



2018

Annual Report



OFFICE OF THE
FINANCIAL SERVICES
OMBUDSMAN



MISSION STATEMENT

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

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FOREWORD



In 2018, the cases addressed by Office of the Financial Services Ombudsman increased in both volume and complexity. Had the Office not existed, the aggrieved individuals, 1100 plus of them, would have been pursuing legal action, with the attendant costs, or abandoning the grievance altogether. Instead, they were given relief at no cost to them, and their matters were addressed in a fair, reasonable and confidential manner.

The OFSO continues to be a safeguard to consumers in the financial marketplace, especially given the increasing complexity of available financial products and services. But since impartiality and independence are the core principles by which it operates, it favours neither consumer nor company. Each case is carefully considered before the OFSO makes recommendations for deliberation by the parties.

In 2018, the OFSO launched an integrated public relations campaign. Both traditional and digital media were leveraged to raise the level of visibility of the Office. As an international benchmark, knowledge of and accessibility to, the Financial Ombudsman is a key indicator of effectiveness. The campaign proved instrumental in moving the OFSO a significant step closer to achieving the mandate as set out in the Central Bank's 2016-2021 Strategic Plan: Strengthening the effectiveness of the Office.

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FOREWORD continued

The OFSO, along with the National Financial Literacy Programme, increased its participation in workshops, fairs and expositions throughout the length and breadth of Trinidad and Tobago. This allowed the Office to interface with a wide cross-section of stakeholders, providing basic information on financial products and services, but more importantly on the rights and responsibilities of financial consumers.

A Memorandum of Understanding was signed in March 2018 between the Bank and individual members of the National Financial Education Committee, which included the Association of Trinidad and Tobago Insurance Companies, Bankers Association of Trinidad and Tobago, the Co-operative Credit Union League of Trinidad and Tobago, the Tobago House of Assembly- Financial Literacy Secretariat, Trinidad and Tobago Insurance Institute the Trinidad and Tobago Securities and Exchange Commission and Trinidad and Tobago Stock Exchange for cooperation and collaboration. The expected outcome of this collaboration is a National Financial Education Strategy for Trinidad and Tobago; a blueprint that will empower all citizens, on a sustainable basis, to make more appropriate financial decisions.

The Office, for the second time, joined 168 countries worldwide to celebrate Global Money Week (GMW) during March 12 to 17. GMW is an initiative of Child and Youth Finance International designed to

help children and young adults acquire life skills such as money management and entrepreneurship. Celebrations were held in Trinidad as well as in Tobago and focused on secondary school students. From all reports, the event was impactful.

The cumulative effect of the elevated level of operations and the advent of new and strategic initiatives will be to enhance the capability and reach of the Office and to position it to address many of the emerging challenges and tensions that accompany financial sector development.

On behalf of the Board and Management of the Central Bank, I would like to sincerely thank the FSO and his staff for their unrelenting effort to aid our citizens, whether directly via the complaints process or indirectly through their financial education initiatives.

Dr. Alvin Hilaire
Governor

PREFACE



The financial sector remains one of the most important, vibrant and robust sectors in the economy. This is clearly understood when one considers the contribution to GDP, employment in the sector, asset growth and return on invested capital. As with any dynamic sector, it is in a constant state of flux.

There is an unrelenting drive towards digital financial services which has the significant benefit of increasing the speed and lowering the cost of transactions. There are also other advantages, as even the unbanked are increasingly gaining access to financial services through digital channels. Despite these benefits, many are left behind as digitization has also brought a significant reduction in the number of touchpoints for direct interface with the public. Those not tech savvy will find a diminishing space in which to operate, in what is now commonly referred to as the financial ecosystem.

We have also seen a proliferation of fees and charges as banks and non-banks attempt to disaggregate the pricing of their services. Regarding insurance companies, there is also likely to be a sea-change in the sector as and when the insurance legislation is finally proclaimed and the more rigorous prudential standards are enforced.

An often overlooked aspect of these developments is their impact on ordinary financial consumers. It gives me no pleasure to deliver a bad report, but by most indicators, customers are becoming more aware of their rights but are far less vigilant about their responsibilities. Financial institutions spare no cost in their search for new business, but are frugal on enhancing their customers' experience.

PREFACE continued

In 2018, complaints and enquiries continued their slow but steady climb. And worst, the average time taken to resolve complaints got longer. In fact, it is just inside of four months or 106 days to be exact. While on the one hand there were some more complex cases, in many instances the time taken to resolve had nothing to do with complexity, but rather with some institutions digging in, doubling down and delaying.

The single most important indicator of our performance is the Resolution Rate, defined as the number of complaints resolved divided by the number of complaints available for processing, in a given period, expressed as a per cent. While many schemes do not readily publish their resolution rate, we are of the firm view that it tells quite a story and should be known to all members of the FSO Scheme. In 2016, the resolution rate was seventy-eight per cent (78%). Unfortunately, for 2018 the rate has fallen to sixty-one (61%), indicative of the increasing difficulty of cultivating an atmosphere in which parties fully appreciate the benefits of resolving complaints by use of negotiation, conciliation and mediation.

Within recent times the number of complaints being processed has been steadily increasing. In several instances there were companies with significant amounts of unresolved complaints, for months on end, and despite several meetings, very little was achieved in moving the process closer to resolution. Why should a complaint take almost two years to be resolved? Having complaints unresolved for inordinately long periods is wholly unacceptable and complainants are increasingly disadvantage with the passage of time. Is this the spirit and intent of the way the Scheme is supposed to work?

My intention is not to paint everyone with the same broad brush, but the tone is set from the top. So that employees, including managers, manifest the culture of their organizations and in particular what is transmitted from the top. We have many just, fair and responsible financial firms operating in this country. They do business on the basis that their long term reputation will see them through both good times and bad. But there are notable exceptions and these are the ones that undermine the reputation that others have fought so hard to attain.

I have one simple request for you the members of the Scheme, and it is one that we of this Office will hold ourselves to. Let us redouble our efforts to care; I mean really care about our customers. Let us not forget to call back, when we say we would, and in a timely manner. Let us follow up and follow through and keep customers informed. Gone are the days when we can simply tell customers "that is the policy". We should ensure that our frontline staff are sufficiently trained to provide a brief but reasonable explanation for the reasoning behind the policy. At the risk of sounding cliché, let us go the extra mile for our customers. Do not add to the social trauma already being experienced by many of our citizens. Let us care once more about customers and strive for service excellence.

I take this opportunity to thank all members of the FSO Scheme and make an urgent plea for you to work with us in the spirit of cooperation and fair play and push back against the widely held perception of the sector. To the staff of the OFSO and all our valued stakeholders, thank you. Thank you all for allowing us to be of service and for supporting our efforts in pursuit of excellence.

Dominic Stoddard
Financial Services Ombudsman

Report for the Year

REPORT FOR THE YEAR ENDED DECEMBER 31, 2018

OVERVIEW

The Annual Report 2018 presented by The Office of the Financial Services Ombudsman (OFSO) provides an account of the performance and operations of the Office for the period January 1, 2018 to December 31, 2018.

The Report contains a statistical review of complaints activity, with specific reference to enquires received at the Office, the number and types of complaints processed, and the time frames within which complaints were resolved. Additionally, the Report highlights the public interface with our 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 three hundred and fourteen (314) new insurance complaints lodged at the Office in 2018 and thirty (30) new complaints received on the banking sector, representing an increase in total complaints received when compared with 2017. This increase has largely been attributed to

the OFSO's focus on public awareness of the services we offer, public education activity alongside the National Financial Literacy Programme and the increasing incidence of companies referring their customers to seek our services whenever there is an impasse.

The Office recorded seven hundred and ninety-seven (797) enquiries during this period as compared with seven hundred and seventy (770) in 2017. The OFSO continued its External Office Days where two hundred and eighty-five (285) persons visited as compared with two hundred and twenty-five (225) during the corresponding period in 2017.

The table below summarizes some key performance parameters for the OFSO. In broad terms, both the number and complexity complaints and enquiries have been increasing. However the number of complaints resolved has not kept pace and this is reflected in the seven per cent (7%) deterioration in the Resolution Rate from sixty-eight per cent (68%) in 2017 to sixty-one per cent (61%) in 2018. Another indicator of the

increasing complexity of the case files handled by the office is the average time taken to resolve complaints. In 2018 the average number of days taken to resolve complaints increased from 97 days to 106 days. As further evidence of the increasingly discordant atmosphere in which we conduct our business, the penalty fees imposed on institutions,

although small in absolute terms, has resumed its upward trajectory, increasing by thirty per cent (30%) in 2018 after declining by fifty-seven percent (57%) the year before. Among the few positive outcomes for 2018, was the increase in average settlement amount for complaints resolved, which increased by over \$1,600 to reach \$9,496.

SELECTED PERFORMANCE INDICATORS

	2015	2016	2017	2018
Complaints	263	205	302	344
Enquiries	773	764	770	797
Total	1,036	969	1,072	1,141
No. of Visitors: External Offices	223	234	225	285
No. of Complaints Resolved	244	228	246	279
Resolution Rate (%)	73	78	68	61
Insurance	73	77	68	60
Banks	77	90	50	61
Time taken to Close Complaints (days)	74	80	97	106
Avg. Settlement per Complainant (\$)¹	8,079	7,991	7,873	9,496
Total Penalty Fees (\$)²	84,865	85,031	48,474	63,375

1. Average Settlement per Complaint applies to insurance companies and is the total value of settlement amounts divided by the number of insurance complaints resolved.

2. A fee not exceeding 10% of the monetary value of settlement is charged to insurance companies when resolution is reached and the company fails to settle within ten (10) working days.

EXTERNAL OFFICE DAYS

The OFSO continued its external office days where members of the public visited to lodge complaints or make general enquiries. These days were facilitated at various Regional and Borough Corporations as well as at the Office of the Ombudsman in San Fernando and Tobago.

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 eighty-five (285) visitors to our external offices. This represented an increase of twenty-seven per cent (27%) when compared with 2017 where two hundred and twenty-five (225) visitors were recorded.

Table 1
VISITORS TO EXTERNAL OFFICES

Location	2015	2016	2017	2018
Point Fortin	70	57	42	43
San Fernando	63	86	97	145
Sangre Grande	42	41	30	27
Tobago	48	50	56	70
Total	223	234	225	285

ENQUIRIES

During 2018, the OFSO received seven hundred and ninety-seven (797) enquiries from various sources. This represented a marginal increase of four per cent (4%) when compared with the corresponding period in 2017 where seven hundred and seventy (770) enquiries were recorded.

Enquiries received related to products and services provided by insurance companies, banks and non-bank financial institutions. The OFSO received several enquiries related

to products and services provided by institutions not falling under its mandate. These institutions included the Unit Trust Corporation, credit unions, Government Ministries/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 their matters may be addressed.

Table 2
ENQUIRIES RECEIVED BY THE OFSO

Institution	2015	2016	2017	2018
Bank	93	156	161	134
Non-bank F.I.	2	4	2	8
Insurance	536	478	505	557
Other	142	126	102	98
Total	773	764	770	797

Report on Banking Services

REPORT ON BANKING SERVICES

NEW BANKING COMPLAINTS

During the period January to December 2018, the OFSO received thirty (30) new complaints from individuals with respect to services provided by their commercial banks. For the corresponding period of 2017, the number of new complaints received at the Office was twenty (20). This represented an increase of fifty per cent (50%) in the overall number of banking complaints submitted to the Office.

TYPES OF COMPLAINTS

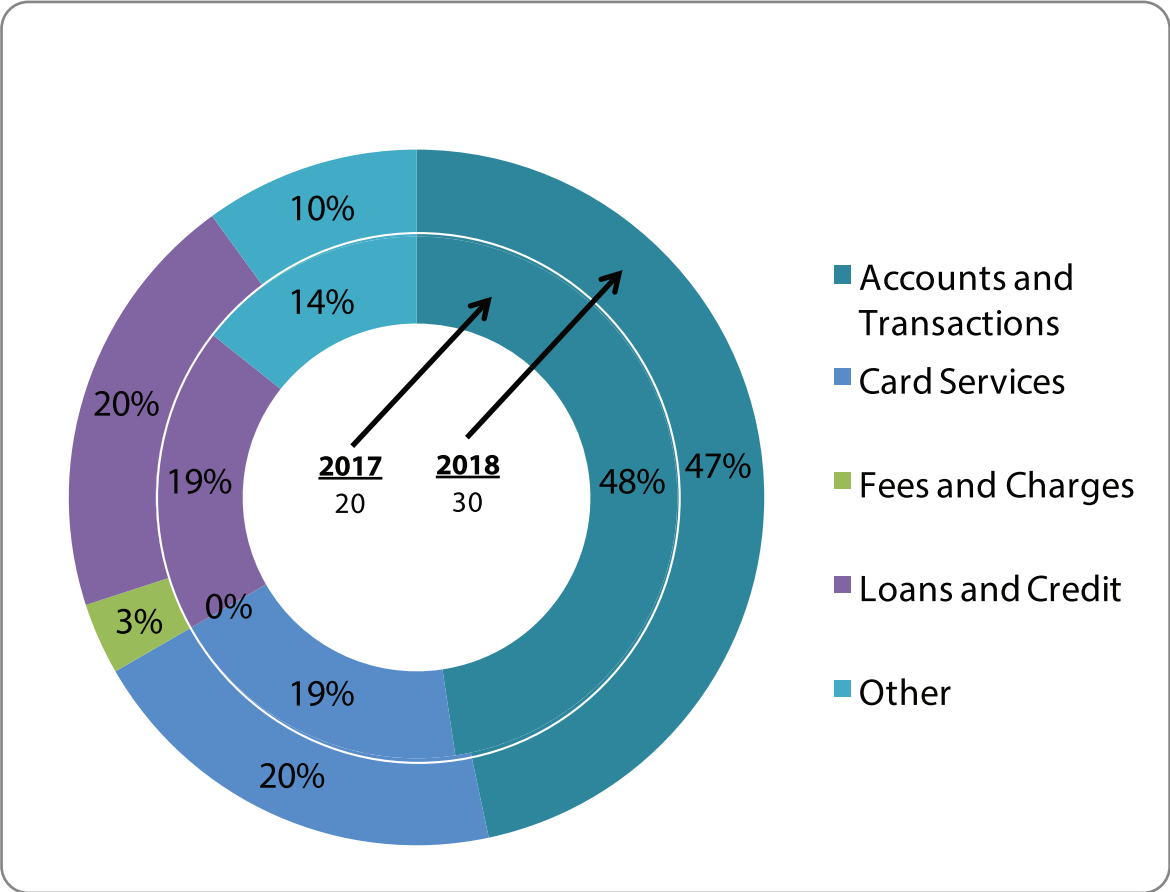
The OFSO recorded the majority of banking complaints under the four (4) main categories: Accounts and Transactions, Card Services, Loans and Credit and Other. Complaints related to Accounts and Transactions accounted for forty-seven per cent (47%) of the total received in 2018 as compared with fifty per cent (50%) in 2017. There was an increase in the percentage of complaints related to Loans and Credit when compared with the previous period. The percentage of complaints related to Card Services in 2018 remained unchanged when compared with the same period in 2017.

Table 3

TYPES OF BANKING COMPLAINTS RECEIVED

Type of Complaints	2018		2017	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Accounts and Transactions	14	47	10	50
Card Services	6	20	4	20
Fees and Charges	1	3	0	0
Loans and Credit	6	20	3	15
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	3	10	3	15
Total	30	100	20	100

Figure 1
TYPES OF BANKING COMPLAINTS RECEIVED



RESOLUTION OF BANKING COMPLAINTS - SUMMARY

During 2018, there were forty-one (41) banking complaints being addressed by the OFSO. This included eleven (11) unresolved complaints brought forward from 2017 and thirty (30) new complaints that were received during the reporting period. Twenty-five (25) complaints were resolved by the OFSO during 2018 which represented sixty-one per cent (61%) of the total for processing. In 2017, fifty per cent (50%) of the total number of pending complaints was resolved. There were sixteen (16) unresolved complaints that continued to engage the attention of the OFSO and the relevant commercial banks at the end of 2018.

Table 4
SUMMARY OF BANKING COMPLAINTS PROCESSED

	2015	2016	2017	2018
Brought Forward	12	5	2	11
Received within the period	10	15	20	30
Total for processing	22	20	22	41
Resolved/Closed	17	18	11	25
Carried Forward	5	2	11	16

RESOLUTION OF BANKING COMPLAINTS – HOW RESOLVED

The majority of banking complaints were resolved by agreement between the parties involved and withdrawals by complainants due to proper action taken by the financial institutions. During 2018, seventeen (17) complaints were resolved under the category of Agreement while five (5) were resolved under the category of Withdrawals by Complainants. There were three (3) complaints withdrawn by the OFSO.

Table 5
RESOLUTION OF BANKING COMPLAINTS - HOW RESOLVED

Complaints Resolved By	2018		2017	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Agreement	17	68	7	64
Withdrawals by OFSO	3	12	0	0
Withdrawals by Complainant	5	20	4	36
Referred to Court	0	0	0	0
Recommendation/Awards	0	0	0	0
Total	25	100	11	100

RESOLUTION OF BANKING COMPLAINTS – TIME TAKEN

During the period under review, the OFSO was able to resolve fifteen (15) complaints within ninety (90) days of receipt, representing sixty per cent (60%) of the total number of complaints resolved. Eight (8) complaints took in excess of one hundred and twenty (120) days to be resolved.

BANKING ENQUIRIES

During the period January 1 to December 31, 2018, the OFSO received one hundred and ninety-seven (197) banking related matters that were not recorded and treated as formal complaints but were resolved via enquires conducted with the respective institutions.

Table 6
RESOLUTION OF BANKING COMPLAINTS - TIME TAKEN

Resolved Within	2018		2017	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
30 days of receipt	0	0	0	0
31-60 days of receipt	4	16	4	36
61-90 days of receipt	11	44	2	19
91-120 days of receipt	2	8	1	9
More than 120 days of receipt	8	32	4	36
Total	25	100	11	100

Banking Case Studies

BANKING CASE STUDIES

NO FUNDS...NO PAYMENT

Fred purchased life insurance to create an estate for his family and with sound advice from his agent, he decided to set up a standing order at his Bank to pay his premiums. In February 2019, he received a notice in the mail from his Insurance Company informing that his policy had lapsed due to non-payment of premiums. Fred was shocked by this information as his salary was credited monthly to the account used to facilitate his premium payments. He then decided to visit his bank to find out why his premiums were not paid, however his attempt to get clarification/information proved futile. Dissatisfied with the lack of response from his bank, Fred decided to seek assistance from the Office of the Financial Services Ombudsman (OFSO).

After a review of Fred's complaint, the OFSO sent a formal notice of complaint to the Bank and was provided with a statement of the complainant's account showing that the standing order was not effected on specified dates due to insufficient funds. This was due to the fact that the complainant's salary was credited to his account AFTER the specified date on the standing order.

The OFSO then presented Fred with the statement showing him that there were insufficient funds in his account on the date that his premiums should have been deducted. The OFSO's representative also explained to him that monies would only be deducted on the specified date on the authorization form used to set up the standing order and that payments could not be deducted on '*whatever date*' that the funds became available in the account.

LESSON LEARNT

A standing order authorizes a financial institution to deduct a fixed amount on a given date ONLY. As such, if there are insufficient funds in the account to cover a deduction on the date specified on the standing order authorization form, the payment or any part thereof will not be effected.

BE WISE...AVOID SURPRISE

Mrs. Mendez was getting on in age and wasn't always up to going into the bank and other business places to complete transactions. To address her challenges, she decided to open a Joint Account with her daughter, Mrs. Williams, who was able to pay her monthly bills and purchase her medication, everything seemed to be going well.

One afternoon, about six months after opening the account, Mrs. Mendez went for an evening out with friends. She used her card at the ATM and found that the balance on her account looked extremely low. The very next day, she visited her bank and obtained a statement on her account. She highlighted all transactions that were unknown to her and formally submitted a complaint to the bank. After a few weeks, the Bank informed her that the transactions were all valid and they were unable to reimburse her. Dissatisfied with this position from the bank, Mrs. Mendez visited the Office of the Financial Services Ombudsman (OFSO) since she knew that they helped another friend of hers a few months ago.

Mrs. Mendez completed the complaint form and attached the bank statement highlighting the questionable transactions.

After further investigations, it was revealed that her daughter made withdrawals unknown to her over the stated period. Mrs. Mendez did not realise that her daughter could withdraw funds without her approval. The OFSO explained that she and her daughter held a Joint Account (Mrs. Mendez and/or Mrs. Williams) which meant that either party can sign on the account and withdraw any balance on the account. Conversely, a Joint Account (Mrs. Mendez and Mrs. Williams) allows either party to deposit funds into the account only but both parties must sign on the account to authorize any other transactions including withdrawal of funds.

LESSON LEARNT

Before opening Joint Accounts, decide which type of Joint Account will best suit your needs. Carefully, analyse the pros and cons of this type of account and verify account balances periodically to avoid unfortunate surprises. Most of all, open a Joint Account with a trusted person.



When you need help with
your financial complaints...

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to call us at
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Report on Insurance Services

REPORT ON INSURANCE SERVICES

NEW INSURANCE COMPLAINTS

During the period January to December 2018, the OFSO received three hundred and fourteen (314) new complaints from customers against insurance companies, four (4) of which were referred to Central Bank of Trinidad and Tobago. For the corresponding period of 2017, the number of new complaints received at the Office was two hundred and eighty-two (282). This represented an increase of eleven per cent (11%) in the overall number of complaints submitted to the Office.

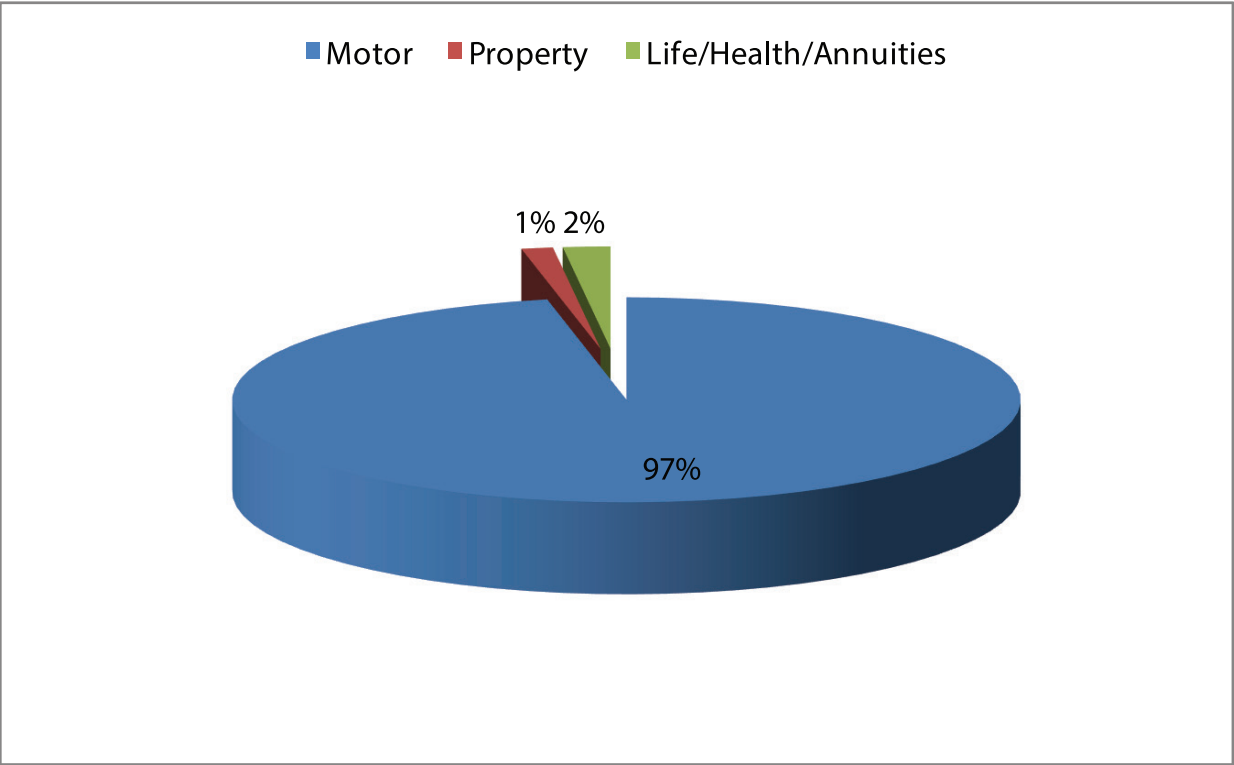
TYPES OF INSURANCE COMPLAINTS

The majority of insurance complaints received at the OFSO continued to be motor related claims. The Office recorded three hundred (300) such complaints which accounted for ninety-seven per cent (97%) of the total number received. During this period, there were six (6) complaints related to Life or Health Insurance policies and Individual Annuity contracts.

Table 7
TYPES OF INSURANCE COMPLAINTS RECEIVED

Type of Complaints	2018		2017	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Motor	300	97	266	94
Life/Health/Annuities	6	2	13	5
Property	4	1	2	1
Other	0	0	1	0
Total	310	100	282	100

Figure 2
TYPES OF INSURANCE COMPLAINTS RECEIVED



CATEGORIES OF INSURANCE COMPLAINTS

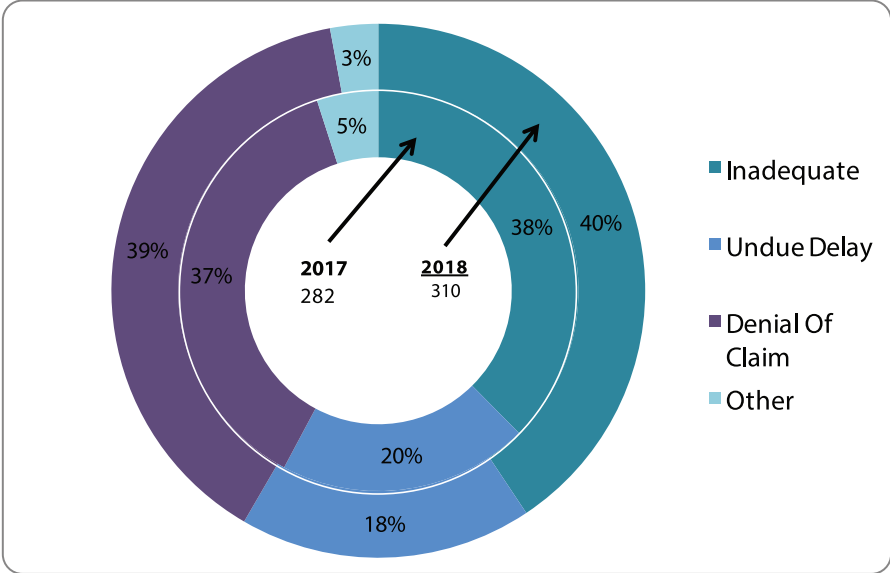
There has been a marginal increase in the number of complaints lodged under the categories of Inadequate Settlement and Denial of Claim in 2018 when compared with the previous reporting period of 2017. The categories of Inadequate Settlement and Denial of Claim accounted for forty-one per cent (41%) and thirty-nine (39%) respectively,

of the total number of complaints received. There was also a marginal decrease in the category of Undue Delay when compared with 2017.

Table 8
CATEGORIES OF INSURANCE COMPLAINTS

Categories of Complaints	2018		2017	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Inadequate	126	41	106	38
Undue Delay	55	17	57	20
Denial of Claim	120	39	105	37
Other	9	3	14	5
Total	310	100	282	100

Figure 3
CATEGORIES OF INSURANCE COMPLAINTS



RESOLUTION OF INSURANCE COMPLAINTS - SUMMARY

During 2018, there were four hundred and twenty (420) complaints available for processing. This figure included one hundred and ten (110) unresolved complaints brought forward from 2017 and three hundred and ten (310) new complaints that were received during the reporting period. The OFSO resolved two hundred and fifty-four (254) insurance complaints during 2018 which represented sixty per cent (60%) of the total available for processing.

This was a notable decline when compared with 2017 where sixty-eight per cent (68%) of the complaints available for processing were resolved. There were one hundred and sixty-six (166) unresolved complaints that continued to engage the attention of the OFSO and the relevant insurances companies at the end of 2018.

Table 9
SUMMARY OF INSURANCE COMPLAINTS PROCESSED

	2015	2016	2017	2018
Brought Forward	66	85	63	110
Received within the period	253	190	282	314
Referred to Central Bank	7	2	0	4
Total for processing	312	273	345	420
Resolved/Closed	227	210	235	254
Carried Forward	85	63	110	166

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 2018, seventy-three per cent (73%) of complaints were resolved under the category of Agreement and twenty-six per cent (26%) were Withdrawals by the OFSO. One per cent (1%) of all complaints lodged was closed under the category of Withdrawals by Complainants. The OFSO recorded similar statistics under these categories in 2017.

Table 10
RESOLUTION OF INSURANCE COMPLAINTS – HOW RESOLVED

Complaints Resolved By	2018		2017	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
Agreement	184	73	170	72
Withdrawals by OFSO	67	26	59	25
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	254	100	235	100

RESOLUTION OF INSURANCE COMPLAINTS – TIME TAKEN

During the period under review, the OFSO resolved one hundred and eleven (111) complaints within ninety (90) days of receipt, representing forty-four per cent (44%) of the total number of complaints resolved. One hundred and

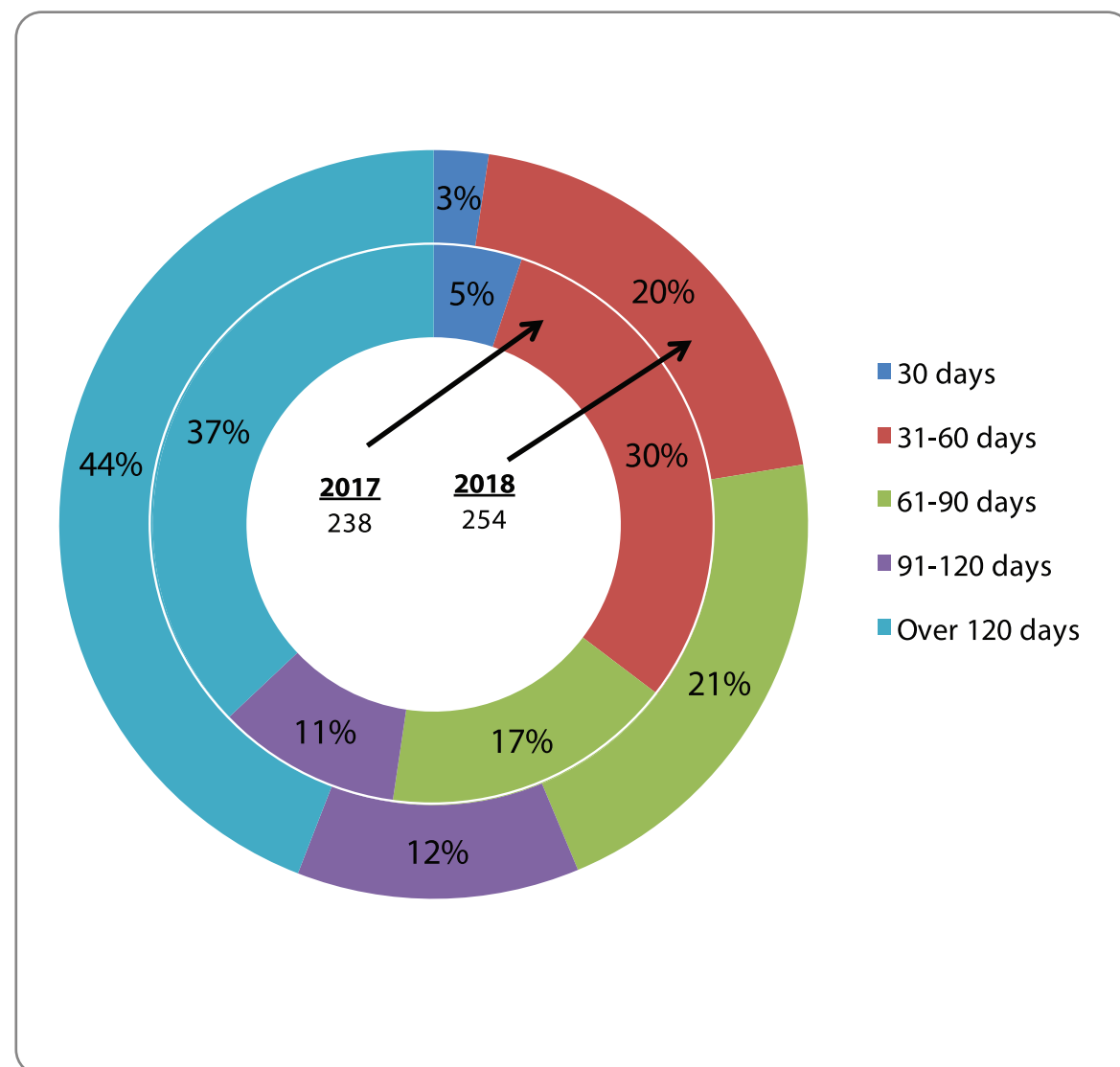
twelve (112) complaints took in excess of one hundred and twenty (120) days to be resolved.

Table 11
RESOLUTION OF INSURANCE COMPLAINTS – TIME TAKEN

Resolved Within	2018		2017	
	Number of Complaints	Percentage of Total	Number of Complaints	Percentage of Total
30 days of receipt	6	3	12	5
31-60 days of receipt	51	20	71	30
61-90 days of receipt	54	21	40	17
91-120 days of receipt	31	12	25	11
More than 120 days of receipt	112	44	87	37
Total	254	100	235	100

Figure 4

RESOLUTION OF INSURANCE COMPLAINTS - TIME TAKEN



MEETINGS WITH
INSURANCE COMPANIES

The number of complex insurance complaints inclusive of multi-vehicular accidents and company referrals received by the OFSO continued to increase. In an effort to resolve these matters, the Office continues to engage the respective companies in extensive discussions. During the review period, the OFSO convened seventeen (17) meetings with insurance companies including one (1) multi-party mediation meeting.

INSURANCE ENQUIRIES

During the period January 1 to December 31, 2018, the OFSO received seventy-six (76) insurance related matters that were not recorded and treated as formal complaints but were resolved via enquires conducted with the respective institutions.

Insurance Case Studies

INSURANCE CASE STUDIES

DON'T BE PENNYWISE AND POUND FOOLISH

Rachel reported that after an earthquake of intensity 5.8, her home suffered some structural damage. She had her property surveyed and then made a claim of \$90,000 to her insurers to cover repair works. After reviewing her claim, the insurance company made an offer of settlement. Rachel was of the view that the offer was inadequate and did not accept it. She tried to negotiate a better settlement but to no avail and visited the Office of the Financial Services Ombudsman (OFSO) seeking assistance in resolving her matter.

The OFSO contacted the insurance company for its position on the complainant's claim. In its response, the company explained that the findings of the Adjuster's report indicated that:

- While some of the damage appeared to be recent or as a result of the earthquake, a significant portion was sustained over an extended period meaning there was pre-existing damage.
- The estimate submitted seemed to be overstated and included

work not related to the damage caused by the earthquake.

- The sum insured of \$201,000.00 for the property was inadequate as the property should have been fully insured for \$750,000.00.

In the circumstances, Rachel's home was deemed under-insured; that is, the property was insured for less than its current market value. As a result, the claim was subject to the application of the **Average Clause**. This provision contained in the homeowner's policy stated that *'the insured shall be considered as being his/her own insurer for the difference (between the insured amount and market value) and shall bear a ratable proportion of the amount of such loss'*. The company was therefore prepared to settle the claim for the amount after the application of the average clause and deduction of the policy's excess as shown below:

Sum Insured	\$201,000.00
Value of Property	\$750,000.00
Claim amount	\$ 90,000.00
<hr/>	
$\frac{201,000 \times 90,000}{750,000}$	\$ 24,120.00
Less excess	\$ 10,050.00
Settlement amount	\$ 14,070.00

INSURANCE CASE STUDIES

DON'T BE PENNYWISE AND POUND FOOLISH (continued)

The Office was of the view that the company's offer was fair, reasonable and in accordance with the policy. The complainant was advised of such and given the option to engage the services of another certified Adjuster should she remain dissatisfied with the company's offer. Rachel did not wish to further pursue the matter and her file was closed.

LESSON LEARNT

It is important that homeowners understand the terms and conditions of their insurance policy to avoid disappointment in the event of a claim. The insurance company is within its right to adhere to those terms and conditions when settling a claim. Policyholders are therefore reminded that their property must be insured for at least 85% of its market value when applying for insurance cover or upon renewal of a policy. There should be regular valuations of your property to ensure adequate coverage.

ALL INCLUSIVE PACKAGE...NO

Michelle was involved in an accident in August 2018 and submitted a claim to Moonshine Insurance Company. Two months passed and having received no feedback Michelle decided to visit the Company to follow up on her matter. She was informed that her claim was denied since their client confirmed that he sold the vehicle in February of that year and was not involved in any accident. Moonshine Insurance Company also advised her that the said vehicle was not insured with them. Michelle was quite confused by these developments because the driver produced a "valid" insurance certificate. She visited the Office of the Financial Services Ombudsman (OFSO) for advice on the matter.

The OFSO contacted Moonshine Insurance Company and they provided the Office with a copy of the receipt for sale of the vehicle. The OFSO advised Michelle that the Company had proof that the vehicle had been sold and would not be liable for any damages sustained in an accident. Additionally, it appeared

ALL INCLUSIVE PACKAGE...NO (continued)

that the motor vehicle was sold with the unexpired insurance as part of the deal. However, insurance cover cannot be transferred from one insured to another. Therefore Michelle was advised to take legal action against the registered owner of the motor vehicle.

LESSON LEARNT

It is important that you ensure that upon sale of your motor vehicle, ownership is legally transferred at the Licensing Office as required by law to avoid unwanted liability. When the motor vehicle is sold, the certificate of insurance must be surrendered to the insurer. Therefore, the new owner must purchase his own insurance cover separately, failing this, he will be considered to be "driving without insurance" under the Motor Vehicle Insurance (Third Party Risks) Act and will be subjected to the relevant fines and/or imprisonment.



Enhancing the Visibility of the OFSO via Outreach Sessions

ENHANCING THE VISIBILITY OF THE OFSO VIA OUTREACH SESSIONS

TOBAGO OFFICE DAYS

Office days continued to be held on the second and fourth Wednesday of each month at the ground floor, Caribana Building, Bacolet Street, Scarborough. Radio Tambrin, the OFSO's website www.ofso.org.tt as well as social media are utilised to announce the dates of these visits.

with an emphasis on Facebook and Instagram.

During the period January to March, drafts of the ads to be printed in the newspaper as well as to be used on social media and a script to be used on the radio were developed. In an effort to minimize cost, a model search within the Central Bank was conducted and staff images were featured throughout the campaign.

PUBLIC RELATIONS STRATEGY

In furtherance of the OFSO achieving the mandate of Project 23 of the Bank's Strategic Plan which speaks to strengthening the effectiveness of the OFSO and to formalise an external communication plan and media monitoring, an advertising agency was selected to conduct an intensive Public Relations Campaign on behalf of the OFSO spanning a period of four (4) months, commencing on May 21 and ending on September 20, 2018. The agency was subsequently engaged for a further period of three (3) months until the end of December 2019.

Advertisements were published in the daily newspapers as well as aired on the radio from July to September. The Instagram as well as Facebook pages were updated with new content posted three per week on each medium. In addition, an 800 Toll free number was launched in early September (800 OFSO). Also during this period, a prototype of the redesigned website was reviewed by the OFSO.

The Campaign covered traditional media in the areas of press and radio advertisements as well as social media

On October 2, 2018 the OFSO's redesigned website was launched at www.ofso.org.tt. This redesigned site is more user friendly than the previous one and an interactive Contact Us Form is included.

FINANCIAL EDUCATION STRATEGY FOR TRINIDAD AND TOBAGO



The National Financial Education Committee (Committee) was formed by the Financial Services Ombudsman, cognizant of the need for a collaborative effort by all stakeholders to ensure that a financial education strategy is developed for Trinidad and Tobago which will be truly national in scope.

On Thursday January 17, a Special Meeting of the Committee was held to discuss Global Money Week (GMW) celebrations. GMW is an initiative of Child and Youth Finance International designed to help children and young adults acquire important life skills like money management and entrepreneurship. Celebrations took place during March 12 to March



17 and were commemorated in one hundred and sixty nine (169) countries. The theme was "Money Matters Matter".

- Monday March 12 - Signing of a Memorandum of Understanding between the Bank and Committee members. The MOU formalises the relationship for coordinated action in the development and execution of a National Financial Education Strategy. Signatories included:
 - o Association of Trinidad and Tobago Insurance Companies (ATTIC)
 - o Bankers Association of Trinidad and Tobago (BATT)
 - o The Co-operative Credit Union League of Trinidad and Tobago
 - o Tobago House of Assembly-

Financial Literacy Secretariat (THA, FLS)

- o Trinidad and Tobago Insurance Institute (TTII)
- o Trinidad and Tobago Securities and Exchange Commission (TTSEC)
- o Trinidad and Tobago Stock Exchange (TTSE)

- Tuesday March 13 - An Exposition was held at the Victor E. Bruce Financial Complex. The THA, FLS spearheaded festivities and one hundred and eight-six (186) secondary school students as well as sixteen (16) teachers were in attendance.

- Friday March 16 - Celebrations culminated at the Bank where an information session was hosted in the Auditorium. This session included the use of a drama group to communicate the Money Matters Matter theme. An interactive Exposition was held on the Plaza of the Bank. Various booths representing the signatories to the MOU engaged students in games and learnings about their respective organisations. A total of two hundred and seventy-six (276) students from fourteen (14) secondary schools along with twenty-six

(26) teachers were in attendance.

On April 18, a regular quarterly meeting of the Committee was held. Matters discussed included the recap of Global Money Week celebrations as well as the major goals to be achieved during 2018-2019. These include the development of a Strategy Document to clearly outline an overarching strategy for the Committee, an Action Plan covering the short, medium and long term goals of the Committee, development of a Joint Outreach Calendar, National Consultations with Broad Stakeholder Involvement and the development of a Glossary of Financial Inclusion Vocabulary.

On May 23, a special meeting was convened to discuss the development of the items raised in the April meeting. Regarding the Strategy Document for the Committee, it was agreed that the Document will be an actionable one and an OECD checklist will be used as the basis for its development. Fifteen points were presented which will form the contents of the Action Plan. A stakeholder listing of Vulnerable Groups in the country was circulated. It was agreed that the Glossary of Financial Inclusion Vocabulary will be renamed

Concepts and Definitions. A draft Joint Calendar was also developed outlining main events where collaborative outreach sessions could be held.

On July 27, a meeting was held. Matters discussed included a status review of the purpose of the Committee, tools for measuring the success of events and the hosting of a two day workshop on Financial Education and Literacy geared towards building a National Financial Education Programme.

For the year 2018, the last meeting of the Committee took place on November 9. Matters discussed included an update on the Financial Literacy Survey in that the decision was taken to not go forward with the survey in Financial Year 2018/2019. In light of this, Committee members suggested the exploration of funding from other organisations. Other items under consideration included an inventory of all financial literacy related programmes and resources, and a two-day workshop to build out the elements of the National Financial Education Strategy.

OUTREACH SESSIONS

During the year, the OFSO continued to disseminate information by meeting with and presenting to different sectors

OUTREACH SESSIONS (continued)

and special groups. The OFSO views this aspect of its operations as critical to communicating to the wider public the services offered. These sessions included: July 14: World Population Day Expo, in collaboration with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Sangre Grande, 70 persons August 25-26: Trinidad and Tobago's Association of Retired Persons 25th Anniversary Expo, Centre of Excellence, Macoya, 1,000 persons November 24, 2018: Positive Community, Positive Role Models, in conjunction with the ECLAC-Chaguanas- 75 persons



TRAINING

The OFSO continues to view training as an essential tool which not only develops the human resource capability, but increases employee motivation, efficiencies in processes, enhance strategies in communicating with customers and other stakeholders as well as improving the capacity to resolve complex issues. Training conducted during the period included:

April 10 and April 12:

Presentation Skills Workshop:

Tanya Forbes

May 18:

OFSO Website Administration:

Carla Burgess, Tanya Forbes, Angeline Jarvis, Annalisa Vallabh-Patel

September 23-26:

International Network of Financial Services Ombudsman Schemes Conference, Dublin, Ireland:

Dominic Stoddard and Tanya Forbes

September 27:

Writing Job Descriptions Workshop:

Lester Paul

October 2018 to April 2019:

Professional Certificate in Digital Strategy, Arthur Lok Jack Global School of Business:

Tanya Forbes and Carla Burgess



OTHER ACTIVITIES

NEW EMPLOYEE

Ms. Keisha Demas joined the OFSO on December 3, 2018 in the capacity of Senior Project Support Assistant, on contract.

TENANCY AGREEMENT

On May 2, 2018, a three year Agreement was executed between the Office of the Financial Services Ombudsman (OFSO) and the Central Bank of Trinidad and Tobago (the Bank) for office space on the first floor, Central Bank Building. The Agreement took effect from January 1, 2018 and will terminate on December 31, 2020. Rental remains at \$26,717.17 per month.

AUDIT OF FINANCIAL STATEMENTS 2017

2017 Financial Statements were prepared and the Auditor General's Department (AGD) was invited to conduct an audit of the financials. This took place during the period July 11 to August 28. The main highlights were:

- July 11: Entry Meeting held with Staff of the AGD.
- July 16-August 3: The AGD conducted its on-site visit and examination at the OFSO.
- August 9: AGD forwarded its exit points and the matters highlighted were deemed immaterial to the Financial Statements and as such a Management Letter was not issued.
- August 28: Receipt of Certified Financials from the AGD.

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 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;

THE COMPLAINTS PROCESS

THIS IS A FREE SERVICE

- 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.

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

- The matter must have first been referred to 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.

LODGING A COMPLAINT (continued)

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

Particular types 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.

COMPLAINTS OUTSIDE OF THE JURISDICTION OF THE OFSO (continued)

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.

COMPLAINTS OUTSIDE OF THE JURISDICTION OF THE OFSO (continued)

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 Central bank of Trinidad and Tobago.

LIST OF PARTICIPATING FINANCIAL SERVICES PROVIDERS AS AT JULY 5, 2019

COMMERCIAL BANKS AND THEIR SUBSIDIARY LICENSED FINANCIAL INSTITUTIONS

- Bank of Baroda (Trinidad and Tobago) Limited
- Citibank (Trinidad and Tobago) Limited
- FirstCaribbean International Bank (Trinidad and Tobago) Limited
- First Citizens
- JMMB Bank (Trinidad and Tobago) 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 Depository Services (Formerly First Citizens Asset Management Limited)
- First Citizens Trustee Services Limited
- Guardian Group Trust Limited (formerly Guardian Asset Management Limited)
- Island Finance Trinidad & Tobago Limited
- Massy Finance GFC Ltd.
- NCB Global Finance Limited
- RBC Investment Management (Caribbean) Limited
- RBC Merchant Bank (Caribbean) Limited
- RBC Trust (Trinidad & Tobago) Limited
- Scotia Investments Trinidad and Tobago Limited

Notes

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 (Trinidad and Tobago) Limited
- The Presidential Insurance Company Limited
- Trinidad and Tobago Insurance Limited
- Trinre Insurance Company Limited



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