

Best Foot Forward

ANNUAL REPORT
FY2021/2022



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ABOUT US

WHO WE ARE

The Financial Industry Disputes Resolution Centre Limited (FIDReC) was launched on 31 August 2005. It is a non-profit alternative dispute resolution centre that is independent and impartial. We specialise in resolving consumer financial disputes through mediation and adjudication.

OUR MISSION

To provide an affordable alternative dispute resolution scheme that is independent and impartial, so as to encourage and assist in the resolution of disputes between consumers and financial institutions in an amicable and fair manner.

Consumers can come to FIDReC for help when they have a dispute with a licensed financial institution that they cannot settle on their own. Licensed financial institutions include banks, life and general insurers, capital markets services, financial advisers, and insurance brokers.

OUR CORE PRINCIPLES

ACCESSIBILITY

We are committed to providing an affordable and accessible dispute resolution service that does not require parties to obtain external help from lawyers.

INDEPENDENCE

We operate independently of the government, financial institutions, and consumer bodies, and are impartial, credible and worthy of public trust.

EFFECTIVENESS

We set targets to measure the effectiveness and promptness of our services and regularly review our processes to ensure they remain relevant and in line with best practices.

ACCOUNTABILITY

We report on our performance, including sharing statistics and case studies where appropriate, and submit to regular independent reviews.

FAIRNESS

We monitor our procedures and process outcomes to ensure they are consistent with the law and what is fair and equitable.



MESSAGE FROM THE CHAIR



A major change in FIDReC's operations was the launch of a new website and digital portal management system.

In the year under review, Singapore has gradually recovered from the pandemic with economic and social activities returning to a more normal pace. More physical meetings and hearings have also resumed at FIDReC. However, one major change in FIDReC's operations was the launch of a new website and digital portal management system.

For members of the public, the new website has a user-friendly interface and contains more information. The consumer portal makes it easy for consumers to make enquiries, file claims and keep track of their claims. Verification of identity can be done via MyInfo, payments can be made electronically, and documents submitted online. Financial institutions have their own portal too. They can conveniently monitor claims, submit documents, and receive notifications and invoices. New financial institutions can subscribe to FIDReC online.

For FIDReC officers, the new system has automated the manual and repetitive data input process and enabled smarter statistical collation. Case files have become entirely electronic. This makes it easier for supervisors to track the progress of cases. Importantly, the new system addresses cybersecurity concerns to ensure the information FIDReC holds is safe and secure.

The FIDReC team spent long hours and worked tirelessly with the vendor to develop the new system during the Covid-19 period on top of their usual workload, while keeping to timelines and case clearance targets. The effort was commendable.

In terms of caseload, the figures were stable and did not vary much from those of the previous year. The number of enquiries went up from 6,412 in 2020/2021 to 6,549. The number of claims received was 1,142 as compared to 1,097 in the previous financial year.

The distribution of claims over the different categories also remained stable. In 2021/2022, 52% of the claims handled by FIDReC were against banks and finance companies. The figure was the same last year. Claims against life insurers (26%) and general insurers (13%) remained the same over these two years too.

For the claims against banks and finance companies, the top two types of claims related to fraud and scams (55%), and disputes on inappropriate advice, misrepresentation or disclosure issues (17%). For the claims against life insurers, the top two types of claims involved disputes on liability (32%) and disputes on inappropriate advice, misrepresentation or disclosure issues (20%). For the claims against general insurers, 70% related to disputes on liability. This is roughly consistent with previous years, but with fraud and scams increasing as a proportion of all claims against banks and finance companies. Disputes on liability also moved from second to the top spot for claims against life insurers.

The age profile of the claimants became younger. 58% of the claimants were aged 50 and below in 2021/2022. It was 49% in 2020/2021. The monetary claim amounts for completed claims ranged from \$4 to \$1.7 million, with the median claim amount at \$7,810, lower than the previous year (\$8,808).

Of the claims completed in 2021/2022, FIDReC handled 86% of claims within 6 months. This was an improvement from 82% in 2020/2021. 28% of claims were completed after adjudication. 72% of claims completed at mediation without going through adjudication, which was lower than the 76% in 2020/2021. To address this, FIDReC has piloted a mediator's indication procedure for all claims. This involves a mediator giving a preliminary assessment on the likelihood of the claim succeeding at adjudication. We hope this will help more parties achieve closure with less time and costs.

In closing, I wish to thank the Directors for their partnership, the adjudicators for their support, and the FIDReC team for their dedicated service. We will continue to work together to improve our services and carry out our mission of amicable dispute resolution.

KOH JUAT JONG
Chairperson, FIDReC

MESSAGE FROM THE CEO



We achieved an 82% satisfaction rating from our early-stage customer satisfaction survey.

FIDReC's theme for FY2021/2022 was: "Best Foot Forward". We chose this theme while reflecting on how we had weathered the Covid-19 pandemic and found new ways of working and delivering our services. Through it all, we held fast to our mission and continued to strive for the goals we set for ourselves. "Best Foot Forward" represented our collective determination to emerge from the pandemic better than before.

Putting our "Best Foot Forward", we achieved the following:

- Launched on time and within our budget, two releases of the new FIDReC digital portal management system in December 2021 and June 2022.
- Launched a new FIDReC website with a user-friendly design and educational content.
- Implemented the recommendations from the 2021 Independent Review, including the following.
 - Allowing FIDReC case managers to provide a preliminary assessment.
 - Enhancing regularity of updates to the parties.
 - Publishing case studies on FIDReC's new online portals.
 - Implementing independent checks to ascertain the fitness and propriety of FIDReC employees.
- Conducted mediator's accreditation training for newer FIDReC case managers. Our training met the standards of the Singapore International Mediation Institute.
- Continued with public outreach and industry engagement online.



We are glad that the feedback we received has affirmed our efforts. We achieved an 82% satisfaction rating from our early-stage customer satisfaction survey. The mediator's feedback survey conducted after completion of mediation had a 94% satisfaction rating. A few comments we received that encouraged us read:

"[The Contact Centre staff] ... [made] me [feel] that there is someone out there listening ..."

"Kudos to [the Case Manager] for providing clarity and stepping into my shoes to understand my frustrations and case better. I really appreciate the initiative of FIDReC ... and really felt a differen[ce] when FIDReC [stepped] in".

"[The Case Manager] was very helpful and impressive with the way she handled this case. She ... worked superbly with the relevant evidence. Timelines were clearly indicated, and performance was beyond expectations."

The FIDReC team worked hard to clear the claims that had been delayed by the pandemic and closed 86% of claims within 6 months. Of these claims, 72% closed at the mediation stage without adjudication. I thank my team for their commitment to FIDReC's mission and making a positive impact on those who needed our help. They are my heroes.

I would also like to thank our Chairperson and Board of Directors for their guidance, and our Adjudicators, mediator partners and collaborators for their support. As a testament to FIDReC's importance to Singapore, we received a Partner's Appreciation Award from the Monetary Authority of Singapore in October 2021.

In the coming year, FIDReC's theme will be "Adapting, Persevering, Growing" as we boldly go into the future.

EUNICE CHUA
Chief Executive Officer, FIDReC

FY2021/2022 AT A GLANCE

FIDREC RECEIVED

6,549 Enquiries
↑ 2.1%

1,142 Claims
↑ 4.1%

Of these, FIDReC handled
907 Claims
↓ 15.0%

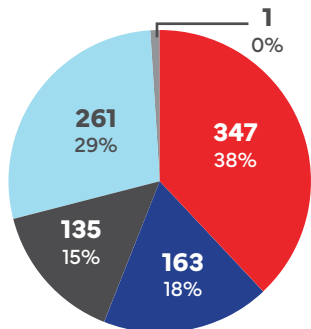
FIDREC COMPLETED HANDLING

6,549 Enquiries
↑ 2.1%

967 Claims* against 63 financial institutions
↓ 14.7%

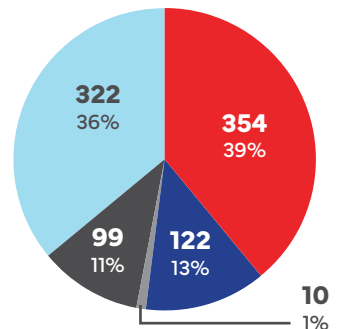
* Includes claims brought forward from FY2020/2021.

NATURE OF CLAIMS HANDLED



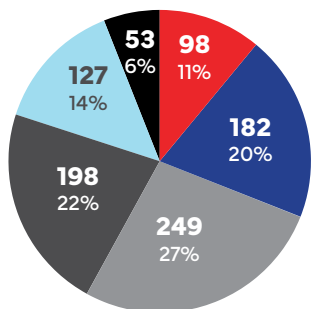
- Financial Institutions' Practice/Policies
- Market Conduct
- Service Standards
- Fraud / Scam
- Others

PRODUCT GROUP OF CLAIMS HANDLED



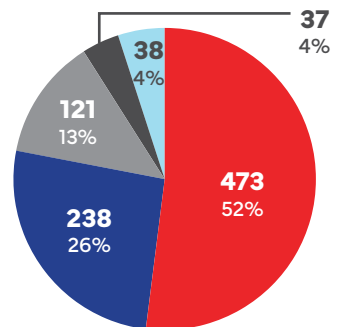
- Consumer / Personal Finance¹
- General Insurance
- Electronic Transactions & Payments
- Investments
- Life Insurance

CONSUMER PROFILE IN CLAIMS HANDLED



- 30 and below
- 31 to 40
- 41 to 50
- 51 to 60
- 61 to 70
- Above 70

FINANCIAL INSTITUTION PROFILE IN CLAIMS HANDLED



- (A) Banks and Financial Companies
- (B) Life and Composite Insurers
- (C) General and Composite Insurers
- (D) Capital Markets Services Licensees
- (E) Licensed Financial Advisers and Insurance Brokers

¹ Consumer/Personal Finance includes disputes such as Credits Cards / Charge Cards, Housing / Renovation Loans, Personal Loans / Lines of Credit or Savings Account / Fixed Deposits / Current Account disputes.

FY2021/2022 AT A GLANCE



The median claim amount was \$7,810 (↓ 11.3%).



The average claim amount was \$38,578 (↑ 24.9%).

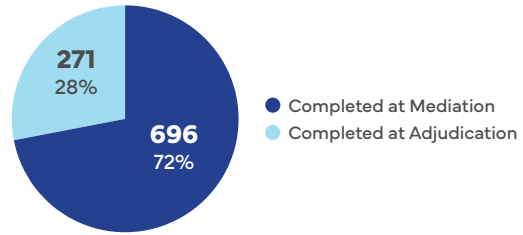


The smallest claim amount was \$4 (↓ 0.1%) and largest claim amount was \$1.7 million (↑ 6.3%).



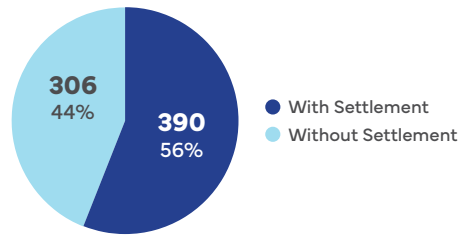
86% of the claims were completed within 6 months (↑ 4.0%).

TOTAL COMPLETED CLAIMS



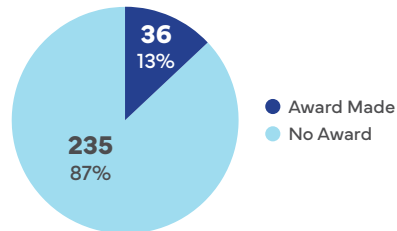
Of the completed claims, approximately 72% were completed at mediation.

COMPLETED AT MEDIATION



Of the claims completed at mediation, 56% had consumers accepting an offer from a financial institution and 44% had consumers deciding not to pursue their claim further.

COMPLETED AT ADJUDICATION



Of the claims completed at adjudication, 13% had an award in favour of the consumers and 87% had no award.

KEY PROJECTS OF THE YEAR



AVERAGE RATING FOR EASE OF FILING A COMPLAINT

After December 2021:

★★★★★ 4.1/5.0

Before December 2021: 3.9/5.0

AVERAGE RATING FOR THE OVERALL EXPERIENCE AT FIDREC

After December 2021:

★★★★★ 4.4/5.0

Before December 2021: 4.2/5.0

DIGITAL TRANSFORMATION

Our digital transformation allowed us to re-design our existing business processes. We moved from a custom-built legacy system to a new system that was cloud-based, modular and scalable. The new system is also designed with security in mind. This better positions FIDReC for future change and growth.

The new system was unveiled to the public in December 2021. A second release followed in June 2022 with system enhancements. The key features of the new system include:

- Online enquiry submission.
- Online claim filing linked with MyInfo for easy verification of identity and registration.
- Portals for consumers, financial institutions, and adjudicators to upload documents and receive updates.
- Dynamic QR codes for online payments.

- Revised website with case studies and resource database with articles and videos.
- Guided process on the website to help consumers find out if they can file a claim at FIDReC.

Since the launch of the new system and website, the average rating for ease of filing a complaint improved from 3.9 to 4.1 (out of 5). The average rating for the overall experience at FIDReC also improved from 4.2 to 4.4 (out of 5). Users have commented that our new process flows save time and that all case details are easily accessible. They like the simple design of the new website and find the case studies and resources helpful.

We thank all consumers and financial institutions for your cooperation and understanding during the system change. Please share any feedback on the new system with us at feedback@fidrec.com.sg.

KEY PROJECTS OF THE YEAR



FIDReC implemented a recommendation from the 2021 Independent Review Report for case managers to issue preliminary assessments.

MEDIATOR'S INDICATION PILOT

In April 2022, FIDReC implemented a recommendation from the 2021 Independent Review Report for case managers to issue preliminary assessments. We called the process a "Mediator's Indication" (MI) and ran it as a pilot to gather feedback before formalising it.

In appropriate cases where there is no settlement at mediation, the case manager will invite the parties to agree to a MI. The MI is free.

Before the MI, a FIDReC case manager will review the consumer's claim and the financial institution's investigation report. During the MI, the case manager may ask questions of the parties and will state an opinion on the case.

The parties will have time to consider the MI. If they agree with the MI, they will sign a settlement agreement on the terms of the MI.

Should any party disagree with the MI, the consumer can choose to continue with adjudication at FIDReC.

The MI process will help improve FIDReC's effectiveness. First, it allows the case managers to use their specialist knowledge and experience in another way. They can go beyond facilitating discussions at mediation and offer an opinion. Second, the MI may help parties resolve their disputes without adjudication. This will save them time and costs.

THE FIDReC PROCESS



STEP 01

DISPUTE RESOLUTION FORM FILED

- The consumer brings a complaint to its financial institution but there is no resolution within 4 weeks.
- The consumer registers an account with FIDReC and files the complaint by filling up an online Dispute Resolution Form.
- The FIDReC process is private and confidential.



STEP 02

CASE MANAGEMENT

- A Case Manager will verify if the claim is within FIDReC's jurisdiction.
- For example, if a claim is filed more than 6 months after the financial institution's final reply, FIDReC cannot handle it.
- If the claim is within FIDReC's jurisdiction, the Case Manager may arrange for mediation.



STEP 03

MEDIATION

- The Case Manager will facilitate discussions with the aim of helping all parties find an acceptable outcome.
- This may be by telephone, over email or at a meeting.
- If a case is not settled, the consumer can choose to proceed with adjudication.



STEP 04

ADJUDICATION

- All parties will prepare submissions and present their case to an Adjudicator.
- FIDReC has a panel of independent and highly-qualified Adjudicators to decide on cases.



STEP 05








READING OF DECISION OF ADJUDICATOR

- Where an award is made in favour of the consumer, it is binding on the financial institution.
- The consumer can choose whether or not to accept the award.

FIDReC DISPUTE RESOLUTION SCHEMES

FIDReC operates two dispute resolution schemes. First, the FIDReC Dispute Resolution Scheme, which applies to most claims at FIDReC. Second, the FIDReC Non-Injury Motor Accident (NIMA) Scheme. The FIDReC NIMA Scheme is for third party motor accident claims below \$3,000 where there are no injuries.

Claims filed under both schemes will undergo a similar process, which is confidential and will not affect the consumer's legal rights. The key features of the two schemes are as follows.

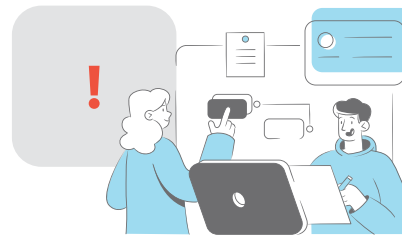
	FIDREC DISPUTE RESOLUTION SCHEME	FIDREC NIMA SCHEME
 GOVERNED BY	<ul style="list-style-type: none"> FIDReC Terms of Reference 	<ul style="list-style-type: none"> FIDReC Terms of Reference State Courts Pre-Action Protocol for NIMA Claims
 JURISDICTION	<ul style="list-style-type: none"> No limit for mediation Limit of \$100,000 per claim for adjudication 	<ul style="list-style-type: none"> Only for claims below \$3,000
 TYPE OF CLAIM	<ul style="list-style-type: none"> Claims between licensed financial institutions and their consumer customers 	<ul style="list-style-type: none"> NIMA claims against third party licensed insurers
 COST OF MEDIATION (EXCLUDING GST)	<ul style="list-style-type: none"> Free for consumers \$50 per claim for financial institutions 	<ul style="list-style-type: none"> Free for consumers \$50 per claim for financial institutions
 MEDIATION PROCESS	<ul style="list-style-type: none"> Mediation by FIDReC Case Manager 	<ul style="list-style-type: none"> Mediation by FIDReC Case Manager If no settlement, goes to a different Mediator for a Mediator's Indication
 COST OF ADJUDICATION (EXCLUDING GST)	<ul style="list-style-type: none"> \$50 per claim for consumers \$500 per claim for financial institutions 	<ul style="list-style-type: none"> \$250* per claim for consumers \$500* per claim for financial institutions <p>* Note: \$200 may be refunded to either party after the adjudication under FIDReC's prevailing Refund Rules</p>
 TIME TAKEN FOR MOST CLAIMS TO RESOLVE	<ul style="list-style-type: none"> Up to 6 months 	<ul style="list-style-type: none"> Up to 3 months

FIDReC AND THE CLINICAL CLAIMS RESOLUTION PROCESS (CCRP)

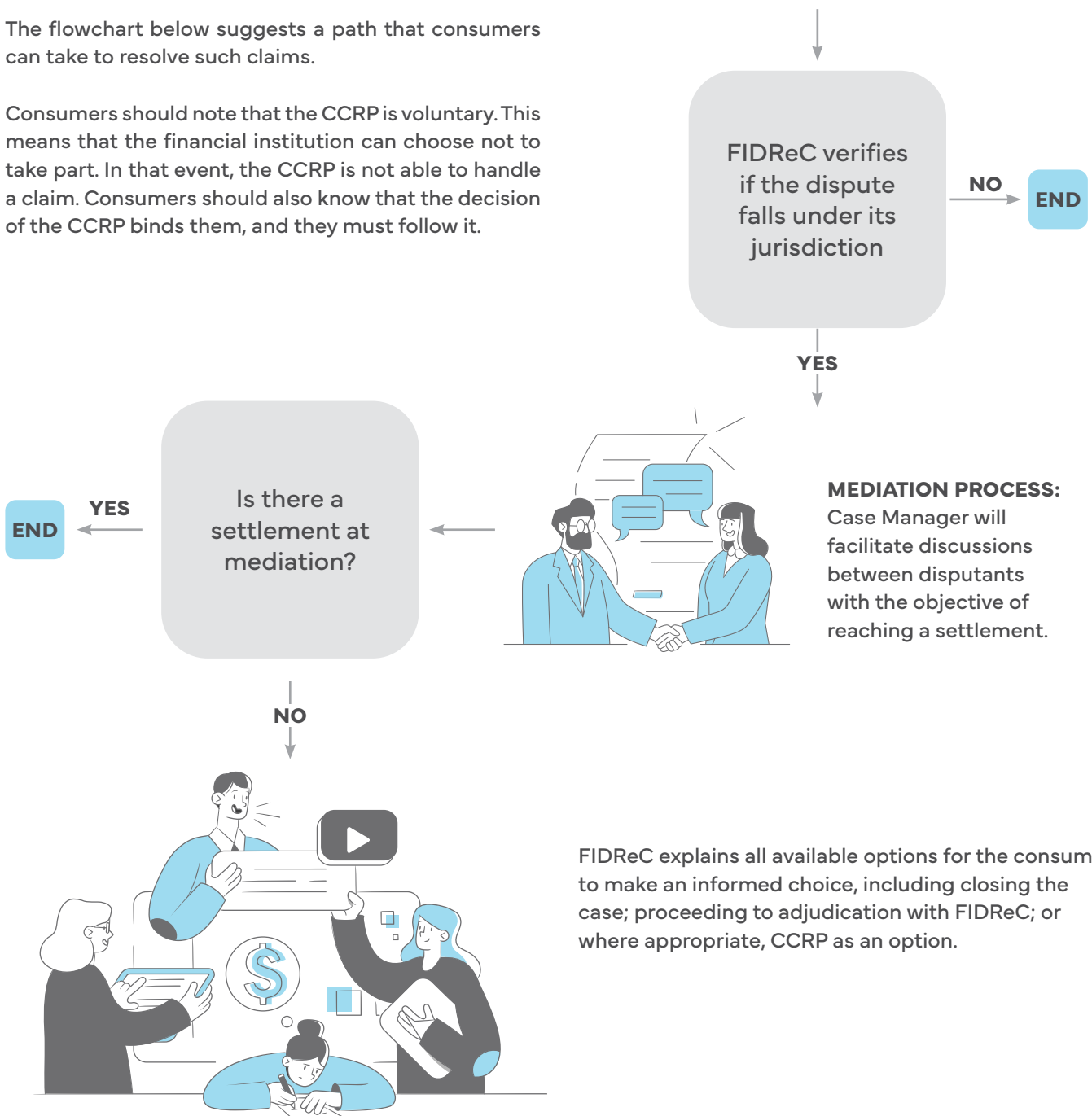
FIDReC often handles health insurance claims. In November 2021, the Multilateral Healthcare Insurance Committee established the Clinical Claims Resolution Process (CCRP). The CCRP handles clinical claims arising from integrated shield plans. It does so by having an expert panel review the claim based on the documents submitted. It is another option for consumers to resolve their integrated shield plan claims against their insurers.

The flowchart below suggests a path that consumers can take to resolve such claims.

Consumers should note that the CCRP is voluntary. This means that the financial institution can choose not to take part. In that event, the CCRP is not able to handle a claim. Consumers should also know that the decision of the CCRP binds them, and they must follow it.



CONSUMER FILES HEALTH INSURANCE-RELATED COMPLAINT WITH FIDReC



FIDReC explains all available options for the consumer to make an informed choice, including closing the case; proceeding to adjudication with FIDReC; or where appropriate, CCRP as an option.

FIDReC AND THE CLINICAL CLAIMS RESOLUTION PROCESS (CCRP)



ADJUDICATION PROCESS:

Consumer chooses to allow an Adjudicator to decide the case based on the facts and merits.



- Where an award is made in favour of the consumer, it is binding on the financial institution.
- The consumer can choose whether to accept the award.
- Where the consumer chooses not to accept the award or does not receive any award, he or she is free to pursue the complaint elsewhere.
- This includes going to court or to the CCRP.

CONTINUE WITH FIDREC

CCRP PROCESS:

Consumer chooses to take the case to CCRP by completing and submitting the CCRP Request for Determination Form.

Submit all relevant data and materials to CCRP for review.

Make payment of \$50 to CCRP if all parties agree to the dispute resolution process.

All parties carry out the determination of the CCRP Panel, which is final and binding on the consumer.

EXPLORE CCRP AS AN OPTION



Consumer makes his choice

CLOSE CASE

END

FIDReC OUTREACH EFFORTS

PUBLIC AND INDUSTRY OUTREACH

FIDReC's outreach efforts to the public in the year under review included the following:

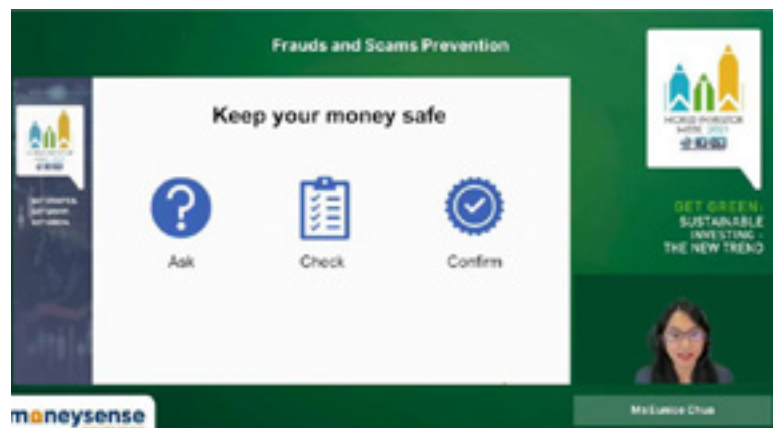


30 OCT 2021 - World Investor Week 2021 webinar

CEO Eunice Chua spoke on "Protecting Your Money - What You Should Know" at this webinar.

01 SEP 2021 - Webinar on "Get Savvy with Investing - Common Pitfalls and Traps"

CEO Eunice Chua and Adjudicator Francis Goh were speakers at this seminar, which was co-organised by FIDReC and the Law Society Pro Bono Services (LSPBS).



11 DEC 2021 - Law Awareness Workshop in Old Holland Neighbourhood

Senior Assistant Director Ryan Loh supervised the NUS Pro Bono Group when it conducted a law awareness workshop for the Old Holland Neighbourhood Committee.



11 DEC 2021 - Law Awareness Workshop in Taman Jurong

Director of ADR Ho Meng Hee supervised the NUS Pro Bono Group when it conducted a law awareness workshop for the Taman Jurong Senior Citizens' Executive Committee.

FIDReC OUTREACH EFFORTS

30 DEC 2021 & 13 JAN 2022 - FIDReC on the Airwaves

CEO Eunice Chua was on the air with radio station CAPITAL 958 城市频道《财务自由场》telling listeners about common banking and insurance disputes at FIDReC over two sessions.



01 APR 2022 - Webinar on "Believe it or not: How to Spot and Avoid Scams"

CEO Eunice Chua and Adjudicator Angelina Hing spoke at this webinar which was co-organised by FIDReC and LSPBS.

In FY2021/2022, FIDReC contributed to news reports and publications such as:



Article titled "FIDReC and its role in Singapore's Insurance Industry" by CEO Eunice Chua and Assistant Director Kenneth Har. The Insurance Law Association of Singapore published this article on their blog.



Articles in 联合早报 and The Business Times on 26 and 27 November 2021 about FIDReC's annual report results.



News reports in 联合早报 and TODAY on 9 and 12 January 2022 about banking-related phishing scams.

FIDReC OUTREACH EFFORTS

The financial industry also worked with FIDReC to promote awareness of FIDReC's services. They put up messages informing customers about FIDReC on ATM screens and TV screens at their premises. They also explained about FIDReC on their websites.

FIDReC continued its collaborative efforts with partner organisations to promote consumer education, dispute resolution, and dispute prevention. We conducted various sessions for industry associations and financial institutions to discuss observations and learning points.



15 SEP 2021 - CEO Eunice Chua called on the Consumers Association of Singapore to exchange insights and discuss collaboration.



10 NOV 2021 - CEO Eunice Chua paid a visit to Credit Counselling Singapore to share about FIDReC and explore possible collaboration.



31 MAR 2022 - CEO Eunice Chua attended the Singapore International Mediation Institute Workshop on a Competency Framework for Mediators.

For all our outreach efforts over the years, FIDReC received a Partners Appreciation Award from the Monetary Authority of Singapore on 7 October 2021.



07 OCT 2021 - FIDReC received a Partners Appreciation Award from the Monetary Authority of Singapore.



FIDReC OUTREACH EFFORTS

THOUGHT LEADERSHIP AND INTERNATIONAL OUTREACH

FIDReC is an active member of the International Network of Financial Ombudsman Schemes. We also participated in the following international events:



07 SEP 2021 - CEO Eunice Chua attended the Singapore Convention Week 2021.



8 SEP 2021 - Director of ADR Ho Meng Hee spoke to a group of officials from the Suzhou Industrial Park, China, on resolving financial disputes through mediation at a webinar organised by the Ministry of Trade and Industry and the Civil Service College Singapore.



5 OCT 2021 - Online meeting between the CEOs of FIDReC, Malaysia's Ombudsman for Financial Services and Malaysia's Securities Industry Disputes Resolution Centre.



24 NOV 2021 - CEO Eunice Chua was a panelist at a hybrid event organised by JurisMediation and the Singapore Embassy in Paris. The panel discussion was on "International Mediation: A Practical Look at the Merits of the Singapore Convention".



19 DEC 2021 - Director of ADR Ho Meng Hee was on the panel of 3 judges at the finals of the City Bank and Bangladesh International Arbitration Centre's Inter-University Arbitration Contest 2021.

BOARD OF DIRECTORS

Former Solicitor-General Mrs Koh Juat Jong chairs the FIDReC Board of Directors (the Board), which comprises directors with and without financial industry backgrounds. The composition of the Board ensures FIDReC's independence.

The management of FIDReC is accountable to the Board. Both Board and management work together to ensure the success of FIDReC.



RESPONSIBILITIES OF THE BOARD

Among other things, the Board is responsible for:



Ensuring the independence and impartiality of FIDReC.



Providing leadership and setting the strategic aims and direction of FIDReC.



Establishing a framework of prudent and effective controls to assess and manage risks.



Overseeing the management and operations of FIDReC.



Appointing Adjudicators and reviewing their performance.



Approving FIDReC's annual budget.



Evaluating FIDReC's progress and management performance.

BOARD AND MANAGEMENT PROFILES

KOH JUAT JONG CHAIRPERSON

Mrs Koh Juat Jong had an illustrious career in the public service for over 30 years. Trained in both economics and law, she was involved in policy work in the Ministry of Finance in the early part of her career. She was later a judge for many years, presiding over civil cases in the Subordinate Courts (now known as the State Courts) and heading the Family Court. She was Registrar of the Supreme Court from 2003 to 2008 and then Solicitor-General in the Attorney-General's Chambers from 2008 to 2014.

For her outstanding contributions to the public service, Mrs Koh was awarded the National Day Public Administration Gold Medal in 2005 and Public Administration Gold Bar Medal in 2011. As a Senior Mediator of the Singapore Mediation Centre, Mrs Koh currently mediates regularly in commercial, shareholders and matrimonial disputes.

ELSIE FOH DIRECTOR

Mrs Elsie Foh has more than 30 years of in-depth management experience in the financial services industry having held various senior management positions with DBS Bank over the course of her career, such as Managing Director as well as Chief Operating Officer of the bank's consumer banking group.

Mrs Foh has also served on the Boards of DBS Asset Management Ltd, previously the Insurance Corporation of Singapore, and DBS Finance Ltd. She was also a past Chairman and Director of the Network for Electronic Transfers (S) Pte Ltd and a member of the Public Education Committee on Family. She was an alternate council member of the Association of Banks in Singapore and served as a panel member of the previous Consumer Mediation Unit.

LIM BIOW CHUAN DIRECTOR

Mr Lim Biow Chuan has been in legal practice since 1989 and is currently Managing Director of the law corporation which he set up. He was elected as a Member of Parliament (MP) for Marine Parade GRC (Mountbatten) in 2006; re-elected as the MP for Mountbatten SMC in 2011 and then again in 2015 and 2020. He was previously Deputy Speaker of Parliament between 2015 to 2020.

Mr Lim currently serves as the Chairman of the Marine Parade Town Council and sits as a member of the Government Parliamentary Committee for Ministry of Transport and Ministry of National Development. Outside Parliamentary work, he serves as the Immediate Past President for the Consumers Association of Singapore and Honorary Adviser to Amalgamated Union of Public Employees, Singapore Engineering Merchants' Association, Singapore Pawnbrokers' Association and Singapore Lam Ann Association. He has been actively involved in community service since 1990 and was awarded the Public Service Medal (PBM) in 2001 for community service.

BOARD AND MANAGEMENT PROFILES

TAN TIONG JIN, CLIFTON DIRECTOR

Mr Clifton Tan qualified with the Association of Chartered and Certified Accountants (ACCA) in 1980. He was subsequently conferred with the Fellowship from the ACCA (FCCA) in 1986.

He has been a member of ICPAS (renamed Institute of Singapore Chartered Accountants) since 1985 and is currently the Chairman of the Chen Su Lan Methodist Children's Home amongst other appointments.

Mr Tan started his career with the public accounting firms of Ernst and Young and PwC before becoming Group Finance Manager at Scott Paper Singapore. He was headhunted to start up the Estee Lauder Companies in Singapore where he served in different capacities for 27 years before leaving the organisation as concurrently its Director, Finance & Administration, and Regional Finance Director for the Asia Pacific Travel Retailing operations. Mr Tan was previously on the Board of the Health Sciences Authority of Singapore.

TAN HOCK LYE DIRECTOR

Mr Tan Hock Lye had a career both in the public and private sectors. He was with PSA for 26 years serving 20 years as part of the senior management team while concurrently serving as CEO of the Singapore Cable Car. He joined Great Eastern Life in 1997 and served as Chief Corporate Officer and then as Managing Director (Operations). He spearheaded the obtaining of insurance licenses in China and Vietnam and was the President Commissioner of Great Eastern Indonesia. He retired at end 2008. For his services to PSA, he was awarded the Public Administration Medal (Silver) in 1989.

Mr Tan is presently Honorary Treasurer of Singapore Professionals' and Executives' Co-operative.

LIM CHEE HUA, ANDREW DIRECTOR

With over 25 years of experience in the general insurance industry, Mr Andrew Lim is presently a member of the Strategic Corporate Development Committee of United Overseas Insurance Limited (UOI). Prior to UOI, he was Head of General Insurance with The Overseas Assurance Corporation Limited (renamed Great Eastern General Insurance Ltd in 2017) from 2013 to 2019. He was previously Executive Director of MSIG Insurance (Singapore) Pte Ltd.

Mr Lim was appointed to the Management Committee (MC) of General Insurance Association (GIA) from 2007 to 2013 and again from 2015 to 2019. During these periods, he served as Convenor of the Property and Marine Committee, a member of the Special Risks Pool Committee and Nomination, Appointment and Remuneration Committee, as well as Chairman of the Agents' Registration Board. He has represented GIA as a member of the National Fire & Civil Emergency Preparedness Council and National Crime Prevention Council.

BOARD AND MANAGEMENT PROFILES

KHOR HOCK SENG DIRECTOR

Mr Khor Hock Seng was appointed as the Group Chief Executive Officer of Great Eastern Holdings Limited, The Great Eastern Life Assurance Company Limited and Great Eastern General Insurance Limited on 2 November 2015. He is presently Chairman of Great Eastern Financial Advisers Private Limited, Lion Global Investors Limited and Director of Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern General Insurance (Malaysia) Berhad, Great Eastern Takaful Berhad and other Great Eastern group of companies.

Mr Khor has over 40 years of insurance experience in actuarial, operations, sales and marketing and general management roles. He is responsible for the overall strategic direction and business growth for the Great Eastern Group. Prior to joining Great Eastern, Mr Khor was the Chief Executive Officer of Aviva Asia Pte Ltd.

EUNICE CHUA CHIEF EXECUTIVE OFFICER

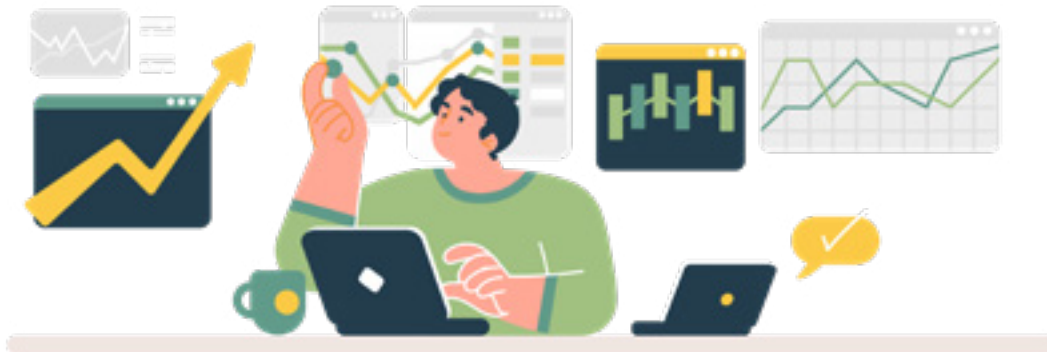
Ms Eunice Chua has extensive experience in mediating, managing, and adjudicating disputes. Prior to her appointment at FIDReC, Ms Chua was an Assistant Professor at the Singapore Management University School of Law. She remains a Research Fellow of the Singapore International Dispute Resolution Academy at the School.

Ms Chua has served as a Justices' Law Clerk and an Assistant Registrar of the Supreme Court of Singapore. While at the Supreme Court, she concurrently held appointments as a Magistrate of the State Courts and Assistant Director of the Singapore Mediation Centre. She was also the first Deputy Chief Executive Officer of the Singapore International Mediation Centre.



CASE STUDY 1

A MARGIN CALL ON A TRADING ACCOUNT



Paul was an active trader. He used Company X's online trading platform to trade in Contracts-For-Difference.¹ Company X assigned a trading representative, John, to Paul. John provided the latest market updates to Paul and helped carry out Paul's instructions on his trading account.

One day, John told Paul that his trading account was on margin call. Paul needed to top up his trading account within 24 hours to meet the margin requirement. Paul transferred some money into his trading account but there was a steep fall in the market. This caused the value of Paul's positions to plunge, and his trading account remained in deficit. Company X then liquidated all Paul's positions and Paul suffered losses.

Paul was unhappy that Company X liquidated all his positions as he had informed John that he would top up his trading account. Paul asked Company X for compensation but was unsuccessful. Company X then referred Paul to FIDReC.

At mediation, Company X's representative explained that the top up did not arrive in time. Even if it did, it was still not enough to cover the margin required due to the market fall. Additionally, Company X explained that John had no responsibility to inform Paul to top up his account further. The terms and conditions Paul signed stated that Company X was not obliged to communicate any margin call to Paul. In such a situation, Company X had the right to close some of, or all, Paul's positions.

Paul acknowledged that Company X had followed its process to manage the margin call. At the mediator's prompting, Company X also acknowledged that Paul had been a long-time client. Paul had even continued

to trade using its platform despite the incident. Out of goodwill, Company X offered to give Paul a preferential financing rate for his trading activities until Paul recovered his losses. Paul accepted the offer and signed a written settlement agreement with Company X.

KEY LEARNING POINTS

- If you want to do margin or leveraged trading, make sure you understand the risks involved. The **losses from leveraged trading are magnified** when the market is going against you.
- Before you trade online, make sure you read and understand the terms of the trading platform. Most financial institutions that offer online trading platforms provide **execution-only services** to clients. This means that they have no obligation to monitor the client's trading activities or intervene to give instructions to the client.
- In most cases, it is the **clients' responsibility** to ensure that the trading account meets any margin requirements. The financial institutions usually have the right to close off clients' positions in margin-call situations. This protects the clients' trading accounts from further losses. The financial institution cannot assume that the client can top up the account further or that the market will recover.

¹ Contracts for difference are leveraged instruments. They allow you to speculate on the future market movements of the underlying asset without you owning the underlying asset. Find out more [here](#).

CASE STUDY 2

LOAN INTEREST RATE INCREASE LEADING TO DISPUTE



Thomas took up a mortgage loan with the Bank. The mortgage loan was pegged to the Bank's prevailing Board Rate and amounted to 1.5% per annum. There was a 2-year lock-in period. This meant that Thomas could not make any amendments to his existing loan or refinance the loan with another bank during this period.

Some months later, Thomas discovered that the amount deducted from his bank account for the mortgage loan was more than usual. Thomas checked the Bank's website and found that the Bank had increased its Board Rate by 0.5% per annum. This meant that Thomas would have to pay a higher interest rate of 2.0% per annum for his mortgage loan.

Thomas contacted the Bank and asked to change his existing loan package to one with lower interest rates. Because Thomas' loan was within the 2-year lock-in period, the Bank told Thomas that he had to pay a 1.5% penalty fee for any changes. Thomas sought a waiver of the fee, but the Bank did not agree. The Bank referred Thomas to FIDReC since Thomas was not satisfied with their response.

At FIDReC's mediation, the Bank's representative explained the terms of the mortgage loan to Thomas. She showed Thomas the clause that allowed the Bank to adjust interest rates on giving 30 days' notice. She also explained the 1.5% penalty fee for any changes made to the loan within the 2-year lock-in period.

Thomas did not accept the Bank's explanation and decided to refer the matter for adjudication.

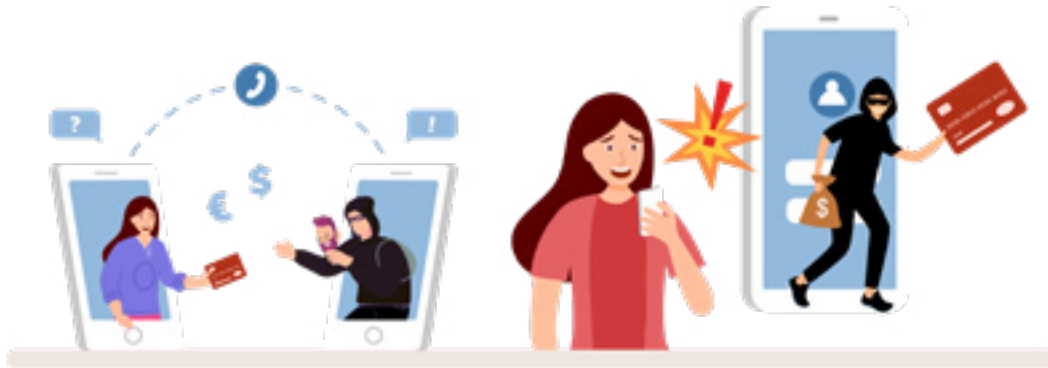
At adjudication, Thomas admitted that he did not read the loan contract before he signed it. However, Thomas argued that the Bank failed in its duty as it did not fully explain the contract to him. The Bank's witness testified that the contract had been explained to Thomas. The Bank also showed evidence that it had given notice of the increase in the interest rate by sending Thomas a letter. Thomas insisted that he did not receive the Bank's letter.

After considering all the arguments and evidence, the Adjudicator dismissed Thomas' claim. The Adjudicator found that there was no persuasive evidence that the Bank had failed in its duty. In fact, the evidence showed that the Bank had acted according to the loan contract.

KEY LEARNING POINTS

- Do your due diligence and make sure you **read and understand all the key terms** in your loan contract. Clarify with the bank if you have any questions before signing.
- Understand the **calculation of the interest rate** for your loan (e.g., fixed rate or floating rate).
- Take note on whether there is a **lock-in period**. There is usually a penalty fee if you make any changes to your mortgage loan within the lock-in period.
- Generally, **signing** on a contract means that you **accept and agree** to all the terms.
- Be aware that **Banks can revise their loan interest rates** in the manner stated in the contract.

A BANKING IMPERSONATION SCAM



Betty wanted to transfer some funds to her friend through internet banking. The Bank's internet banking mobile app was under maintenance, so Betty searched online for the Bank's internet banking website. She clicked on the first link that appeared in the search result. She keyed in her internet banking username and password, as well as a One-Time-Password (OTP) sent to her mobile number. A notice then appeared saying that her account was locked and would be reactivated within 24 to 48 hours. Betty decided to do the transfer the next day and closed the website.

The next morning, Betty found several messages on her mobile sent by her Bank after midnight. The messages informed of many telegraphic transfers from her account. Realising that something was wrong, she went to the Bank branch to make a report. Betty then discovered that the website she had keyed her information into the previous night was a fake website.

Betty blamed the Bank for her losses because the Bank's internet banking mobile app was unavailable when she needed it. This led her to search for the Bank on the internet and click on the fake website link. Despite many discussions, the Bank rejected her request for compensation and referred her to FIDReC.

At mediation, the Bank explained that the OTP Betty received and keyed into the fake website was for the registration of a digital token. The SMS for the OTP stated this. By keying in her internet banking details and OTP into the fake website, Betty allowed a fraudster to register another mobile device as a digital token. This meant that the fraudster could authorise transfers from Betty's account. The Bank felt that Betty could have prevented her own losses by checking the website address. She could also have read the OTP SMS before keying in the OTP.

With the Case Manager facilitating the discussion, Betty learnt more about the use of digital tokens. She recognised that she should have checked the content of the OTP SMS before entering the OTP. The Bank, on its part, acknowledged that Betty was misled into clicking the fake website link when the Bank's mobile app was under maintenance. The Bank also sympathised with Betty as she had lost all her savings.

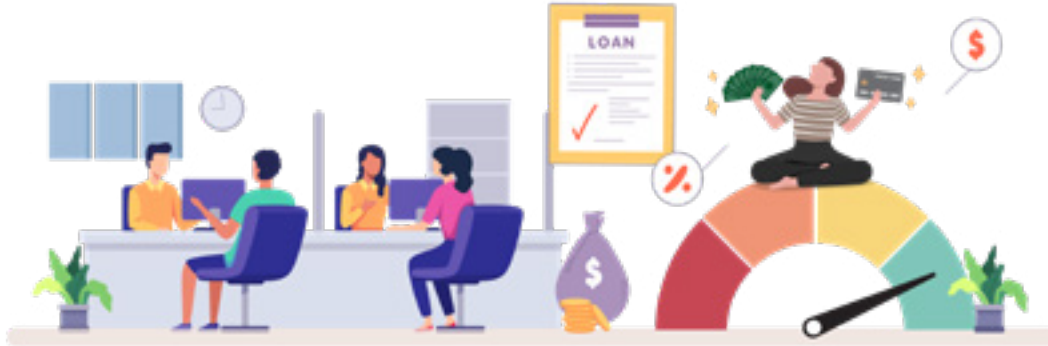
The Bank agreed to bear a small proportion of Betty's losses as a goodwill gesture. Betty accepted the Bank's offer and signed a written settlement with the Bank.

KEY LEARNING POINTS

- Learn to **spot the signs** of scams on www.scamalert.sg, a website from the National Crime Prevention Council. Keep up to date on scam advisories and alerts.
- Do **check the website address** before clicking on any links or keying in your banking details on a website. Refer to official sources like the [MAS Financial Institutions Directory](#) for website addresses or hotline numbers of banks.
- Before keying in any OTP on a website, **read the contents of the OTP SMS**. The SMS will usually state the purpose of the OTP. If the purpose stated is not correct, contact your Bank immediately.
- Depending on the circumstances, financial institutions may offer a **goodwill payout** to cover their customers' losses. Such goodwill gestures do not set a precedent for future cases. During mediation, no one can compel financial institutions to make any goodwill offer.

CASE STUDY 4

CLOSING OF BANK ACCOUNT BY BANK LEADING TO DISPUTE



Lena applied for an education loan from the Bank sometime in 2018. Unfortunately, Lena defaulted on her repayments to the Bank many times in 2021. The Bank then closed Lena's accounts (including the education loan). The Bank also sent a letter to Lena demanding full payment of the outstanding amount owed to the Bank.

Lena filed a complaint at FIDReC as she felt that it was unfair that the Bank had closed her account without consulting her. Lena wanted the Bank to reinstate her account and waive the outstanding finance charges. She also wanted the Bank to remove the adverse rating on her Credit Bureau Singapore (CBS) records.

At mediation, the Bank shared that when Lena defaulted on her payments, the Bank had made many attempts to contact her, including sending several reminder letters to alert her of the overdue status. The Bank also tried to contact Lena on the phone many times but to no avail. In relation to Lena's request to amend her CBS records, the Bank explained that it could not do so. It had to upload its customer's repayment records to CBS, which then generated a rating that reflected the payment history. The Bank also explained that it had the right to close Lena's account according to the terms and conditions of the account.

Lena said that she did not receive the letters and explained that she was in financial distress. She acknowledged that the Bank was not able to change her CBS records.

The Bank empathised with Lena's financial situation and made an offer to resolve the matter amicably. The Bank offered to waive the finance charges and allow Lena to pay the outstanding loan in monthly instalments.

Lena felt that the Bank had addressed her concerns and accepted the Bank's offer. She noted that she would not be able to refer her non-monetary claims to adjudication.

KEY LEARNING POINTS

- Banks may make a **commercial decision** to close a customer's account in the manner set out in the account's terms and conditions.
- Always **repay your loans on time**. Otherwise, the Bank will charge interest and late fees.
- If you are not able to pay the amount you owe, avoid defaulting. Check with the bank to see if you can make **other payment arrangements**. Any other payment arrangements will usually be subject to the bank's discretion.
- While FIDReC can mediate all types of claims, those that are **non-monetary** in nature cannot proceed to adjudication. Non-monetary claims include reinstatement of accounts or orders for the Bank to amend CBS records.

FORGETTING TO PAY INSURANCE PREMIUMS



Ten years ago, Tom purchased a Hospitalisation and Surgical Reimbursement Policy. A few years later, Tom was diagnosed with a serious medical condition. Fortunately for Tom, the Policy covered the treatment for his medical condition.

Last year, Tom failed to pay the premium within the Policy's 1-month grace period. As a result, the Policy lapsed. Tom asked the Insurer to reinstate the Policy, but the Insurer declined.

Tom came to FIDReC. He argued that his Agent failed to alert him of the missed premium during the Policy's grace period. Tom had missed a premium payment some years before. At that time, his Agent had reminded him before the grace period ended. Tom also claimed that he did not receive any premium notices from the Insurer. He only discovered the lapse when checking the Insurer's online portal.

At mediation, the Insurer explained that reinstating the Policy was subject to approval. This required medical underwriting. In Tom's case, because of his serious medical condition, the Insurer was unable to extend coverage to him.

The Insurer further shared that it had sent letters to Tom at his address on record. Copies of these letters were also available on the online portal. While the Insurer's agents did try to contact their clients for missed premiums, this was not their obligation.

Following the discussion at mediation, Tom chose to refer his case for adjudication. He submitted \$100,000 as the amount claimed. This was the largest sum a FIDReC Adjudicator could award per claim. Tom argued that this was for his future medical expenses that the Policy would have covered.

After considering the submissions from both Tom and the Insurer, the Adjudicator dismissed Tom's claim. Based on the evidence, the Adjudicator found that the Insurer had sent the premium notices to Tom. Because Tom failed to pay the premium within the grace period, the insurance contract allowed the Insurer to end the Policy. The Adjudicator also found that the Agent did not have to remind Tom about his missed premium. Finally, the Adjudicator observed that Tom had failed to prove the quantum of his claim. The losses that Tom said would be incurred in the future were speculative.

KEY LEARNING POINTS

- **Premium payment is the responsibility of a policyholder.** In some insurance policies, the insurer must give its policyholder written notice that premiums are due. Insurers will issue such notices either by post or digital means.
- Policyholders should be **mindful of notices and letters** sent by the Insurer. They should keep their contact details with Insurers up to date. Policyholders may also schedule personal reminders to alert themselves when premiums are due.
- During mediation, FIDReC can handle disputes with no monetary claim, including claims for reinstatement of a policy. However, at adjudication, an Adjudicator can only make binding monetary awards. The Adjudicator cannot order that a financial institution do or not do any actions.
- At adjudication, a complainant must **prove their claim and the amount of financial losses suffered.** Only then may an Adjudicator make a monetary award in the complainant's favour.

CASE STUDY 6

A DISPUTE ABOUT REASONABLE AND CUSTOMARY HOSPITALISATION AND SURGICAL CHARGES



Jane experienced chest pain and consulted a cardiologist. The cardiologist diagnosed Jane as suffering from a blocked coronary artery. The cardiologist recommended that Jane undergo an angioplasty procedure. The medical bill for the entire procedure was \$18,000. Jane's Integrated Shield Plan (IP) covered her Hospitalisation and Surgical (H&S) charges.

When Jane submitted her claim, the Insurer only agreed to reimburse up to \$15,000. For the remaining \$3,000, the Insurer explained that this was above what was "reasonable and customary". Jane came to FIDReC for help.

At mediation, the Insurer referred to the Ministry of Health (MOH) Doctors' Fee Benchmarks for Surgeries (the Fee Benchmarks). The Insurer explained that the cost of Jane's type of angioplasty procedure was up to \$15,000. Under the insurance contract, the Insurer would only cover "reasonable and customary" expenses. The Insurer considered anything above \$15,000 outside what was reasonable and customary.

Jane shared that as a consumer she would not know what costs were reasonable and customary. She had bought the Policy for peace of mind and protection. She stated that the Fee Benchmarks were a guideline and not a restriction on doctors' charges. MOH had themselves stated that the fees charged may differ from the Fee Benchmarks if the treatment had added complexity.

With the help of the mediator, Jane and the Insurer reached an agreement to settle the matter. The Insurer agreed to cover 50% of the disputed sum (i.e., \$1,500) and Jane would bear the rest.

KEY LEARNING POINTS

- Clauses relating to **reasonable and customary expenses** are typical in H&S reimbursement policies. This is to ensure that Insurers avoid overpaying. In turn, this protects all policyholders by keeping the cost of insurance low.
- Even if you have an H&S policy, it is wise to ask your doctor about their fees and charges. Ask if they are **in line with the MOH Fee Benchmarks**.
- Other **common reasons for Insurers to reject H&S claims** include:
 - o elective or cosmetic treatments;
 - o experimental or non-MOH approved treatments;
 - o non-medically necessary treatments; and
 - o treatments relating to pre-existing conditions.
- Policyholders should refer to their policy contracts for all **excluded treatments**. Do not assume that your H&S policy will cover all types of treatment and costs. If you are unsure whether your policy covers your treatment, ask your Insurer. Your Insurer may have a pre-authorisation or pre-assessment process before you undergo treatment.
- Even so, take note that all claims are subject to review by the Insurer. The claims will have to go through the Insurer's **claims assessment process**.
- If you are facing a clinical dispute relating to your IP, you may choose to refer your dispute to the **Clinical Claims Resolution Process (CCRP)**. You may read more about FIDReC and the CCRP [here](#).

A MOTOR ACCIDENT LATE AT NIGHT



Jason drove his car into several parked cars late one night. Jason's car was badly damaged. As Jason felt discomfort in his chest, he went home to rest. The next morning, he received a call from the Traffic Police. They told him that his car was found unattended at the accident scene, and they towed it away. Jason retrieved the car, sent it for repairs, and made an insurance claim.

The insurer investigated the claim and interviewed Jason. They observed that there were decals of a delivery company on Jason's car. The insurer informed Jason that they would not be paying his claim and would void the policy. They explained that Jason had "abandoned" his car after the accident. Jason also failed to notify them that he was using the car for commercial purposes. These actions breached the insurance policy conditions.

Jason appealed unsuccessfully to the insurer and approached FIDReC for help.

At mediation, Jason explained that as it was late at night and he felt unwell, he went home to rest. He planned to see the doctor the next day. He also explained that he had started freelancing with a delivery company because his wife lost her job. His family needed the money, and he was unaware that he needed to notify his insurer.

The insurer's representative explained that the insured driver must ensure the car does not suffer from further damage after a motor accident. The representative also explained that the insurance policy was a private car insurance. However, Jason had used his car for "hire or reward". Even so, the representative empathised with Jason's financial situation. The representative offered to negotiate with the third-party claimants on Jason's behalf.

Jason rejected the offer and referred the case for adjudication. At adjudication, the Adjudicator found that Jason had breached the insurance policy conditions. The insurer was entitled to reject the claims and repudiate the insurance policy. Jason's claim was dismissed.

KEY LEARNING POINTS

- **Call your insurer's 24-hour hotline** for help or advice after an accident. If you are injured or unwell, call the relevant authorities for assistance.
- **Read the Motor Claims Framework** for what to do in the event of a motor accident.
- A private car insurance policy covers use of the car for **social, domestic and pleasure purposes**. If you wish to use the car for other purposes, like carrying goods or passengers for payment, you should declare these to your insurer.
- The **Policy Schedule or Certificate of Insurance** contains information on the amount and scope of cover. Do check that the details are correct after receiving the policy documents. Notify your insurer immediately to correct any errors.
- **Update your insurer as soon as possible** if there is any change of circumstances, e.g., change in the driver's profile, or change in the use of the car. It is safer to assume that all information is material to the insurer to avoid disputes later.

WHEN THE CORONAVIRUS DISRUPTS YOUR TRAVEL PLANS



Mr and Mrs Ang were excited to visit their new-born grandchild in Sydney. They bought their air tickets and a travel insurance policy for the duration of their trip. On their last day in Sydney, Mrs Ang took a PCR test that confirmed that she was Covid-19 positive. She was not allowed to board her flight back to Singapore and Mr Ang flew back without her.

Based on the local laws at the time, Mrs Ang had to isolate for 7 days at a hotel designated for isolation. She contacted the Singapore embassy for advice. The embassy informed her that the Singapore authorities required her to complete 14 days of isolation before her return. They told Mrs Ang to contact them once she had completed a supervised ART test on the 14th day of her isolation. Meanwhile, Mrs Ang managed to contact her insurer to extend her coverage for another 14 days.

On the 14th day of her isolation, Mrs Ang's supervised ART test returned a negative result. She forwarded this result to the Singapore embassy, who helped arrange for her return flight. She only needed to pay administrative charges to the airline for the flight change.

Unfortunately, when Mrs Ang made her insurance claim, the insurer was only prepared to reimburse her for the administrative charges and the accommodation for the first 7 days of isolation. Mrs Ang then came to FIDReC.

During mediation, the insurers agreed to consider Mrs Ang's claim for all 14 days of isolation, but only up to the policy limit. As Mrs Ang purchased a policy with a low limit, the insurers paid her up to that amount. Mrs Ang accepted the outcome.

KEY LEARNING POINTS

- Different countries have different approaches towards border controls due to Covid-19. **Familiarise yourself with the travel restrictions** of all the countries you are traveling to. Stay alert for changes and new developments.
- When buying your insurance policy, **shop around for something that suits you**. Different policies have different terms and coverage. Always read the policy documents to check that the coverage is what you require, e.g., the policy covers Covid-19 related trip cancellation and medical expenses, the policy limits are adequate, etc.
- Always have a copy of the **insurance certificate and the insurer's emergency contact number** with you when travelling. In case of emergency, you should always call the insurer for help.
- Mediation is a process that can help both parties effectively resolve their dispute. When a dispute arises, there is naturally a lot of unhappiness. Do try to think **objectively and rationally** about your case. Only then will you be able to make the best decision for yourself.

DETAILED STATISTICS

PROGRESS OF FIDReC

FY 2021/2022 (1 July 2021 to 30 June 2022)

Claims and inquiries received by FIDReC	
Number of claims received by FIDReC*	1,142
Number of inquiries received by FIDReC	6,549

Claims received and handled by FIDReC	
Number of claims received by FIDReC*	1,142
Number of claims at Pre-Acceptance Stage **	143
Number of claims not valid ***	51
Number of claims outside jurisdiction	47
Number of claims handled by FIDReC (including claims lodged in the preceding periods)	907

* In the period from 1 July 2021 to 30 June 2022, FIDReC received 1,142 claims by email, post, fax, and phone. Out of these 1,142 claims, 98 claims were either not valid or outside FIDReC's jurisdiction, and 143 claims were at Pre-Acceptance Stage.

** These are claims submitted online by consumers, and that are under evaluation or returned to them for more information.

*** These are claims that are referred back to the Financial Institutions (as the consumer has yet to approach their Financial Institution), duplicated claims submitted in error by consumers, and claims that are withdrawn by the consumer.

Status	Claims*	Inquiries
Claims completed by FIDReC	967	6,549
Claims pending (as at 30 June 2022)	447	-
Claims not valid	51	-
Claims outside jurisdiction	47	-
Total	1,512	6,549

* These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2021 to 30 June 2022.

Turnaround time for completed claims	Proportion of completed claims
Within three months	50.78%
Within six months	86.25%
Within nine months	96.79%
More than nine months	3.21%

Outcome of claims	
Number of claims completed by mediation	696
Number of adjudicated claims where awards were made	36
Number of adjudicated claims where no awards were made	235
Total number of adjudicated claims	271

DETAILED STATISTICS

PERIOD: 1 JULY 2021 TO 30 JUNE 2022

Breakdown by Nature of Claims

Block*	Claims Handled					Claims Completed #				No. of claims pending as at 30 June 2022 @
	Financial Institutions' Practice/ Policies	Market Conduct	Service Standards	Fraud/ Scam (combined)	Total	%^	No. of claims completed by mediation	No. of claims adjudicated (awards made)	No. of claims adjudicated (no awards made)	
A	64	82	65	262	473	52%	358	8	153	231
B	166	47	25	0	238	26%	197	11	53	95
C	107	1	13	0	121	13%	84	13	14	57
D	8	1	28	0	37	4%	26	3	10	22
E	2	32	4	0	38	4%	31	1	5	42
Total	347	163	135	262	907		696	36	235	447
%	38.26%	17.97%	14.88%	28.89%	100.00%					

* Notes :

Block A – Banks and Finance Companies

Block B – Life and Composite Insurers

Block C – General and Composite Insurers

Block D – Capital Markets Services Licensees

Block E – Licensed Financial Advisers and Insurance Intermediaries

^ Figures may not add up to 100% due to rounding.

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2021 to 30 June 2022.

@ These figures include claims lodged in the preceding periods, which were pending as at 30 June 2022.



DETAILED STATISTICS

PERIOD: 1 JULY 2011 TO 30 JUNE 2022

Breakdown by Nature of Claims - Category A

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as at 30 June 2022 [@]
	No. of claims	%*	No. of claims completed by mediation	No. of claims adjudicated (awards made)	No. of claims adjudicated (no awards made)	
Financial Institutions' Practice / Policies						
Debt restructuring	12	2.54%	10	0	0	2
Disputes on claim amount awarded	1	0.21%	2	0	1	2
Disputes on liability	3	0.63%	2	0	0	4
Non-renewal of services / underwriting	9	1.90%	3	0	0	7
Other contractual matters	0	0.00%	0	0	0	0
Policy values and investment returns	2	0.42%	4	0	7	1
Pricing policies / premiums / interest rates / fees & charges	37	7.82%	34	0	5	12
Rejection of new applications / underwriting decisions	0	0.00%	1	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	64	13.53%	56	0	13	28
Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	82	17.34%	60	5	77	44
Issues on fitness and propriety of licensees / regulated persons	0	0.00%	0	0	0	0
Other misconduct	0	0.00%	0	0	0	0
Unauthorized transactions / fraud / forgery	0	0.00%	0	0	0	0
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	82	17.34%	60	5	77	44
Service Standards						
Delay / Failure in processes	65	13.74%	55	1	18	38
General industry feedback	0	0.00%	0	0	0	0
Staff-related issues	0	0.00%	0	0	0	0
Sub-Total for : Service Standards	65	13.74%	55	1	18	38
Others						
Others – Fraud / Scam / Theft	262	55.39%	187	2	45	121
Sub-Total for : Others	262	55.39%	187	2	45	121
Grand Total for All Nature of Claims	473	100.00%	358	8	153	231

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2021 to 30 June 2022.

* Figures may not add up to 100% due to rounding.

@ These figures include claims lodged in the preceding periods, which were pending as at 30 June 2022.

DETAILED STATISTICS

PERIOD: 1 JULY 2021 TO 30 JUNE 2022

Breakdown by Nature of Claims - Category B

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as at 30 June 2022 [@]
	No. of claims	%*	No. of claims completed by mediation	No. of claims adjudicated (awards made)	No. of claims adjudicated (no awards made)	
Financial Institutions' Practice / Policies						
Disputes on claim amount awarded	32	13.45%	21	2	4	14
Disputes on liability	76	31.93%	53	4	18	29
Non-renewal of services / underwriting	29	12.18%	14	0	6	19
Other contractual matters	5	2.10%	2	0	0	3
Policy values and investment returns	10	4.20%	10	0	4	5
Pricing policies / premiums / interest rates / fees & charges	11	4.62%	9	2	0	6
Rejection of new applications / underwriting decisions	3	1.26%	3	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	166	69.75%	112	8	32	76
Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	47	19.75%	67	3	12	9
Issues on fitness and propriety of licensees / regulated persons	0	0.00%	0	0	0	0
Other misconduct	0	0.00%	0	0	0	0
Unauthorized transactions / fraud / forgery	0	0.00%	0	0	0	0
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	47	19.75%	67	3	12	9
Service Standards						
Delay / Failure in processes	24	10.08%	17	0	9	10
General industry feedback	1	0.42%	1	0	0	0
Staff-related issues	0	0.00%	0	0	0	0
Sub-Total for : Service Standards	25	10.50%	18	0	9	10
Others						
Others – Fraud / Scam	0	0.00%	0	0	0	0
Sub-Total for : Others	0	0.00%	0	0	0	0
Grand Total for All Nature of Claims	238	100.00%	197	11	53	95

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2021 to 30 June 2022.

* Figures may not add up to 100% due to rounding.

@ These figures include claims lodged in the preceding periods, which were pending as at 30 June 2022.

DETAILED STATISTICS

PERIOD: 1 JULY 2021 TO 30 JUNE 2022

Breakdown by Nature of Claims - Category C

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as at 30 June 2022 @
	No. of claims	%*	No. of claims completed by mediation	No. of claims adjudicated (awards made)	No. of claims adjudicated (no awards made)	
Financial Institutions' Practice / Policies						
Disputes on claim amount awarded	17	14.05%	10	3	4	11
Disputes on liability	85	70.25%	52	10	8	40
Non-renewal of services / underwriting	0	0.00%	1	0	0	0
Other contractual matters	1	0.83%	2	0	0	0
Pricing policies / premiums / interest rates / fees & charges	4	3.31%	3	0	2	1
Rejection of new applications / underwriting decisions	0	0.00%	0	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	107	88.43%	68	13	14	52
Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	1	0.83%	0	0	0	0
Issues on fitness and propriety of licensees / regulated persons	0	0.00%	0	0	0	0
Other misconduct	0	0.00%	0	0	0	0
Unauthorized transactions / fraud / forgery	0	0.00%	0	0	0	0
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	1	0.83%	0	0	0	0
Service Standards						
Delay / Failure in processes	13	10.74%	16	0	0	5
General industry feedback	0	0.00%	0	0	0	0
Staff-related issues	0	0.00%	0	0	0	0
Sub-Total for : Service Standards	13	10.74%	16	0	0	5
Others						
Others – Fraud / Scam	0	0.00%	0	0	0	0
Sub-Total for : Others	0	0.00%	0	0	0	0
Grand Total for All Nature of Claims	121	100.00%	84	13	14	57

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2021 to 30 June 2022.

* Figures may not add up to 100% due to rounding.

@ These figures include claims lodged in the preceding periods, which were pending as at 30 June 2022.

DETAILED STATISTICS

PERIOD: 1 JULY 2021 TO 30 JUNE 2022

Breakdown by Nature of Claims - Category D

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as at 30 June 2022 @
	No. of claims	%*	No. of claims completed by mediation	No. of claims adjudicated (awards made)	No. of claims adjudicated (no awards made)	
Financial Institutions' Practice / Policies						
Disputes on liability	0	0.00%	0	0	0	0
Non-renewal of services / underwriting	0	0.00%	1	0	0	0
Other contractual matters	0	0.00%	0	0	0	0
Policy values and investment returns	0	0.00%	0	0	0	0
Pricing policies / premiums / interest rates / fees & charges	8	22.22%	8	0	1	2
Sub-Total for : Financial Institutions' Practice / Policies	8	22.22%	9	0	1	2
Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	1	2.78%	1	0	2	1
Issues on fitness and propriety of licensees / regulated persons	0	0.00%	0	0	0	0
Other misconduct	0	0.00%	0	0	0	0
Unauthorized transactions / fraud / forgery	0	0.00%	0	1	0	0
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	1	2.78%	1	1	2	1
Service Standards						
Delay / Failure in processes	28	75.00%	16	2	7	19
General industry feedback	0	0.00%	0	0	0	0
Staff-related issues	0	0.00%	0	0	0	0
Sub-Total for : Service Standards	28	75.00%	16	2	7	19
Others						
Others – Fraud / Scam	0	0.00%	0	0	0	0
Sub-Total for : Others	0	0.00%	0	0	0	0
Grand Total for All Nature of Claims	37	100.00%	26	3	10	22

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2021 to 30 June 2022.

* Figures may not add up to 100% due to rounding.

@ These figures include claims lodged in the preceding periods, which were pending as at 30 June 2022.

DETAILED STATISTICS

PERIOD: 1 JULY 2021 TO 30 JUNE 2022

Breakdown by Nature of Claims - Category E

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as at 30 June 2022 @
	No. of claims	%*	No. of claims completed by mediation	No. of claims adjudicated (awards made)	No. of claims adjudicated (no awards made)	
Financial Institutions' Practice / Policies						
Disputes on liability	1	2.63%	0	0	0	1
Other contractual matters	0	0.00%	0	0	0	0
Policy values and investment returns	1	2.63%	0	0	0	2
Pricing policies / premiums / interest rates / fees & charges	0	0.00%	0	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	2	5.26%	0	0	0	3
Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	32	84.21%	30	1	5	36
Issues on fitness and propriety of licensees / regulated persons	0	0.00%	0	0	0	0
Other misconduct	0	0.00%	0	0	0	0
Unauthorized transactions / fraud / forgery	0	0.00%	0	0	0	0
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	32	84.21%	30	1	5	36
Service Standards						
Delay / Failure in processes	4	10.53%	1	0	0	3
General industry feedback	0	0.00%	0	0	0	0
Staff-related issues	0	0.00%	0	0	0	0
Sub-Total for : Service Standards	4	10.53%	1	0	0	3
Others						
Others – Fraud / Scam	0	0.00%	0	0	0	0
Sub-Total for : Others	0	0.00%	0	0	0	0
Grand Total for All Nature of Claims	38	100.00%	31	1	5	42

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2021 to 30 June 2022.

* Figures may not add up to 100% due to rounding.

@ These figures include claims lodged in the preceding periods, which were pending as at 30 June 2022.

DETAILED STATISTICS

OUTCOME DISTRIBUTION:

	Total Completion				
	No. of claims	Completion at Mediation	Completion at Mediation %	Completion at Adjudication	Completion at Adjudication %
Category A	519	358	68.98%	161	31.02%
Category B	261	197	75.48%	64	24.52%
Category C	111	84	75.68%	27	24.32%
Category D	39	26	66.67%	13	33.33%
Category E	37	31	83.78%	6	16.22%
	967	696	71.98%	271	28.02%

	Completion at Mediation				
	No. of claims	With Settlement	Without Settlement	With Settlement %	Without Settlement %
Category A	358	231	127	64.53%	35.47%
Category B	197	67	130	34.01%	65.99%
Category C	84	52	32	61.90%	38.10%
Category D	26	17	9	65.38%	34.62%
Category E	31	23	8	74.19%	25.81%
	696	390	306	56.03%	43.97%

	Completion at Adjudication				
	No. of claims	Award Made	No Award	Award Made %	No Award %
Category A	161	8	153	4.97%	95.03%
Category B	64	11	53	17.19%	82.81%
Category C	27	13	14	48.15%	51.85%
Category D	13	3	10	23.08%	76.92%
Category E	6	1	5	16.67%	83.33%
	271	36	235	13.28%	86.72%

CATEGORIES OF CLAIMS

NATURE OF DISPUTE	DEFINITIONS / EXAMPLES
SERVICE STANDARDS	
Staff-related issues	Dissatisfaction with FI's standard of service (e.g. rude or incompetent staff); Mistake or oversight by staff.
Delay / failure in processes	Delay or inability of FI to perform certain services due to system problems or inflexible procedures. Delays in processing and settlement of insurance claims should be included here.
General industry feedback	General feedback on service standards of the financial services industry, not targeted at any particular FI.
FINANCIAL INSTITUTIONS PRACTICE / POLICIES	
Pricing policies / premiums / interest rates / fees & charges	Disputes over interest rates on credit facilities, savings accounts and other banking facilities; insurance premiums; and fees & charges of investment products and services (e.g. subscription fees, fees and charges for opening of accounts etc.).
Policy values & investment returns	Lower policy values (including bonus cuts, dividends etc); poor investment returns (not relating to misrepresentation by adviser).
Disputes on liability	FI has repudiated liability but complainant argues that it is a valid claim.
Disputes on claim amount awarded	Complainant is unhappy with the claim amount awarded.
Other contractual matters	Disputes relating to the terms & conditions of contractual agreements (except pricing matters, which should be classified under "Pricing Policies").
Rejection of new applications / underwriting decisions (new applications)	Disputes over FI's assessment / underwriting decisions leading to a rejection of new applications for credit cards, loans, insurance policies and other financial products and services.
Non-renewal of services / underwriting decisions (renewal)	Disputes over FI's assessment / underwriting decisions leading to FI's refusal to renew existing insurance policies or other financial products or services, or inclusion by FI of additional costs or exclusion clauses in view of higher claims / higher risks assumed (except matters on pricing / premiums, which should be classified under "Pricing Policies").
Debt restructuring	Appeals to have debts restructured due to complainants' inability to service their debts.
General industry feedback	General feedback on commercial practices and business decisions of the financial services industry, not targeted at any particular FI.

CATEGORIES OF CLAIMS

NATURE OF DISPUTE	DEFINITIONS / EXAMPLES
MARKET CONDUCT	
Unauthorised transactions / fraud / forgery	Allegations of unauthorised / dishonest transactions by FIs / FI's staff and cases of cheating & fraud.
Inappropriate advice / misrepresentation / disclosure issues	Making recommendations without due consideration to the client's financial objectives, financial situation and particular needs (insufficient explanation of product features / risks or insufficient fact-find analysis); making deceptive, false and misleading statements; not making full and / or adequate disclosure of all facts for clients to make an informed decision.
Unregulated / unlicensed activities	Unlicensed persons carrying on licensable activities; regulated entities carrying on activities without proper licence / authorisation.
Issues on fitness and propriety of licensees / regulated persons	Claims about the integrity / fitness and propriety of licensees / persons providing financial advisory services.
Aggressive sales tactics	Aggressive product pushing and marketing of financial products and services; Nuisance calls and hard selling by advisers.
Other misconduct	Misconduct other than those described above. Examples of such misconduct include 'pooling' (Agent A submits a new application under Agent B in order to help Agent B reach his quota), 'financing' (Agent is subsidising the payment of premiums for policyholder in order to close sales and achieve production quota), 'phantom policy' (Agent submits proposal using fictitious policyholder name in order to achieve production quota) and 'replacement of policy'.
General industry feedback	General feedback on market conduct issues relevant to the financial services industry including unfair / unethical practices undertaken by industry as a whole (e.g. cartel pricing).
ENQUIRIES	General enquiries on procedures for filing a dispute, when to file a dispute, operating hours etc.
OTHERS	Other types of disputes not listed above.

FINANCIAL INDUSTRY DISPUTES RESOLUTION CENTRE LIMITED

(Registration No: 200502125D)

STATEMENT BY DIRECTORS AND FINANCIAL STATEMENTS
Year Ended 30 June 2022

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the audited financial statements of the company for the reporting year ended 30 June 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company for the reporting year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Han Juat Jong	(Chairperson)
Low Elsie	
Lim Biow Chuan	
Tan Tiong Jin Clifton	
Tan Hock Lye	
Lim Chee Hua, Andrew	
Khor Hock Seng	(Alternate Director to Lim Chee Hua, Andrew)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

The company is a company limited by guarantee and has no share capital.

4. OPTIONS

The company is a company limited by guarantee. As such, there are no share options or unissued shares of the company under option.

STATEMENT BY DIRECTORS

5. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the directors

[signed]

.....

Han Juat Jong
Director

11 November 2022

[signed]

.....

Low Elsie
Director

INDEPENDENT AUDITOR'S REPORT

To The Members of Financial Industry Disputes Resolution Centre Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Financial Industry Disputes Resolution Centre Limited (the "company"), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and the Financial Reporting Standards (FRS) so as to give a true and fair view of the financial position of the company as at 30 June 2022 and of the financial performance, changes in accumulated fund and cash flows of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in a statement by directors and the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To The Members of Financial Industry Disputes Resolution Centre Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

To The Members of Financial Industry Disputes Resolution Centre Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tay Hui Jun, Sabrina.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

11 November 2022

Engagement partner - effective from year ended 30 June 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2022

	NOTES	2022 \$	2021 \$
Revenue	4	3,767,733	3,638,940
Other income and gains	5	328,148	377,794
Total income		4,095,881	4,016,734
Expenditures:			
Adjudicator fees		(152,300)	(175,300)
Depreciation of plant and equipment	8	(358,167)	(37,779)
Depreciation of right-of-use assets	9	(407,021)	(437,448)
Directors' remuneration / honorarium	3	(86,000)	(86,000)
Employee benefits expense	6	(1,909,551)	(1,875,116)
Finance costs		(148,267)	(112,990)
Insurance		(27,025)	(28,326)
Office maintenance		(216,837)	(137,200)
Professional fees		(79,722)	(216,377)
Security services		–	(36,300)
Training and courses		(2,967)	(274)
Other administrative expenses		(223,463)	(180,850)
Total expenditures		(3,611,320)	(3,323,960)
Surplus before income tax		484,561	692,774
Income tax expense	7	(19,169)	–
Net surplus, representing total comprehensive income for the reporting year		465,392	692,774

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	NOTES	2022 \$	2021 \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	8	2,122,983	312,213
Right-of-use assets	9	2,238,554	1,531,067
Total non-current assets		4,361,537	1,843,280
<u>Current assets</u>			
Trade and other receivables	10	38,401	69,948
Other non-financial assets	11	166,376	163,486
Cash and cash equivalents	12	2,581,439	3,252,851
Total current assets		2,786,216	3,486,285
Total assets		7,147,753	5,329,565
FUND AND LIABILITIES			
<u>Fund</u>			
Accumulated surplus		3,404,783	2,939,391
Total fund		3,404,783	2,939,391
<u>Non-current liabilities</u>			
Provision	14	165,000	165,000
Other non-financial liability	16	286,515	–
Financial liabilities - lease liabilities	17	2,060,000	1,198,093
Total non-current liabilities		2,511,515	1,363,093
<u>Current liabilities</u>			
Trade payables	15	557,048	595,248
Other non-financial liability	16	286,515	–
Financial liabilities - lease liabilities	17	378,375	431,833
Income tax payable		9,517	–
Total current liabilities		1,231,455	1,027,081
Total liabilities		3,742,970	2,390,174
Total fund and liabilities		7,147,753	5,329,565

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN ACCUMULATED FUND

Year Ended 30 June 2022

	ACCUMULATED SURPLUS
	\$
Current year:	
As at 1 July 2021	2,939,391
Net surplus, representing total comprehensive income for the reporting year	465,392
Balance as at 30 June 2022	3,404,783
Previous year:	
As at 1 July 2020	2,246,617
Net surplus, representing total comprehensive income for the reporting year	692,774
Balance as at 30 June 2021	2,939,391

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended 30 June 2022

	2022	2021
	\$	\$
<u>Cash flows from operating activities</u>		
Surplus before income tax	484,561	692,774
Adjustments for:		
Depreciation of plant and equipment	358,167	37,779
Depreciation of right-of-use assets	407,021	437,448
Interest income	(1,436)	(3,828)
Interest expense	148,267	112,990
Operating cash flows before changes in working capital	1,396,580	1,277,163
Trade and other receivables	31,547	(12,995)
Other non-financial assets	(2,890)	21,703
Trade payables	(38,200)	29,431
Other non-financial liability	573,030	–
Net cash flows from operations	1,960,067	1,315,302
Income taxes paid	(9,652)	–
Net cash flows from operating activities	1,950,415	1,315,302
<u>Cash flows used in investing activities</u>		
Interest received	1,436	3,828
Purchase of plant and equipment	(2,168,937)	(317,503)
Net cash flows used in investing activities	(2,167,501)	(313,675)
<u>Cash flows used in financing activities</u>		
Lease liabilities – principal portion paid	(306,059)	(405,771)
Lease liabilities – interest paid	(148,267)	(112,990)
Net cash flows used in financing activities	(454,326)	(518,761)
Net (decrease)/increase in cash and cash equivalents	(671,412)	482,866
Cash and cash equivalents, statement of cash flows, beginning balance	3,252,851	2,769,985
Cash and cash equivalents, statement of cash flows, ending balance (Note 12)	2,581,439	3,252,851

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

1. GENERAL

The company (Registration No: 200502125D) is incorporated in Singapore as a company limited by guarantee. The financial statements are presented in Singapore dollars.

Each member of the company has undertaken to contribute such amounts not exceeding \$1 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company had 2 (2021:2) members at the end of the reporting year.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities are to act as an independent and impartial institution specialising in the resolution of disputes between financial institutions and complaints.

The registered office is: 36 Robinson Road #15-01, City House, Singapore 068877. The principal place of business is in Singapore.

The Covid-19 pandemic:

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the reporting entity's business, and accordingly no further disclosures are made in these financial statements.

Statement of compliance with financial reporting standards

The financial statements of the company have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Case fees: Revenue for levy and case fees are recognised when the services have been performed and rendered.

Other income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for leasehold improvements and certain leased assets, the shorter lease term). The annual rates of depreciation are as follows:

Furniture and fittings	–	3 years
Office equipment	–	3 years
Computers and software	–	3 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 14 on non-current provision.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment. The right-of-use assets are depreciated over 5.5 years.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term. For these leases, a right-of-use asset is recognised.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments

Initial recognition, measurement and derecognition:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically, trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Key management compensation:

	2022	2021
	\$	\$
Directors' remuneration / honorarium	86,000	86,000
Salaries and other short-term employee benefits	482,225	543,715
Contributions to defined contribution plan	24,072	30,184
	592,297	659,899

Key management personnel are the directors, chief executive officer and the senior officers having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

4. REVENUE

	2022 \$	2021 \$
Levy from subscriber financial institutions	3,615,233	3,464,940
Case fees from subscriber financial institutions and complainants	152,500	174,000
	<u>3,767,733</u>	<u>3,638,940</u>

The service revenue is recognised based on point in time. The customers are financial institutions or consumers in Singapore.

5. OTHER INCOME AND GAINS

	2022 \$	2021 \$
Government grant income	321,712	189,027
Government grant from job support scheme (a)	–	182,339
Interest income from fixed deposits	1,436	3,828
Other income	5,000	2,600
	<u>328,148</u>	<u>377,794</u>

(a) The purpose of the Job Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for the qualifying period.

6. EMPLOYEE BENEFITS EXPENSE

	2022 \$	2021 \$
Short term employee benefits expense	1,678,498	1,661,683
Contributions to defined contribution plan	231,053	213,433
Total employee benefits expense	<u>1,909,551</u>	<u>1,875,116</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

7. INCOME TAX EXPENSE

7A. Components of tax expense recognised in profit or loss include:

	2022 \$	2021 \$
<u>Current tax expense:</u>		
Under adjustments in respect of prior periods	19,169	–
Total income tax expense	19,169	–

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2021: 17.0%) to surplus before income tax as a result of the following differences:

	2022 \$	2021 \$
Surplus before income tax	484,561	692,774
Income tax expense at the above rate	82,375	117,772
Expenses not deductible for tax purposes	342	892
Income not taxable	(48,708)	(56,152)
Stepped income exemption	–	(17,425)
Utilisation of unrecognised deferred tax assets	–	(8,859)
Under adjustments in respect of prior periods	19,169	–
Other minor items less than 3% each	(34,009)	(36,228)
Total income tax expense	19,169	–

7B. Deferred tax expense (income) recognised in profit or loss includes:

	2022 \$	2021 \$
Excess of book over tax depreciation on plant and equipment	(340,813)	–
Excess of tax over book depreciation on plant and equipment	–	(9,101)
Provisions	8,198	4,321
Unutilised capital allowance	245,851	13,639
Unrecognised deferred tax liabilities/(utilisation)	86,764	(8,859)
	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

7. INCOME TAX EXPENSE (CONT'D)

7C. Deferred tax balance in the statement of financial position:

	2022 \$	2021 \$
Excess of book over tax depreciation on plant and equipment	(321,801)	–
Excess of tax over book depreciation on plant and equipment	–	19,012
Provisions	15,601	7,403
Unutilised capital allowance	245,851	
Unrecognised deferred tax liabilities/(assets)	60,349	(26,415)
	–	–

8. PLANT AND EQUIPMENT

	FURNITURE AND FITTINGS \$	OFFICE EQUIPMENT \$	COMPUTERS AND SOFTWARE \$	TOTAL \$
<u>Cost:</u>				
At 1 July 2020	626,831	99,110	353,710	1,079,651
Additions	8,730	2,692	306,081	317,503
At 30 June 2021	635,561	101,802	659,791	1,397,154
Additions	9,613	28,935	2,130,389	2,168,937
At 30 June 2022	645,174	130,737	2,790,180	3,566,091
<u>Accumulated depreciation:</u>				
At 1 July 2020	626,831	95,231	325,100	1,047,162
Depreciation for the year	242	4,251	33,286	37,779
At 30 June 2021	627,073	99,482	358,386	1,084,941
Depreciation for the year	3,514	2,460	352,193	358,167
At 30 June 2022	630,587	101,942	710,579	1,443,108
<u>Carrying value:</u>				
At 1 July 2020	–	3,879	28,610	32,489
At 30 June 2021	8,488	2,320	301,405	312,213
At 30 June 2022	14,587	28,795	2,079,601	2,122,983

Certain items are under finance lease agreements (see Note 17).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

9. RIGHT-OF-USE ASSETS

	OFFICE SPACE \$
<hr/>	
<u>Cost:</u>	
At 1 July 2020 and 30 June 2021	2,405,963
Addition	1,114,508
At 30 June 2022	<u>3,520,471</u>
<u>Accumulated depreciation:</u>	
At 1 July 2020	437,448
Depreciation for the year	437,448
At 30 June 2021	874,896
Depreciation for the year	407,021
At 30 June 2022	<u>1,281,917</u>
<u>Carrying value:</u>	
At 1 July 2020	<u>1,968,515</u>
At 30 June 2021	<u>1,531,067</u>
At 30 June 2022	<u>2,238,554</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

10. TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
<u>Trade receivables:</u>		
Outside parties	–	268
Unbilled receivables	26,700	60,350
	26,700	60,618
<u>Other receivables:</u>		
Outside parties	11,701	9,330
Total trade and other receivables	38,401	69,948

These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables. At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

The average credit period on trade receivables is 30 days (2021: 30 days).

Other receivables are normally with no fixed terms and therefore there is no maturity.

11. OTHER NON-FINANCIAL ASSETS

	2022 \$	2021 \$
Deposits to secure services	147,247	147,247
Prepayments	19,129	16,239
	166,376	163,486

12. CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Not restricted in use	2,581,439	3,252,851

The interest earning balances are not significant.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

12. CASH AND CASH EQUIVALENTS (CONT'D)

12A. Reconciliation of liabilities arising from financing activities:

	2021	CASH	NON-CASH		2022
	\$	FLOWS	CHANGES		\$
		\$	\$		
Lease liabilities	1,629,926	(454,326)	1,262,775	(a)	2,438,375
Total liabilities from financing activities	1,629,926	(454,326)	1,262,775		2,438,375

	2020	CASH	NON-CASH		2021
	\$	FLOWS	CHANGES		\$
		\$	\$		
Lease liabilities	2,035,697	(518,761)	112,990	(a)	1,629,926
Total liabilities from financing activities	2,035,697	(518,761)	112,990		1,629,926

(a) Accretion of interest expense and lease modifications.

13. CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to support its business. In order to maintain or achieve an optimal capital structure, the company needs to ensure profitability by consciously obtaining general levy and supplementary levy from financial institutions.

The company regards the accumulated surplus as its capital.

The company is not subject to any externally imposed capital requirements. The company's overall strategy remains unchanged since the last reporting year ended 30 June 2021. No changes were made in the objectives, policies or processes during the years ended 30 June 2022 and 30 June 2021.

14. PROVISION

	2022	2021
	\$	\$
Provision for dismantling	165,000	165,000

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased premises. The estimate is based on a quotation from external contractor.

15. TRADE PAYABLES

	2022	2021
	\$	\$
Outside parties and accrued liabilities	557,048	595,248

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

16. OTHER NON-FINANCIAL LIABILITY

	2022 \$	2021 \$
Deferred government grant	573,030	–
Presented in statement of financial position as:		
	2022 \$	2021 \$
Non-current	286,515	–
Current	286,515	–
	573,030	–
Movements in other non-financial liability:		
	2022 \$	2021 \$
At beginning of the year	–	–
Government grant received	859,545	–
Charged to profit or loss included under government grant income in other income and gains (Note 5)	(286,515)	–
At end of the year	573,030	–

The government grant are recognised in the profit or loss over the period to match them with the costs they are intended to compensate.

17. LEASE LIABILITIES

Lease liabilities are presented in the statement of financial position as follows:

	2022 \$	2021 \$
Lease liabilities, current	378,375	431,833
Lease liabilities, non-current	2,060,000	1,198,093
Total lease liabilities	2,438,375	1,629,926

Leases for right-to-use assets - the reporting entity has a few leases relating to the office space and office equipment. Other information about the leasing activities relating to the right-of-use assets are summarised as follows: the leases prohibit the lessee from selling or pledging the underlying leased assets as security unless permitted by the owner; with remaining terms ranging from 2 to 6 years; there are no variable payments linked to an index; there are options to purchase the underlying leased assets outright at the end of the lease; there are options to extend the leases for further terms.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

17. LEASE LIABILITIES (CONT'D)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

A summary of the maturity analysis of lease liabilities is disclosed in Note 18E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed in Note 9.

The weighted average incremental borrowing rate applied to lease liabilities recognised is 6.25% (2021: 6.25%) per year.

18. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

18A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2022 \$	2021 \$
<u>Financial assets:</u>		
Financial assets at amortised cost	2,619,840	3,322,799
At end of year	2,619,840	3,322,799
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	2,995,423	2,225,174
At end of year	2,995,423	2,225,174

Further quantitative disclosures are included throughout these financial statements.

18B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising currency risk. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices. There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

18C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

18. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

18D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

18E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	LESS THAN 1 YEAR \$	1 – 5 YEARS \$	TOTAL \$
Non-derivative financial liabilities:			
<u>2022:</u>			
Gross lease liabilities	517,338	2,362,140	2,879,478
Trade and other payables	557,048	–	557,048
At end of the year	1,074,386	2,362,140	3,436,526
	LESS THAN 1 YEAR \$	WITHIN 2 TO 5 YEARS \$	TOTAL \$
Non-derivative financial liabilities:			
<u>2021:</u>			
Other financial liabilities	518,748	1,290,402	1,809,150
Trade and other payables	595,248	–	595,248
At end of the year	1,113,996	1,290,402	2,404,398

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2021: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2022

18. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

18F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

	2022 \$	2021 \$
Financial liabilities with interest:		
Fixed rates	2,438,375	1,629,926
Total at end of the year	2,438,375	1,629,926

The interest rate is disclosed at the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

19. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

FRS NO.	TITLE
FRS 116	Covid-19 Related Rent Concessions - Amendment to (The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022)

20. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

FRS NO.	TITLE	EFFECTIVE DATE FOR PERIODS BEGINNING ON OR AFTER
FRS 1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
FRS 8	Definition of Accounting Estimates - Amendments to	1 January 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023

FINANCIAL INDUSTRY DISPUTES RESOLUTION CENTRE LIMITED

**THE ACCOMPANYING SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS
HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY
AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS

Year Ended 30 June 2022

	2022 \$	2021 \$
Revenue	3,767,733	3,638,940
Other income and gains	328,148	377,794
Total income	4,095,881	4,016,734
Expenditures:		
Adjudicator fees	(152,300)	(175,300)
Depreciation of plant and equipment	(358,167)	(37,779)
Depreciation of right-of-use assets	(407,021)	(437,448)
Directors' remuneration / honorarium	(86,000)	(86,000)
Employee benefits expense	(1,909,551)	(1,875,116)
Finance costs	(148,267)	(112,990)
Insurance	(27,025)	(28,326)
Office maintenance	(216,837)	(137,200)
Professional fees	(79,722)	(216,377)
Security services	–	(36,300)
Training and courses	(2,967)	(274)
Other administrative expenses	(223,463)	(180,850)
Total expenditures	(3,611,320)	(3,323,960)
Surplus before income tax	484,561	692,774
Income tax expense	(19,169)	–
Net surplus, representing total comprehensive income for the reporting year	465,392	692,774
Other administrative expenses		
Bad debts written off	2,010	–
Bank charges	883	972
Company activities and retreat	2,698	1,906
Gifts and floral, books and periodical	4,152	3,172
Luncheon (Board of directors and adjudicators)	2,239	1,675
Meals	3,633	3,225
Mediators' Honorarium	4,000	1,800
Medical	5,488	1,616
Miscellaneous	10,089	5,249
Newspapers	797	794
Office cleaning	26,378	27,140
Office service charges	97,612	67,852
Postage and courier	6,654	8,405
Recruitment	2,612	1,950
Refreshments	2,922	3,204
Stationery	14,018	18,417
Storages	7,210	4,900
Subscription	8,192	7,941
Telephone	16,598	13,856
Transportation	93	1,970
Utilities	5,185	4,806
	223,463	180,850

Not part of audited financial statements



Financial Industry Disputes Resolution Centre

WALK IN AND TALK TO US OR WRITE TO US:

**Financial Industry Disputes Resolution
Centre Limited (FIDReC)**

36 Robinson Road
#15-01 City House
Singapore 068877

CALL US:

Tel: 6327 8878
Fax: 6327 8488 / 6327 1089

EMAIL US:

info@fidrec.com.sg

VISIT OUR WEBSITE:

www.fidrec.com.sg