



Embargoed until 21 November 2024

FIDReC reports significant increase in claims in FY2023/2024 led by surge in scam-related cases

- *The total number of claims handled by FIDReC rose by 45% from 1,495 in FY2022/2023 to 2,162 in FY2023/2024.*
- *There were increases across the board for all types of claims, with scam-related claims rising the most (63%) from 509 claims in FY2022/2023 to 829 claims in FY2023/2024.*

SINGAPORE – 21 November 2024 – During its financial period from 1 July 2023 to 30 June 2024 (“FY2023/2024”), the Financial Industry Disputes Resolution Centre (“FIDReC” or the “Centre”) received 2,894 claims representing an increase of 32% over the previous corresponding financial period (“FY2022/2023”). The number of claims accepted for handling rose to 2,162¹ in FY2023/2024 from 1,495 in FY2022/2023 (increase of 45%). This was in addition to the 5,448 enquiries FIDReC received and completed handling during the financial period

FIDReC achieved greater productivity and met its turnaround time targets despite the higher caseload. The Centre *completed* 1,728 claims in FY2023/2024 (47.4% more than in FY2022/2023). FIDReC closed 88% of these claims within six months.

Highlighting the effectiveness of FIDReC’s mediation process, the majority of completed claims continued to be closed at the mediation stage in FY2023/2024. They made up 84% (or 1,449) of the 1,728 completed claims, with 77% (or 1,113) of consumers accepting a settlement offer at mediation, and the rest choosing not to pursue their claims further.

The remaining 279 of completed claims in FY2023/2024 proceeded to adjudication with 16% (or 46) of them resulting in an award in favour of the consumer while the rest had no awards.

Spotlight on Scams

Banks, finance companies and credit bureaus were once again the category most claimed against in FY2023/2024, accounting for 64% (or 1,387) of the total claims handled during the financial period. This is higher than the 998 claims received against this category in FY2022/2023 and comprised mainly of fraud/scam claims.

Claims received by FIDReC in recent years have reflected the rising incidents of fraud and scams. In FY2023/2024, the Centre handled 829 fraud/scam claims, compared with 509 in FY2022/2023, and

¹ The number of claims accepted for handling excludes claims that are not valid, outside FIDReC’s jurisdiction, or at pre-acceptance stage.



261 in FY2021/2022. Such claims made up nearly 60% of the claims handled against banks, finance companies and credit bureaus and 38% of all claims handled in FY2023/2024.

Of these, 700 (or 91% of scam/fraud claims) were completed at mediation with 80% receiving a settlement and 11% with no settlement. The remaining 70 claims proceeded to adjudication with 13 receiving an award in favour of the consumer, and 57 receiving no award.

Consumers aged between 31 to 60 made up 72% of fraud/scam claimants. The fraud/scams resulted from credit cards 59% of the time, and from deposit accounts 39% of the time.

Claim numbers against all other types of financial institution also rose. The following were claims handled in FY2023/2024:

- Life and composite insurers: 387 claims (versus 191 claims in FY2022/2023)
- General insurers: 241 claims (versus 229 claims in FY2022/2023)
- Capital markets services: 86 claims (versus 39 claims in FY2022/2023)
- Licensed financial advisors and insurance brokers: 61 claims (versus 38 claims in FY2022/2023)

When viewed from the perspective of types of claims, there were increases across the board for all types of claims handled in FY2023/2024 in addition to fraud/scam claims:

- Financial institutions' practice / policies: 694 claims (versus 465 claims in FY2022/2023)
- Market conduct: 376 claims (versus 320 claims in FY2022/2023)
- Service Standards: 263 claims (versus 201 claims in FY2022/2023)

Please refer to Annex A for the detailed breakdown.

FIDReC's Chief Executive Officer, Ms Eunice Chua, said: *"The rising number of claims shows the increased need for FIDReC's services in resolving disputes between consumers and their financial institutions. However, prevention is better than cure. We have intensified our public outreach efforts with the objective of educating more consumers on what to look out for when purchasing financial products and to remind them to remain vigilant against scams. Additionally, we hope that financial institutions will learn from the claims brought and continue to strive towards higher standards of customer service, professionalism and fair dealing outcomes."*

"The revisions to our Terms of Reference on 1 July 2024 will put us in a better position to continue to be effective and relevant in our role. We have also increased staff strength and harnessed technology in preparation for more claims of greater complexity in the coming year."

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About FIDReC

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

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

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Breakdown by Nature of Claims (1 July 2023 to 30 June 2024)

Block*	No. of Claims Handled					
	Financial Institutions' Practice / Policies	Market Conduct	Service Standards	Fraud/Scam (combined)	Total	%^
A	204	225	135	823	1,387	64
B	236	97	50	4	387	18
C	212	1	28	0	241	11
D	39	8	37	2	86	4
E	3	45	13	0	61	3
Total	694	376	263	829	2,162	
%	31.10	21.40	13.45	34.05	100.00	

No. of Claims Completed #			No. of Claims pending as at 30 June 2023@
By Mediation	By Adjudication (awards made)	By Adjudication (no awards made)	
1,058	27	165	463
188	6	43	172
159	9	11	130
30	0	10	52
14	4	4	31
1,449	46	233	848

A further breakdown of the types of complaints for each category of financial institution can be found in the FIDReC Annual Report 2023/2024.

* Block A: Banks and finance companies and credit bureaus

B: Life and composite insurers

C: General and composite insurers

D: Capital markets services licensees

E: Licensed financial advisors and insurance brokers

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

Figures include claims lodged in the preceding periods which were completed in the period 1 July 2023 to 30 June 2024

@ These figures include claims lodged in the preceding periods, which were pending as at 30 June 2024.