



THE

# Mediator

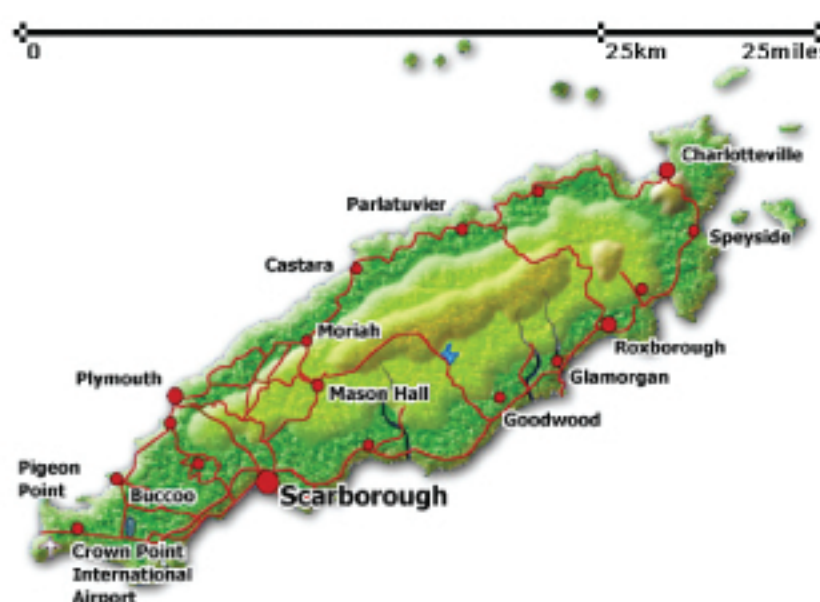
A Publication of the Office of the Financial Services Ombudsman

SEPTEMBER 2009 • ISSUE #4

## FOCUS ON TOBAGO

On April 09, 2009, the Office of the Financial Services Ombudsman (OFSO) extended its services to Tobago utilizing the facilities of the Finance Office of the Tobago House of Assembly located on Glen Road in Scarborough. So far, we are very pleased with the response that we have received from residents who have been making very good use of the service being offered by our Office. Indeed, since April, well over 100 persons have sought the assistance of the OFSO for the resolution of various issues and disputes that they may have had with financial institutions. In spite of the fact that a sizeable proportion of these complaints did not fall within the purview of the Financial Services Ombudsman Scheme, the staff of our Office were more than happy to assist and in many instances to redirect the complainants to the relevant authorities for the appropriate handling of their disputes.

Our records show that as at September 30, 2009 we have been able to formally treat with approximately 23 complaints. When we review this number of complaints



against 38 complaints received for the four year period beginning May 2005 and ending December 2008, it is clear that the need for a physical presence by the OFSO has been validated. As we continue to reach out to you, the residents of Tobago, we want to encourage you to give us your comments and suggestions so that we can improve our service. As such, we sincerely thank the customer who took the time to provide us with the feedback which we are sharing with you in this issue of The Mediator.

## INTERVIEW WITH OFSO CUSTOMER

### Questions & Answers

**1. Q: How did you hear about the OFSO? (TV, radio, newspaper, other)**

**A:** I read about the service in the newspapers.

**2. Q: Nature of complaint? (Banking, insurance, other) give brief details.**

**A:** The two matters I forwarded to OFSO were insurance complaints (precisely vehicle accident claims).

**3. Q: Was the OFSO's communication with you acceptable?**

**A:** The communication was generally acceptable- although the returning of phone calls was not always promptly enough and the fact that Tobago has not got its own office always required phone calls to keep in touch.

**4. Q: Was the staff of the OFSO courteous?**

**A:** The personnel were all very courteous and helpful

**5. Q: Overall, you were satisfied with the way your complaint was handled?**

**A:** Generally yes, and I do also believe that this OFSO service can be very efficient and productive in mediation work between the parties. Matters been forwarded to court can be reduced and a lot of time and costs as well. But I am also convinced that there is an urgent need that insurance companies in T&T should be forced by a stricter law (eventually monetary penalties) if they do not comply with their responsibility of indemnity and to handle claims in a faster fashion

**6. Q: Would you recommend the OFSO to other people?**

**A:** I did in fact already several times and will continue recommending the OFSO

**7. Q: Do you have any ideas or suggestions to help us improve our service?**

**A:** Continuous informing the public with newspapers publications or other forms of media. Especially in Tobago, inform the public about the office days and hours and try to have no schedule changes (because people will get upset and do not return)

**8. Q: Any other comments?**

**A:** Newspapers or other publications on a regular basis about successful projects of the OFSO.





# CASE STUDIES



## 1. Inadequate Settlement by Insurance Company

Ms. B's car was parked off the roadway facing east when another driver proceeding in a westerly direction, lost control of her vehicle and collided with Ms. B's car. The car sustained major frontal damages.

Ms. B obtained an estimate and submitted a claim to the other party's insurance company. The company assessed her claim and proposed an offer but she was not willing to accept. The complainant subsequently held further discussions with the company to reconsider their offer but they remained firm in their offer.

Around the same time, the Tobago office of the Financial Services Ombudsman was opened and Ms. B was one of several customers who visited on the first official day of operations. After reviewing her case, the Ombudsman's Office communicated with the insurance company, enquiring as to the status of Ms. B's claim.

The company responded stating that they reviewed the claim and after further discussions with the garage recommended by Ms. B. they were able to agree on a revised price for the labour costs, and therefore, they were prepared to increase their offer by five hundred dollars. This was conveyed to the complainant, who stated that the amount was still not sufficient to adequately repair her vehicle and pointed out that the company had failed to include compensation for some parts that needed to be replaced in her car.

Once again, the OFSO reverted to the company and after some negotiations a settlement figure was agreed between the parties. Ms. B indicated that she was happy with the offer and accepted same bringing closure to the matter.

### Lesson of the Case:

If you are found to be liable for an accident, the other party involved is entitled to have his claim settled by your insurance company.

### Part 3; Section 8 of The Highway Code states

- Do not exceed speed limits for the road and for your vehicle.
- Remember that any speed limit is a maximum. It does not mean that it is always safe to drive at that speed.
- Always take into consideration the conditions of the road.

## 2. Change in Loan Agreement

The complainant, Mr. M took out a loan with a commercial bank sometime during the period 1995 – 1996. In April 2000, the loan was restructured and it was agreed that the outstanding balance would be repaid in monthly installments of \$2,167.00 over a period of eight and a half years. Mr. M stated that he was not given a copy of this new loan agreement but he proceeded to have the payments deducted from his salary.

In April 2008, Mr. M, approached the bank and enquired about the outstanding balance since he believed that his repayment was almost complete. He was very surprised to learn that there was a balance of some thirty-two thousand dollars (\$32,000.00) still to be paid. The complainant then enquired from the bank for the reason for this large balance only to be told that an error had been made when his loan was restructured and the monthly payment should really have been \$2,536.00 instead of \$2,167.00.

Mr. M was now very disturbed by the events and indicated to the bank that he had no intention of paying any additional money outside of that previously agreed. He subsequently received a letter from the bank advising him that the

bank would be willing to settle the matter by having him pay half of the outstanding balance on the account.

Mr. M again refused to pay any additional money to the bank for an error which he believed they committed and at this point brought his case to the Ombudsman for assistance.

The Ombudsman's office reviewed the information submitted by the complainant and wrote to the bank seeking their comments on the complaint. Initially, the bank responded saying that their offer to accept 50% settlement of the outstanding balance to settle the matter remained unchanged.

However, after some discussion between the Ombudsman and the bank it was agreed that they would accept responsibility for the error and reduce the settlement amount to 25% of the outstanding balance.

This new offer was communicated to Mr. M and he decided to accept same since he wished to bring closure to the matter.

### Lesson of the Case:

This case serves to highlight the need for persons to be vigilant when conducting financial transactions. The complainant, Mr. M should have ensured that he received a copy of his loan agreement so that he would have proof regarding his monthly installments and the repayment period. In addition, the Office advised the bank that they could not make such unreasonable demands for payment from this customer for an error that he was not made aware of earlier.

## Complaints Process

### Scope of Services

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

#### Banks

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

#### Insurance

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

### Complaint Guidelines

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

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

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

### Making a Complaint

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

### Resolution of Complaint

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

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

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

For Further information, you may contact or visit:

### The Office of the Financial Services Ombudsman

Located at: First Floor, Central Bank Building, Eric Williams Plaza, Independence Square, Port of Spain

The OFSO Tobago office is located at the THA Conference Facility, Glen Road, Scarborough

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

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

• Website: [www.ofso.org.tt](http://www.ofso.org.tt)