interaction and as such the Office focused more on small group presentations and radio outreach. Those touched on matters that affected individuals who transact business in the financial sector and various case studies were used to indicate how these matters were concluded.

MEDIA/RADIO PROGRAMMES

Research has shown that a significant percentage of the listening public is more attentive in the morning between 6am and midday. To this end and in keeping with the theme 'A People Sensitive Regime,' the OFSO hosted eighteen programmes on three radio stations (Citadel I 95.5FM, Talk City Radio 91.1 FM and Heritage Radio 101.7 FM) where issues generated from trends in complaints and other current concerns were discussed. As far as possible, professionals in the perspective areas were invited to provide information to the public. The topics were as follows:

- Common banking and insurance complaints of unauthorized withdrawals; annuities;
- Mortgages-The Mortgage Market Reference Rate;
- Ageing and the Elderly: Alzheimer's and Dementia; The issues of conducting financial transactions;

OUTREACH

- The Banking System-Cheques; 4 day holding period; endorsements;
- ATM Cards and Credit Cards – use and abuse;
- Motor Vehicle Insurance-Accidents and Claims; and
- Discussions with Representatives of BATT and ATTIC.

Feedback received showed an increased need to hold more of these types of sessions where the public could voice their concerns and receive immediate feedback or be re-directed to the appropriate offices or agencies.

BUILDING RELATIONSHIPS

The OFSO collaborated with the Ministry of Legal Affairs (Consumer Affairs Division) and participated in two expositions; one in Port of Spain the other in San Fernando.

The Police Welfare Unit of the Ministry of National Security distributed 1000 OFSO packages from the Public Information expositions held in Port of Spain, San Fernando and Scarborough in Tobago.



Ms. Jeanne Pauline Gashumba and Governor Ewart S. Williams

The OFSO participated in the Blue Food Festival organized by the Secretary of Tourism in the Tobago House of Assembly for the second time and distributed 1000 bags to those attending the event.

In June, Ms. Jeanne Pauline Gashumba, Acting Director of Preventing and Fighting Corruption in the Ombudsman's Office, Rwanda, interned with the Office for a period of three weeks to observe the operations of a Financial Services Ombudsman Scheme. Ms. Gashumba had the opportunity to visit Tobago and meet with Mr. Orville London, Chief Secretary of the Tobago House of Assembly.

INTERNATIONAL AFFILIATIONS

The OFSO continued membership in the International Network of Financial Services Ombudsman Scheme. In September, the FSO attended INFO 2012 in Denmark. The FSO continued to participate in panel discussions on issues germane to the Scheme. Of special note, the OFSO will host the International Financial Services Ombudsman Conference (INFO 2014) in 2014.

The outreach sessions held in Trinidad and Tobago were the catalyst for three significant regional and international invitations. The FSO was invited to participate and present on the role and function of the OFSO at the regional conference held by the IADB-Consumers International Consumer Protection in the Caribbean Project in June 2012 in Barbados and the Commonwealth Secretariat Seminar on Financial Inclusion held in August 2012 in Trinidad. Participants at the June meeting made representations and an invitation was sent for the FSO to attend UNCITRAL (The United Nations Commission on International Trade Law) Second Colloquium on Microfinance for Small and Micro-Entrepreneurs in Vienna Austria in January 2013.



BANKING AND INSURANCE CASE STUDIES



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

BANKING CASE STUDIES

BANKING CASE 1:

USE OF ABM – BANK NOT LIABLE

Mr. O reported that he went to an Automated Teller Machine in East Trinidad and attempted to make a withdrawal which was unsuccessful. He eventually tried an ATM of his home bank which was in close proximity and was able to withdraw his funds. Mr. O advised that on receipt of his bank statement he subsequently discovered that funds were missing from his account and made a report to his branch in West Trinidad. He also indicated that he had reported the matter to the Fraud Squad at around the same time. Mr. O further explained that approximately ten months later he was allowed to view the footage of the transactions which proved inconclusive. At that point both the bank and the Fraud Squad concluded that the matter would be closed. Not satisfied with the outcome, Mr. O approached the OFSO for assistance in recovering his funds.

The Office requested an investigation from the bank on behalf of the complainant and a response was received within a month's time. The bank, after investigating this matter reported the following:

- (a) The bank received a letter from Mr. O claiming that he was missing funds from his account and querying *transaction xx*. He advised that he only received cash from one transaction on that date, namely *transaction yy*.
- (b) *Transaction xx* was a withdrawal using another bank's ATM. The investigator viewed the CCTV footage and was able to verify that Mr. O did not receive any money from the ATM on that day but was having difficulty while attempting to withdraw funds, assisted by a relative.

- (c) The investigator reported that Mr. O was immediately followed by another customer who accessed the machine but his body was positioned such that it prevented coverage of his actions.
- (d) The investigator also held discussions with a representative of the bank in question who confirmed that their ATM had balanced on that day.
- (e) *Transaction yy* was a withdrawal from his home bank's ATM. The investigator viewed video footage which showed Mr. O processing a transaction, cash dispensed and Mr. O leaving the ATM.
- (f) The bank concluded that since there were no irregularities with *Transaction xx*, the bank was not liable for the funds disbursed and Mr. O was subsequently advised of these findings.

In discussion with the bank, the Office noted that the ATM at that facility under query was a swipe card machine and it was probable that when Mr. O was having difficulty using the machine, he may have left the vestibule without cancelling the transaction and the next customer may have accessed the cash. The investigator commented that based on the positioning of the cameras at this ATM vestibule, he was unable to conclusively determine the actions of the next customer after Mr. O left the vestibule. Consideration was given to the fact that the ATM had balanced on that day.

BANKING CASE STUDIES

Based on these findings, the Ombudsman advised Mr. O that the bank could not be held liable in the circumstances. It was plausible to assume that there was a delay in the ATM disbursing the cash; that is Mr. O left before the cash was dispensed. Mr. O was advised to ensure he cancels the transaction once he incurs a problem using the ATM. The non-cancellation of the transaction resulted in his loss of funds. Mr. O was provided with additional information to better assist him in operating his ATM transactions.

BANKING: ATM

- *At an ATM, always shield your pin from prying eyes. Use your body to block anyone's view of the key pad. Do this whether you are at an ATM, a gas pump or inside a store. Keep in mind that scammers need your PIN to make your card work. Guard it carefully.*
- *Memorise your PIN. Do not share it with anyone as far as possible. Do not write it down.*
- *Do not use an ATM if people insist on standing around.*
- *Use the same ATM for most of your transactions, it is easier to recognize when something is different with the machine. Be wary of changes. If the machine is in or affixed to a Bank, walk in and ask why the changes were made.*
- *Cancel the transaction if you have difficulty operating the ATM. Notify your bank as soon as possible.*
- *Never take advice from "helpful strangers" about how to get your card back if an ATM keeps it. Report the incident to the bank as soon as possible so that the card can be deactivated if it was not kept for legitimate reasons.*

BANKING CASE STUDIES

BANKING CASE 2:

CREDIT CARD TRANSACTION – LIABILITY OF THE CUSTOMER

While spending her vacation abroad, Ms. W purchased an item using her VISA International Credit Card. She later discovered that the item was not usable and attempted to return the said item to the merchant for replacement or refund of the purchase price. The merchant bluntly refused to take back the item or give her a refund. Not at all happy with the merchant's unfair position, she proceeded to inform her bank of the situation. As a result the bank issued a '*charge back*' of the amount while the matter was being investigated.

Ms. W then took the opportunity to have the item repaired otherwise. Approximately six weeks later the merchant's bank re-presented the transaction for payment by Ms. W's bank. They also provided the bank with their merchant's rebuttal which stated inter alia that the cardholder (Ms. W) visited the merchant and purchased the item in *good condition*. As a consequence, the bank settled the transaction on behalf of the cardholder.

Ms. W subsequently received her bank statement and noted the charge for the item purchased. She notified the bank querying the charge. Ms. W argued that in settling the transaction with the merchant the bank took away her leveraging power to have the merchant refund her the cost of repairing the item and sought a reversal of all charges and fees from the credit card transaction. The bank refused to accede to her request, and as a result Ms. W sought assistance from the Office of the Financial Services Ombudsman.

Our Office reviewed the complainant's case and made enquiries with the bank. The bank responded that on submission of the Cardholder's Statement of Disputed Item form to their offices, a credit was issued to Ms. W's credit card account for the disputed transaction amount and a chargeback was initiated against the merchant's bank in accordance with the Visa International Operating Regulations. They noted that Ms. W (the cardholder) sought to resolve the matter directly with the merchant

and had followed the merchant's policy by seeking a refund within 7 days. The disputed transaction therefore fell within the charge back reason code Credit Not Processed as defined in the Visa Regulations.

The bank further advised that the cardholder did not provide evidence that she was unable to benefit from the use of the product but maintained that she had incurred an expense for repairing said item. They reasoned that this was not relevant to the disputed transaction submitted to them as there was no disclosure in the merchant's policy regarding any obligation to honour repairs on items purchased and as such the cardholder needed to pursue her claim for reimbursement directly against the merchant. There were no grounds on which the bank could continue the dispute on the cardholder's behalf in accordance with the Visa Regulations.

Our Office concurred with the bank's position and informed Ms. W accordingly; the matter was no longer pursued. However, Ms. W elected not to pay the entire transaction amount which resulted in an outstanding credit card balance. The cardholder therefore remained liable to the bank for the charges and fees incurred as per the terms and conditions of the credit card agreement. The Ombudsman advised Ms. W to settle her outstanding liability with the bank.

NOTE:

Please be advised, if any transactions are to be queried on your credit card statement, ensure that you settle the outstanding charges on all legitimate transactions within the period. However, if the legitimate transactions are not settled, interest will continue to be charged on the entire balance until the amounts under query are investigated and cleared.



FORUM MEETINGS



INSURANCE CASE STUDIES

INSURANCE CASE 1:

HIGH TECH CCTV AND MOTOR VEHICLE CLAIM

One Friday night around 8.00pm, Mr. J was driving his vehicle along the Western Main Road in an easterly direction on his way into Port of Spain. As he approached the traffic light controlled intersection with Long Circular Road, the light was on green and he proceeded to cross the intersection. Almost completing his crossing, another vehicle travelling in the opposite direction attempted to turn right onto Long Circular Road and slammed into the right hand side of Mr. J's vehicle.

Mr. J subsequently made a claim to the other party's insurer as he was of the view that the other driver was responsible for the accident. To his great surprise, the insurance company denied liability for the accident on the basis that he was overtaking improperly and did not honor his claim. Mr. J not at all satisfied with the outcome of his claim, visited the Ombudsman Office seeking redress for his situation.

After reviewing the pertinent details of the complainant's case, the Office cited that the company's insured was negligent, (being the driver that was changing direction across traffic, should have exercised a greater duty of care and attention) and requested the insurance company review its position. In response, the insurance company advised that based on investigations, it was maintaining a position of denial of liability.

Our Office not satisfied with the company's pronouncement decided to conduct further enquiries, which included a visit to the scene of the accident by our Officers. Based on the findings of our investigations, it was determined that the insurance company's insured should be held solely responsible for the accident and the Office presented its conclusion to the company for further consideration.

In the meantime, the complainant was able to secure a CCTV live video footage on traffic at the intersection, which contained the actual events of the accident. This

footage confirmed exactly the Ombudsman Office's version as to how the accident may have occurred. As a result, the insurance company reversed its decision of denial of liability and proposed a settlement offer to the complainant.

The Office was successful in mediating a fair settlement for the complainant and recognized the company's cooperation in bringing the matter to an amicable resolution. Mr. J thanked the Office for our assistance and we extended to him our sincerest appreciation for his unwavering diligence in obtaining the CCTV footage in a timely manner.



INSURANCE CASE STUDIES

INSURANCE CASE 2:

NO \$\$\$\$\$\$ PAYOUT ON DEATH CLAIM

Ms. B's sister took out a life insurance policy with XYZ Company for a sum insured of over one million dollars (\$1,000,000.00). Within a few months, due to very unfortunate circumstances, the insured died and Ms. B made a claim to the insurance company.

XYZ Company explained to Ms. B that because the claim occurred within the two (2) year contestability period of the policy and due to the cause of death of the insured, it was necessary for the company to conduct an investigation. Ms. B was not happy with this situation as she was anxious to have the claim settled in order to finance the needs of her deceased sister's children. After a year of attempting to get information from the insurance company without success, in frustration, Ms. B turned to the Office of the Financial Services Ombudsman Office for much needed help.

The Office communicated with XYZ insurance company regarding the status of the complainant's claim. The company indicated that they were still awaiting the findings of an independent investigation and that they would apprise us as soon as new information was available. The Office then advised the complainant accordingly.

Three months later, the Company advised that based on the findings of the investigation and other pertinent information in their possession, they had no choice but to deny the claim on the grounds of "**Material Non-disclosure/Misrepresentation**". XYZ Company also sent for our perusal, copies of the relevant correspondence pertaining to the Death Claim, including the findings of the investigative report. The report confirmed that Ms. B's sister had misrepresented relevant information on her personal history as there was compelling evidence to support that the insured was charged with several criminal offences. As a consequence, the insurance company decided to void the policy and was prepared to refund to the legal

representative of the insured's estate a refund of the premiums paid on the said policy.

Upon reviewing this case, The Office of the Financial Services Ombudsman upheld the decision of the insurance company and Ms. B was advised accordingly. The complaint was withdrawn and our files closed.

OUR OFFICES





OBJECTIVES AND PROCEDURAL ARRANGEMENTS OF THE OFSO



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

ESTABLISHMENT AND MANDATE

The Office of the Financial Services Ombudsman (OFSO) opened its doors to receive complaints from customers of the banking industry in May 2003 and of the insurance industry in May 2005.

The Office was established by an agreement between the Central Bank of Trinidad and Tobago and the banking and insurance companies. The names of the institutions are identified in the report.

The objectives, processes and procedures for resolution of complaints are the same for the commercial banks as for the insurance companies.

The main objectives of the OFSO are:

(a) to receive complaints arising from the provision of financial services to individuals and small businesses³; and

(b) to facilitate the settlement of these complaints.

The aim is to provide independent and prompt resolution of complaints using the criteria of best practice in the financial services sector and fairness in all circumstances.

The Office provides a legitimate and independent channel through which complainants (individuals and small businesses) not satisfied with the treatment received from any of the participating financial institutions concerning any financial service or product, may file a complaint with the Office and seek redress.

A complainant must first seek resolution at the financial institution where the problem arose. If the matter is not resolved satisfactorily at that level, the complainant can then lodge a complaint with the Ombudsman.

KEY OBJECTIVES

The key objectives of the Office of the Financial Services Ombudsman (OFSO) are to:

- resolve complaints in a way that is impartial, fair, accessible, timely, informal, efficient and free-to-consumers, and to award fair redress where appropriate;
- encourage the resolution of complaints before they reach the OFSO, by working closely with participating financial institutions;
- encourage the elimination of the sources of financial complaints, by providing clear information about the lessons learned from our work through the publication of case studies;
- have well-trained and highly-motivated staff members who are efficient, effective and flexible, and who will make good use of technology;
- coordinate work with the regulator, the Central Bank, so far as is consistent with the independent roles of the OFSO;
- ensure stakeholders understand the role of the OFSO and
- to instill confidence by remaining responsive to their needs.

3 A small business is defined as any business with assets (excluding lands and buildings) not exceeding TT\$1.5 million



THE COMPLAINTS PROCESS

THIS SERVICE IS FREE TO COMPLAINTS

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 rate of interest offered, or charged; fees and charges; risk management policies or the pricing of products and services, institution's premium rates and underwriting decisions; group pension plans and Deposit Administration Schemes; and actuarial calculations, surrender values and investment rates for life insurance policies.
- The matter must not currently be or have been before the courts or an arbitration body or any other dispute resolution process.

SCOPE OF SERVICES

The Office of the Financial Services Ombudsman (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

- Investment Services
- Trust Accounts
- Individual Annuity contracts
- Fire and General insurance
- Third Party Property Damage claims to a maximum of \$50,000.00 under a Motor Policy

MAKING A COMPLAINT

- The complaint must be in writing on the prescribed form. The Complaint Form explains the process and authorizes the financial institution to exchange information with the OFSO. (Forms are available at our offices or can be down-loaded via our website).
- The Form must be signed by the complainant and the authorized representative, if necessary.
- (If the complainant is disabled or requires the assistance of a representative – a family member, friend, broker or even an attorney-at-law) both the complainant and the representative will be required to co-sign the form as an indication that approval is given for confidential matters to be discussed with the representative.

THE COMPLAINTS PROCESS

THIS SERVICE IS FREE TO COMPLAINTS

- The Form must state the names and addresses of both the complainant and the branch of the banking or insurance company.
- The facts pertaining to the complaint must be supported by any relevant documents. Also, the complainant should include the nature and extent of the loss suffered and the relief being sought from the OFSO.
- The OFSO stipulates that all documentation and any material related to the dispute resolution process must not be used in any subsequent legal or regulatory proceedings. In addition, the parties concerned must agree that the Ombudsman and staff of the OFSO and its advisors will not be called upon to testify in any legal proceedings.

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 process is not binding on the complainant. 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.

RESOLUTION OF COMPLAINT

The Ombudsman's 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.

Conclusions by the OFSO are based on the following criteria:

- overall fairness and equity;
- best practice in the industry;
- the accepted industry standards and practice;
- standards established by industry regulatory bodies, professional associations or the individual financial institution where the customer does business; and
- due regard to the law.



COMPLAINTS OUTSIDE OF THE JURISDICTION OF THE OMBUDSMAN

Certain complaints are not investigated since they are specifically excluded under the Terms of Reference. These include competitive issues which are better left to the dictates of market forces.

The areas outside of the jurisdiction of the OFSO are:

(i) Those specifically excluded:

- Premium rates and/or underwriting decisions;
- Actuarial tables, surrender values, paid-up values, bonuses or investment rates as they apply to life and
- Long-term insurance policies;
- Pensions under Group Pension Plans and Deposit;
- Administration Schemes;
- Alleged false or misleading marketing practices;
- Unacceptable service except where it relates to
- Service of a monetary nature;
- Third party personal injury claims arising out of a
- Motor accident;
- Matters barred by law; and
- A claim where the amount is more than TT\$500,000
- In respect of first party matters and TT\$50,000 in
- Respect of third party property damage under a
- Motor policy.

(ii) Matters that are currently or have been before the courts or an arbitration body or other dispute resolution process.

(iii) Matters that have occurred before January 1, 2003, in the case of a banking complaint and before January 1, 2004 in the case of an insurance complaint, except where the complainant only became aware, and

cannot be expected to become aware, of the matter after those dates respectively.

Complainants retain their legal rights and are free to pursue the matter in court if they are not satisfied with the decision of the OFSO. However, if a complainant decides to go to the court or an arbitration body first, the option of bringing the matter to the OFSO is not available since both of these processes are final and binding.

SETTLEMENT OPTIONS AVAILABLE TO THE OMBUDSMAN

The options available for resolving financial complaints at the OFSO are as follows:

1. Settlement by agreement
2. Recommendation by the Ombudsman and
3. Award by the Ombudsman

1. Settlement by Agreement

This involves mediation between the financial institution and the complainant to arrive at an agreed position. The majority of the complaints are resolved in this manner.

2. Recommendation by the Ombudsman

If no agreement is reached between the financial institution and the complainant, either party may request the Ombudsman to make a recommendation for settlement or withdrawal of the complaint. Once the recommendation of the Ombudsman is accepted by the complainant and the financial institution in full and final settlement, the matter is resolved at this stage.

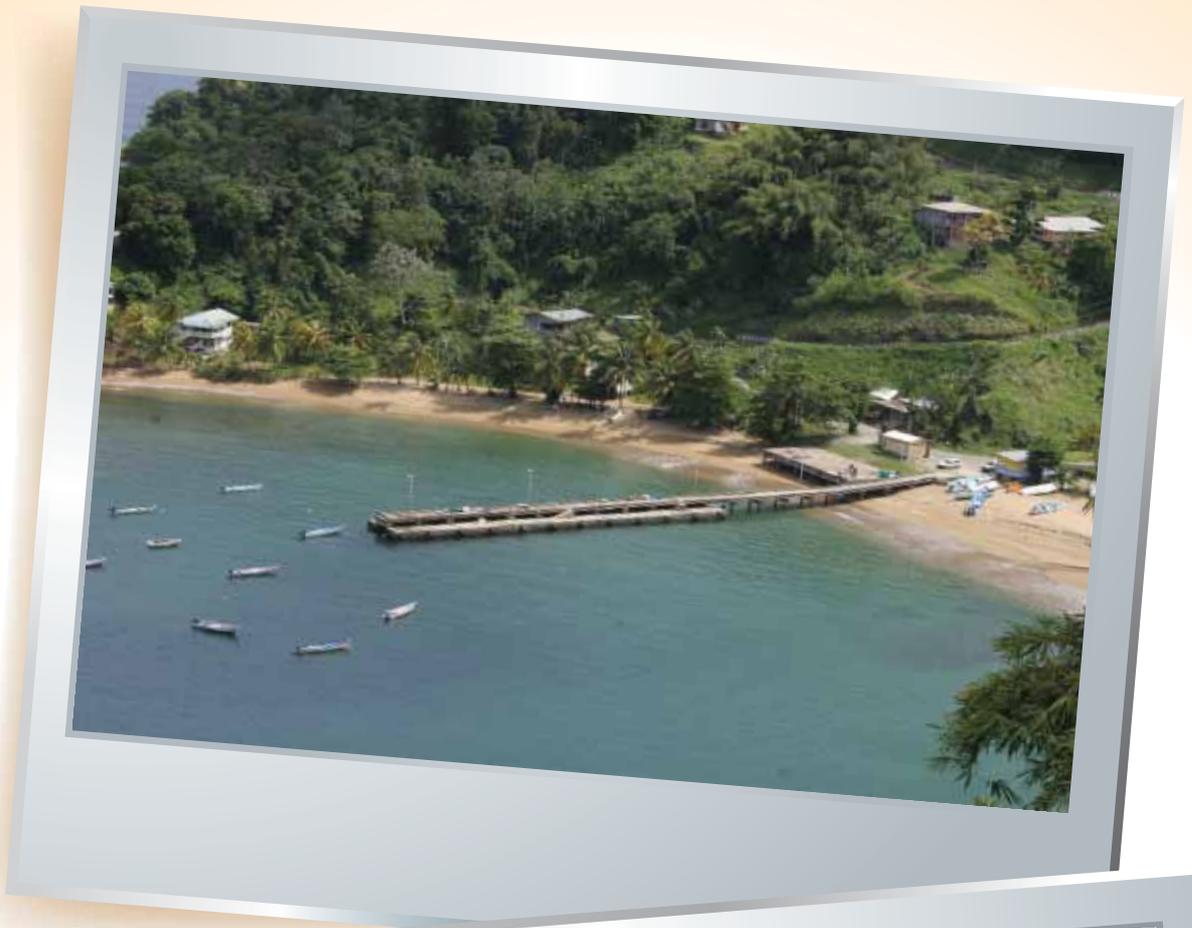
If any one of the parties, the complainant or the financial institution, does not accept the recommendation made by the Ombudsman, the matter may be taken to the final stage.

3. Award by the Ombudsman

If the complaint is not settled by agreement or recommendation, the Ombudsman may make an Award. The Award is limited to \$500,000 and must not be greater than the amount required to compensate the complainant for direct loss or damage suffered by reason of acts or omissions of the institution.

If accepted by the complainant, the Award is binding on the financial institution. If not accepted by the financial institution, the Ombudsman is obligated to report the noncompliance to the Governor of the Central Bank. Although the Ombudsman has the power to make recommendations and awards, the preferred route is that of reaching agreement via mediation to find a solution acceptable to all parties and this has been the case thus far.









OUTREACH



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

OFSSO OUTREACH

PLACES WE HAVE BEEN / PEOPLE WE HAVE SEEN

Presentations

- Port of Spain Lions Club
- Commonwealth Secretariat Conference on 'Financial Inclusion'
- Trinidad and Tobago Young Women of the Year Group
- Central Bank of Trinidad and Tobago Retirees Club
- 'Public Forum for Older Persons' Division of Ageing,
- Ministry of the People and Social Development.
- WASA Life Skills Training Seminar
- Orientation Seminar for new CBTT staff

Expositions

- Ministry of Legal Affairs (Consumer Affairs Division) exposition on Brian Lara Promenade and Victor Chan Kit Park in Point Fortin

Media Programmes and Interviews

- Citadel Radio 1 95.5 FM; Take 2 (Lisa Sargeant, Wayne Chance)
- Heritage Radio 101.7 FM; Stephen Mohammed
- Talk City 91.1 FM; Vidya Ramphal

Courtesy visits to institutions

- First Citizens-Sangre Grande
- Scotiabank - Sangre Grande
- Motor One Insurance Company Limited - Sangre Grande

Invitations

- Guardian Life 2011 Awards and Dinner, Hyatt Regency
- Ballroom, Hyatt Regency, Port of Spain
- Ceremony to celebrate the Career and Retirement of Mr. Gregory Thompson, Director of Republic Bank
- Limited. Regency Ballroom, Hyatt Regency
- The Lloyd Best Institute Seminar 'The Common Sense Convois'
- SAGICOR Life Inc. (Valsayn Branch), Breakfast Launch of EAP and opening of their new wing
- Celebration of South Africa's Freedom Day, Cascadia Hotel
- Lunch with the Canadian Women's Club of Trinidad and Tobago
- Institute of Banking and Finance of Trinidad and Tobago-Annual Graduation Ceremony
- Farewell dinner for the Venezuelan Ambassador-Maria Eugenia Marciano Casado at the Raj Yoga Centre, Port of Spain
- ATTIC Breakfast Meeting on 'Road Safety' Hilton Hotel, Port of Spain
- CFA Breakfast Meeting, Hyatt Regency, Port of Spain
- UTC 30th Anniversary Luncheon: Hyatt Regency, Port of Spain
- TRINRE 37th Anniversary Celebration
- Her Excellency Dr. Jean Ramjohn- Richards Tea Party to celebrate the 50th Anniversary of Soroptimist International of San Fernando
- Trinidad and Tobago Young Women of the Year Award ceremony (Project of the Network of NGOs for the Advancement of Women)
- Reception of the Chartered Institute of Arbitrators (Caribbean Branch) to introduce their patron Sir. Dennis Byron



- UTC Anniversary and Awards Dinner, Hilton Trinidad and Conference Centre, Port of Spain
- 'Evolving World of Risk' Workshop, Hyatt Regency Port of Spain.

International Affiliations and Building Relationships

- Association of Caribbean Arbitrators
- Commonwealth Secretariat
- Consumer International, Barbados.
- Office of the Ombudsman, Rwanda, (Attachment of Ms. Jeanne Pauline Gashumba, Director of Preventing and Fighting Corruption).



COURTESY VISITS



INVITATIONS





ANNUAL MEETINGS

CUSTOMER APPRECIATION







LIST OF PARTICIPATING FINANCIAL SERVICE PROVIDERS



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

LIST OF PARTICIPATING FINANCIAL SERVICE PROVIDERS

PARTICIPATING COMMERCIAL BANKS and their subsidiary licensed financial institutions

- Bank of Baroda (Trinidad and Tobago) Limited
- Citibank (Trinidad and Tobago) Limited
 - Citicorp Merchant Bank Limited
- CIBC FirstCaribbean International Bank (Trinidad and Tobago) Limited
- First Citizens Bank Limited
 - First Citizens Asset Management Limited
 - First Citizens Trustee Services Limited
- Intercommercial Bank Limited
 - Intercommercial Trust and Merchant Bank Limited
- RBC Royal Bank (Trinidad and Tobago) Limited
 - RBC Merchant Bank (Caribbean) Limited
 - RBC Trust (Trinidad and Tobago) Limited
- Republic Bank Limited
 - Republic Finance & Merchant Bank Limited
- Scotiabank Trinidad and Tobago Limited
 - Scotiatrust and Merchant Bank Trinidad and Tobago Limited

PARTICIPATING FINANCIAL INSTITUTIONS

- ANSA Merchant Bank Limited
- AIC Finance Limited
- Caribbean Finance Company Limited
- Development Finance Limited
- Fidelity Finance and Leasing Company Limited
- General Finance Corporation Limited
- Guardian Asset Management Limited
- Island Finance Trinidad and Tobago Limited

PARTICIPATING INSURANCE COMPANIES

- American Life and General Insurance Company (Trinidad and Tobago) Limited
- Bancassurance Caribbean Limited (Guardian Group)
- Bankers Insurance Company of Trinidad and Tobago Limited
- British American Insurance Company (Trinidad) Limited
- Capital Insurance Limited
- Colonial Fire and General Insurance Company Limited
- Colonial Life Insurance Company (Trinidad) Limited
- Cuna Caribbean Insurance Society Limited
- Demerara Life Assurance Company Trinidad and Tobago Limited
- Furness Anchorage General Insurance Limited
- GTM Insurance Company Limited
- Guardian General Insurance Limited
- Guardian Life of the Caribbean Limited
- Gulf Insurance Limited
- Maritime General Insurance Company Limited
- Maritime Life Caribbean Limited
- Mega Insurance Company Limited
- Motor and General Insurance Limited ⁴
- Motor One Insurance Company Limited
- Sagicor General Inc.
- Sagicor Life Inc.
- ScotiaLife Trinidad and Tobago Limited
- Tatil Life Assurance Limited
- The Beacon Insurance Company Limited
- The Great Northern Insurance Company Limited
- The New India Assurance Company Limited
- The Presidential Insurance Company Limited
- The Reinsurance Company of Trinidad and Tobago Limited
- Trinidad and Tobago Insurance Limited
- United Insurance Company Limited

⁴ This company's operations were suspended by the Central Bank of Trinidad and Tobago under Section 68 (2) of the Insurance Act Chapter 84:01 (as amended) (The Act) with effect from June 15, 2010.



APPENDICES



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN



APPENDICES

BANKING

- Over the period 2003 - 2012, the OFSO received a total of 230 complaints which qualified for review under the Terms of Reference. Of these, 98% were resolved.

TABLE 1- BANKING COMPLAINTS PROCESSED BY OFSO 2003-2012

	%	TOTAL	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Received		230	15	29	15	22	25	26	17	36	20	25
Resolved	98.26	(226)	(23)	(19)	(16)	(21)	(25)	(30)	(22)	(28)	(25)	(17)
c/f	1.74	4	4	12	2	3	2	2	6	11	3	8
	100.00											

- Over the period under review, complaints were directed towards bank accounts and banking transactions, card services, loans and credit and other (mortgages, credit chex and pain and suffering).

TABLE 2- BANKING COMPLAINTS RECEIVED BY TYPE 2003-2012

CATEGORIES	%	TOTAL	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Accounts & Transactions	41.74	96	7	9	4	7	17	15	6	13	9	9
Card Services	22.61	52	4	1	4	3	0	2	5	16	5	12
Loans and Credit	13.04	30	1	11	3	5	2	2	2	1	1	2
Other	6.52	15	0	6	1	3	1	1	2	0	1	0
Service and Advice	6.09	14	1	0	1	0	0	2	1	5	3	1
Fees and Charges	5.22	12	2	1	2	2	2	0	1	1	1	0
Mutual Funds	0.43	1	0	0	0	1	0	0	0	0	0	0
Privacy and Confidentiality	1.30	3	0	1	0	0	0	1	0	0	0	1
Credit Policies and Decisions	2.61	6	0	0	0	1	2	3	0	0	0	0
General Interest Rate Level	0.43	1	0	0	0	0	1	0	0	0	0	0
Total	100.00	230	15	29	15	22	25	26	17	36	20	25

APPENDICES

3. The OFSO began to collate complaints handled by the banking sector from 2007. Over the period, 2007 – 2012, 2,298 complaints were received with 94% from the banking institutions.

TABLE 3- BANKING SECTOR COMPLAINTS 2008-2012

	%	TOTAL	2012	2011	2010	2009	2008	2007
Banking Institutions	94.26	2,166	229	300	239	250	412	736
OFSO	5.74	132	15	29	15	22	25	26
TOTAL	100.00	2,298	244	329	254	272	437	762

INSURANCE

4. The OFSO received 2,602 complaints with 409 complaints referred to the Inspector of Financial Institutions for processing. Of the net 2,193 complaints, 97% were resolved and closed, with 68% or 1,491 by Agreement.

INSURANCE COMPLAINTS 2005 (MAY-DECEMBER)- 2006-2012 (JANUARY-DECEMBER)

	%	Total	2012	2011	2010	2009	2008	2007	2006	2005
Received		2,602	304	267	291	351	270	341	480	298
Referred to FISD ^a		(409)	(20)	(29)	(50)	(66)	(43)	(39)	(73)	(89)
Total to be processed		2,193	284	238	241	285	227	302	407	209
Resolved/Closed/										
Referred to Liquidator b^b at		2,019	280	238	249	270	245	314	301	122
year-end		117						21	96	
	97.40	2,136								
c/f	2.60	57	57	53	53	61	46	64	97	87
	100.00	2,193								



APPENDICES

INSURANCE COMPLAINTS 2005 (MAY-DECEMBER)-2011 (JANUARY-DECEMBER)

Complaints Resolved	%	Total	2012	2011	2010	2009	2008	2007	2006	2005
by Agreement	67.99	1,491	198	155	173	194	169	235	277	90
Withdrawals /Rejected										
by OFSO ^{c+d}	25.67	563	64	75	73	71	67	92	112	9
by Complainant ^e	3.42	75	17	8	2	5	6	6	8	23
Court Referrals	0.23	5	1		1		2	1		
Recommendations/Awards	0.09	2	0				1	1		
Resolved/Closed	97.40	2,136	280	238	249	270	245	335	397	122
In progress/Outstanding	2.60	57								
TOTAL	100.00	2,193								

Notes

- Referred to the Financial Institutions Supervision Department (FISD) (Claims did not fall within the Terms of Reference) e.g. Personal Injury, claims above \$25,000 up to December 2010 and above \$50,000 afterwards.
- Goodwill Industries claims placed under liquidation and judicial management. (2006) Citizen Insurance 2009) Motor & General Insurance Company.
- Withdrawals by OFSO, a) complaint without merit b) insurer insists on denial of liability c) long period without contact, information, response.
- Rejected: claims rejected by the insurer.
- Withdrawals by complainant a) matter to be settled by the court of law, b) complainant remains dissatisfied with the outcome.

- Vehicle Insurance remained the major type of insurance complaint over the period under review accounting for 95.30%.

INSURANCE COMPLAINTS 2005 (MAY-DECEMBER)-2011 (JANUARY-DECEMBER)

	%	TOTAL	2012	2011	2010	2009	2008	2007	2006	2005
Motor Vehicle	95.30	2,090	282	235	232	276	214	284	387	180
Life, Health, Annuities	4.20	92	2	3	9	9	12	15	17	27
Property	0.50	11	11	0	0	0	1	3	3	2
TOTAL	100.00	2,193	284	238	241	285	227	302	407	209

APPENDICES

6. Over the period, 2005 to 2012, the major causes of complaints remained consistent; they pertained to the undue delay in settling claims, the quantum of the offer that insurers considered adequate for settling claims and the reasons for the denial of liability.

INSURANCE COMPLAINTS RECEIVED BY CATEGORY 2005-2012

CATEGORIES	%	TOTAL	2012	2011	2010	2009	2008	2007	2006	2005
Undue Delay	38.30	840	85	63	79	99	77	123	209	105
Inadequate Settlement	32.97	723								
102	98	91	109	84	105	107	27			
Denial of Claims	25.22	553	92	68	65	74	58	60	82	54
Other	3.51	77	5	9	6	3	8	14	9	23
Total for Processing	100.00	2,193	284	238	241	285	227	302	407	209
FISD/Other		409	20	29	50	66	43	39	73	89
TOTAL		2,602	304	267	291	351	270	341	480	298

APPENDICES

7. Over the period under review, the Office resolved 69.4% or 1,482 complaints in 90 days.

TIME FOR RESOLUTION OF INSURANCE COMPLAINTS 2005-2012										
Resolved within	%	TOTAL	2012	2011	2010	2009	2008	2007	2006	2005
0 -30 days	24.20	517	106	52	33	22	29	55	191	29
31 -60 days	23.17	495	102	66	68	58	58	67	38	38
61-90 days	22.00	470	41	67	61	95	58	67	64	17
91 -120 days	13.67	292	18	33	37	54	37	27	69	17
More than 120 days	16.95	362	13	20	50	41	63	119	35	21
Sub-Total	100.00	2,136	280	238	249	270	245	335	397	122
Carried Forward		57								
Total for Processing		2,193								

8. Complaints continue to be received from mainly three insurance companies; accounting for 54% over the period. These companies continue to be monitored by the Regulator.

INSURANCE COMPLAINTS RECEIVED FOR THE YEAR 2005-2012										
	%	TOTAL	2012	2011	2010	2009	2008	2007	2006	2005
Company A	26.06	678	85	89	92	96	75	83	99	59
Company B	16.45	428	37	34	44	60	53	66	80	54
Company C	11.45	298	34	29	32	32	35	34	77	25
Company D	5.53	144		-	-	30	19	35	41	19
Company E	4.19	109		-	-	21	11	23	37	17
Sub Total	63.68	1,657	156	152	168	239	193	241	334	174
Other Companies	36.32	945	148	115	123	112	77	100	146	124
Total	100.00	2,602	304	267	291	351	270	341	480	298
% of Other Companies		36.32	48.68	43.07	42.27	31.91	28.52	29.33	30.42	41.61



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN