

A PEOPLE
SENSITIVE
REGIME



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

ANNUAL REPORT 2011



A PEOPLE SENSITIVE REGIME



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

2012 ANNUAL BREAKFAST MEETING

THURSDAY 3RD MAY 2012
CENTRAL BANK AUDITORIUM
7:30 A.M. - 12:00 NOON

The National Anthem

Welcome Remarks
Ms. Suzanne Roach
Financial Services Ombudsman

Greetings from
Mr. Gary Awai
Representative of
Bankers Association of Trinidad and Tobago

Mr. Douglas Camacho
Representative of
Association of Trinidad and Tobago
Insurance Companies

Mr. Joel Jack
Programme Coordinator
of the Division of Finance and
Enterprise Development
Tobago House of Assembly

Musical Interlude

Feature Address
Governor Ewart S. Williams
Central Bank of Trinidad and Tobago

Presentation of Tokens

Vote of Thanks
Ms. Lygia Moore
Resolution Officer II
Office of the Financial Services Ombudsman

TEAM
TRUMPH

CONFIDENCE
GOOD

LEADERSHIP ACHIEVEMENT REWARD
POSITIVE TEAM WORK
CONFIDENCE GOOD GREAT TEAM BUSINESS GRAND JOY SUCCESSFUL
LEADERSHIP LUCKY TRIUMPH ACHIEVEMENT GREAT POSITIVE
WINNER HAPPINESS WINNER PERFECT FEELING SATISFAC
GRAND FEELING CONFIDENCE REWARDS ACHIEVEMENT LUCK

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foreword

*This is the feature presentation delivered by
Governor E. Williams on May 4th, 2012*



Ewart S. Williams
Governor
Central Bank of Trinidad and Tobago

Thank you Suzanne for that perhaps too generous introduction. Thanks also for this invitation to give the feature address at this Ninth Annual Meeting of the Office of the Financial Services Ombudsman (OFSO).

I remember when the Office was established in 2003, there was a **mixture of anticipation and suspicion** on the part of the public. Some of the economic purists saw this as an **attempt to interfere with the market mechanism**. Competition in the marketplace, they argued, should ensure that financial institutions provide the best possible service to their consumers, failing which the consumer would simply move to the next provider. At any rate, it was suggested, that any consumer who aggrieved always had recourse to the courts for redress. It is now widely accepted that this **argument is flawed**, even for developed countries where markets tend to be more competitive. It is even much **more flawed** in developing countries

where market failure is not the exception but the norm, and **where unchecked market forces** invariably resulted in some customers being exploited.

Fortunately the commercial banks, who were the first participants in the scheme, recognized that an independent Ombudsman was in the interest of the entire banking industry – **both banks and customers alike** – and they agreed to the Central Bank's proposal for a voluntary scheme, not waiting to have it enshrined in the law. I am pleased to note that this scheme has not only survived, but has become an important part of our financial architecture.

Over the past decade or so, many advanced countries have made consumer protection and financial literacy important elements in a broader strategy aimed at long term financial stability. Trinidad and Tobago continues to be **in the forefront of this movement in the Caribbean** and perhaps among developing countries.

Interest in consumer protection has increased significantly since the onset of the financial crisis of 2007-2009, as a result of which many advanced countries have introduced new legislation to protect consumers of financial services.

In 2010, the United States, enacted the **Consumer Protection Act** and created the **Customer Financial Protection Bureau** to ensure that markets for financial products and services worked in a fair, transparent and competitive manner. **In the UK**, the Financial Services Authority has

recently outlined a new consumer protection strategy which, inter alia, aims at:

- making retail financial markets work better for consumers, and
- facilitating the delivery of prompt and effective redress for consumers of financial services.

In several other countries, the Office of the Financial Services Ombudsman is part of the arsenal of consumer protection. We can identify Banking and Financial Services Ombudsmen in at least thirty countries including Australia, the United Kingdom, Canada, Netherlands, and South Africa.

The Financial Services Ombudsman, **in any country**, focuses on an issue that is intrinsic to human interaction – i.e **CONFLICT** - and it operates against the reality that there **is an asymmetry of information and power** between the **financial institution and the consumer**, which works to the advantage of the former. And this is particularly true in developing countries and **with respect to the smaller less financially-sophisticated consumer**.

What the Ombudsman's Office does is to provide an accessible, cost-effective and common sense approach to dispute resolution. The Ombudsman is there to be of assistance to financial consumers, **who would otherwise find it difficult to advocate their cause**; or consumers who are unable or unwilling to engage in slow, costly litigation.

In a sense, the function of the Ombudsman is to defend the rights of the consumer of financial

services. But the Ombudsman **should also stress that consumers have responsibilities**.

It is the consumer's responsibility, for example, to provide complete and accurate information on his financial status: to read and to try to understand the agreements he signs and to take responsibility for his financial decisions. Against this background, the Ombudsman **should be prepared to be honest and forthright** with any consumer whose complaint is deemed to have no merit.

The Ombudsman could also be of tremendous benefit to the financial service provider, **in this sense**. A complaint could be one of the most direct ways of saying that **there is need for improvement**. Accordingly, financial institutions could use consumer complaints as opportunities for change. Since the Ombudsman keeps a record of complaints, **the Office could potentially provide an impetus for reforming banking practices**.

My point is that **the benefits to be derived from the Financial Ombudsman**, are there to be shared by both the financial sector and the small consumer.

Its value to the consumer **is in providing an accessible low-cost approach to resolving complaints**. To the institution, it provides an impetus to act in a responsible manner and, where appropriate, to improve its systems and procedures.

While there is a tendency to see the Ombudsman as a champion of the consumer, its real value is in providing a fair and balanced approach to investigating, without pre-judging or advocating the cause of either side of the dispute. I can tell you that, **all over the world, Ombudsmen vigorously**

defend their independence and for good reason – **their independence is the source of their legitimacy; it is what defines their credibility.**

The mandate of our Financial Services Ombudsman is to facilitate the resolution of complaints **from individuals and small businesses** with respect to services provided by the banking and the insurance sectors.

In the case of the banks, the Ombudsman is empowered to treat with specific types of complaints involving **deposit and loan accounts; investment services, trusts and mutual funds.** However, the rules specify that the complaint must not be related to interest rates, fees and charges and other pricing decisions.

The Ombudsman's jurisdiction, **in the case of the insurance sector,** covers life policies, individual annuity products, fire and general insurance and third party property damage claims (up to \$50,000), **under motor insurance policies. Outside the terms of reference** are complaints involving a company's risk management policies, product pricing or interest rates.

The rules specify that the **complaint must first be referred to the financial service provider for resolution** and only if the complainant is not satisfied, could the Ombudsman be approached.

It is important to note that **the complainant does not surrender his/her legal rights** by approaching the Ombudsman. If not satisfied the complainant is always free to take legal action.

The limited jurisdiction of the Ombudsman scheme is an obvious weakness and a source of considerable irritation to complainants. However, even on matters strictly outside its jurisdiction, **our OFSO** has sought to intervene on behalf of aggrieved consumers **by bringing the parties together to search for a solution.** In many cases the strong **relation of trust** developed between the OFSO and the service providers, has facilitated resolution of complaints that fall outside the formal terms of reference of the Ombudsman scheme.

Mis-understanding of the role and function of the OFSO and confusion about the procedures to be followed in making complaints were some of the initial challenges faced by the Ombudsman scheme. As Suzanne noted the OFSO has taken steps to address these issues **through various public awareness programmes.** Most notably, the OSFO is now giving greater focus to financial education.

The results achieved by the OFSO since its inception have been **formidable by any standard.**

The total number of complaints against the banks received by the OFSO was, 585. However only 215 or less than 40 per cent fell within the "terms of reference".

It is interesting to note that, in the case of the commercial banks, the Ombudsman scheme prompted the **establishment on strengthening of formal internal dispute-resolution mechanisms.** This, I **would assume,** has led banks to be more attentive to customer complaints so as to pre-empt the visit to the Ombudsman. Data provided by

the banks themselves indicate that **they handled internally close to two thousand complaints, between 2008 and 2011.**

The number of qualifying complaints **against the insurance companies** referred to the Ombudsman Office amounted to about 2000, over the period 2005 through 2011, the vast majority of which (about 95 per cent) related to motor vehicle insurance. Unlike in the case of the commercial banks, we have no systematic information on the number of complaints handled internally by the insurance companies. A few companies have established formal dispute-resolution mechanisms. The majority, however, depend on informal ad hoc arrangements. **The absence of effective internal mechanisms to deal with complaints** may be one factor contributing to the larger number of complaints against the insurance companies.

Data from the Ombudsman's Office point to a very impressive resolution rate of 94 per cent in respect of commercial bank complaints and 97 per cent in respect of insurance complaints.

Mr. Douglas Camacho alluded to it and I share the view that the large number of complaints against insurance companies compared to the banks may have much to do with the following three factors: i) the more robust regulatory regime concerning the commercial banks, **whose legislation is more current than that of the insurance sector** ii) a stronger compliance culture resulting **from decades of central bank supervision**, compared to only seven years for the insurance sector and iii) the lower capital and entry requirements faced by the insurance sector and particularly the general companies.

The area of **motor vehicle claims presents** by far the greatest challenge for the Ombudsman's Office and is the area of greatest concern for consumers. Of the close to 2300 complaints processed by the OFSO over the past seven years, **about two-thirds involve 5 of the 29 operating** insurance companies. The inescapable reality is that, while most insurance companies operate in a reputable and responsible manner, **there are a few that adopt questionable industry practices, oft-times exploiting the antiquated and grossly inadequate insurance legislation.**

As an example, in order to capture market share, **some companies are prepared to under - price premiums, while operating with inadequate claims reserves.** Consequently, these companies face serious problems in meeting consumer claims. As a result, **the bulk of the insurance complaints reaching the Ombudsman are for unfair claims practices** such as; forcing legitimate claims to litigation; under-payment of claims and unreasonable delays in paying claims.

The new Insurance Act, which is currently before Parliament, will seek to address this issue by requiring that every insurance company involved in general insurance carry a full-time actuary who will certify the adequacy of claims reserves.

I would like to provide some thoughts **about the way forward** for the Ombudsman Scheme, but I would like to couch these **against the background of the new global approach to financial sector stability** espoused by the foremost authority on these matters – the Group of G20 Finance Ministers and Central Bank Governors.

This approach says that **traditional regulatory and supervisory frameworks adopted by oversight bodies** are not sufficient for financial stability but rather should be complemented by “**strengthened, dedicated and proportionate policy action** geared to enhance financial consumer protection”.

The G20 explains that the enhanced focus on consumer protection is made necessary by the increased complexity of financial products and rapid technological change, all against the background of **the prevailing low level of financial literacy**.

The G20 emphasizes that these factors could increase the risk that consumers face with respect to **fraud, abuse and misconduct**. In particular, low income and less experienced consumers are more prone to these risks.

In these circumstances, the G20 suggest that **financial consumer protection should be integrated with financial literacy policies**. The Group calls for, inter alia, legal recognition of consumer financial protection, oversight bodies with the necessary authority and resources to carry out their mission, improved financial education, and adequate complaints handling and redress mechanisms.

The G20 makes a number of specific recommendations but cautions that the approach should be tailored to the specific country circumstances.

Against this background, I would like to make three suggestions for upgrading our existing regime of financial consumer protection.

Firstly, **it is time that the existing voluntary Ombudsman regime be enshrined into law**. While the voluntary arrangement confirmed the “**buy-in**” by the financial services firms, it limited the jurisdiction of the Ombudsman, since the Office’s “terms of reference” was limited to the least common denominator – that is to the areas on which there was total agreement among the service providers. This left a significant area of complaints outside of the jurisdiction of the Ombudsman. Giving statutory backing to the Ombudsman scheme **will also facilitate the introduction of appropriate sanctions for non-compliance**.

The second imperative, in my view, (and it follows logically from the first) is **to extend the scope of complaints that come under the authority of the Ombudsman**. The numbers tell the tale – only about one-third of all the complaints that reach the Ombudsman actually qualify under the terms of reference. **This limited jurisdiction is perhaps the greatest threat to the credibility of the scheme**.

Third, in order to deliver this expanded mandate the **OFSO would need to be better resourced**, with a range of competencies sufficient to deal with the rapidly-evolving financial services industry. Adequate resources and competence would strengthen the credibility of the institution in the eyes of both consumers and the service providers.

Ladies and gentlemen, I would like to end by congratulating **Ms. Suzanne Roach, the current Ombudsman**, her predecessors, **and their respective staff**, for shaping a formidable institution that has gained considerable respect

from both the providers and the consumers of financial services. Let me also thank the banking and the insurance sectors for their unstinting support for the Ombudsman scheme.

I really believe that the Ombudsman's office **has earned the right to move to the next level** and assume a more prominent role in the country's strategy for achieving financial stability.

I wish the Ombudsman and her staff continued success and **I thank you all for your kind attention.**



Ewart S. Williams
Governor
Central Bank of Trinidad and Tobago



preface



Suzanne Roach
Financial Services Ombudsman
Trinidad and Tobago

A PEOPLE SENSITIVE REGIME

Today marks another milestone for the Office of the Financial Services Ombudsman. For the first time our Annual Meeting will be carried live by the media and streamed online at www.ofso.org.tt and www.central-bank.org.tt.

Over the year 2011, we sought to bring the Office closer to its stakeholders in a number of ways.

- We provided an array of financial and consumer protection information to the **general public**. In this regard, we paid particular attention to the more vulnerable groups such as individuals who live with dementia, diminished capacity, mental health illness and senior citizens.
- We increased dialogue with **member financial institutions** in order to help strengthen operational processes.

- We heightened our visibility in **the media** to build greater awareness of the role and functions of the OFSO.
- We also established closer ties with **Regulatory and Consumer Protection Agencies** in order to respond better to the complaints of consumers.

All these initiatives were undertaken in the context of our theme in 2011 of Strengthening the Role and Functions of the OFSO.

Operationally, the Office introduced two initiatives. The first was the mandatory recording of walk-in or telephone complaints to the Office (Enquiries). The second was the request for Insurance Companies to forward to the OFSO quarterly statistics on complaints recorded and handled by their organizations from 2008 to the present. The latter initiative sought to bring the data received from the Insurance Sector in line with

what is already being received from the Banking Community.

The OFSO continued with the initiative began in 2010 to take financial education to the people of Trinidad and Tobago. This has led to a greater awareness by consumers of financial products and services, enabling them to better understand their fundamental rights and responsibilities as well as to make more informed decisions. We have seen, as a result, an increased demand for outreach sessions, for financial information and a surge in the number of enquiries (walk-ins, telephone calls, emails and letters) by the public.

We view the increase in the public's enquiries and complaints as opportunities to learn more about customers' concerns so we can better serve them.

Our interactions with various publics have revealed that complaints are often customers' cries for institutions to **know their customers**. Moreover, we are mindful that:

- the public are our Research and Development teams;
- their needs are opportunities to provide new products and services; and
- they represent various target groups or populations, each with specific needs.

A complaint is one of the most direct ways of saying that a business needs improvement. If **ALL** our member financial institutions would embrace complaints as opportunities for change, I feel sure that they would experience even more growth and development.

In accordance with our theme for 2011, we focussed on becoming a more People Sensitive Regime geared towards connecting with our major stakeholders – ultimately with the objective of having satisfied customers and a strong vibrant financial sector.

As a customer myself, my needs have changed from when I opened my first account in primary school or even from when I purchased my first insurance policy. Yet my financial service providers have not been keeping me abreast of new products and services as I enter new stages of life. Certainly, I am not the only individual in this situation. This suggests to me that there may be countless missed opportunities which could be seized by the financial service providers to not only offer new business but also to reconnect with their customers.

It has been a truly rewarding year and we look forward to serving the public even more in the year ahead. I am thankful for the steadfast support provided by the Governor of the Central Bank who has ensured that the Office of the Financial Services Ombudsman remains independent, and who continues to challenge us to reach out and serve the public at their point of need and to do so with empathy and impartiality.

I am also grateful for the cooperation and support provided by members of both the banking and insurance sectors who have assisted me in the performance of my job as Ombudsman. In addition, I continue to value our mutual working relationship which is evident in the warm reception we receive at courtesy visits to institutions and at our mediation sessions to resolve complaints.

I congratulate and acknowledge the teamwork of the members of my dedicated and loyal staff who continue to perform diligently to ensure that complaints are handled fairly, confidentially and expeditiously and who ensure that complainants are well treated.

I commend the positive response of other staff members of the Central Bank whose support (administrative, audio visual and otherwise) made our job that much easier to perform.

Throughout the year, we endeavoured to facilitate the independent, amicable and prompt resolution of all the complaints lodged at our Office. The success of the Ombudsman Scheme is dependent on the open dialogue and cooperation between all the concerned parties. **I cannot over emphasize the importance of this.** While clients have a responsibility to read and understand the product documentation provided by financial institutions; in turn, the institutions and/or their representatives have a greater obligation to ensure to the best of their ability that customers understand the products and/or services and that these meet their needs.

The Office of the Financial Services Ombudsman will continue to do its part to foster this dialogue and cooperation. We remain focussed on being a people sensitive organization as we fulfill on our mission to be fair, impartial and confidential in the resolution of disputes between insurers and the banking institutions and their customers.



Suzanne Roach
Financial Services Ombudsman
Trinidad and Tobago

report for the year ended
december 31, 2011

OVERVIEW

The Office of the Financial Services Ombudsman (OFSO) addressed a record number of enquiries in 2011, although the number of complaints that fell within its Terms of Reference increased only marginally. A total of 800 persons made enquiries of the OFSO on a wide range of financial matters with 33 per cent falling within our Terms of Reference to become formal complaints. The remaining 67 per cent after consultation were either directed toward the Regulator, the financial institutions or our regulatory agencies.

The number of complaints received was 4 per cent higher than in the previous year, but almost 20 per cent down from 5 years ago. Of the 267 complaints received in the year, 29 were related to the banking sector (up from 15 in 2010) and 238 were related to the insurance sector (down from 241 in 2010). Table 1 below shows the number of new complaints.

FIGURE 1

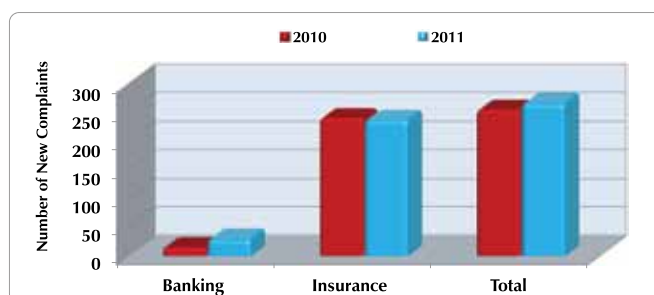


TABLE 1
NEW COMPLAINTS REPORTED TO OFSO
2010 – 2011

Institutions	2011	2010	
	No. of Complaints	No. of Complaints	% Change
Banking	29	15	93%
Insurance	238	241	(1%)
Total	267	256	(4%)

REPORT ON BANKING SERVICES

NEW BANKING COMPLAINTS

Both the OFSO and the banking institutions collectively experienced a significant increase in the number of complaints. For the OFSO, the increase was almost 100 per cent from 15 to 29, while for the banking institutions the number grew by 25 per cent to 300. (Table 2 and Figure 2 refer).

The majority of complaints received by the commercial banks related to unsatisfactory service and fees and charges. The general increase in complaints appears to be the result of a greater vigilance by consumers rather than a deterioration in the bank's relationship with their customers.

were in various stages of completion. Although the number of "in-progress" complaints at year-end was significantly higher than at the end of last year, the number of cases resolved increased from 16 to 19. Table 4 and Figure 3 summarizes the status at year-end.

TABLE 2
TOTAL NEW COMPLAINTS - BANKING
INSTITUTIONS
2010-2011

	2011	2010	% Change
OF SO	29	15	93
Banks	300	239	26
Total	329	254	30

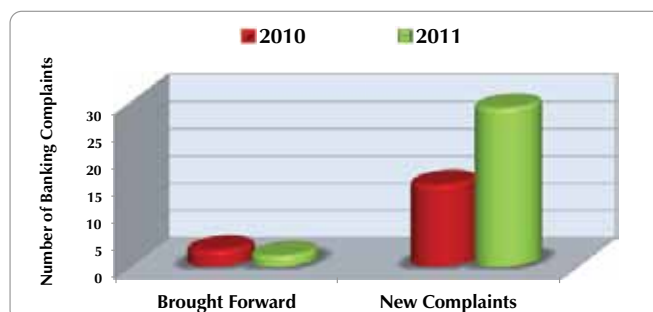
TYPES OF BANKING COMPLAINTS

The majority of the complaints received by the OFSO fell in the categories of "loans and credit" and "accounts and transactions". There was also a significant increase in complaints classified as 'other'. These complaints pertained to mortgages and Credit Chex reports. Table 3 shows a breakdown of the types of complaints received in 2011 compared to 2010.

RESOLUTION OF BANKING COMPLAINTS

In addition to the 29 new complaints received in the year, the OFSO addressed 2 complaints which were brought forward from the previous year for a total of 31 complaints for 2011. By year-end, 19 of these were fully resolved while the remaining 12

FIGURE 2



report for the year ended december 31, 2011

TABLE 3
BANKING COMPLAINTS RECEIVED BY TYPE
2010-2011

	2011		2010	
	No. of Complaints	% of Total	No. of Complaints	% of Total
Accounts and Transactions	9	31	4	27
Card Services	1	3	4	27
Fees and Charges	1	3	2	13
Loans and Credit	11	38	3	20
Privacy and Confidentiality	1	3	0	0
Mutual Funds	0	0	0	0
Credit Policies and Decisions	0	0	0	0
Service and Advice	0	0	1	7
Other	6	21	1	7
TOTAL	29	100	15	100

FIGURE 3

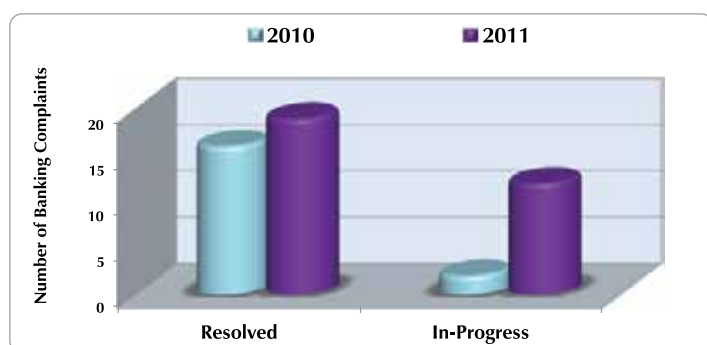


TABLE 4
STATUS OF BANKING COMPLAINTS AT YEAR-END
2010-2011

	2011	2010
Brought Forward	2	3
New Complaints	29	15
Total Complaints	31	18
Resolved	19	16
In-Progress	12	2

OUTREACH EXPERIENCE

During Outreach Sessions, customers continued to raise concerns regarding their experiences with the banking institutions. The most common areas of concern related to:

- The quality of service rendered by the banks (particularly to the elderly);
- The level of service fees and charges;
- The lack of downward adjustment in property values;
- The delay to the downward adjustment to mortgage rates when interest rates fall;
- The authorized credits to accounts;
- The difficulty in opening accounts for persons under 25 years, senior citizens and those who are visually impaired and
- The quality of information disseminated to customers.

The Office shared these concerns with the Bankers' Association of Trinidad and Tobago for appropriate action.

REPORT ON INSURANCE SERVICES

NEW INSURANCE COMPLAINTS

In 2011, there was a modest decline in the number of insurance-related complaints that fell within the OFSO's Terms of Reference. However, the number of complaints relative to the motor insurance sub-category increased to 235 from 232 in 2010. Motor vehicle related complaints accounted for 99 per cent of total complaints in the insurance sector in 2011 compared to 96 per cent in 2010. (Table 5 refers).

An additional twenty-nine (29) complaints relating to third party claims for motor vehicle damage or injuries in excess of \$50,000, which therefore fell outside the OFSO'S Terms of Reference, were referred to the Financial Institutions Supervision Department (FISD) of the Central Bank for resolution.

DISTRIBUTION OF INSURANCE COMPLAINTS

In 2011, 60 per cent or 142 complaints compared with 57 per cent or 138 complaints were directed towards three (3) companies. One insurer accounted for 35 per cent of the total insurance complaints received by the Office. Given the nature of the challenges, the OFSO has intensified the dialogue with the Regulator with a view towards achieving some improvements.

TYPES OF INSURANCE COMPLAINTS

The majority of insurance complaints continue to fall in the categories "undue delay", "inadequate settlement" and "denial of claims". However, while there has been a decrease in the number of complaints falling in the "undue delay" category, the number of complaints with regard to the "inadequate settlement" and "denial of claims" increased. The OFSO dealt with 9 complaints regarding health insurance and subrogation matters such as "loss of use" of and clients requests for waivers of the payment of excess. Table 6 shows the number of complaints by major categories.

TABLE 5
TOTAL NEW COMPLAINTS – INSURANCE COMPANIES
2010-2011

	2011		2010	
	No. of Complaints	% of Total	No. of Complaints	% of Total
Motor	235	98.7	232	96.3
Property	0	0.0	0	0.0
Life/Health/Annuities	3	1.3	9	3.7
TOTAL	238	100	241	100

RESOLUTION OF INSURANCE COMPLAINTS

In addition to the 238 new complaints received during the year 2011, the OFSO dealt with 53 cases that were brought forward from the previous year, giving a total of 291 cases which received attention in the year. This was 4 per cent less than the total of 302 in the previous year.

A total of 238 complaints were closed in the year while 53 remained unresolved at year-end, 36 of which were received in the last 2 months of the year. Most of the complaints (65 per cent) were resolved by agreement between the parties, with the remainder (35 per cent) being withdrawn.

Withdrawal of complaints was initiated either by the OFSO or the complainants for the following reasons:

- Failure of complainants to supply documentary evidence to support their claims;
- After examining the circumstances of the complaint, it was found to be without merit;
- Investigations by insurers revealed that there was no liability on their part for payment of the claim; and

- Complainants remained dissatisfied with the offer for settlement and decided to exercise other options.

Table 7 shows the status of complaints at year-end.

TABLE 6
INSURANCE COMPLAINTS RECEIVED BY
CATEGORY 2010-2011

	2011		2010	
	No. of Complaints	% of Total	No. of Complaints	% of Total
Undue Delay	63	26	79	33
Inadequate Settlement	98	41	91	38
Denial of Claims	68	29	65	27
Other	9	4	6	2
TOTAL	238	100	241	100

TABLE 7
Status of Insurance Companies Complaints at Year-End
2010-2011

	No. of Complaints	
	2011	2010
Resolved by Agreement	155	173
Withdrawals by OFSO	75	73
Withdrawals by Complainants	8	2
Referred to Court	0	1
Transferred to Liquidator	0	0
Recommendations/Awards	0	0
Resolved	238	249
In-progress	53	53
TOTAL	291	302

TIME FOR RESOLUTION OF INSURANCE COMPLAINTS

There was an improvement in turnaround times notwithstanding the greater complexity in some of the issues which necessitated increased recourse to external technical assistance, particularly with regard to Legal Counsel and Loss Adjusters. In 2011, 50 per cent of claims resolved were completed within 60 days (compared with 41 per cent in 2010) and 78 per cent were settled within 90 days of receipt (compared with 65 per cent in 2010). The advice of an independent Loss Adjuster was sought on more than 12 separate occasions and 9 cases were submitted for a legal opinion. Table 8 shows response times for dealing with complaints in 2011 compared to 2010.

Several insurance complaints took an inordinately long time to resolve largely due to the lack of cooperation from certain participating institutions.

OUTREACH EXPERIENCE

In our Outreach Sessions, customer concerns remained the same as in previous years. Accordingly, they centred on the following:

- The hostile attitude and poor service rendered by the insurance representatives when they:
 - Request an explanation of policy conditions or
 - Request an explanation of settlement offer;
- The lack of explanation provided when a policy is being sold;
- The urgency to have customers sign in settlement of a claim;
- The concept of excess and loss of use; and
- The limited number of insurance companies that insure foreign used vehicles.

The Office drew these concerns to the relevant insurance companies for appropriate action.

TABLE 8
TIME FOR RESOLUTION OF COMPLAINTS
2010-2011

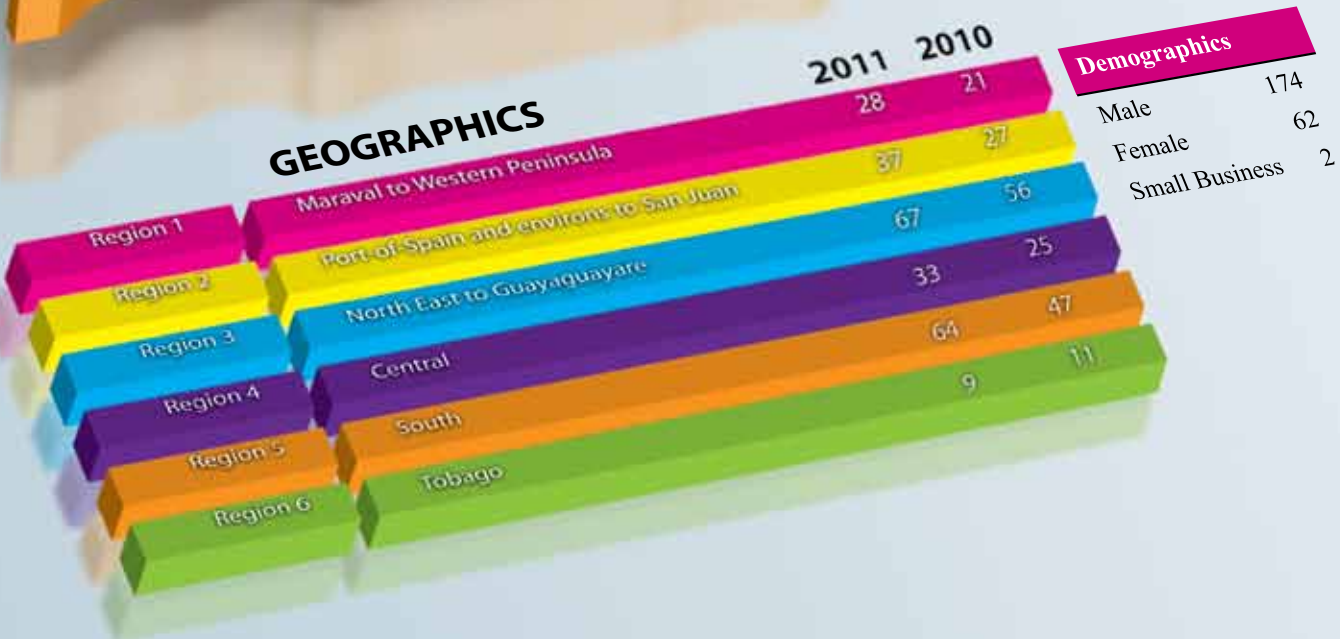
	2011		2010	
	No. of Complaints	% of Total	No. of Complaints	% of Total
Within 30 days of receipt	52	21.9	33	13.3
31-60 days of receipt	66	27.7	68	27.3
61-90 days of receipt	67	28.1	61	24.4
91-120 days of receipt	33	13.9	37	14.9
More than 120 days or receipt	20	8.4	50	20.1
TOTAL	238	100.0	249	100.0

COMPLAINT GEOGRAPHICS

The largest percentage of the complaints received came from persons residing in the Eastern and Southern parts of Trinidad, shown as Regions 3 and 5 in the diagram below.



Figure 5
Complaint
Geographics



NEW INITIATIVES

During 2011, the OFSO undertook two new operational initiatives. The first was the mandatory recording of walk-in or telephone complaints and the second was a requirement for insurance companies to furnish the OFSO with quarterly statistics on complaints received. The latter is intended to provide more comprehensive data on the total complaints on the insurance sector, in a similar way as done for the commercial banks. The data collected from the first initiative show the following:

- 800 persons contacted the Offices at Port of Spain and Tobago;
- The time spent addressing customers' concerns ranged from 10 to 45 minutes;
- About 33 per cent of the enquiries led to formal complaints.

In view of the information gained both at the Offices and during Outreach Sessions, the OFSO paid greater attention to our senior citizens. This group of customers repeatedly stated that they received

less than adequate treatment from financial service providers. Their treatment was described as dismissive, rude and condescending, being treated "as children" and as if their opinions did not matter. We recognized that our senior citizens comprise a significant group. Statistics from the Division of Ageing (Ministry of the People and Social Development) show that some 12 per cent of the population of this country is over 60 years of age (156,000 persons) with the majority being women, living mainly along the East-West Corridor. The Office has sought to raise the awareness and understanding of member institutions so that they would exercise due care and attention when dealing with these special customers.

KUDOS RECEIVED FOR THE YEAR 2011

I WISH I COULD FIND A WAY OF
SAYING THANK YOU THAT COULD
SOMEHOW MEAN AS MUCH AS
WHAT YOU'VE DONE FOR ME.

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

Your kindness really
meant much more
than words can ever
thank you for.

Wanting you to know
that your kindness
and thoughtfulness
will always be
remembered.

Thank you for
providing clarity
on the issue and a
speedy resolution.

OUTREACH EXPERIENCE

The Outreach Programme remained significant among the activities of the OFSO in 2011. The objectives were to increase public awareness of the services provided by the OFSO and the promotion of a greater level of understanding of consumers' rights and responsibilities when conducting transactions of a financial nature.

Our approach included site visits, presentations, use of the website, publications as well as meetings between the Financial Services Ombudsman (FSO) and special groups.



EVOLVING TECHNOLOGIES



L'ANSE FOURMI COMMUNITY, TOBAGO

report for the year ended december 31, 2011

SITE VISITS, MEETINGS AND PRESENTATIONS

The FSO met with several special interest groups including the L'Anse Fourmi Community Group, the Barataria Village Council, the Arima Evangelical Church Group, the Bethel Pentecostal Church Group and Fire Service Officers. In addition, presentations on the role of the OFSO were made to the Forms 3-5 students of the Diego Martin Government Central Secondary School, to Evolving Technologies (e-Teck), to the Greater Tunapuna Chamber of Industry and Commerce, to Guardian Life Insurance Agents – Top 30 Producers for First Quarter 2011, to the Life Office Management Association (LOMA) and to the Trinidad and Tobago Association of Insurance Finance Advisers (TTAIFA).

CUSTOMER APPRECIATION DAY

A “Customer Appreciation Day” was held in Tobago on December 7, 2011 and in Trinidad on December 30, 2011. Tokens and financial information were presented to our customers.



GLORIA APPLEWHITE RECEIVES A TOKEN FROM THE FSO

WEBSITE

During the year, the OFSO's website was upgraded to include audio presentations and limited video presentations. In addition, a “What's New” segment, which provides the public with up-to-date information about the OFSO, was added to the webpage.

These changes were well received as there was an improvement in the number of hits to the OFSO website. The average number of hits recorded monthly increased from 172 in 2010 to 300 in 2011.

PUBLICATIONS



Lygia Moore at the Managing Your Future Exposition in Siparia

The OFSO continued its publication of the Mediator Newsletter throughout 2011. The Newsletter again utilized various case studies to highlight the types of issues that affect individuals who conduct business in the banking and insurance sectors and how these were resolved.

report for the year ended december 31, 2011

In 2011, the OFSO distributed 5,000 copies of the Newsletter to a wider network which included libraries, mail distribution centers, financial institutions and the Tobago House of Assembly.

In Tobago, in addition to the Newsletter, advertisement flyers were placed in the **Tobago News** among other things, to remind the public of the Office at Glen Road, Scarborough and the dates of our bi-monthly visits.

The FSO also continued to author, in the print media, a bi-monthly column which addressed issues that impacted on the financial services industry.

BUILDING RELATIONSHIPS

The OFSO continued its collaboration with the National Financial Literacy Programme (NFLP) in the preparation of an education booklet on Home Ownership. It also participated jointly in two expositions on “Managing Your Future” which were held in Siparia on April 9, 2011 and in Chaguanas on July 9, 2011.

The OFSO participated in discussion with the Central Bank, the National Financial Literacy Programme (NFLP) and the Bankers’ Association of Trinidad and Tobago (BATT) on new Mortgage Market Guidelines.

Meetings were also held with representatives of Trinidad and Tobago Transparency International, the Loss Adjusters’ Association and the Alternative Dispute Resolution Centre as they sought a better understanding of the role and function of the Office of the Financial Services Ombudsman.

Seeking to maximize our interaction in Tobago, the OFSO participated in the Annual Blue Food Festival on October 16, 2011 organised by the Secretary of Tourism in the Tobago House of Assembly. Approximately five hundred (500) packages were distributed to persons attending this event.

INTERNATIONAL AFFILIATION

The FSO continued membership in the International Network of Financial Services Ombudsman Scheme and contributed a number of articles to the e-bulletin published by the network.

In September, the FSO attended INFO 2011, the annual conference of the International Network of Financial Services Ombudsman Scheme which was held in Vancouver, British Columbia. The FSO made a presentation and participated in a panel discussion on the topic “Complex Multi-Stakeholder Management for the Banking Sector”.

REPORT ON STAFFING AND TRAINING

STAFFING

During the year, the staff complement was increased to eight with the net addition of two members. In mid-March, after eight (8) years with the Office, Mrs. Nicola Robinson opted for a career change and returned to the Central Bank, while Mrs. Deborah-Jean Esdelle, having completed her B.Sc. Degree in Management Studies at the University

of the West Indies, joined the staff in the area of alternative dispute resolution (ADR).

In October, Messrs. John Martin and Lester Paul also joined the team at the professional level. The OFSO also had the services of two students during the period June to August 2011.



TRAINING

Throughout the year, training was targeted at strengthening the operations of the OFSO and providing even better service to the public. Towards this end, staff attended the following training programmes:

- Ms. Suzanne Roach attended a training seminar entitled ‘Sharpening Your Teeth’

which followed the annual conference of the International Financial Services Ombudsman Scheme, INFO 2011.

- Ms. Lygia Moore, Resolution Officer II, attended “Secrets of Power Negotiating” conducted by Areef Ali and Associates.
- Ms. Cbar Thompson and Ms. Suzanne Roach attended training in Quickbooks software.



case studies

INSURANCE CASE 1:

Insurance Company denied liability, accident caused by mechanical failure.

Mr. D was driving his vehicle and while negotiating a corner picked up a skid and lost control of his car. He ran off the roadway colliding with a gate at the side of the road. Mr. D, having full comprehensive insurance, made a claim to his insurer ADB insurance company.

In his claim to the company, the claimant stated that the left side cradle of his vehicle broke causing the vehicle to pull towards the right side of the road, thereby colliding with the gate. Based on this information, the company stated that the car was defective and that at the material time of the accident, the car suffered a mechanical failure; as a result they denied his claim.

The complainant, not satisfied with the outcome of his matter, was referred to the Financial Services Ombudsman Office for assistance.

The Ombudsman's Office held several meetings and discussions with the insurance company, but it remained adamant that the vehicle was not maintained in a road-worthy condition in accordance with the terms of the policy contract and therefore it was not liable for Mr. D's claim for damages to his motor vehicle.

Our Office, in order to get a clearer picture of the matter, retained the services of an independent certified Adjuster to assess the damages of the complainant's vehicle and submit a professional report.

The Report contended that the burden of proof was placed on the insurer to prove that the accident was caused by an expected peril. In addition, the Adjuster stated that the insurance company did not complete its due diligence in that there was no evidence to suggest that an inspection was carried out on the damaged vehicle by a competent mechanical engineer to confirm the cause of the accident.

The company had relied solely on the account from the insured, who was not considered to be technically competent to determine mechanical failure. Based on the findings of the Adjuster's Report, the Office continued mediation efforts in an attempt to resolve the complaint. The claim was eventually settled by the insurance company to the satisfaction of the complainant.

Insurance Case 2:

Property destroyed by fire

Mrs. P took out property insurance with insurance company “All Cover”. Unfortunately, in the space of nine months her home was completely destroyed by fire. Devastated by her loss, Mrs. P made a claim to her insurer for compensation to rebuild her house.

After several calls and attempts to enquire as to the status of her claim, she was finally advised by the company that her matter was presently being investigated. Many months passed and the complainant was unable to obtain any further information on her claim. Frustrated by her futile efforts, she eventually appointed an attorney to pursue the matter on her behalf.

The insurance company informed her legal representative that their investigations were concluded and revealed that the claimant misrepresented the facts on the Insurance Proposal Form. The company in good faith had accepted the risk and approved the policy based on the misrepresentation. In the circumstances, the company was denying the claim on the grounds of material non-disclosure. Mrs. P, not satisfied with the company’s decision, visited the Financial Services Ombudsman’s Office in a bid to get her matter resolved.

Our Office reviewed her case and commenced discussions with ‘All Cover’ insurance company relative to Mrs. P’s matter. The OFSO was able to reach an amicable solution with the insurance company which agreed in the spirit of compromise

to make an ex gratia payment, without admission of liability. Mrs. P was contacted by our Office and advised accordingly.

She was willing to accept the company’s offer and a cheque for the agreed sum was sent in care of our Office for delivery to Mrs. P. Mrs. P collected her cheque and was satisfied with the outcome of her complaint. Our Office subsequently closed the file on the matter.



Banking Case 1:

*Final Payment Made... Balance Still Outstanding
on Mortgage Loan*

Ms. J obtained a twenty year installment loan in 1991 with the final installment becoming due in November 2011. Although she experienced some difficulties in meeting her scheduled installments over the years, she always managed to make the outstanding payments inclusive of all late charges where applicable.

As always, Ms. J made her way to the Bank to make her final payment, believing that her installment loan was repaid in full. However, to her amazement, the Bank gave her correspondence advising that there was still an outstanding amount on the mortgage loan together with a late fee of \$50.00.

Not happy with this information, she approached the OFSO for assistance in resolving the matter. She argued that she had met all her installments and was not aware of any outstanding balance owed to the bank. She wanted an explanation as to what accounted for this alleged balance.

The OFSO sought an explanation from the Bank which initiated an investigation into the matter. The investigation revealed that over the period of the loan, late payments attracted daily interest which resulted in more funds being allocated to the interest and less towards the principal sum leaving some principal installments unpaid. Furthermore, the Bank stated that interest was being charged daily on the outstanding balance.

The Ombudsman's Office reviewed the information provided by the Bank and subsequently apprised Ms. J. of the reasons for the outstanding balance. She was advised to meet with her Bank as soon as possible to discuss further the details of her matter and how the situation could be resolved.

Ms. J indicated that she was satisfied with and accepted the explanation regarding the outstanding balance and the matter was concluded amicably. The complainant's file was then closed.

Banking Case 2:

Unauthorized ATM Transactions

Mr. R, upon checking his savings account statement, discovered a discrepancy in the funds held in his account. He immediately made an enquiry at his home branch, informing the bank that he was not responsible for some specific transactions as shown on the statement.

An investigation was launched by the Bank and preliminary findings revealed that one of the transactions was processed at another Bank's Automatic Teller Machine (ATM) in a remote location. The investigation further indicated that four (4) additional unauthorized withdrawals were transacted at several Banks ATMs at different locations across the country.

The Bank continued its in-depth investigations and also suggested that Mr. R. report the matter to the Fraud Squad, which he did. However, after a year and more had elapsed, the complainant grew frustrated and unhappy that his matter was not yet resolved by the Bank. He eventually enlisted the help of the OFSO to bring closure to his matter.

After reviewing the particulars of the case, the OFSO contacted the Bank, enquiring as to the position of Mr. R's claim. Within a month's time, the Bank responded explaining that together with the Fraud Squad, they attempted to retrieve copies of surveillance material from the other Banks, where the transactions were completed. However, this proved futile as the material was said to be time-barred.

In the circumstances, the Bank in an act of good faith and without any admission of liability agreed to re-credit Mr. R's account with the total sum under query. The Bank also acknowledged the fact that the complainant had been a client of the Bank for more than twelve years and they recognized and valued the relationship.

The Office of the Financial Services Ombudsman notified Mr. R of the Bank's position and he expressed his thanks.





LEFT TO RIGHT: DENNIS EVANS (BATT), DOUGLAS CAMACHO (ATTIC), SUZANNE ROACH (FSO)
AT BREAKFAST MEETING

OFSO outreach

Places we have been/People we have seen



• PRESENTATIONS

- o Diego Martin Government (Central) Secondary School -3rd to 5th Forms
- o Guardian Life Insurance Agents – Top 30 Producers for First Quarter 2011
- o The Greater Tunapuna Chamber of Industry and Commerce
- o Life Office Management Association (LOMA)
- o Trinidad and Tobago Association of Insurance Financial Advisers (TTAIFA)
- o Barataria Village Council at St. Colombo Anglican Church, Barataria
- o Evolving Technologies – Lunch and Learn Series
- o Arima Evangelical Church
- o Bethel Evangelical Church, Arima
- o L'Anse Fourmi Village Council, Tobago
- o Fire Service of Trinidad and Tobago – Senior Officers

• IN-HOUSE ENGAGEMENTS

- o Information Technology Service Department
- o Financial Institutions Supervision Department
- o Research Department
- o Human Resource Department
- o Central Bank Orientation Programme
- o CBTT's Credit Union Sea Awards Function
- o CBTT's Museum Outreach To Young Cadets
- o CBTT's We Care Initiative For The Children Of Matelot

• EXPOSITIONS

- o NFLP & the Central Bank of Trinidad and Tobago Financial Exposition "Managing your Future (Retirement Exposition)- Siparia
- o NFLP & the Central Bank of Trinidad and Tobago Financial Exposition "Managing your Future," (Retirement Exposition)- Saith Park, Chaguanas

• COURTESY VISITS TO INSTITUTIONS

- o COLFIRE
- o Sagicor General Inc
- o Cuna Caribbean Insurance Company Limited
- o Furness Anchorage
- o Guardian General, Newtown Centre
- o The Great Northern Insurance Company Limited
- o Motor One Insurance Company Limited
- o The Honourable Mrs. Vernella Alleyne-Toppin, Minister of Tobago Development, Nicholas Towers, Port of Spain

• MEDIA INTERVIEWS AND PROGRAMMES

- o Power 102FM
- o Channel 6 "First Up" with Jessie May Ventour
- o Channel 5 Tobago.
- o Win TV, Channel 12
- o CNC3 with Roshan Sookram
- o I95.5FM Take 2 Programme
- o Sunday Express Newspaper (Cedrianne Martin) for Express Woman.
- o Heartbeat Radio 103FM
- o Heritage Radio with Hans Hanomansingh
- o CCN TV 6 with Kejan Haynes

• INVITATIONS

- o Launch of Banking Week "Partnering with you for a New Economy", Cascadia Hotel and Conference Centre. St. Ann's
- o Furness Anchorage Carnival Lime
- o Prime Minister's celebration of International Women's Day (Tea Party), the Prime Minister's Residence and Diplomatic Centre, La Fantasia Road, St. Ann's
- o Celebration of Commonwealth Women's Day, Hyatt Regency, Port of Spain.
- o Presentation of the Eco-location of Trinidad and Tobago and Venezuela: Auditorium Simon Bolivar, Victoria Avenue
- o Finals of the National Financial Literacy Programme (NFLP) National Secondary School Quiz 2011 at NAPA
- o Maritime's 50th Anniversary Gala Ball, Hyatt Regency, Port of Spain
- o FCB Breakfast and Launch of "First Citizen's Pink" The Ballroom, Trinidad Hilton and Conference Centre

OFSO outreach

- o 45th Anniversary Reception at the Wild Fowl Trust and the launch of a book titled “Some Flowering Trees of Trinidad and Tobago, Values and Linkages”
- o RBC & National Geographic presents “Water is Life featuring Alexandra Cousteau”; UTT Campus at the National Academy for the Performing Arts, Frederick Street, Port of Spain
- o Rotary Club of South West Tobago Handing Over Ceremony “Reach Within to Embrace Humanity” Tobago Hospitality and Tourism Institute
- o “The Chinese Music Concert,” by the Tianjin Music Group. Hosted by the Embassy of the People’s Republic of China/ Central Bank of Trinidad and Tobago
- o Venezuela’s 20th Independence Day Celebrations at the Venezuelan Embassy
- o Inaugural Distinguished Jurist Lecture of the T & T Judicial Education Institute “Creating a Regional Jurisprudence” by Sir Shridath Ramphal, QC, OC
- o Launch of the Degree in Insurance and Risk Management, UWI, St. Augustine Principal’s Office
- o ICATT Recognition Function, Royal Hotel, Royal Road San Fernando
- o TRINRE’s Annual Christmas Cocktail Function
- o ATTIC’s 45th Anniversary Awards Function & Christmas Luncheon



The Great Northern Insurance Co. Ltd. & OFSO Staff



Guardian Life Top 30 producers - Qt 1 2011

• BUILDING RELATIONSHIPS WITH INSTITUTIONS

- o The Loss Adjuster’s Association of Trinidad and Tobago
- o Transparency International of Trinidad and Tobago
- o The Alternate Dispute Resolution Centre, West Moorings

OFSO outreach



Senior Officers Trinidad and Tobago Fire Services



Tunapuna Chamber of Industry & Commerce



Professor Victor O. Ayeni - Feature Speaker
at 2011 Annual Breakfast Meeting



Governor Ewart S. Williams and Professor Ayeni at 2011 Annual
Breakfast Meeting

our offices



TRINIDAD OFFICE, CENTRAL BANK OF TRINIDAD AND
TOBAGO



TOBAGO OFFICE, GLEN ROAD

guidelines of the OFSO

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 businesses²;
- 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.

² A small business is defined as any business with assets (excluding lands and buildings) not exceeding TT\$1.5 million.

WORK PLAN OBJECTIVES FOR 2011

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.

This service is FREE to Complainants.

COMPLAINT GUIDELINES

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

- First the matter must have been referred to the institution at which the complaint arose and the complainant remains dissatisfied 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

- Life policies
- 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

- 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.

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.

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.



OFFICE OF THE FINANCIAL SERVICES OMBUDSMAN

1st Floor, Central Bank Building Eric Williams Plaza, Independence Square, Port-of-Spain
Telephone no: 1(868) 625-4835; 5028 Exts: 2650; 2657; 2675; 2681; 2685. Fax: 1(868) 627-1087

COMPLAINT FORM

Reference:.....

Please indicate complaint type: BANK ☐

INSURANCE ☐

Complainants must complete this form for the Financial Services Ombudsman (FSO) to investigate a complaint. Note that all your personal details/information will be handled with the utmost confidentiality unless required by law to be disclosed. The complaint must first be referred to your Bank or Insurance Company and not satisfactorily resolved.

Customer's Information

Complainant		Co-Complainant *
Surname		
First Name	<input type="checkbox"/> Mr <input type="checkbox"/> Ms	
Occupation		
Date of Birth		
Identification (ID/PP/DP)		
Mailing Address		
Daytime Phone		
Email Address		
Fax		

* If there are more than two persons making this complaint, please list the details of the other person(s) on a separate sheet and attach to this Form

If the complaint is on behalf of a small business, ⁽¹⁾ please state the following:

Name of the business.....

Address.....

⁽¹⁾ You must provide satisfactory evidence (e.g. audited financial statements or financial statements used for tax purposes) that the assets of the business, excluding land and buildings, did not exceed TT\$1,500,000 on the date when the problem occurred.

the 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.

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 3
- 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

³ 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.

notes

notes



OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN