



OFFICE OF THE
FINANCIAL SERVICES
OMBUDSMAN

Annual Report

2016



Mission Statement

"To be fair, impartial and
confidential in the resolution
of disputes."



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Foreword



Dr. Alvin Hilaire
Governor

The Office of the Financial Services Ombudsman (OFSO) was established in 2003 under the auspices of the Central Bank of Trinidad and Tobago. Since that time, the OFSO has expanded its role from its core mandate of complaints resolution to include public outreach and financial education sessions.

Most recently in 2016, the OFSO re-organised itself to assure even greater relevance and a deeper role in society as it relates to financial stability and consumer protection in an environment that can only be described as complex, dynamic and sophisticated. The role of the Office was extended to incorporate responsibility for financial education through the integration of the Bank's National Financial Literacy Programme under its ambit. This was endorsed by the financial sector stakeholders, the Bankers Association of Trinidad and Tobago (BATT) and the Association of Trinidad and Tobago Insurance Companies (ATTIC), as they recognized the clear synergies of complaints

FOREWORD continued

resolution alongside strategies geared towards having more financially literate and empowered citizens.

As we move into the future, the OFSO is committed to increasing its visibility and interface with the public so that consumers can advance their knowledge of financial options, including the risks; can better understand their rights and responsibilities; and can know the various avenues for redress if this becomes necessary.

The OFSO in Trinidad and Tobago is the only such scheme in the Caribbean, one of only four in the Americas, and we take its role very seriously. The Office is poised to strengthen its outreach locally and is in a strong position to assist the rest of the Caribbean in the development of Financial Services Ombudsman Schemes across the region.

I applaud the banks, non-bank financial institutions and insurance companies for their continued cooperation with the OFSO over the years and look forward to our continued partnership in strengthening mediation and resolution and in increasing financial awareness and knowledge. Such efforts would be particularly rewarding as we face the unfolding economic realities and the ever-changing financial and technological landscape.

I sincerely congratulate the former Deputy FSO, Mrs. Nicole Crooks, who assumed the leadership role following the sudden and tragic passing of our beloved Ms. Suzanne Roach who led the organization between May 2010 and September 2015. I also take the opportunity to welcome on board our current Ombudsman, Mr. Dominic Stoddard, who was appointed in April 2016 and to thank the staff of the OFSO for their commitment and dedication in delivering this impartial and effective service in 2016.

A handwritten signature in black ink, appearing to read 'Alvin Hilaire', written over a horizontal line.

Dr. Alvin Hilaire
Governor

Preface



Dominic Stoddard
Financial Services Ombudsman

On April 1, 2016 I assumed the position of Financial Services Ombudsman succeeding Mrs. Nicole Crooks, Deputy Financial Services Ombudsman. Transitioning into this new role has had its challenges as it also came with the leadership of the National Financial Literacy Programme (NFLP). However, the dedication and enthusiasm of the staff of the OFSO made a significant difference in how quickly I came to terms with the issues needing immediate attention.

For the remainder of the year there were two main areas of focus. The first was to deepen my familiarity with the operations of the Office. As part of this effort, a review of the operations of all external offices including Tobago was conducted. Discussions were also initiated with strategic partners to improve the public's access to the OFSO. I also met with several institutions deemed high priority where long standing complaints were proving difficult to resolve to bring closure to these matters.

PREFACE continued

Secondly, on the assumption of Office, there was the immediate appreciation of the importance of governance especially in an agency funded by contributions from financial services providers. The audit of the 2014 and 2015 financial statements were completed and certified copies shared with our stakeholders. I remain committed to the idea of timely reporting and give the assurance that going forward audits would be conducted in keeping with internationally accepted reporting standards.

Among the notable achievements during the year, was the establishment of the new Case Management System which addresses the limitations of the existing system and provides a powerful interface for interrogating complaints data. In addition to the new system, complaints data are now analysed with a view to shaping the focus and content of our financial education programmes conducted by the NFLP. One of the aims of the NFLP is to educate financial consumers about access to and use of financial products and services in a manner that will minimise the need for complaints.

An important area identified for development was public awareness about the services offered by the OFSO and the scope or limits of our activities. To this end, we have been forging strategic

alliances with both industry stakeholders and a diverse range of socio economic groups. We have been inundated with what has been classified as enquiries since the issues involved were outside the scope of our activities. They therefore had to be redirected to the appropriate agencies. However, in the presence of a sustained public education campaign with appropriate visibility, we are likely to reduce these types of enquiries and make more effective use of our mediation personnel.

A nationwide survey conducted in 2015 determined that only 23 per cent of respondents, less than 1 in 4, knew about the existence of the OFSO. And while roughly the same amount reported having an issue with their financial service provider, less than 3 per cent of respondents took action to have their issue addressed. This can be contrasted with over 80 per cent who viewed their issue as either moderate or severe. These limited numbers point to the urgent need to inform and thereby empower financial consumers, not only in the range of products and services, but how and where they may seek redress in instances of dispute. To address this we have sought to develop our human resource capacity and have prepared a restructuring plan which is under active consideration. A public education and information framework has been established as part of the

PREFACE continued

broader strategic initiatives and we will conduct another nationwide survey with the target for public awareness at 45 per cent.

I am ever mindful of the demands of the economic situation and acknowledge that we, the participants in the financial sector will be required to play a pivotal role in our economic revival. I urge you all to embrace it with the resolute determination required in our collective best interest. I take this opportunity to thank the staff, participants in the scheme, stakeholders and partners for their unwavering support and commitment.



Dominic Stoddard
Financial Services
Ombudsman

REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

OVERVIEW

The Annual Report 2016 presented by The Office of the Financial Services Ombudsman (OFSO) encapsulates the performance and operations of the Office for the period January 1, 2016 to December 31, 2016.

The Report provides a statistical review of the complaints handling process, with specific reference to enquiries received at the Office, the number and types of complaints processed, the resolution rates and the time frames in which complaints were resolved. Additionally, the Report highlights the number of persons visiting the external offices at San Fernando, Sangre Grande, Point Fortin and Tobago.

During the reporting period, insurance complaints (especially motor vehicle accident claims) continued to dominate the scheme. There were one hundred and ninety (190) new insurance complaints lodged at the Office in 2016 and fifteen (15) new complaints received on the banking sector, representing a decrease in total complaints received when compared with 2015. This decline may be attributed to both financial services providers successfully addressing their

issues or challenges and customers becoming more informed and empowered.

The Office recorded seven hundred and sixty-four (764) enquiries during this period, a moderate decrease when compared with 2015. The OFSO continued its External Office Days where two hundred and thirty-four (234) persons visited as compared with two hundred and twenty-three (223) in the corresponding period in 2015. Although members of the public continue to utilise our services, enhancing and improving the public's awareness of the role of the OFSO remains one of our main priorities.

EXTERNAL OFFICE DAYS

The OFSO continued its external office days where members of the public visited to make general enquiries or lodge complaints. This outreach initiative provides an opportunity for persons who are unable to visit our main office located in Port of Spain, who reside or work in rural areas or who reside in Tobago, to have full access to the services provided by the OFSO. It also allows officers from the OFSO to personally interact with members of the public and attempt to address their concerns or redirect those issues that do not fall within our purview.

During the period under review, the OFSO recorded two hundred and thirty-four (234) visitors to our external offices. This represented a marginal increase of approximately five per cent (5%) when compared with 2015.

(Table 1: Visitors to External Offices)

Table 1
VISITORS TO EXTERNAL OFFICES

Location	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total 2016	Total 2015
Point Fortin	13	16	12	16	57	70
San Fernando	26	24	18	18	86	63
Sangre Grande	18	9	11	3	41	42
Tobago	11	14	16	9	50	48
Total	68	63	57	46	234	223

ENQUIRIES

During 2016, the OFSO received seven hundred and sixty-four (764) enquiries from various sources. This represented a decrease of over one per cent (1%) when compared with the corresponding period in 2015 where seven hundred and seventy-three (773) enquiries were recorded.

(Table 2: Enquiries received by the OFSO)

Enquiries received relate to products and services provided by insurance

companies, banks and non-bank financial institutions. As seen in previous years, the OFSO received several enquiries relating to products and services provided by institutions not falling under its mandate. These institutions included the Unit Trust Corporation, credit unions, Government Ministries and Agencies, and are represented in the table below under the "Other" category. In such instances the customers were either provided with an appropriate response to their enquiries or were redirected to the relevant institutions where the matters may be addressed.

Table 2
ENQUIRIES RECEIVED BY THE OFSO

Institution	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total 2016	Total 2015
Bank	37	51	35	33	156	93
Non-bank F.I.	3	0	0	1	4	2
Insurance	119	130	138	91	478	536
Other	39	34	35	18	126	142
Total	198	215	208	143	764	773

REPORT ON
BANKING SERVICES

NEW BANKING COMPLAINTS

During the period January to December 2016, the OFSO received fifteen (15) new complaints from individuals with respect to services provided by their commercial banks. For the corresponding period in 2015, the number of new complaints received was ten (10). This represented an increase of fifty per cent (50%) in the overall number of complaints submitted to the Office.

TYPES OF COMPLAINTS

The OFSO recorded the majority of banking complaints under the three (3) main categories: Accounts and Transactions, Card Services and Loans and Credit. Complaints related to Accounts and Transactions accounted for forty per cent (40%) of the total received in 2016 as compared with fifty per cent (50%) in 2015. There was a decrease in the percentage of complaints related to Card Services in 2016, when compared to the same period in 2015. However, complaints related to Loans and Credit increased in 2016 as none was recorded in the corresponding period in 2015. It must be noted that the majority of these complaints included non-payment of installments or late payments which incurred relevant fees.

(Table 3 and Figure 1: Types of banking complaints received)

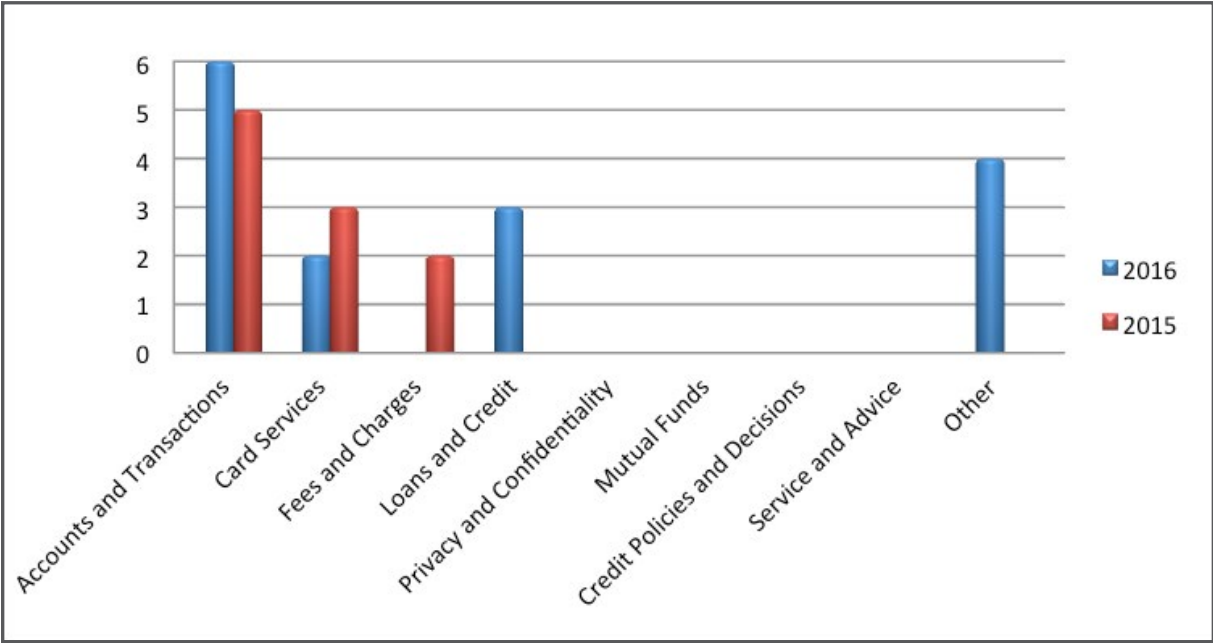
Table 3

TYPES OF BANKING COMPLAINTS RECEIVED

Type of Complaints	2016		2015	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Accounts and Transactions	6	40	5	50
Card Services	2	13	3	30
Fees and Charges	0	0	2	20
Loans and Credit	3	20	0	0
Privacy and Confidentiality	0	0	0	0
Mutual Funds	0	0	0	0
Credit Policies and Decisions	0	0	0	0
Service and Advice	0	0	0	0
Other	4	27	0	0
Total	15	100	10	100

Figure 1

TYPES OF BANKING COMPLAINTS RECEIVED



RESOLUTION OF BANKING COMPLAINTS

During 2016, there were twenty (20) banking complaints being addressed by the OFSO. This included five (5) unresolved complaints brought forward from 2015 and fifteen (15) new complaints that were received during the reporting period in 2016. Eighteen (18) complaints were resolved by the OFSO during 2016 which represented ninety-eight per cent (98%) of the total under review. In 2015, seventy-seven

per cent (77%) of the total number of pending complaints was resolved. There were two (2) unresolved complaints that continue to engage the attention of the OFSO and the relevant commercial banks at the end of 2016.

(Table 4: Summary of Banking Complaints Processed)

Table 4
SUMMARY OF BANKING COMPLAINTS PROCESSED

	2016	2015
Brought Forward	5	12
Received within the period	15	10
Total for processing	20	22
Resolved/Closed	18	17
Carried Forward	2	5

REPORT ON INSURANCE SERVICES

NEW INSURANCE COMPLAINTS

During the period January to December 2016, the OFSO received one hundred and ninety (190) new complaints from customers against insurance companies, two (2) of which were referred to Central Bank of Trinidad and Tobago. These referred complaints included a personal injury claim arising from a motor vehicle accident and a complaint lodged by a company whose assets exceeded the small business threshold. Additionally, eighty-five (85) unresolved complaints were brought forward from 2015, thus two hundred and seventy-three (273) complaints engaged the OFSO's attention during 2016.

TYPES OF INSURANCE COMPLAINTS PROCESSED

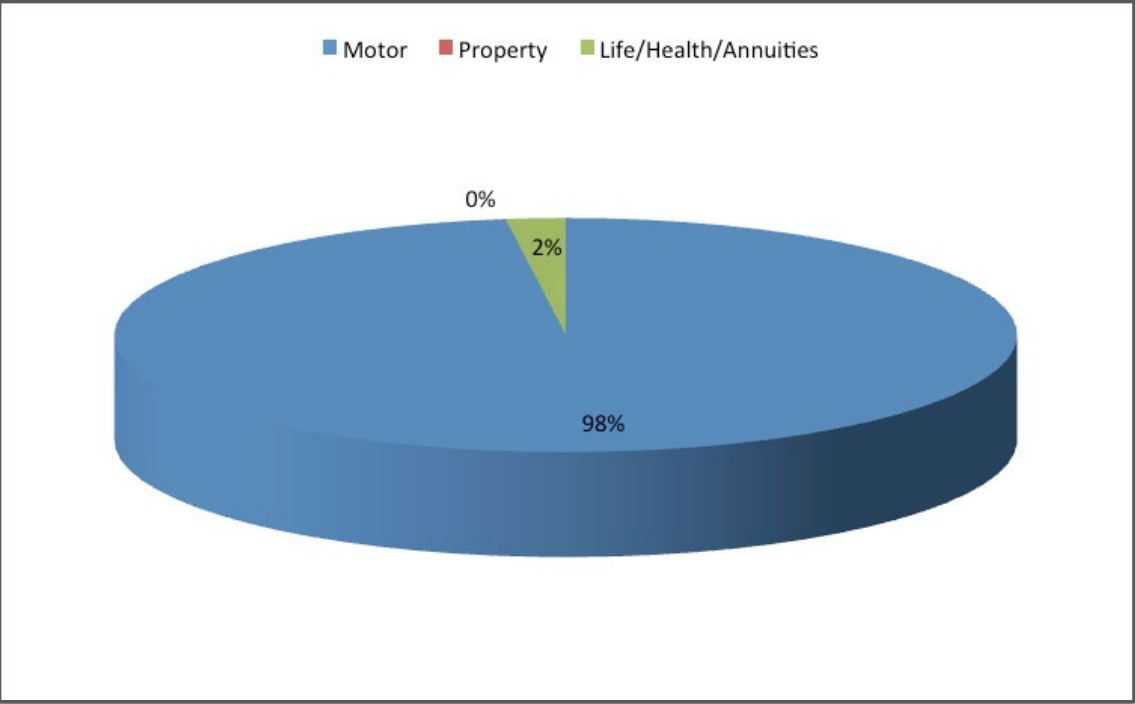
The majority of insurance complaints received at the OFSO continue to be motor related claims. The Office recorded one hundred and eighty-four (184) such complaints which accounted for ninety-eight per cent (98%) of the total number received. During this period, there were four (4) complaints related to Life or Health Insurance policies and Individual Annuity contracts.

(Table 5 and Figure 2: Types of Insurance Complaints Processed)

Table 5
TYPES OF INSURANCE COMPLAINTS PROCESSED

Type of Complaints	2016		2015	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Motor	184	98	238	97
Life/Health/Annuities	4	2	6	2
Property	0	0	2	1
Total	188	100	246	100

Figure 2
TYPES OF INSURANCE COMPLAINTS PROCESSED



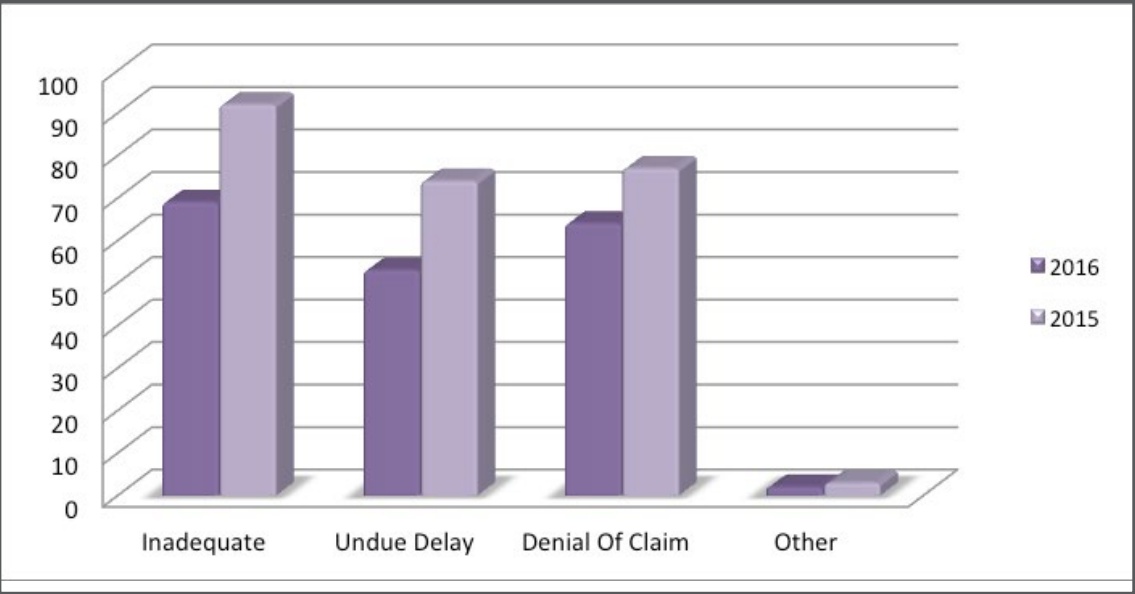
CATEGORIES OF INSURANCE COMPLAINTS

The OFSO has recorded a similar trend in the categories of complaints lodged at the Office when compared with the previous period. With respect to the categories of Inadequate Settlement, Undue Delay and Denial of Claims, the Office has seen comparable percentages in 2016 and 2015 respectively. The main issue affecting insurance customers continues to be the amount offered for the settlement of claims, this category accounted for thirty-seven per cent (37%) of the total number of complaints received and the same percentage was recorded in 2015. (Table 6 and Figure 3: Categories of Insurance Complaints)

Table 6
CATEGORIES OF INSURANCE COMPLAINTS

Categories of Complaints	2016		2015	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Inadequate	69	37	92	38
Undue Delay	53	28	74	30
Denial of Claim	64	34	77	31
Other	2	1	3	1
Total	188	100	246	100

Figure 3
TYPES OF INSURANCE COMPLAINTS PROCESSED



RESOLUTION OF INSURANCE
COMPLAINTS - SUMMARY

During 2016, there were two hundred and seventy-three (273) complaints available for processing. This figure included eighty-five (85) unresolved complaints brought forward from 2015. By the end of 2016, the OFSO closed two hundred and ten (210) complaints at a resolution rate of seventy-seven per cent (77%). This represented a marginal increase when compared with 2015 where seventy-three per cent (73%) of the complaints were resolved. At the end of 2016, there were sixty-three (63) unresolved matters.

(Table 7: Summary of Insurance
Complaints Processed)

Table 7
SUMMARY OF INSURANCE COMPLAINTS PROCESSED

	2016	2015
Brought Forward	85	66
Received within the period	190	253
Referred to Central Bank	2	7
Total for processing	273	312
Resolved/Closed	210	227
Carried Forward	63	85

RESOLUTION OF INSURANCE COMPLAINTS – HOW RESOLVED

The majority of complaints lodged at the Office were resolved by Agreement and Withdrawals by the OFSO. Withdrawals included matters where the insurance companies maintained their denial of claims, the complainants would have breached terms of their policies or in cases where the complainants or third parties chose to pursue legal action. During 2016, seventy-five per cent (75%) of resolved complaints fell under the

category of Agreement and twenty-four per cent (24%) were Withdrawals by the OFSO. Three per cent (3%) of all complaints lodged were closed under the category of Withdrawals by Complainants. When compared with 2015, the OFSO recorded similar statistics under the respective categories.

(Table 8: Resolution of Insurance Complaints – How Resolved)

Table 8

RESOLUTION OF INSURANCE COMPLAINTS - HOW RESOLVED

Type of Complaints	2016		2015	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Agreement	157	75	170	75
Withdrawals by OFSO	50	24	51	22
Withdrawals by Complainant	3	1	6	3
Referred to Court	0	0	0	0
Transferred to Liquidator	0	0	0	0
Recommendation/Awards	0	0	0	0
Total	210	100	227	100

RESOLUTION OF INSURANCE COMPLAINTS – TIME TAKEN

There are a number of contributing factors which impact the time taken to resolve complaints. These factors include:

- Increased level of complexity in motor claims including multiple vehicular accidents where extensive investigations were required.
- Failure to report accidents to respective insurers or relevant Police Stations.
- Non-disclosure or material misrepresentation on proposal forms.
- Work-to-own transactions and its inherent complications.
- Misunderstanding of Annuity policies as opposed to Life Insurance policies.
- Lack of awareness and/or misunderstanding of terms such as excess, contributory negligence, depreciation, trade discounts, indemnity and loss of use.

Despite these challenges, the OFSO was able to resolve the highest percentage of complaints within thirty-one and sixty (31-60) days of receipt, amounting to twenty-nine per cent (29%). Overall, sixty-five per cent (65%) of all complaints were resolved within ninety (90) days of receipt. However, there were a number of complaints that took in excess of one hundred and twenty (120) days to be resolved. (Table 9: Resolution of Insurance Complaints – Time Taken)

Table 9

RESOLUTION OF INSURANCE COMPLAINTS - TIME TAKEN

Resolved Within	2016		2015	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
30 days of receipt	50	24	53	23
31-60 days of receipt	61	29	72	32
61-90 days of receipt	25	12	42	19
91-120 days of receipt	24	11	19	8
More than 120 days of receipt	50	24	41	18
Total	210	100	227	100

MULTI-PARTY MEDIATION

In an effort to resolve complex or longstanding complaints, the OFSO continued to engage the insurance companies in extensive discussions and meetings. During 2016, the OFSO convened nine (9) meetings with individual insurance companies as compared with thirteen (13) in 2015.

The OFSO conducted its inaugural multi-party mediation meeting where discussions were held with three (3) insurance companies in order to bring resolution to an outstanding complaint. The OFSO will continue to convene similar mediation sessions as the need arises for resolving complex complaints.

STRATEGIC INITIATIVES AND RELATIONSHIPS

TOBAGO OFFICE

In May, a relationship was forged with the Tobago Office of the Ombudsman of Trinidad and Tobago and visits to Tobago continue on the second and fourth Wednesdays of each month from 9 a.m. to 4 p.m. on the ground floor of the Caribana Building, Bacolet Street, Scarborough. Radio Tambrin as well as the OFSO’s website www.ofso.org.tt is utilised to announce the dates of these visits.

ENGAGEMENT WITH THE ASSOCIATION OF TRINIDAD AND TOBAGO INSURANCE COMPANIES (ATTIC)

During the year, the OFSO was invited to and attended several ATTIC Claims Committee Meetings, where the major issues discussed included fraudulent insurance certificates, subrogation, stolen vehicles, Adjusters’ reports, unreported accidents and multi-vehicular accidents.

AFFILIATION WITH THE TRINIDAD AND TOBAGO INSURANCE INSTITUTE (TTII)

A meeting was convened between the OFSO and the TTII’s Executive. Items on the Agenda included the development of a joint Public Education campaign on insurance education inclusive of financial literacy focusing on specific topics, for instance, preparing for retirement. Other items that were discussed included stolen vehicles and fraudulent health insurance claims.

MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT WORKFORCE DEVELOPMENT PLAN

The Workforce Development Plan is an initiative of the Government of the Republic of Trinidad and Tobago to bring together various Ministries, Agencies, Institutions and programmes to provide support services to retrenched and unemployed persons. The OFSO/NFLP was identified as a potential partner in this venture and the Ministry of Labour and Small Enterprise Development (the Ministry), has been identified as the Ministry with responsibility for lead on this project.

To date, an External Liaison Officer and an Alternate have been nominated by the FSO to receive referrals from the Ministry's National Employment Service (NES) and assign the retrenched or unemployed person to the appropriate service provider as well as to provide feedback on a monthly basis to the NES so that each referred client could be monitored to ensure he is receiving the most suitable service. Also, an Implementation Session was held where ten (10) agencies including the OFSO delivered presentations to orient attendees on its main functions and services. Staff Sensitization sessions for NES Case Officers at the Port of Spain and San Fernando branches were delivered in the form of oral presentations supported by the dissemination of literature.

ENHANCING THE VISIBILITY OF THE OFSO VIA OUTREACH SESSIONS

The OFSO continued to disseminate information by meeting with and presenting to different sectors and special groups. The OFSO views this aspect of its operations as critical to communicating the services offered to the wider public. These sessions included:

- Community Development Day, San Fernando Hill;
- Trinidad and Tobago Defence Force Financial Fair, Regiment Headquarters, Aranguez;
- Geriatric Adolescent Partnership Programme (GAPP), Sangre Grande;
- Geriatric Adolescent Partnership Programme (GAPP), New Grant;
- The Ministry of Social Development and Family Services Health & Wellness Fair, Tunapuna Social Welfare Office;
- The Ministry of Social

Development and Family Services Health & Wellness Fair, Port of Spain City Corporation;

- Youth Training and Employment Partnership Programme (YTEPP), North Regional Office;
- YTEPP South Regional Office;
- YTEPP Tobago Office;

TRAINING

The OFSO continues to view training as an essential tool which leads to an improvement in employee motivation, efficiencies in processes, enhanced strategies in communicating with customers and other stakeholders as well as resolving complex issues. Training conducted during the period included:

- **Lester Paul and Annalisa Vallabh-Patel:**
The Critical Role of Insurance in Everyday Living, UWI, A Joint Public Education Seminar hosted by ATTIC and TTII
- **All Staff:** Techniques for Effective Accident Investigations conducted by the TTII
- **Dominic Stoddard:** Alternative Dispute Resolution Workshop hosted by the STITT Feld Handy Group
- **Carla Burgess and Andrew Jattan:**
Advanced Alternative Dispute Resolution Workshop hosted by the STITT Feld Handy Group
- **All Staff:** Practical Introduction to General Insurance conducted by TTII

STAFFING

In 2016, there were changes to the staff complement of the OFSO.

Appointment of the Financial Services Ombudsman:

Mr. Dominic Stoddard

After consultations by the Central Bank of Trinidad and Tobago with the Bankers Association of Trinidad and Tobago and the Association of Trinidad and Tobago Insurance Companies, Mr. Stoddard was appointed Financial Services Ombudsman on April 1, 2016 for a period of three (3) years. Mr. Stoddard has been employed with the Bank for the past twenty-four (24) years and has contributed significantly to the Research, National Financial Literacy Programme and Statistics Departments. He also served as President of the Central Bank Employees Credit Union for thirteen (13) years.

Departures:

Ms. Adanna Austin

Ms. Adanna Austin, Senior Public Relations Officer resigned with effect from May 9, 2016.

Outreach



Banking and Insurance Case Studies

BANKING CASE STUDIES

FAST Deposit.....No Deposit

Ms. HL received a letter from her Bank advising that payments to her credit card were in arrears. Oops! She had forgotten to make her usual monthly payment to her credit card account. Immediately, she left her home and headed straight to a branch nearest her to make the payment.

On reaching the Bank, the line for customers desirous of making such payments was indeed very long. She knew that she needed to make the payment that very day in order to minimise the interest and late fees charges that would be incurred. Accordingly, she decided to make the payment through the Bank's fast deposit system. Ms. HL made the deposit of \$ 3,800.00 in cash and kept a copy of the receipt as confirmation and record of her transaction.

One week later, she called the Credit Card Centre to confirm that the payment was in fact received. To her utter amazement, she was told that no payment was received on her behalf. She escalated the matter to the Bank's manager but her matter remained unresolved.

Ms. HL visited us at one of our External Office days seeking assistance in

resolving this matter. The OFSO reviewed her complaint and requested that the Bank conduct further enquiries and inform the Office accordingly.

The Bank responded requesting that Ms. HL visit the branch to view the video footage of activity on the date and time she claimed that the deposit was made. Ms. HL complied and viewed two sets of footage for the date and time in question; however the footage did not show the complainant making any deposit as she indicated. She subsequently advised that maybe the deposit could have been made a day before or a day later. However, by that time the video footage for those days were not available. The Bank also checked for the deposit on all the days identified by the complainant, but her deposit was not recovered. The Bank also pointed out that the fast deposit system is opened in joint custody and the contents are recorded by the two custodians.

The Bank maintained its position based on all the investigations conducted, they were satisfied that there was no evidence to support Ms. HL having made a deposit, and in the circumstances, they

FAST Deposit.....No Deposit

were not able to honor her claim for reimbursement of the said funds.

The OFSO reviewed all the pertinent details of this case and determined that there was not any new or conclusive evidence to pursue the matter further and advised Ms. HL of the Bank's findings and position.

Withdrawal.....OH NO!!!!

Mr. A attended a meeting at his home branch with an official of the Bank in connection with two questionable transactions that he could not identify on his statement. He explained that the statement indicated that the said transactions were made sometime in June, both of which were made on the same day but at two different ATM locations. He claimed that he knew nothing about these transactions and requested the Bank to credit his account with the total of the "unauthorized" withdrawals. The Bank's official advised that the matter would be investigated and he will be advised accordingly.

Some weeks passed, Mr. A had no communication from the Bank and was unable to get any update on his matter despite several visits to the Bank. Mr. A now in a desperate position felt that there was nothing else he could have done and resigned himself to accepting the loss.

However, on one of his visits to another commercial bank, he was pleasantly surprised at the contents of an OFSO brochure and lodged a complaint at our Office. He expressed that he was seeking redress to his matter that remained

unresolved with the Bank. The Office reviewed Mr. A's case and forwarded his complaint for the Bank's attention.

The Bank's response indicated that based on their enquiries, it would seem that the transactions in question were valid. They also added that many attempts to have Mr. A visit the branch to discuss the matter further proved futile. Mr. A was contacted and advised of the Bank's position but he blatantly refuted the Bank's claim and denied that he even made the "withdrawals".

In an attempt to have the matter resolved, the Office made arrangements for a meeting between Mr. A and the Bank to engage in further discussions. The Bank subsequently advised the OFSO that an amicable agreement was reached and Mr. A's account was refunded with the amount representing the two "unauthorized" withdrawals.

The OFSO confirmed the settlement with the complainant and thanked the Bank for their support and cooperation in bringing the matter to an amicable resolution.

INSURANCE CASE STUDIES

Work to Own

"After dropping off someone, I had just past a cemetery and while negotiating a curve, I picked up a skid and lost control of my vehicle. The car spun then flipped and finally landed in a drain. I seem to have lost consciousness until I heard someone knocking on my window, asking if I was okay." These were the words of Sam, as he recounted the accident.

Sam, along with Mr. Al Tida, the owner of the vehicle visited the Office of the Financial Services Ombudsman to lodge a complaint against his insurer Full Risk Insurance Company. Mr. Al Tida advised that he submitted a claim against his comprehensive policy approximately eight months ago relating to the accident and he had not received the courtesy of any communication from his insurance company to date.

The OFSO reviewed Mr. Al Tida's complaint and sent a "Notice of Complaint" to the insurer Full Risk Insurance Company for further enquiries and comments. The company, in its timely response, indicated that the delay was as a result of its decision to obtain an independent investigation on this matter. The company also revealed that based on the findings of the report, it

Work to Own

took the decision to deny liability for the claim submitted by Mr. Al Tida, due to a breach of contract.

The investigations included a copy of a contractual agreement between Mr. Al Tida (the owner) and Mr. Sam (the driver) to purchase the vehicle involved in the accident on a 'work to own' basis. Mr. Sam paid a down payment and an arrangement was made for him to pay a fixed sum to Mr. Al Tida weekly from 'working the vehicle' (plying for hire) until the purchase price was paid in full. Full Risk Insurance Company therefore concluded that the vehicle was being operated contrary to the limitations of use as per the motor insurance policy contract: covered for personal and private use only and should not be used for rental or hire (PH) purposes. Consequently, the company was well within its right to deny any claims arising from this accident.

The Office informed Mr. Al Tida and Mr. Sam accordingly and also took the opportunity to reinforce the consequences of the "Work to Own" contractual arrangement as it relates to insurance coverage/contract. Our Office underscored to both parties that although a valid contractual agreement was in force between them, Mr. Al

Tida was in breach of the contract of insurance that he held with Full Risk Insurance Company. The complainants, although not happy with the outcome, respected the company's position and appreciated the lessons learnt.

Bad Weather Destroyed My Roof

The Inter Tropical Convergence Zone (ITCZ) brought heavy rainfall and gusty winds. This weather proved to be too much for Mr. AB's home. His galvanized roof blew off causing water damage to the contents of his home and collapse of some of the structural beams.

Mr. AB, although saddened by his misfortune was comforted by the fact that his home was insured by Cover All Insurance Company. He made a claim for One Hundred and Forty Three Thousand dollars (\$ 143,000.00), however he was not satisfied with the company's offer and claimed that no explanation was proffered by Cover All Insurance in relation to its settlement offer. He then lodged a complaint with the Office of the Financial Services Ombudsman seeking some assistance in resolving his claim.

The Office reviewed his matter and requested the insurance company to investigate and advise as to its position on Mr. AB's Claim. In its response, Cover All Insurance explained that based on the findings of the Loss Adjuster, the proximate cause of the loss would have been as a consequence of the dilapidated and/or deteriorated state of the property's roof and its truss. This was mainly due to the insured's failure to

maintain the elements of the premises at risk, which created an uninsured cause at the material time of the loss. The report also noted the fact that no other building /home in the area suffered damages as sustained by the insured due to the weather conditions.

The company therefore concluded that Mr. AB breached Condition 2 of the policy contract, which stated: The Insured shall: ***"Use all reasonable diligence and care to keep the Buildings in a proper state of repair and if and defect therein be discovered shall cause such defect therein be discovered shall Cause such defect to be made good as soon as possible and shall in the meantime cause such precautions to be taken for the prevention of injury loss or damage as the circumstances may require and the Company shall not be liable for any injury, loss or preventive or damage caused by the defect which the Insured had failed to remedy after having received notice of such defect either from the Company or any person or public body."***

In support of its position, the company provided our Office with a copy of the Loss Adjuster's report for its review. After careful perusal of the report, the pictures confirmed the general state of disrepair of the insured's house and roof, the Office concurred with the position of Cover

Bad Weather Destroyed My Roof

All Insurance Company. However, after further discussions between the Office and the insurance company, Cover All agreed in good faith to offer a payment of \$ 7,500.00, without the admission of liability. Mr. AB's house was also underinsured and the Average Clause had to be applied in the determination of the '**ex-gratia**' payment.

The offer was discussed with Mr. AB and he indicated that based on the facts in his matter he agreed to accept the company's decision. The OFSO thanked both the company and the complainant for their cooperation in resolving the matter.

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 the insurance industry in May 2005.

The OFSO was established by agreement between the Central Bank of Trinidad and Tobago and the bank, non-bank financial institutions and insurance companies. The names of the various institutions are identified later in this Report. The objectives, processes and procedures for resolution of complaints are the same for all stakeholders.

THE MAIN OBJECTIVES OF THE OFSO ARE:

- (a) to receive complaints arising from the provision of financial products and services to individuals and small businesses; 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 OFSO provides an independent and impartial channel through which complainants (individuals and small businesses) not satisfied with the decisions rendered by any of the participating financial institutions or insurance companies concerning financial services or products which falls under the mandate of the OFSO.

A complainant must first seek resolution at the financial institution or insurance company where the problem arose. If the matter is not resolved satisfactorily at that level, a complaint can then be lodged at the OFSO.

The key objectives of the OFSO are to:

- resolve complaints in a way that is impartial, fair, accessible, timely, informal, efficient and free-to-consumers;
- encourage the resolution of complaints before they reach the OFSO, by working closely with participating financial institutions and insurance companies;
- 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;
- coordinate work with the regulator, the CBTT, so far as is consistent with the independent role of the OFSO; and
- ensure stakeholders understand the role of the OFSO.

THE COMPLAINTS PROCESS

THIS IS A FREE SERVICE

- The matter must have first been raised with the financial institution or insurance company at which the complaint arose and the complainant is still not satisfied with the outcome.
- The subject of the 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 financial institution's general rate of interest offered, or charged; fees and charges; risk management policies or the pricing of products and services, the insurance company'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 Court or an arbitration body or any other dispute resolution process.

SCOPE OF SERVICES

The OFSO can consider matters relating to a wide range of products and services offered by the banks, non-bank financial institutions and insurance companies. Generally, the following issues are investigated:

BANKS AND NON-BANK FINANCIAL INSTITUTIONS

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

INSURANCE COMPANIES

- Investment Services
- Trust Accounts
- Individual Annuity contracts
- Fire and General insurance
- Third Party Property Damage claims to a maximum of \$100,000.00 under a Motor Policy

LODGING 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 downloaded via our website www.ofso.org.tt).

The Form must be signed by the complainant and the authorized representative, if necessary. If the complainant is differently-abled or requires the assistance of 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 Form must state the names and addresses of both the complainant and the branch of the bank, non-bank financial institution 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 FSO and staff of the OFSO and its advisors will not be called upon to testify in any legal proceedings.

RESOLUTION OF COMPLAINT

The OFSO will assess your complaint to determine whether it falls within its Terms of Reference (TORs). Thereafter, all attempts will be made to settle the dispute by agreement between the two parties that is, yourself and the financial institution or insurance company.

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 or insurance company where the customer conducts 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 FSO 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 instances such as these, the OFSO will consider the matter closed.

COMPLAINTS OUTSIDE OF THE JURISDICTION OF THE OFSO

Certain categories of complaints are not investigated since they are specifically excluded under the TORs. 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\$100,000 in respect of third party property damage under a motor policy.

(ii) Matters that are currently or have been before Court 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 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

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

1. Settlement by Agreement
2. Recommendation by the FSO; and
3. Award by the FSO.

1. Settlement

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

2. Recommendation

If no agreement is reached between the financial institution or insurance company and the complainant, either party may request the FSO to make a recommendation for settlement or withdrawal of the complaint. Once the recommendation of the FSO is accepted by the complainant and the financial institution or insurance company in full and final settlement, the matter is resolved at this stage. If any one of the parties, the complainant or the financial institution or insurance company, does not accept the recommendation made by the FSO, the matter may be taken to the final stage.

3. Award

If the complaint is not settled by agreement or recommendation, the FSO may make an Award. The Award is limited to \$500,000.00 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 or insurance company. If not accepted by the financial institution or insurance company, the FSO is obligated to report the noncompliance to the Governor of the CBTT.

LIST OF PARTICIPATING FINANCIAL SERVICES PROVIDERS AS AT MAY 25, 2017

COMMERCIAL BANKS AND THEIR SUBSIDIARY LICENSED FINANCIAL INSTITUTIONS

- Bank of Baroda (Trinidad and Tobago) Limited
- Citibank (Trinidad and Tobago) Limited
- CIBC FirstCaribbean International Bank(TrinidadandTobago)Limited
- First Citizens Bank Limited
- JMMB (T&T) Limited
- RBC Royal Bank (Trinidad and Tobago) Limited
- Republic Bank Limited
- Scotiabank Trinidad and Tobago Limited

NON-BANK FINANCIAL INSTITUTIONS

- ANSA Merchant Bank Limited
- Caribbean Finance Company Limited
- Citicorp Merchant Bank Limited
- Development Finance Limited
- Fidelity Finance and Leasing Company Limited
- First Citizens Asset Management Limited
- First Citizens Trustee Services Limited
- Guardian Group Trust Limited
- Intercommercial trust & Merchant Bank Limited
- Island Finance Trinidad and Tobago Limited
- Massy Finance GFC Ltd.
- NCB Global Finance Limited
- RBC Investment Management (Caribbean) Ltd.
- RBC Merchant Bank (Caribbean) Ltd.
- RBC Trust (Trinidad and Tobago) Limited
- Scotia Investments Trinidad and Tobago Limited

INSURANCE COMPANIES

- Assuria Life (T&T) Limited
- Bancassurance Caribbean Limited
- 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
- Furness Anchorage General Insurance Limited
- Guardian General Insurance Limited
- Guardian Life of the Caribbean Limited
- Gulf Insurance Limited
- Maritime General Insurance Company Limited
- Maritime Life (Caribbean) Limited
- Massy United Insurance Limited
- MotorOne Insurance Company Limited
- Nagico Insurances (Trinidad and Tobago) Limited
- Pan-American Life Insurance Company of Trinidad and Tobago Limited
- Sagicor General Insurance Inc.
- Sagicor Life Inc.
- ScotiaLife Trinidad and Tobago Limited
- Tatil Life Assurance Limited
- The Beacon Insurance Company Limited
- The Demerara Life Assurance Company of Trinidad and Tobago Limited
- The Insurance Company of the West Indies Limited
- The New India Assurance Company Limited
- The Presidential Insurance Company Limited
- Trinidad and Tobago Insurance Limited
- Trinre Insurance Company Limited

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