



## **FIDReC enquiries and claims stable in FY2021/2022; new system and website achieves higher satisfaction levels**

**SINGAPORE – 24 November 2022** – The Financial Industry Disputes Resolution Centre (“**FIDReC**” or the “**Centre**”) has released its Annual Report 2021/2022 for its financial period 1 July 2021 to 30 June 2022 (“**FY2021/2022**”). During this period, the Centre’s enquiry and case load increased by less than 5% from the previous corresponding period (“**FY2020/2021**”).

In FY2021/2022, the Centre received 6,549 enquiries and 1,142 claims. This compares with 6,412 enquiries and 1,097 claims received in FY2020/2021.

For claims handled by FIDReC, there was a decline in the number of claims across all categories of financial institutions. More than half the claims were against banks and finance companies, with fraud and scams making up the bulk of claims against this group (55%).

The next two categories of financial institutions most complained against in FY2021/2022 were life insurers (26%) and general insurers (13%). Most claims against life insurers involved disputes on liability (32%) and disputes on inappropriate advice, misrepresentation or disclosure issues (20%). Most claims against general insurers related to disputes on liability (70%). See table in Annex A for case breakdown.

In FY2021/2022, consumers aged 50 and below emerged as the largest group (58%) of consumers filing claims at FIDReC. This could signify more financial activity in consumers of a younger age. In previous years, consumers aged 51 years and above made up the majority.

The largest amount claimed for claims handled in FY2021/2022 was \$1.7 million. The median claim amount was \$7,810 as compared to \$8,808 in the previous financial year.

The Centre continued to achieve a high level of success in amicable dispute resolution. It concluded 86% of claims within six months, which was an improvement over the 82% it achieved last year. Of the concluded claims, 72% (or 696 claims) concluded at mediation. Of the claims concluded at mediation, consumers accepted an offer 56% of the time, and decided not to further pursue their claims the rest of the time.

There were 271 cases that proceeded to adjudication in FY2021/2022. Of these, 36 (or 13%) received a monetary award.

**FIDReC’s Chief Executive Officer, Ms Eunice Chua**, said: *“Since embarking on digital transformation, my team has been working hard to re-design our existing business processes. Together with a partner, we developed a new system that was secure, cloud-based, modular, and scalable. The system launched to the public in December 2021.*



*“We have received encouraging feedback since then. The average rating for ease of filing a complaint improved from 3.9 to 4.1 out of a total score of 5. The average rating for the overall experience at FIDReC also improved from 4.2 to 4.4. Most consumers found the new system easy to use and felt that the resources available on the website helped them to make informed choices. FIDReC has made further enhancements since the website’s initial launch, and we will continue to do so based on feedback.”*

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.

Another key project for FIDReC in FY2021/2022 was implementing the recommendations from the 2021 Independent Review Report. One significant change was a new Mediator’s Indication (“MI”) procedure. The MI involves case managers giving an opinion on the likelihood of a claim succeeding at adjudication. 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 and non-binding.

**Ms Chua** said: *“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, which will save them time and costs.*

*“The MI procedure is in its pilot phase. So far, we have observed that most of the completed MI cases did not proceed with adjudication. We will continue to review our processes and Terms of Reference to ensure our service remains effective.”*

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**About FIDReC**

Launched on 31 August 2005, the Financial Industry Disputes Resolution Centre Ltd (FIDReC) is a not-for-profit company limited by guarantee. We specialise in the resolution of consumer financial disputes through mediation and adjudication.

At present, FIDReC's services are available to consumers who are individuals or sole proprietors. Consumers may come to FIDReC when they cannot resolve their issues with their financial institutions. Financial institutions include banks, finance companies, life insurers, general insurers, capital markets services licensees, licensed financial advisers, and insurance brokers.

***Issued on behalf of FIDReC by August Consulting:***

*Wrisney Tan (HP: 9743 2667, Email: [wrisneytan@august.com.sg](mailto:wrisneytan@august.com.sg))*

*Joanna Tan (HP: 8515 2066, Email: [joannatan@august.com.sg](mailto:joannatan@august.com.sg))*

Breakdown by Nature of Claims (1 July 2021 to 30 June 2022)

Block*	No. of Claims Handled						No. of Claims Completed <sup>#</sup>			No. of Claims pending as at 30 June 2021 <sup>@</sup>
	Financial Institutions' Practice / Policies	Market Conduct	Service Standards	Fraud/Scam (combined)	Total	% <sup>^</sup>	By Mediation	By Adjudication (awards made)	By Adjudication (no awards made)	
<b>A</b>	64	82	65	262	473	52	358	8	153	231
<b>B</b>	166	47	25	0	238	26	197	11	53	95
<b>C</b>	107	1	13	0	121	13	84	13	14	57
<b>D</b>	8	1	28	0	37	4	26	3	10	22
<b>E</b>	2	32	4	0	38	4	31	1	5	42
<b>Total</b>	<b>347</b>	<b>163</b>	<b>135</b>	<b>262</b>	<b>907</b>		<b>696</b>	<b>36</b>	<b>235</b>	<b>447</b>
<b>%</b>	38.26	17.97	14.88	28.89	100.00					

A further breakdown of the types of complaints for each category of financial institution can be found in the *FIDReC Annual Report 2021/2022*, which is available at [www.fidrec.com.sg](http://www.fidrec.com.sg).

\* Block A: Banks and finance companies

B: Life and composite insurers

C: General and composite insurers

D: Capital markets services licensees

E: Licensed financial advisors and insurance intermediaries

<sup>^</sup> Figures may not add up to 100% due to rounding

<sup>#</sup> Figures include claims lodged in the preceding periods which were completed in the period 1 July 2020 to 30 June 2021

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