

Summary of FIDReC Annual Report 2017/2018

Cases in FY 2017/2018

From 1 July 2017 to 30 June 2018, its thirteen financial year, the Financial Industry Disputes Resolution Centre Ltd (FIDReC) handled a total of 5,015 cases, comprising 3,764 inquiries and 1,251 complaints. All of the inquiries have been handled and completed.

There were 331 outstanding complaints at FIDReC at the beginning of the financial year. Taking these into account, FIDReC accordingly handled a total of 1,582 complaints.

In the period 1 July 2017 to 30 June 2018, FIDReC resolved a total of 945 complaints. 637 complaints remained outstanding at the end of the financial year.

Cases resolved in FY 2017/2018

In financial year 2017/2018, FIDReC resolved a total of 945 complaints. Of these, 50.9% were resolved within three months, 96.1% were resolved within six months and 99.4% of the complaints were resolved within nine months.

Out of the 945 complaints that were resolved, 685 were resolved by mediation, while 260 proceeded to adjudication. Awards were made in 16 out of the 260 adjudicated cases.

Breakdown of complaints handled

Between 1 July 2017 and 30 June 2018, 46.60% or 583 complaints lodged at (and handled by) FIDReC were against life insurers, while 33.09% or 414 complaints were against banks and finance companies. The rest of the complaints were made against general insurance companies (14.07% or 176 complaints), licensed financial advisers and insurance intermediaries (2.64% or 33 complaints) and capital markets services licensees (3.60% or 45 complaints).

The categories of the complaints that were handled by FIDReC are as follows:

- 1) Financial Institutions' Practice / Policies (723 complaints, 57.80% of total number of complaints);
- 2) Market Conduct (317 complaints, 25.34% of total number of complaints);
- 3) Service Standards (115 complaints, 9.19% of total number of complaints).

(Please refer to Appendix 1 for an explanation of the types of complaints for each category.)

The breakdown of the categories of complaints by the categories of financial institutions is shown in the table below.

A further breakdown of the types of complaints by category for each type of financial institution can be found at pages 27 to 31 of the FIDReC Annual Report.

The FIDReC Annual Report can also be viewed in its entirety on www.fidrec.com.sg

	Banks and Finance Companies	Life Insurers	General Insurers	Capital Markets Services Licensees	Licensed FAs and Insurance Intermediaries	Total
FI Practice / Policies	74	477	169	2	1	723
Market Conduct	188	95	-	4	30	317
Service Standards	56	11	7	39	2	115
Others	96	-	-	-	-	96
Total	414	583	176	45	33	1,251

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Appendix 1: CATEGORISATION FOR COMPLAINTS

Nature of Dispute	Definitions / Examples
<p><u>Service Standards</u></p> <p>Staff-related issues</p> <p>Delay / failure in processes</p> <p>General industry feedback</p>	<p>Dissatisfaction with FI's standard of service (e.g. rude or incompetent staff); Mistake or oversight by staff.</p> <p>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.</p> <p>General feedback on service standards of the financial services industry, not targeted at any particular FI.</p>
<p><u>Financial Institutions Practice / Policies</u></p> <p>Pricing policies / premiums / interest rates / fees & charges</p> <p>Policy values & investment returns</p> <p>Disputes on liability</p> <p>Disputes on claim amount awarded</p> <p>Other contractual matters</p> <p>Rejection of new applications / underwriting decisions (new applications)</p> <p>Non-renewal of services / underwriting decisions (renewal)</p> <p>Debt Restructuring</p> <p>General industry feedback</p>	<p>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.).</p> <p>Lower policy values (including bonus cuts, dividends etc); Poor investment returns (not relating to misrepresentation by adviser).</p> <p>FI has repudiated liability but complainant argues that it is a valid claim.</p> <p>Complainant is unhappy with the claim amount awarded.</p> <p>Disputes relating to the terms & conditions of contractual agreements (except pricing matters, which should be classified under "Pricing Policies").</p> <p>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.</p> <p>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").</p> <p>Appeals to have debts restructured due to complainants' inability to service their debts.</p> <p>General feedback on commercial practices and business decisions of the financial services industry, not targeted at any particular FI.</p>

Nature of Dispute	Definitions / Examples
<p><u>Market Conduct</u></p> <p>Unauthorised transactions / fraud / forgery</p> <p>Inappropriate advice / misrepresentation / disclosure issues</p> <p>Unregulated / unlicensed activities</p> <p>Issues on fitness and propriety of licensees / regulated persons</p> <p>Aggressive sales tactics</p> <p>Other misconduct</p> <p>General industry feedback</p>	<p>Allegations of unauthorised/dishonest transactions by FIs / FI's staff and cases of cheating & fraud.</p> <p>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.</p> <p>Unlicensed persons carrying on licensable activities; Regulated entities carrying on activities without proper licence / authorization.</p> <p>Complaints about the integrity / fitness and propriety of licensees / persons providing financial advisory services.</p> <p>Aggressive product pushing and marketing of financial products and services; Nuisance calls and hard selling by advisers.</p> <p>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'.</p> <p>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).</p>
<p><u>Enquiries</u></p> <p><u>Others</u></p>	<p>General enquiries on procedures for filing a dispute, when to file a dispute, operating hours etc.</p> <p>Other types of disputes not listed above.</p>