



HAPPY 2010 TO ALL

FROM THE OFFICE OF THE
FINANCIAL SERVICES OMBUDSMAN

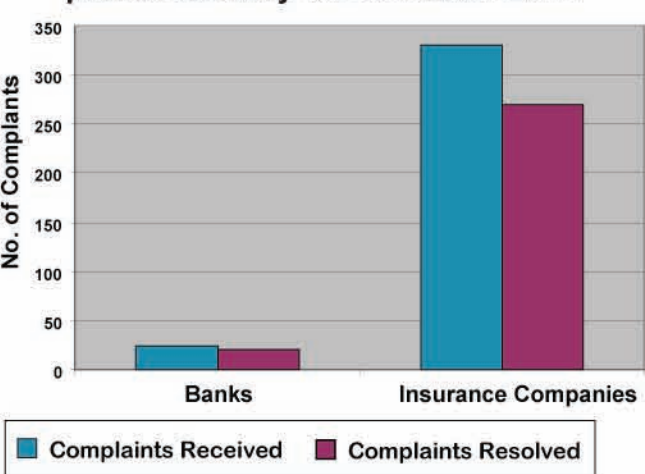
As we bid farewell to the year 2009 and welcome 2010, we remember the challenges faced in 2009 with the global financial meltdown and the impact on our own economy. As consumers reacted to the challenges, we at the OFSO were able to provide efficient service to those who expressed dissatisfaction with the responses received from our member institutions to which they complained.

Over the last year the Office was expanded with the addition of 8 new members, (non-bank financial institutions (NFIs)) who conduct business of

a financial nature, and the establishment of an office in Tobago. We also updated our website www.ofso.org.tt to make it more user-friendly, launched the first edition of this Newsletter to provide consumers with more information on financial matters, and increased our public awareness programmes. The resultant effect has been an overall increase of 23% in complaints received in 2009 when compared with 2008. This was due mainly to complaints against insurance companies. In fact, complaints against the banking sector declined by 12% whereas those against the insurance sector increased by 27%.

In 2010, the Office commits to consistently inform customers about the free and fair service that we provide and to engage in ongoing discussions with our members on the need to establish internal dispute resolution mechanisms for customer complaints and so minimize the level of complaints that would reach our Office.

Complaints received and resolved for the period January to December 2009



KUDOS

Kudos received for the period
October to December 2009

"I wanted to thank you and your office for interceding for us, it may not have turned out how we expected but we are also aware if we did not take it to you all we will be completely empty handed...

I will be very happy to recommend you all to some people...
God bless you and your entire team"

Thinking Ahead to Protect your Family

The loss of a loved one can be the most difficult time in a person or family's life. The salt in the wound that can give families unnecessary pain and stress is finding out they are not able to pay for the funeral or the debts and expenses left behind. It is even worse when the deceased was the primary earner of income.

Protection is available to guard against these unfortunate situations: life insurance. Life insurance is a legal agreement between a policyholder and his or her insurance company that usually guarantees, in the event of the insured's passing, that the insurer will provide the beneficiaries with the means to handle the financial obligations left behind by the deceased. Life insurance coverage can also assist with funeral expenses. In these financially challenging times, many families are hard pressed to afford the high cost of their loved one's final expenses.

Life insurance can help ensure your family can keep the home you built by being able to make mortgage and/or rent payments. It can give your children the opportunity to finance their education, thus providing a more promising future;

It can be used to settle past business debts or to set up an emergency fund to guard against future misfortune. Each family is different, so of course each family's life insurance needs also vary. The policyholder has to take several factors into account such as the number of persons in the household, the risk of a premature death to the policyholder and the needs of the family. By comparing proposals from various insurers, the policyholder can find the insurance policy that is the best fit for him or her.

Information courtesy of Insurance News Net:
www.insurancenewsnet.com

CASE STUDIES



“Discount Due To Age Of Vehicle”

Mr. H, whose vehicle was over twenty years old, was involved in an accident and the other party accepted liability.

The complainant filed a third party claim against the other driver’s insurance company, which was also his own insurer.

The company, taking into consideration the age of the vehicle, the pre-accident value and the fact that the parts were not readily available, made an offer to the complainant, which was not acceptable to him. He did not agree that the cost of the parts for the repair works should be discounted even though his vehicle was over twenty years old.

The OFSO was of the opinion that the company had considered

all the relevant factors in determining its offer and acknowledged that the vehicle was very old. Although the OFSO did not agree with Mr. H’s point of view, the office was successful in negotiating an increase of 18% in the settlement offer, which was accepted by the complainant.



Lesson of the Case: It is the common practice for insurers to discount the cost of new parts required to repair a vehicle depending on the age of the vehicle, on the grounds that the claimant/insured is entitled only to be put back to the same position as he or she was prior to the damage. To compensate for the full cost of new parts would be to put the claimant/insured in a better position than he was prior to the loss.

“Foreign Exchange Transaction”



The customer conducted some foreign exchange business at his bank and requested a US Dollar wire transfer. This was done as usual, at the Bank’s US\$ Selling Rate at the time.

The following day, the customer telephoned the branch to cancel the transaction and was advised by the bank representative that the transaction could be cancelled because the funds had not yet left the bank, but he would still have to incur the expense of the commission fee, to which he agreed. However, when the customer checked his bank statement, he realized that the balance in his account was less than what it should have been. He was informed that the US dollars were converted at the Bank’s US\$ buying rate, so that he had incurred a loss of over \$ 1,000.00.

The customer disagreed with the bank on their decision to convert using the US\$ buying rate, because the transaction was cancelled before the foreign funds actually left the bank, so in fact it was an incomplete transaction. He requested the assistance of the OFSO and the bank agreed to refund to the customer the total loss that he has incurred.

Lesson of the case: It is customary for a bank to charge its customers the selling (or higher) rate when the customer is purchasing the foreign exchange and the buying (or lower) rate when selling foreign currency to the bank. One should be quite sure of the amount of foreign exchange required before transacting business with the bank; otherwise one could suffer a loss when converting back to the local currency.

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	Insurance
<ul style="list-style-type: none">• Deposit Accounts• Loan Accounts• Investment Services• Trust Accounts• Mutual Funds	<ul style="list-style-type: none">• 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 • Website: www.ofso.org.tt