



ADAPTING PERSEVERING **GROWING**

To better resolve your disputes

Annual Report 2022/2023

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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.



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.

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

FIDReC had a busy work year in 2022/2023. In the year under review, FIDReC received 7,724 enquiries, 18% more than the 6,549 enquiries received in the previous year. For the number of claims, a phenomenal 2,188 claims were received. This was 92% more than the number received in the previous year. However, a significant number was excluded as ineligible claims¹ and the number of claims actually handled was 1,495. This figure was almost 65% higher than the 907 claims handled in the previous year, and 37% higher than the average number of claims handled in the last 5 years.

The staff of FIDReC dealt commendably with the significantly higher number of cases within targeted timelines. They were assisted by the digital portal management system implemented in 2021/2022.

The number of claims completed was 1,172, as compared to 967 last year. Despite the greater number, a high 93% of these claims were completed within 6 months. This was a marked improvement from 86% of the previous year. Of the claims completed, 82% of them were completed at mediation and only 18% had to undergo adjudication. As a comparison, the average percentage completed at mediation was 77% in the last 5 years. FIDReC is pleased to have been able to help parties achieve closure with less time and costs.

Claims against banks drove the surge in the claims handled. In 2022/2023, 998 claims or 67% of the total claims handled by FIDReC were against banks and finance companies. This compared with 473 claims, comprising 52% of the total claims handled in 2021/2022. Another significant contributor was the increase in claims against general insurers. In 2022/2023, 229 claims or 15% of the total claims handled were against general insurers. This compared with 121 claims, comprising 13% of the total claims handled in 2021/2022.

In contrast, there was a decrease in the number of claims against life insurers. In 2022/2023, there were 191 claims against life insurers comprising 13% of the total claims handled. In 2021/2022, there were 238 claims comprising 26% of the total claims handled.

The nature of the claims handled was roughly consistent with that of the previous year. For the claims against banks and finance companies, claims related to fraud and scams topped the list at 51%, continuing the trend in the previous year. The next major group was claims related to inappropriate advice, misrepresentation, or disclosure (22%). For the claims against general insurers, 59% related to disputes on liability and 20% related to disputes on claim amount awarded. For the claims against life insurers, 30% involved disputes on liability and 26% involved disputes on inappropriate advice, misrepresentation, or disclosure.

44% of the consumers bringing claims at FIDReC in 2022/2023 were aged 51 and older. This was similar to the 42% in 2021/2022. The monetary claim amounts for handled claims ranged from \$2.20 to \$2.77 million. The median claim amount was \$5,912, lower than that of the previous year (\$7,810).

With appreciation



In closing, I wish to thank the Directors for their strong partnership. In April 2023, we bade farewell to two long-serving members of the Board, Mrs Elsie Foh and Mr Lim Biow Chuan. They were extremely dedicated and committed to the work of FIDReC, which benefitted greatly from their guidance and wise counsel. I extend to them my heartfelt appreciation for their service to FIDReC. In their place, Mr Sng Seow Wah and Mr Melvin Yong joined the Board as new directors. Special thanks are due to all our adjudicators, mediators, and the FIDReC team for their dedicated service and hard work, and our stakeholders for their invaluable support. FIDReC will undertake a review of our Terms of Reference in the next work year, and we commit to continuing onward and upward to achieve our mission of fair and amicable dispute resolution.

KOH JUAT JONG
CHAIRPERSON, FIDReC

¹ The ineligible claims included the claims that were referred back to the financial institutions (as the consumer had yet to approach their financial institution), duplicated claims submitted in error by consumers, claims that were withdrawn by the consumer, and claims that were outside of FIDReC's jurisdiction.

MESSAGE FROM THE CEO

FIDReC's theme for FY2022/2023 was: "Adapting, Persevering, Growing". We wanted FIDReC to adapt, persevere and grow even in a season of change and unpredictability. The theme reflected our willingness to adjust to a new operating environment, to be resilient in the face of difficulty, and to continue to develop our people and strengthen our organisation.


The higher number of enquiries and claims we received, particularly in the second half of FY2022/2023, tested us. Still, we persevered and exceeded the targets we set for ourselves. We completed 82% of claims at the mediation stage, with only 18% of claims proceeding to adjudication. 93% of claims were completed within 6 months.

During the year, our ongoing public outreach efforts reached more than 1,100 persons. These efforts included online and offline events that we either organised or participated in. We further engaged the financial industry to share insights and observations, with a view towards dispute prevention and improving the internal complaints handling practices of the industry.


We upgraded the digital portal management system and enhanced our services. Of note, we partnered with the Law Society of Singapore so that qualified lawyers with at least 7 years of experience could offer a non-binding neutral evaluation to the parties as part of the FIDReC Mediator's Indication (MI) process. As with our existing MI process where a case manager conducts the evaluation, there is no charge to the parties. Consumers who may not be able to afford a legal consultation can benefit from an independent lawyer's view. This may, in turn, promote legal awareness and amicable resolution.

During the year, our staff benefited from a new training grant, as well as regular learning opportunities. This included corporate volunteering activities. We also mentored interns through the FIDReC internship program.

We are glad that feedback we received has affirmed our efforts. The early-stage customer satisfaction survey yielded an 89.6% satisfaction rating, up from 82.0% the previous year. The mediator's feedback survey conducted after the completion of mediation had a 96.2% satisfaction rating, up from 93.8% the previous year. We were truly heartened by all who took the time to encourage us through their acts and words.

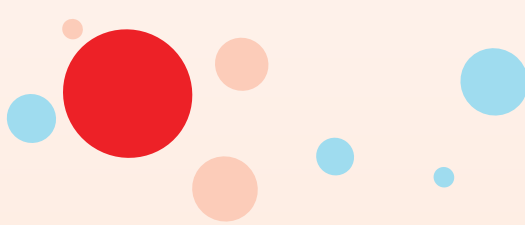


I'm very happy that there's such an organisation for consumers like us to file a complaint against their financial institution. The FIDReC people who liaised with me have been very professional. Thank you!



[Case Manager] is knowledgeable and was helpful in explaining the situation from both sides. She was a good listener and was able to address the concerns I had ... Although the results were less favourable for me, I am appreciative of the efforts made by her and FIDReC. Thank you.

I would like to conclude by thanking those without whom FIDReC's work would not be possible. To our Chairperson and Board of Directors, thank you for your support and guidance. To our Adjudicators, Mediators, and collaborators, thank you for working with us to deliver access to justice and promote financial literacy and awareness. Finally, to my team, thank you for your camaraderie and hard work—I am glad that we can support each other in carrying out FIDReC's mission. In the coming year, FIDReC's theme will be "Onward and Upward" as we strive to further improve and reach new heights.



EUNICE CHUA
CHIEF EXECUTIVE OFFICER, FIDReC

FY2022/23 AT A GLANCE

FIDReC RECEIVED

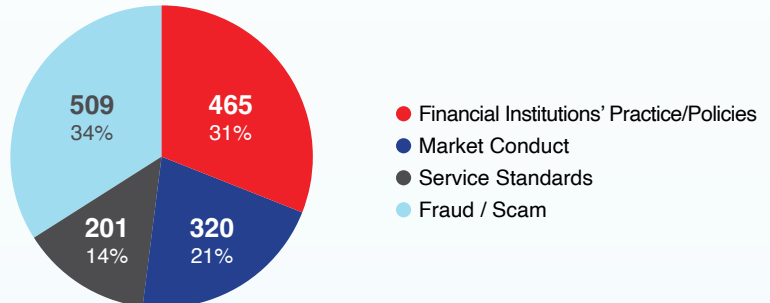
7,724 Enquiries
↑ 17.9%

2,188 Claims
↑ 91.6%

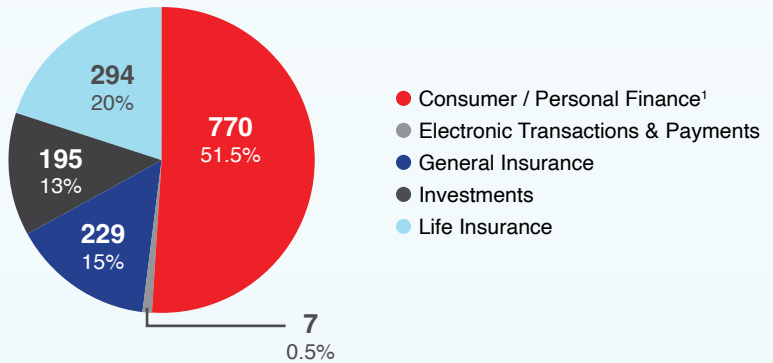
Of these, FIDReC handled

1,495 Claims
↑ 64.8%

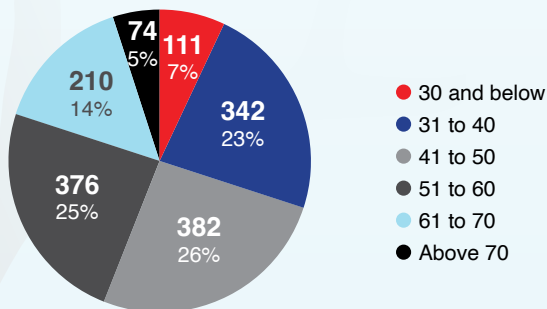
NATURE OF CLAIMS HANDLED



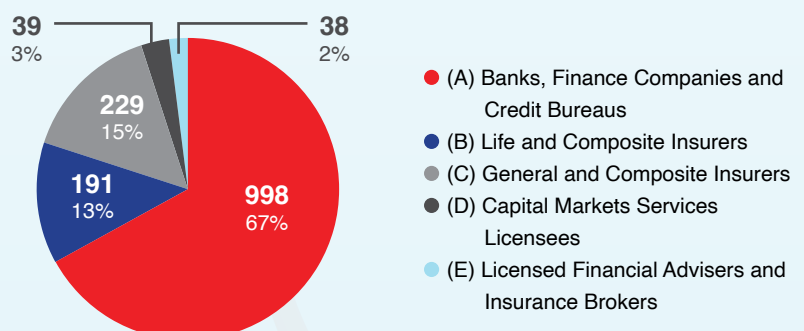
PRODUCT GROUP OF CLAIMS HANDLED



CONSUMER PROFILE OF CLAIMS HANDLED



FINANCIAL INSTITUTION PROFILE OF CLAIMS HANDLED



The median claim amount was **\$5,912** (↑ 24.3%).

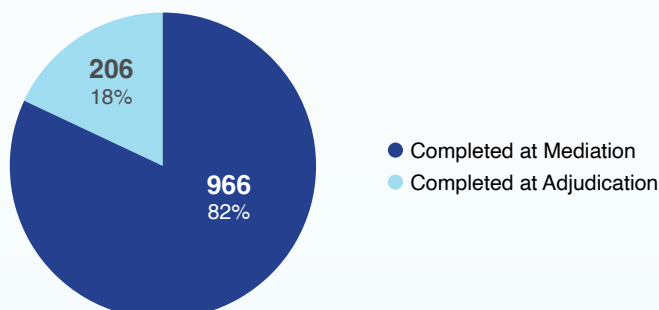
The average claim amount was **\$45,760** (↑ 18.6%).

The smallest claim amount was **\$2.20** (↓ 55.0%) and largest claim amount was **\$2.77 million** (↑ 62.9%).

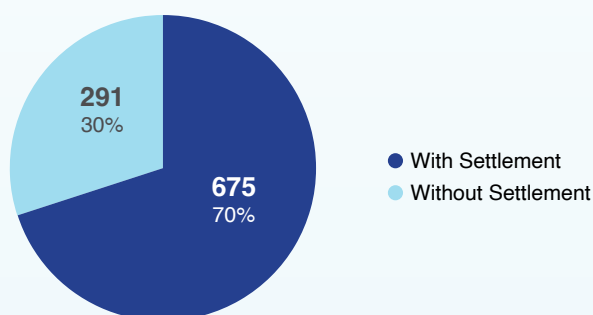
¹ Consumer/Personal Finance includes disputes such as Credits Cards / Charge Cards, Housing / Renovation Loans, Personal Loans / Lines of Credit or Savings Account / Fixed Deposits / Current Account disputes.

FY2022/23 AT A GLANCE

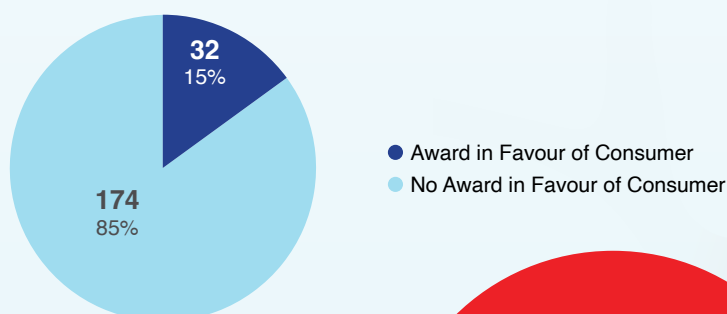
TOTAL COMPLETED CLAIMS



COMPLETED AT MEDIATION



COMPLETED AT ADJUDICATION



FIDReC COMPLETED HANDLING

7,724 Enquiries
↑ 17.9%

1,172 Claims
↑ 21.2%

against
81 Financial Institutions
↑ 28.6%

93% of the claims were completed within 6 months (↑ 7.3%).

Of the completed claims, approximately 82% were completed at mediation (↑ 10.0%).

Of the claims completed at adjudication, 16% had an award in favour of the consumers and 84% had no award.

Of the claims completed at mediation, 70% had consumers accepting an offer from a financial institution and 30% had consumers deciding not to pursue their claim further.

SPOTLIGHT ON SCAMS

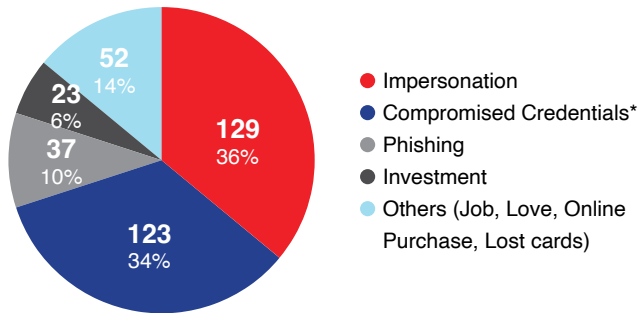
FY2022/2023 FIDReC handled 509 claims and completed 364 claims related to scams.

The median claim amount was **\$5,154**.

The average claim amount was **\$33,654**.

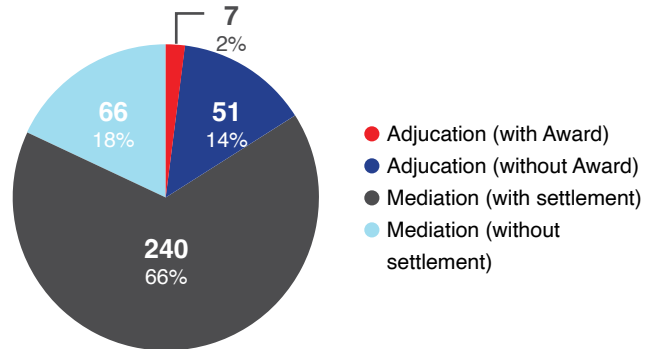
The smallest claim amount was **\$2.20** and largest claim amount was **\$1.287 million**.

TYPES OF SCAM

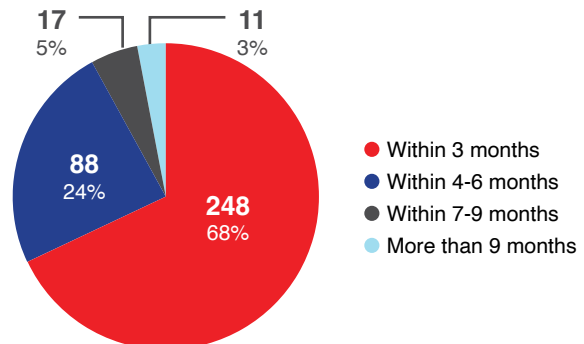


* Compromised credentials involve a consumer's bank account, digital wallet, or credit card recording transactions that the consumer says are not authorised. However, the consumer is unable to identify how the transactions took place.

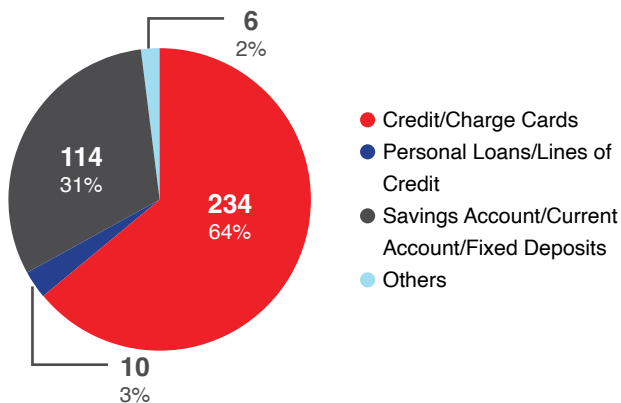
COMPLETION STATUS



TURNAROUND TIME



TYPE OF PRODUCT



We can **ACT** against scams:

- **ADD** – Download the ScamShield app and add privacy and security settings to your accounts.
- **CHECK** – Check with trusted persons and look out for scam signs before making decisions. Especially when they relate to requests for money, personal information, unsolicited links, or downloading any unofficial apps.
- **TELL** – Report to the authorities and share with your community about scam encounters.

If you think you have been scammed:

- Immediately inform your financial institution to prevent further losses.
- Call the financial institution's scam hotline or activate the kill switch on your banking app.
- Collect all relevant information and evidence and report the matter to the authorities.
- If the scam took place on an online or social media platform, report the scam to that platform as well.

Please visit <https://www.scamalert.sg> for the latest scam information.



KEY PROJECTS OF THE YEAR



SYSTEM ENHANCEMENTS

FIDReC launched our new digital portal management system in December 2021 and a second release of new features in June 2022. Since then, we have continued to enhance the system based on feedback we have received. We are grateful to our staff, the public, and financial institution representatives who provided us feedback that enabled us to improve.

The system enhancements rolled out in 2022/2023 included:

- Automated file scanning to identify viruses and security threats.
- Autosave feature on the consumer and financial institution portals.
- Amendments to the online dispute resolution form to improve clarity.
- Automation of process to allow users to re-login after browser timeout.
- Streamlining field selection options during document uploading to avoid incorrect labelling.
- Updates to invoice templates and other finance-related notices and emails.

AVERAGE RATING FOR A CONSUMER'S OVERALL EXPERIENCE

FY2022/2023

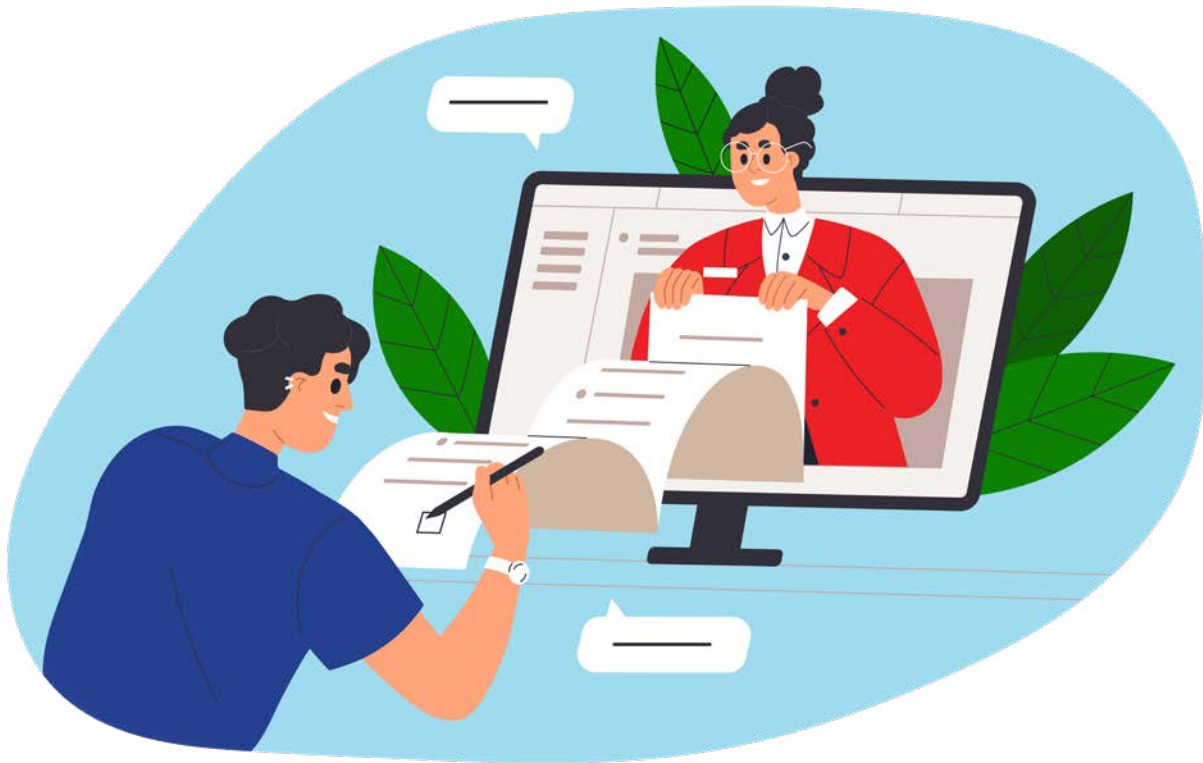
★★★★☆ 4.7/5.0

FY2021/2022: 4.4/5.0

The average rating for a consumer's overall experience at FIDReC stood at 4.7 (out of 5) for FY2022/2023. This was higher than the rating of 4.4 in the previous financial year after the new system launch. We will continue to improve and innovate to offer an even better experience to our users.

Please continue to share any feedback you may have with us at feedback@fidrec.com.sg.

KEY PROJECTS OF THE YEAR



MEDIATOR'S INDICATION

During the pilot, we found that the MI helped to promote the completion of cases at mediation, which saved time and costs for the parties. The MI is now available as an option during the mediation stage of FIDReC's process.

The 2021 FIDReC Independent Review Report recommended that case managers issue preliminary assessments. In April 2022, FIDReC implemented this recommendation by way of a pilot "Mediator's Indication" (MI) process.

In appropriate cases where there was no settlement at mediation, the case manager invited the parties to agree to a free MI session. The MI session could take place in person or online.

The MI session provided an opportunity for the parties to receive a non-binding opinion about the merits of their case. The parties had 14 calendar days to consider the MI. If the parties agreed with the MI, they signed a settlement agreement on the terms of the MI. If any party disagreed with the MI, the consumer could choose to continue with adjudication at FIDReC.

During the pilot, we found that the MI helped to promote the completion of cases at mediation, which saved time and costs for the parties. The MI is now available as an option during the mediation stage of FIDReC's process.

In April 2023, we further enhanced the MI through a collaboration with the Law Society of Singapore. Under this partnership, lawyers appointed to the Associate Neutral Panel of the Law Society would conduct the MI session. These lawyers would have at least 7 years of post-qualification experience and relevant knowledge. They would also have completed a training conducted by FIDReC.

We would like to thank the Law Society for their support in our work to deliver access to justice in consumer financial disputes.

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.
- The Case Manager may refer a case for a Mediator's Indication, which is a non-binding neutral assessment of whether an award is likely to be made at adjudication.
- 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 With parties' consent, if no settlement, goes to a different Mediator for a Mediator's Indication 	<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><i>Note: \$200 may be refunded to either party after the adjudication under FIDReC's prevailing Refund Rules</i></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 OUTREACH EFFORTS

PUBLIC AND INDUSTRY OUTREACH

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



3 OCTOBER 2022 –

Law@CDC is a collaborative effort to promote awareness and understanding of the law in the community. CEO Eunice Chua spoke at one of its public webinars titled “Believe It or Not! How to Spot and Avoid Scams” to help the public identify scams.



5 OCTOBER 2022 –

In another public webinar by Law@CDC, Adjudicator Toh See Kiat and CEO Eunice Chua spoke on “Online Shopping – Is It Safe?”



29 OCTOBER 2022 –

FIDReC participated in the My Money 2022 roadshow at the Singapore Management University. The event was organised under the Monetary Authority of Singapore's MoneySense campaign to empower Singaporeans with knowledge and concrete steps to take charge of their financial well-being and plan for their retirement.



19 FEBRUARY 2023 –

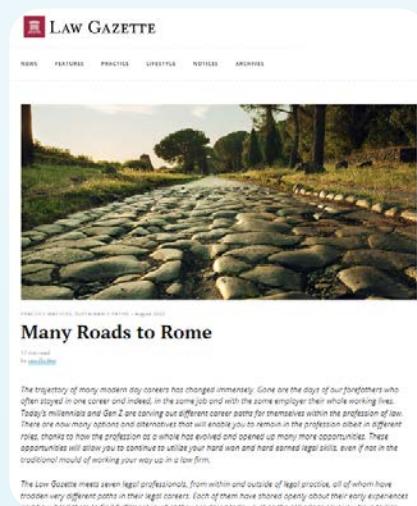
FIDReC set up an information booth at MacPherson Community Club's Teochew Opera Event as part of its efforts to increase awareness about its services in the heartlands.



15 MAY 2023 –

Pro Bono SG is a charity that facilitates access to justice for the needy and vulnerable in Singapore. CEO Eunice Chua moderated a public webinar, which FIDReC co-organised with Pro Bono SG on “Motor and Travel Insurance”.

CEO Eunice Chua contributed an article titled “Many Roads to Rome” in which she shared about her career journey, including the work that FIDReC does.



FIDReC OUTREACH EFFORTS

In addition, FIDReC contributed to news reports and publications such as the following:



星調解中心全球居首 八成投訴半年內完成 - 20221103 - 港聞

In November 2022, FIDReC CEO Eunice Chua accepted an interview by MingPao (Hong Kong), which was published on 3 November 2022.

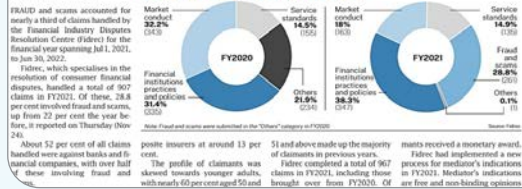


To reach the Malay-speaking community, FIDReC CEO Eunice Chua accepted an interview from Berita Harian, which was published on 2 December 2022, about the FIDReC process and cases at FIDReC.

Nearly a third of financial claims involve fraud and scams: Fidrec

About 52 per cent of all claims handled were against banks and financial companies

By Russell Marino Soh
rasm@noodhph.com.sg



Students from the National University of Singapore Pro Bono Group FIDReC Project.

News reports in 联合早报, the Straits Times and the Business Times on 25 November 2022 following the release of FIDReC's Annual Report 2021/2022.

Singaporean with serious ailment lost his medical insurance as he forgot to pay

st | [straitstimes.com/business/invest/man-with-serious-ailment-lost-his-insurance-as-he-forgot-to-pay](https://www.straitstimes.com/business/invest/man-with-serious-ailment-lost-his-insurance-as-he-forgot-to-pay)

November 27, 2022



FIDReC continued to share case studies of common complaints that it receives with the media to promote greater public awareness and understanding behind case outcomes. On 27 November 2022, The Sunday Times' Invest section shared a FIDReC case study of a Singaporean man who lost his medical insurance as he had forgotten to pay his premiums.

The financial industry continued to work 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 published information about FIDReC's services on their websites.

FIDReC continued its collaboration with partner organisations. These efforts included talks for industry associations and engagement sessions with financial institutions aimed at promoting consumer education, dispute resolution, and dispute prevention.

FIDReC OUTREACH EFFORTS

THOUGHT LEADERSHIP AND INTERNATIONAL OUTREACH

FIDReC is an active member of the International Network of Financial Ombudsman Schemes. CEO Eunice Chua is an elected member of the 2023 Committee of the Network. FIDReC also participated in the following international events:

23 AUGUST 2022 –

FIDReC hosted a visit from the Indonesia Financial Services Alternative Disputes Resolution Centre (LAPS SJK).



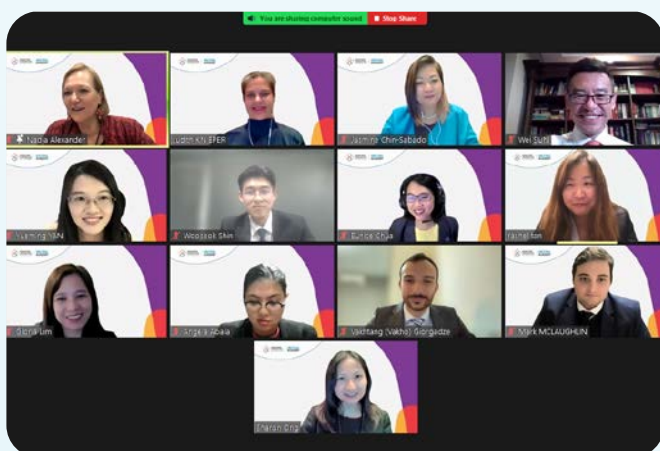
29 AUGUST 2022 –

CEO Eunice Chua was a judge at the Asia-Pacific Commercial Mediation Competition.



31 AUGUST 2022 –

CEO Eunice Chua co-moderated a debate organised by the Law Society of Singapore, Singapore Institute of Arbitrators and Society of Mediation Professionals during Singapore Convention Week.



31 AUGUST 2022 –

CEO Eunice Chua spoke at the UNCITRAL Academy Government Capacity-Building Workshop on “Mediator Standards and the Singapore Convention”.



1 SEPTEMBER 2022 –

FIDReC hosted a visit from a South Korean inter-ministry government delegation.

FIDReC OUTREACH EFFORTS



2 SEPTEMBER 2022 –

CEO Eunice Chua spoke at the IBA Asia Pacific Litigation Conference about “International Commercial Courts: The Response to Globalisation”.



2 SEPTEMBER 2022 –

CEO Eunice Chua was a panellist at the Singapore Mediation Lecture 2022.



4 OCTOBER 2022 –

CEO Eunice Chua co-moderated a panel discussion at the Ciarb Mediation Symposium.



4 NOVEMBER 2022 –

Director of ADR Ho Meng Hee, and Case Managers Serene Mu and Joanna Siow (not pictured) hosted a visit from two senior officers from the Australian Financial Complaints Authority.



7 DECEMBER 2022 –

CEO Eunice Chua was one of the speakers at a webinar on judicial mediation organised by USAID’s Efficient and Effective Justice Activity to develop the mediation ecosystem in Sri Lanka.



21 JUNE 2023 –

CEO Eunice Chua was one of the speakers at a webinar organised by the Ciarb London and Singapore Branches on “The UK’s intention to ratify and sign the Singapore Convention on Mediation – an inevitable reality but what difference does it make?”

BOARD OF DIRECTORS

Former Solicitor-General

Mrs Koh Juat Jong chairs the FIDReC Board of Directors (the Board), which comprises directors with financial and non-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 (UP TO 7 APRIL 2023)

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 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 also 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 (UP TO 7 APRIL 2023)

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.



TAN TIONG JIN, CLIFTON
DIRECTOR

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

He has been a member of ICPAS (renamed Institute of Singapore Chartered Accountants) since 1985.

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 its concurrent 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 and was formerly the Chairman of the Chen Su Lan Methodist Children's Home where he presently serves as Honorary Member.

BOARD AND MANAGEMENT PROFILES



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 the end of 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.



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.



SNG SEOW WAH DIRECTOR (FROM 8 APRIL 2023)

Mr Sng Seow Wah is a Board Member of the Maritime and Port Authority of Singapore (MPA), and is a member of MPA's Audit Review Committee and Investment Committee. He has been appointed Corporate Advisor to Temasek International since August 2020.

Mr Sng has over 35 years of banking experience across Singapore, Indonesia, and Malaysia. His most recent assignment was as President Director and CEO of Bank Danamon Indonesia. He was Chairman of the Board of Adira Finance, a subsidiary of Bank Danamon and the second largest finance company in Indonesia. Prior to Bank Danamon, he was Group CEO of Alliance Bank Malaysia Berhad. Both Bank Danamon and Alliance Bank are publicly listed and were part of the Temasek group. During his tenure at Danamon Bank, Adira Finance and Alliance Bank, Mr Sng was involved in all board and board committee meetings, and chaired the Assets & Liabilities Committees in both banks, which provided oversight of the banks' strategy and financials.

BOARD AND MANAGEMENT PROFILES



YONG YIK CHYE, MELVIN
DIRECTOR (FROM 8 APRIL 2023)

Mr Melvin Yong is currently the Assistant Secretary-General at the National Trades Union Congress (NTUC); Director, Care Division of NTUC; Executive Secretary of the National Transport Workers' Union; and the President of the Consumers Association of Singapore (CASE).

Mr Yong was an Assistant Commissioner of Police with the Singapore Police Force (SPF). He joined the SPF in 1995 and retired in August 2015 after more than 20 years in service. During his career, Melvin held various key appointments in the SPF, including Deputy Director (Planning & Organisation), Director (Administration & Finance), Commander of Clementi Police Division and Director (Public Affairs). He also held a concurrent appointment as Deputy Director (Operations) between November 2013 and June 2014. Mr Yong was awarded the Public Service Medal in 2010.



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

WHEN A GOOD OFFER TURNED OUT TO BE A SCAM

Lily came across an online advertisement that offered a four-hour cleaning session at \$20 for first-time users. This was a good deal, so Lily decided to engage the cleaning company. She received a link for her to download an app on her mobile phone. She then followed instructions to make a deposit payment of \$5 on the app.

She keyed in her credit card information. But after submitting the information, an error message showing 'Invalid Card' appeared. Thinking that something must be wrong with her credit card, she keyed in the details of another credit card. As the error message still appeared, she decided to stop and try again later.

A few hours later, Lily checked her mobile phone and discovered that there were transactions amounting to \$10,000 charged to her two credit cards. She called the Bank to report that she did not perform the transactions. The Bank blocked her credit cards immediately.

Lily later found out that the app she had downloaded contained malware. When she downloaded the app, she had granted permissions to the scammers. The scammers got hold of her credentials, took control of her mobile phone, and read SMSes or bank notifications received on the phone.

The Bank informed Lily they were unable to file a chargeback request on her behalf. A chargeback is a request from the card-issuing bank to the merchant for a reversal under the dispute resolution process of the card scheme. The Bank said that Lily was liable for the full amount. Lily disagreed and came to FIDReC.

At mediation, the Bank said that it had sent Lily SMS transactions notifications when the transactions took place. However, she did not act on them until a few hours later. Lily argued that the Bank ought to have noticed that the transactions were suspicious and cancelled the transactions. The Bank explained that once a transaction is charged to a credit card, the Bank is unable to cancel the transaction. The Bank may file a chargeback request on behalf of its customers, but it is subject to the criteria set out under the card scheme. In Lily's case, a chargeback was not possible as the disputed transactions were authorised by a One-Time Password (OTP) sent to Lily's mobile number. Nevertheless, the Bank offered to waive 20% of the disputed transactions out of goodwill.

Lily accepted the offer. She recognised that she could have acted on the notifications sent by the Bank earlier and taken steps to reduce her losses. Lily also noted never to download apps from unofficial sources.

KEY LEARNING POINTS:

- Consumers have, among others, the following duties under the Monetary Authority of Singapore's E-Payments User Protection Guidelines:
 - To **monitor transaction notifications**,
 - To **protect access codes** (including an OTP) and access to their account,
 - To **report unauthorised transactions** as soon as practicable after receiving any notification alert, and
 - To **provide information** on the unauthorised transactions.
- The financial institution's duties under the Guidelines are, among others:
 - To **inform** account holders of the user protection duties,
 - To provide outgoing and incoming transaction **notifications**,
 - To provide a **reporting channel**, and
 - To **assess claims and complete claims investigation**.
- If any party has not carried out the required duties, that party should expect to bear some responsibility.
- To **protect yourself from malware scams**:
 - Only download apps from official and verified sources such as Apple App Store or Google Play Store.
 - Carefully review the permissions requested by apps.
 - Ensure that your internet accessing devices have updated anti-virus software and malware removal tools.
 - Update apps and operating systems of devices regularly to ensure protection by the latest security patches.
 - Be wary of advertisements for good deals and unusual payment requests.
- If you **suspect you may be a victim of a malware scam**, do the following:
 - Switch your device to flight mode to disconnect from the internet and to prevent scammers from further accessing your device.
 - Run an anti-virus scan on your device to identify and remove malware.
 - Check for unauthorised transactions.
 - Report the incident immediately to your bank and the authorities.

CASE STUDY 2

A VULNERABLE CUSTOMER WHO WAS MISLED INTO THINKING THAT A UNIT TRUST PRODUCT WAS LIKE A FIXED DEPOSIT

75-year-old Mrs Ang visited her local Bank alone intending to place a fixed deposit. Mrs Ang was illiterate but could speak mandarin. She received the equivalent of primary 3 education outside Singapore. Mr Tan, a banker, attended to her. Mrs Ang told Mr Tan that she wanted to open a fixed deposit account with \$100,000. But Mr Tan persuaded her to take up a unit trust product. From what Mr Tan said, Mrs Ang thought that the unit trust product was like a fixed deposit. She thought her capital would be protected and she would earn regular interest. She then agreed to take up the unit trust product. As Mrs Ang was illiterate, Mr Tan filled up all the forms for her and she signed where he asked her to.

A year later, Mrs Ang's daughter who lived overseas returned to Singapore to visit her. After showing her Bank statement to her daughter, Mrs Ang discovered that the unit trust product was in fact a form of investment. Mrs Ang then went to the Bank branch and found out that the value of the unit trust was less than \$80,000. Shocked at the loss, she immediately instructed the Bank to liquidate the product and claimed compensation from the Bank. The Bank refused the claim. The Bank said that Mrs Ang had signed all the necessary forms and had also received a callback from the Bank after she purchased the product. Mrs Ang came to FIDReC for help.

Mediation was not successful and Mrs Ang chose to continue with adjudication.

During adjudication, the Adjudicator found that Mrs Ang would not have signed the documents if Mr Tan had indeed made known to her the features and nature of the product. Especially that capital was not guaranteed. The Adjudicator observed many errors in the financial needs analysis form. For example, the form stated that Mrs Ang had prior experience investing in unit trusts and life insurance policies when this was not true. The Adjudicator noted that it was impossible for Mrs Ang to review the correctness of the form because she was illiterate. The Adjudicator further reviewed the recording of the callback and noted that Mrs Ang was hesitant in her responses. The caller was also not able to provide the name of the product in Mandarin. Considering Mrs Ang's risk tolerance and investment objectives, the Adjudicator found that the unit trust was not suitable for her. There was no evidence from Mr Tan to contradict Mrs Ang's account as the Bank did not offer him as a witness.

The Adjudicator found that the Bank should pay Mrs Ang her claim amount after deducting the returns that Mrs Ang had received from the unit trust.



KEY LEARNING POINTS:

- The Monetary Authority of Singapore (MAS) defines **'selected client'** as someone who meets any two of the following criteria:
 - Is 62 years of age or older,
 - Is not proficient in spoken or written English, or
 - Has secondary education or below.
- **When dealing with selected clients, MAS requires financial institutions to have controls** in place. They must check that their representatives have followed the required sales process before a transaction is submitted for processing. This generally includes a call-back.
- Take all **call-backs** seriously.
- If you are not able to read and understand the documents you have signed, do seek help from a **trusted individual** as soon as possible.
- **Unit trusts or funds are not capital guaranteed.**
- There is usually a **7-day free-look period** for unit trust purchases where you can review and cancel the purchase. There will not be any administrative penalty, but you may suffer a loss if the unit trust has fallen in market value after you bought it.
- **MoneySense**, Singapore's national financial education programme, provides information about unit trusts and other investment products on their [website](#). Find out more before purchasing.

CASE STUDY 3

TAKING A BANK LOAN TO FUND INSURANCE POLICY PREMIUMS

Mr Ong was 42 years old, self-employed, and proficient in English. One day, he met up with his Relationship Manager (RM) to discuss growing his retirement funds. After many discussions with his RM, Mr Ong took up an endowment policy. He also took up a premium financing loan. This meant that he would take a bank loan to fund the insurance premium. Mr Ong expected that the earnings from the policy would be enough to fund the instalment payments for the bank loan.

Some months later, due to rising interest rates, Mr Ong started receiving payment notices for the loan instalments. Surprised, he lodged a complaint to the Bank. He alleged that the insurance policy was unsuitable for him. Also, he stated that the terms of the bank loan were not clearly explained to him.

During the mediation, the Bank explained to Mr Ong that the policy was recommended after a Financial Needs Analysis. The Financial Needs Analysis documented his investment experience, risk profile, financial goals, and financial situation.

The Bank's investigation found that the product recommendation was in line with Mr Ong's profile and goals. The Bank also interviewed the RM, who confirmed that he had explained the product and the loan to Mr Ong. Mr Ong had signed all the documents, including the loan documents and a separate GIRO form for the payment of the loan instalments.

Mr Ong insisted that the Bank should allow him to cancel the insurance policy and the premium financing loan without any penalty. He also wanted a refund of the amounts he had paid. He decided to refer the dispute for adjudication.

The Adjudicator considered the arguments and evidence presented by both parties. This included the oral testimony of Mr Ong and the RM. She found that recommending the endowment policy to Mr Ong was reasonable. The recommendation followed the information Mr Ong provided in the Financial Needs Analysis. She also believed the oral testimony of the RM. This was because the testimony was consistent with the signed documents and the markings made on those documents. The Adjudicator concluded that the RM had explained the insurance policy and bank loan to Mr Ong. This included their features and risks. The Adjudicator dismissed the claim.



KEY LEARNING POINTS

- Endowment policies are a type of life insurance policy. They provide insurance protection and investment returns for a specified time. A small part of your payments will go to the insurance coverage. The rest is **subject to investment risk**.
- Premium financing is usually offered when the insurance premiums are large. However, it may not be suitable for everyone. **A premium financing loan is a long-term commitment and interest rates are not fixed**. When interest rates go up, you may have to pay more in monthly instalments.
- When purchasing financial products, ensure that you read and understand any document before you sign. You can always ask a trusted person to help explain the document to you. **Always seek clarification before deciding**.
- You should also **compare first** before deciding which life insurance product to buy. You can refer to [compareFIRST](#), an information portal on life insurance products.
- There is usually a **free-look period of 14 days** for you to review buying an insurance policy. Should you change your mind, please notify the financial institution within 14 days.
- The outcome may have turned out different for Mr Ong if the endowment policy was recommended to him without a reasonable basis. For example, if the financial product did not meet the stated investment objectives. In such cases, FIDReC may be able to assist the parties to come to a mediated settlement.

CASE STUDY 4

DISPUTE OVER BLOCKING OF CREDIT CARD

Heidi had a credit card from the Bank. One day, Heidi realised that she could not use her credit card.

Heidi complained to the Bank. The Bank shared that it had reviewed her account based on directions from the Monetary Authority of Singapore some months ago.

At that time, the Bank sent a letter to Heidi informing her about the review. The letter also stated that Heidi's Relationship Manager (RM) would contact her to request documents. The next day, the RM called Heidi and asked for her Notice of Assessment from the Inland Revenue Authority of Singapore. The RM also asked Heidi to fill up a Customer Information Form. One month later, the Bank sent a reminder letter to Heidi. The letter asked Heidi to provide the requested supporting documents to avoid disruption to her banking needs. As there was still no response from Heidi, the Bank sent another letter to remind Heidi to provide the documents the following month. Heidi finally provided the Customer Information Form. She did not provide the Notice of Assessment. The next month, after the deadline, the Bank placed blocks on Heidi's credit card.

Dissatisfied with the Bank's response, Heidi came to FIDReC.

During mediation, Heidi stated that the RM had only asked her to submit the Customer Information Form. The need for the Notice of Assessment was only mentioned after her card was blocked. Heidi claimed \$2,000 from the Bank for inconvenience and emotional distress.

The Bank explained that the Bank's terms and conditions allowed the Bank to block Heidi's card by giving notice in writing. The Bank could also block any account or withhold funds if any authority or regulator required it to do so.

The mediator facilitated further discussions between Heidi and the Bank. During a private session with Heidi, Heidi shared with the mediator about the inconveniences she faced when her card was blocked. The mediator asked Heidi about how she quantified her claim. The mediator explained that FIDReC Adjudicators could only make awards to compensate financial loss. Although the mediator empathised with Heidi's stressful experience, he asked her to think about what evidence she had to show that she suffered financial loss. During a private session with the Bank, the mediator discussed Heidi's customer experience. The mediator invited the Bank to suggest possible ways to improve the banking relationship.

Eventually, Heidi provided the Notice of Assessment to the Bank, and she could use her credit card again. Heidi decided to close her case at FIDReC. She was ready to move on.

KEY LEARNING POINTS

- Being in a dispute may be an emotional, stressful, and difficult experience. Mediation at FIDReC can help all parties **understand where their differences lie and think of ways to move forward.**
- Mediation is also a way for parties to **share information in a confidential and safe setting.**
- During mediation, the mediator may have a discussion with all parties present. The mediator may also **speak separately** with the parties. Information shared during these private sessions is not told to the other party without permission.
- **Keep an open mind during mediation.** The eventual outcome may be different from your initial claim but could still bring resolution and closure.
- If mediation is unsuccessful, you may continue with adjudication. At adjudication, the Adjudicator will consider the evidence and submissions from the parties. The Adjudicator will then decide whether you have **proved your claim.**
- Do note that the Adjudicator can only make awards based on **fair compensation for financial loss.** You will need to show evidence of the loss and how it is calculated. No award will be made for mental distress or for speculative losses.



CASE STUDY 5

EXCLUSION CLAUSE LEADING TO CLAIM REJECTION



Jack fractured his right leg in an accident. As a result, he was hospitalised for treatment. When he filed his hospitalisation claim, the Insurer rejected the claim. The Insurer stated that his claims fell within the scope of an exclusion clause.

It turned out that when Jack applied for the policy, he had declared that he had total knee replacement surgery for his right knee. In view of his medical history, the Insurer did not accept Jack's application on standard terms. Instead, the Insurer made a counteroffer including a special term excluding any treatment in relation to the right lower limb. Jack signed and accepted the special term, and the policy came into effect.

Jack argued that the current hospitalisation was due to a motor accident and had nothing to do with his previous knee surgery. But, the Insurer maintained that the policy excluded any treatment to the right lower limb. This exclusion was regardless of the reason for the treatment.

Jack filed a case at FIDReC. During the mediation, Jack produced medical memos from his doctor. His doctor stated that the right leg fracture had no relation to his previous knee surgery. The Insurer maintained that it could only pay a claim according to the terms and conditions of the policy. Because the special term excluded treatment relating to the right lower limb, the claim was not payable.

The dispute went for adjudication. The Adjudicator considered the arguments of both parties and found that the exclusion clause was clear. Any treatment to the right lower limb was not covered under the policy. The Insurer's decision to reject the claim was reasonable. The Adjudicator dismissed Jack's claim.

LEARNING POINTS

- Pay particular attention to any **terms in the insurance contract** when you apply for a policy. Insurers will assess a claim using the policy terms and conditions, including any special terms.
- There are many insurance providers in Singapore. You should **approach more than one provider and compare their offered terms** before choosing the provider that best suits your needs.
- **Be mindful of the documents you are signing.** Clarify with your insurer, financial adviser, or a trusted individual should you be unsure of any terms.
- Insurers may place **special terms or exclusion clauses** on policies at inception based on their assessment of risk. Special terms or exclusion clauses can vary from insurer to insurer.
- When applying for a policy, you may **choose to accept or reject the special term at the point of application**. You could also try to negotiate or appeal against the special term. However, the terms offered by an insurer are a **commercial decision and at the insurer's discretion**.

CASE STUDY 6

WHEN INSURANCE POLICY TERMS CHANGE



Ray, a Singapore Permanent Resident, purchased a hospitalisation plan in 2015. Due to family and work commitments, Ray made frequent trips between Malaysia and Singapore. He spent half his time in each country.

In 2023, Ray sustained an injury in Singapore but sought treatment at a Malaysian hospital. He filed a claim with the Insurer. The Insurer asked Ray why he had been hospitalised overseas. Ray explained his living arrangements to the Insurer.

The Insurer later rejected Ray's claim. The Insurer stated that Ray had failed to meet the residency clause. This clause required the policy holder not to have resided outside of Singapore for more than 180 days in a policy year. The Insurer highlighted that this clause came into effect following the policy renewal in 2020. The Insurer had notified Ray of this clause by letter one month before the policy renewal.

Ray disagreed with the claim rejection. While he had received the Insurer's letter, he did not notice the residency clause. It was one of many amendments made to the Policy in 2020. Had the Insurer brought the specific clause to his attention, he would not have continued with the policy as he would no longer have been eligible for its benefits. Moreover, he highlighted that this clause was detrimental to him. He would now have to apply for a replacement policy and may not be able to get coverage on similar terms.

As Ray and the Insurer could not agree, Ray came to FIDReC. At mediation, Ray acknowledged that he should have noticed the residency clause during the 2020 policy renewal. But he felt that it was unfair that an insurer could insert a clause that would render him ineligible for the policy benefits.

The Insurer explained that introducing the residency clause was a standard practice across the industry. The Insurer shared some of the business reasons that led to introducing the clause. The Insurer also pointed to the terms of the insurance contract. The contract allowed the Insurer to make amendments to the policy if they notified policyholders by writing to them before renewal.

After further discussions with the mediator, the Insurer agreed to make a gesture of goodwill. Considering Ray's unique circumstances, including how the 2020 residency clause would deprive him of any benefit under the policy, the Insurer agreed to refund Ray the premiums he had paid since 2020. Ray accepted this offer.

LEARNING POINTS

- Many insurance contracts have clauses that allow insurers to **amend the terms and conditions** of their policies. This includes varying premiums and adjusting the scope and coverage of the policy.
- The insurer must usually **notify the policyholder** before these amendments come into effect. Insurers will often do so by way of post or email. You should be mindful of any such notifications.
- **Clarify with your insurer** if you are unsure of the implications of any amendment.
- You have the responsibility to **keep your contact information with your financial institutions up to date**. Please do so to avoid missing any crucial notifications.

CASE STUDY 7

POLICY LIMIT INSUFFICIENT TO COVER LOSS



Alice purchased a single-trip travel insurance policy ahead of her backpacking trip across Europe.

On the last day of her trip, Alice waited at the train station with her bags placed beside her. A stranger approached her and talked to her. While she was distracted, her bags were whisked away. By the time she realised what happened, the stranger had disappeared into the crowd.

Since her travel documents were in one of the bags, Alice was unable to return to Singapore as planned. She sought the help of the Singapore consulate who arranged for her return to Singapore.

After her return, Alice submitted a claim for her lost property and money. The Insurer declined her claim on the grounds that she had failed to take reasonable steps to safeguard her belongings. Alice decided to approach FIDReC for help.

At the mediation meeting, the Insurer explained that Alice's claim form stated that she left her bags lying on the floor while speaking with the stranger. Under the policy's terms and conditions, Alice was negligent as she did not keep her belongings safe.

Alice responded that the train station was crowded, and her bags were heavy. She said it was not possible for her to carry her bags at all times while waiting for the train. She explained that the train had been delayed and she had been waiting for more than half an hour.

After some discussions facilitated by the mediator, the Insurer offered to settle Alice's claim. Among the lost items, the Insurer noted that Alice had with her a professional DSLR camera and two lenses. The Insurer explained to Alice that it considered the camera and its lenses a set, which was subject to a payout sub-limit of \$1,000. Alice rejected the offer as she had invested over \$6,000 in her camera equipment.

The case proceeded to adjudication. The Adjudicator carefully considered the available evidence. He found that it was consistent with the policy's terms and conditions for the sub-limit of \$1,000 to apply to the camera and its lenses. He made an award in Alice's favour, which was the same as the Insurer's initial proposed settlement terms.

LEARNING POINTS

- Travel insurance provides **coverage for medical emergencies and travel inconveniences**, which includes lost property.
- Always take your time to compare when buying a travel insurance policy. Choose an insurance plan that **suits your needs**.
- If you are carrying expensive items while overseas, make sure that your insurance cover is adequate. **All travel insurance policies have limits and sub-limits on most of the benefits offered.** You may have to buy additional cover or another insurance policy to cover those items.
- When filing a claim, do **provide the insurer with as much relevant information and documents as possible**. Failing to be forthcoming or providing insufficient information may affect the success of your claim.

CASE STUDY 8

WHEN THE DRIVERS INVOLVED HAVE DIFFERENT ACCOUNTS OF HOW AN ACCIDENT TOOK PLACE



Jason had an unfortunate accident. Jason remembered that his motorcar was exiting the parking lot when another motorcar collided with him. Before the collision, he saw the other motorcar overtaking a stationary lorry on his right before it cut in front of the lorry and hit him.

Jason reported the accident to his insurer immediately. He also filed a third-party property damage claim against Tom, the driver of the other motorcar. The insurer of Tom's motorcar was ABC Insurance Pte Ltd (ABC).

ABC declined Jason's claim after they reviewed all the evidence. ABC viewed Jason to be at fault as he had failed to exercise caution when driving out of the parking lot.

Jason disagreed with ABC's decision and approached FIDReC.

At mediation, ABC shared the contents of Tom's accident report. There, Tom stated that he was traveling straight along the driveway when Jason suddenly came out from the parking lot. There was neither video evidence nor independent witnesses to support the different accounts of Jason and Tom. ABC further shared the results of the [Motor Accident Claims Online \(MACO\) Outcome Simulator](#).

Jason rejected ABC's explanation and agreed to attend a Mediator's Indication Session.

At the Mediator's Indication Session, a senior FIDReC Mediator evaluated the case. The Mediator was of the view that ABC's assessment of the accident liability was fair and reasonable. This was especially given the absence of objective evidence from either driver to support their accounts. The Mediator explained her findings by referring to the result from the MACO Outcome Simulator. The Mediator also referenced the Motor Accident Guide published by the State Courts of

Singapore. The Mediator opined that Tom contributed to the collision as he could have been more vigilant. As such, she evaluated ABC as 10% liable for Jason's claim.

After considering for a few days, Jason decided to accept the Mediator's Indication. ABC was likewise willing to do so, and they entered into a settlement agreement.

LEARNING POINTS

- **Install front and rear in-car cameras for your motorcar.** Video evidence of how the accident had taken place can help to prevent disputes from arising.
- Jason did the right thing by immediately reporting the motor accident. You should do so **within 24 hours or the next working day**. Provide details of how the accident had occurred and photographs of the accident scene. The insurers will rely on the accident reports and other evidence in assessing accident liability.
- Read the **[Motor Claims Framework](#)** to find out what to do in the event of a motor accident.
- You may refer to the **[MACO Outcome Simulator](#)** and the **[Motor Accident Guide](#)** for guidance on how to assess third-party property damage claims.
- A Mediator's Indication Session is a **valuable tool to help you decide what to do** at mediation. You can get an independent and neutral opinion on the case without going for adjudication and without paying any fees. The Mediator's Indication is provided by an experienced FIDReC Mediator or a Neutral from the Law Society of Singapore.

DETAILED STATISTICS

PROGRESS OF FIDReC

FY 2022/2023 (1 July 2022 to 30 June 2023)

Claims and inquiries received by FIDReC

Number of claims received by FIDReC*	2,188
Number of inquiries received by FIDReC	7,724

Claims received and handled by FIDReC

Number of claims received by FIDReC*	2,188
Number of claims at Pre-Acceptance Stage **	235
Number of claims not valid ***	280
Number of claims outside jurisdiction	147
Number of claims handled by FIDReC (including claims lodged in the preceding periods)	1,495

* In the period from 1 July 2022 to 30 June 2023, FIDReC received 2,188 claims through our internet portal, email, post, and phone. Out of these 2,188 claims, 427 claims were either not valid or outside FIDReC's jurisdiction, and 235 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 consumers have yet to approach their Financial Institution), duplicated claims submitted in error by consumers, and claims that are withdrawn by consumers.

Status	Claims*	Inquiries
Claims completed by FIDReC	1,172	7,724
Claims pending (as of 30 June 2023)	684	—
Claims not valid	280	—
Claims outside jurisdiction	147	—
Total	2,283	7,724

* These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2022 to 30 June 2023.

Turnaround time for completed claims

Proportion of completed claims

Within three months	64.85%
Within six months	92.58%
Within nine months	98.12%
More than nine months	1.79%

Outcome of claims

Number of claims completed by mediation	966
Number of adjudicated claims where awards were made	32
Number of adjudicated claims where no awards were made	174
Total number of adjudicated claims	206

DETAILED STATISTICS

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

Breakdown by Nature of Claims

Block*	Claims Handled						Claims Completed #			No. of claims pending as of 30 June 2023 @
	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	140	232	117	509	998	67%	571	16	119	485
B	125	52	14	0	191	13%	156	3	31	78
C	188	0	41	0	229	15%	174	9	7	87
D	6	7	26	0	39	3%	33	2	7	19
E	6	29	3	0	38	2%	32	2	10	15
Total	465	320	201	509	1495		966	32	174	684
%	31.10%	21.40%	13.45%	34.05%	100.00%					

* **Notes:**

Block A – Banks, Finance Companies and Credit Bureaus

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 Brokers

^ 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 2022 to 30 June 2023.





@ These figures include claims lodged in the preceding periods, which were pending as of 30 June 2023.



DETAILED STATISTICS

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

(Breakdown by Nature of Claims) - Category A

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as of 30 June 2023 @
	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	0	0.00%	0	0	2	0
Disputes on claim amount awarded	7	0.69%	6	0	0	1
Disputes on liability	11	1.08%	5	0	2	6
Non-renewal of services/ underwriting	14	1.38%	18	0	0	1
Other contractual matters	3	0.29%	0	0	0	3
Policy values and investment returns	8	0.79%	2	0	2	4
Pricing policies / premiums / interest rates / fees & charges	95	9.52%	77	0	1	23
Rejection of new applications / underwriting decisions	2	0.20%	1	0	0	1
Sub-Total for : Financial Institutions' Practice / Policies	140	14.03%	109	0	7	39
 Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	223	22.34%	77	2	44	132
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	9	0.88%	0	6	0	0
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	232	23.25%	77	8	44	132
 Service Standards						
Delay / Failure in processes	116	11.62%	79	1	17	64
General industry feedback	0	0.00%	0	0	0	0
Staff-related issues	1	0.10%	0	0	0	0
Sub-Total for : Service Standards	117	11.72%	79	1	17	64
 Others						
Others – Fraud / Scam / Theft	509	51.00%	306	7	51	250
Sub-Total for : Others	509	51.00%	306	7	51	250
Grand Total for All Nature of Claims	998	100.00%	571	16	119	485

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2022 to 30 June 2023.





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

@ These figures include claims lodged in the preceding periods, which were pending as of 30 June 2023.

DETAILED STATISTICS

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

(Breakdown by Nature of Claims) - Category B

	Claims Handled		Claims Completed #			No. of claims pending as of 30 June 2023 @
Breakdown of Claims	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	8.90%	12	2	2	10
Disputes on liability	58	30.37%	53	0	13	20
Non-renewal of services / underwriting	21	10.99%	23	0	1	10
Other contractual matters	2	1.05%	4	0	0	1
Policy values and investment returns	22	11.52%	11	0	5	9
Pricing policies / premiums / interest rates / fees & charges	5	2.62%	5	0	3	1
Rejection of new applications / underwriting decisions	0	0.00%	0	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	125	65.45%	108	2	24	51
 Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	49	25.65%	29	1	6	17
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	3	1.57%	1	0	0	2
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	52	27.23%	30	1	6	19
 Service Standards						
Delay / Failure in processes	13	6.81%	17	0	1	8
General industry feedback	0	0.00%	0	0	0	0
Staff-related issues	1	0.52%	1	0	0	0
Sub-Total for : Service Standards	14	7.33%	18	0	1	8
 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	191	100.00%	156	3	31	78

These figures include claims lodged in the preceding periods which were completed in the period 1 July 2022 to 30 June 2023.





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

@ These figures include claims lodged in the preceding periods, which were pending as of 30 June 2023.

DETAILED STATISTICS

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

(Breakdown by Nature of Claims) - Category C

Claims Handled			Claims Completed #			No. of claims pending as of 30 June 2023 @
Breakdown of Claims	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	46	20.09%	35	3	0	17
Disputes on liability	136	59.39%	105	6	5	57
Non-renewal of services / underwriting	2	0.87%	0	0	0	1
Other contractual matters	0	0.00%	0	0	0	0
Pricing policies / premiums / interest rates / fees & charges	4	1.75%	3	0	0	1
Rejection of new applications / underwriting decisions	0	0.00%	0	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	188	82.10%	143	9	5	76
 Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	0	0.00%	1	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	0	0.00%	1	0	0	0
 Service Standards						
Delay / Failure in processes	41	17.90%	30	0	2	11
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	41	17.90%	30	0	2	11
 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	229	100.00%	174	9	7	87

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2022 to 30 June 2023.





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@ These figures include claims lodged in the preceding periods, which were pending as of 30 June 2023.

DETAILED STATISTICS

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

(Breakdown by Nature of Claims) - Category D

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as of 30 June 2023 @
	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	2.56%	0	0	0	1
Non-renewal of services / underwriting	1	2.56%	1	0	0	0
Other contractual matters	0	0.00%	0	0	0	0
Policy values and investment returns	2	5.13%	1	0	0	1
Pricing policies / premiums / interest rates / fees & charges	2	5.13%	4	0	0	0
Sub-Total for : Financial Institutions' Practice / Policies	6	15.38%	6	0	0	2
 Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	7	17.95%	5	0	1	2
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	4
Unregulated / unlicensed activities	0	0.00%	0	0	0	0
Sub-Total for : Market Conduct	7	17.95%	5	0	1	6
 Service Standards						
Delay / Failure in processes	26	66.67%	22	2	6	11
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	26	66.67%	22	2	6	11
 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	39	100.00%	33	2	7	19

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2022 to 30 June 2023.





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@ These figures include claims lodged in the preceding periods, which were pending as of 30 June 2023.

DETAILED STATISTICS

PERIOD: 1 JULY 2022 TO 30 JUNE 2023

(Breakdown by Nature of Claims) - Category E

Breakdown of Claims	Claims Handled		Claims Completed #			No. of claims pending as of 30 June 2023 ®
	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%	1	0	0	0
Other contractual matters	0	0.00%	0	0	0	0
Policy values and investment returns	1	2.63%	2	0	0	0
Pricing policies / premiums / interest rates / fees & charges	5	13.16%	0	0	0	5
Sub-Total for : Financial Institutions' Practice / Policies	6	15.79%	3	0	0	5
 Market Conduct						
Aggressive sales tactics	0	0.00%	0	0	0	0
Inappropriate advice / misrepresentation / disclosure issues	29	76.32%	26	2	7	10
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	29	76.32%	26	2	7	10
 Service Standards						
Delay / Failure in processes	3	7.89%	3	0	3	0
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	3	7.89%	3	0	3	0
 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%	32	2	10	15

These figures include claims lodged in the preceding periods, which were completed in the period 1 July 2022 to 30 June 2023.

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

® These figures include claims lodged in the preceding periods, which were pending as of 30 June 2023.

DETAILED STATISTICS

OUTCOME DISTRIBUTION

TOTAL COMPLETION

Block*	No. of claims	Completion at Mediation	Completion at Mediation %	Completion at Adjudication	Completion at Adjudication %
A	706	571	80.88%	135	19.12%
B	190	156	82.11%	34	17.89%
C	190	174	91.58%	16	8.42%
D	42	33	78.57%	9	21.43%
E	44	32	72.73%	12	27.27%
Total	1172	966	82.42%	206	17.58%

COMPLETION AT MEDIATION

Block*	No. of claims	With Settlement	With Settlement %	Without Settlement	Without Settlement %
A	571	407	71.28%	164	28.72%
B	156	105	67.31%	51	32.69%
C	174	140	80.46%	34	19.54%
D	33	15	45.45%	18	54.55%
E	32	8	25.00%	24	75.00%
Total	966	675	69.88%	291	30.12%

COMPLETION AT ADJUDICATION

Block*	No. of claims	Award Made	Award Made %	No Award	No Award %
A	135	16	11.85%	119	88.15%
B	34	3	8.82%	31	91.18%
C	16	9	56.25%	7	43.75%
D	9	2	22.22%	7	77.78%
E	12	2	16.67%	10	83.33%
Total	206	32	15.53%	174	84.47%

***Note:**

Block A - Banks, Finance Companies and Credit Bureaus



Block B - Life and Composite Insurers

Block C - General and Composite Insurers


Block D - Capital Markets Service Licensees

Block E - Licensed Financial Advisers and Insurance Brokers

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 2023

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 2023.

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)
Sng Seow Wah	(Appointed on 8 April 2023)
Yong Yik Chye, Melvin	(Appointed on 8 April 2023)
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

17 November 2023

[signed]

Tan Tiong Jin Clifton
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 2023, 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 2023 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 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 FRS, 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 Isa Chin Khee Soon.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

17 November 2023

Engagement partner - effective from year ended 30 June 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue	4	3,635,966	3,767,733
Other income and gains	5	334,205	328,148
Total income		3,970,171	4,095,881
Expenditures:			
Adjudicator fees		(126,600)	(152,300)
Depreciation of plant and equipment	8	(848,667)	(358,167)
Depreciation of right-of-use assets	9	(400,934)	(407,021)
Directors' remuneration / honorarium	3	(86,000)	(86,000)
Employee benefits expense	6	(1,966,757)	(1,909,551)
Finance costs		(138,931)	(148,267)
Insurance		(31,506)	(27,025)
Office maintenance		(160,793)	(216,837)
Professional fees		(114,810)	(79,722)
Training and courses		(35,277)	(2,967)
Other administrative expenses		(240,897)	(223,463)
Total expenditures		(4,151,172)	(3,611,320)
(Deficit)/Surplus before income tax		(181,001)	484,561
Income tax expense	7	(80,721)	(19,169)
Net (deficit)/surplus, representing total comprehensive (loss)/income for the reporting year		(261,722)	465,392

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	8	1,521,913	2,122,983
Right-of-use assets	9	1,837,620	2,238,554
Total non-current assets		3,359,533	4,361,537
<u>Current assets</u>			
Trade and other receivables	10	63,275	38,401
Other non-financial assets	11	185,395	166,376
Cash and cash equivalents	12	2,766,883	2,581,439
Total current assets		3,015,553	2,786,216
Total assets		6,375,086	7,147,753
FUND AND LIABILITIES			
<u>Fund</u>			
Accumulated surplus		3,143,061	3,404,783
Total fund		3,143,061	3,404,783
<u>Non-current liabilities</u>			
Deferred tax liabilities	7	80,245	–
Provision	14	165,000	165,000
Other non-financial liability	16	–	286,515
Financial liabilities - lease liabilities	17	1,659,342	2,060,000
Total non-current liabilities		1,904,587	2,511,515
<u>Current liabilities</u>			
Trade payables	15	640,265	557,048
Other non-financial liability	16	286,515	286,515
Financial liabilities - lease liabilities	17	400,658	378,375
Income tax payable		–	9,517
Total current liabilities		1,327,438	1,231,455
Total liabilities		3,232,025	3,742,970
Total fund and liabilities		6,375,086	7,147,753

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

STATEMENT OF CHANGES IN ACCUMULATED FUND

Year Ended 30 June 2023

	Accumulated surplus \$
Current year:	
As at 1 July 2022	3,404,783
Net deficit, representing total comprehensive loss for the reporting year	(261,722)
Balance as at 30 June 2023	3,143,061
Previous 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

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

STATEMENT OF CASH FLOWS

Year Ended 30 June 2023

	2023 \$	2022 \$
Cash flows from operating activities		
(Deficit)/Surplus before income tax	(181,001)	484,561
Adjustments for:		
Depreciation of plant and equipment	848,667	358,167
Depreciation of right-of-use assets	400,934	407,021
Interest income	(24,131)	(1,436)
Interest expense	138,931	148,267
Operating cash flows before changes in working capital	1,183,400	1,396,580
Trade and other receivables	(24,874)	31,547
Other non-financial assets	(19,019)	(2,890)
Trade payables	83,217	(38,200)
Other non-financial liability	(286,515)	573,030
Net cash flows from operations	936,209	1,960,067
Income taxes paid	(9,993)	(9,652)
Net cash flows from operating activities	926,216	1,950,415
Cash flows used in investing activities		
Interest received	24,131	1,436
Purchase of plant and equipment	(247,597)	(2,168,937)
Net cash flows used in investing activities	(223,466)	(2,167,501)
Cash flows used in financing activities		
Lease liabilities – principal portion paid	(378,375)	(306,059)
Lease liabilities – interest paid	(138,931)	(148,267)
Net cash flows used in financing activities	(517,306)	(454,326)
Net increase/(decrease) in cash and cash equivalents	185,444	(671,412)
Cash and cash equivalents, statement of cash flows, beginning balance	2,581,439	3,252,851
Cash and cash equivalents, statement of cash flows, ending balance (Note 12)	2,766,883	2,581,439

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 (2022:2) 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.

Uncertainties relating to the current economic conditions:

Management has considered the current economic conditions caused by the Covid-19 pandemic, commodities inflation, as well as the war in Ukraine at the end of the reporting year and reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity's ability to continue in operational existence for the near future.

Statement of compliance with financial reporting standards

The financial statements of the company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Committee under ACRA. They are in comply 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

30 June 2023

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

30 June 2023

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).

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 useful life 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Plant and equipment (cont'd)

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.

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

30 June 2023

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

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised 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:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI); (3) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI); and (4) Financial asset classified as measured at fair value through profit or loss (FVTPL). At the end of the reporting year, the reporting entity had the following financial assets:

- 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.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (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

30 June 2023

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. The recurring measurements are made at each reporting year end date.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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:

	2023	2022
	\$	\$
Directors' remuneration / honorarium	86,000	86,000
Salaries and other short-term employee benefits	509,705	482,225
Contributions to defined contribution plan	25,382	24,072
	621,087	592,297

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

30 June 2023

4. REVENUE

	2023	2022
	\$	\$
Levy from subscriber financial institutions	3,439,866	3,615,233
Case fees from subscriber financial institutions and complainants	196,100	152,500
	<u>3,635,966</u>	<u>3,767,733</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

	2023	2022
	\$	\$
Government grant income	298,188	321,712
Interest income from fixed deposits	24,131	1,436
Other income	11,886	5,000
	<u>334,205</u>	<u>328,148</u>

6. EMPLOYEE BENEFITS EXPENSE

	2023	2022
	\$	\$
Short term employee benefits expense	1,752,904	1,678,498
Contributions to defined contribution plan	213,853	231,053
Total employee benefits expense	<u>1,966,757</u>	<u>1,909,551</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

7. INCOME TAX EXPENSE

7A. COMPONENTS OF TAX EXPENSE RECOGNISED IN PROFIT OR LOSS INCLUDE:

	2023 \$	2022 \$
<u>Current tax expense:</u>		
Under adjustments in respect of prior periods	476	19,169
Subtotal	476	19,169
<u>Deferred tax expense:</u>		
Deferred tax expense	80,245	–
Subtotal	80,245	–
Total income tax expense	80,721	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% (2022: 17.0%) to surplus before income tax as a result of the following differences:

	2023 \$	2022 \$
(Deficit)/Surplus before income tax	(181,001)	484,561
Income tax (benefit)/expense at the above rate	(30,770)	82,375
Expenses not deductible for tax purposes	–	342
Income not taxable	–	(48,708)
Under adjustments in respect of prior periods	476	19,169
Other minor items less than 3% each	30,770	(34,009)
Total income tax expense	476	19,169

7B. DEFERRED TAX (INCOME) EXPENSE RECOGNISED IN PROFIT OR LOSS INCLUDES:

	2023 \$	2022 \$
Excess of book over tax depreciation on plant and equipment	(106,657)	(340,813)
Provisions	9,828	8,198
Unutilised capital allowance	116,725	245,851
Unrecognised deferred tax liabilities	60,349	86,764
	80,245	–

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

7. INCOME TAX EXPENSE (CONT'D)

7C. DEFERRED TAX BALANCE IN THE STATEMENT OF FINANCIAL POSITION:

	2023	2022
	\$	\$
Excess of book over tax depreciation on plant and equipment	(215,144)	(321,801)
Provisions	5,773	15,601
Unutilised capital allowance	129,126	245,851
Unrecognised deferred tax liabilities	–	60,349
	(80,245)	–

8. PLANT AND EQUIPMENT

	Furniture and fittings	Office equipment	Computers and software	Total
	\$	\$	\$	\$
<u>Cost:</u>				
At 1 July 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
Additions	7,654	2,929	237,014	247,597
Disposals	–	–	(11,877)	(11,877)
At 30 June 2023	652,828	133,666	3,015,317	3,801,811
<u>Accumulated depreciation:</u>				
At 1 July 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
Depreciation for the year	6,576	9,811	832,280	848,667
Disposals	–	–	(11,877)	(11,877)
At 30 June 2023	637,163	111,753	1,530,982	2,279,898
<u>Carrying value:</u>				
At 1 July 2021	8,488	2,320	301,405	312,213
At 30 June 2022	14,587	28,795	2,079,601	2,122,983
At 30 June 2023	15,665	21,913	1,484,335	1,521,913

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

9. RIGHT-OF-USE ASSETS

	Office space \$
<u>Cost:</u>	
At 1 July 2021	2,405,963
Addition	1,114,508
At 30 June 2022 and 30 June 2023	3,520,471
<u>Accumulated depreciation:</u>	
At 1 July 2021	874,896
Depreciation for the year	407,021
At 30 June 2022	1,281,917
Depreciation for the year	400,934
At 30 June 2023	1,682,851
<u>Carrying value:</u>	
At 1 July 2021	1,531,067
At 30 June 2022	2,238,554
At 30 June 2023	1,837,620

10. TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
<u>Trade receivables:</u>		
Unbilled receivables	49,100	26,700
	49,100	26,700
<u>Other receivables:</u>		
Outside parties	14,175	11,701
Total trade and other receivables	63,275	38,401

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 (2022: 30 days).

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

11. OTHER NON-FINANCIAL ASSETS

	2023	2022
	\$	\$
Deposits to secure services	150,468	147,247
Prepayments	34,927	19,129
	185,395	166,376

12. CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Not restricted in use	2,766,883	2,581,439

The interest earning balances are not significant.

The rates of interest for the fixed deposit is 3.46 % (2022: Nil).

12A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	2022	Cash flows	Non-cash changes		2023
	\$	\$	\$		\$
Lease liabilities	2,438,375	(517,306)	138,931	(a)	2,060,000
Total liabilities from financing activities	2,438,375	(517,306)	138,931		2,060,000

	2021	Cash flows	Non-cash changes		2022
	\$	\$	\$		\$
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

Accretion of interest expense and lease modifications.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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 2022. No changes were made in the objectives, policies or processes during the years ended 30 June 2023 and 30 June 2022.

14. PROVISION

	2023	2022
	\$	\$
Provision for dismantling	165,000	165,000

The provision is based on the estimated 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

	2023	2022
	\$	\$
Outside parties and accrued liabilities	640,265	557,048

16. OTHER NON-FINANCIAL LIABILITY

	2023	2022
	\$	\$
Deferred government grant	286,515	573,030

Presented in statement of financial position as:

	2023	2022
	\$	\$
Non-current	–	286,515
Current	286,515	286,515
	286,515	573,030

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

16. OTHER NON-FINANCIAL LIABILITY (CONT'D)

Movements in other non-financial liability:

	2023 \$	2022 \$
At beginning of the year	573,030	–
Government grant received	–	859,545
Charged to profit or loss included under government grant income in other income and gains	(286,515)	(286,515)
At end of the year	286,515	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:

	2023 \$	2022 \$
Lease liabilities, current	400,658	378,375
Lease liabilities, non-current	1,659,342	2,060,000
Total lease liabilities	2,060,000	2,438,375

Leases for right-to-use assets - the reporting entity has a leases relating to the office space. 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 5 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.

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% (2022: 6.25%) per year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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:

	2023	2022
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	2,830,158	2,619,840
At end of year	2,830,158	2,619,840
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	2,700,265	2,995,423
At end of year	2,700,265	2,995,423

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

30 June 2023

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>2023:</u>			
Gross lease liabilities	515,376	1,846,764	2,362,140
Trade payables	640,265	–	640,265
At end of the year	1,155,641	1,846,764	3,002,405
	Less than 1 year \$	1 – 5 years \$	Total \$
Non-derivative financial liabilities:			
<u>2022:</u>			
Gross financial liabilities	517,338	2,362,140	2,879,478
Trade payables	557,048	–	557,048
At end of the year	1,074,386	2,362,140	3,436,526

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 (2022: 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

30 June 2023

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.

	2023	2022
	\$	\$
Financial assets with interest:		
Fixed rates	1,000,000	–
Total at end of the year	1,000,000	–
Financial liabilities with interest:		
Fixed rates	2,060,000	2,438,375
Total at end of the year	2,060,000	2,438,375

The interest rate is disclosed at the respective notes.

Sensitivity analysis: The effect on pre-tax loss is not material.

19. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year the Accounting Standards Committee under ACRA issued certain new or revised financial reporting standards. None of these is applicable to the reporting entity for the current reporting year.

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

For the future reporting years the Accounting Standards Committee under ACRA issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting 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 2024
FRS 1	Disclosure of Accounting Policies - Amendments to FRS 1 and FRS Practice Statement 2 Making Materiality Judgements	1 January 2023
FRS 8	Definition of Accounting Estimates - Amendments to	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 2023

	2023 \$	2022 \$
Revenue	3,635,966	3,767,733
Other income and gains	334,205	328,148
Total income	3,970,171	4,095,881
Expenditures:		
Adjudicator fees	(126,600)	(152,300)
Depreciation of plant and equipment	(848,667)	(358,167)
Depreciation of right-of-use assets	(400,934)	(407,021)
Directors' remuneration / honorarium	(86,000)	(86,000)
Employee benefits expense	(1,966,757)	(1,909,551)
Finance costs	(138,931)	(148,267)
Insurance	(31,506)	(27,025)
Office maintenance	(160,793)	(216,837)
Professional fees	(114,810)	(79,722)
Training and courses	(35,277)	(2,967)
Other administrative expenses	(240,897)	(223,463)
Total expenditures	(4,151,172)	(3,611,320)
(Deficit)/Surplus before income tax	(181,001)	484,561
Income tax expense	(80,721)	(19,169)
Net (deficit)/surplus, representing total comprehensive (loss)/income for the reporting year	(261,722)	465,392
Other administrative expenses		
Bad debts written off	450	2,010
Bank charges	1,023	883
Company activities and retreat	4,317	2,698
Gifts and floral, books and periodical	3,510	4,152
Luncheon (Board of directors and adjudicators)	4,366	2,239
Meals	9,499	3,633
Mediators' Honorarium	2,399	4,000
Medical	7,160	5,488
Miscellaneous	4,490	10,089
Newspapers	785	797
Office cleaning	25,572	26,378
Office service charges	115,808	97,612
Postage and courier	5,510	6,654
Recruitment	731	2,612
Refreshments	4,487	2,922
Stationery	15,775	14,018
Storages	2,944	7,210
Subscription	7,391	8,192
Telephone	17,766	16,598
Transportation	707	93
Utilities	6,207	5,185
	240,897	223,463

Not part of audited financial statements



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