



**EMBARGOED (TO BE RELEASED / PUBLISHED ONLY ON 25 NOVEMBER 2021)**

## **FIDReC successfully mediates over 75% of claims for third straight year**

*New portal at [www.fidrec.com.sg](http://www.fidrec.com.sg) for online enquiries, claims filing and claims management to be launched by early December 2021, increasing efficiency and convenience*

**SINGAPORE – 25 November 2021** – The Financial Industry Disputes Resolution Centre (“**FIDReC**” or the “**Centre**”) has released its Annual Report 2020/2021 for its financial period 1 July 2020 to 30 June 2021 (“**FY2020/2021**”). During this period the Centre received 1,097 claims and 6,412 enquires. This compares with 1,227 claims and 7,049 enquires received in the previous financial period.

The dip in the number of claims and enquiries received this year corresponded with a drop in life insurance and general insurance claims. This was perhaps related to many putting off medical treatments and avoiding travel during the Covid-19 pandemic. Nevertheless, the number of claims still came in higher than usual and surpassed the 1,000-mark for the third straight year.

The largest claim amount for claims completed in FY2020/2021 was \$1.62 million, while the median claim amount was \$8,808 as compared to \$6,020 in FY2019/2020. In terms of consumer age profile, those aged 51 years and older continued to form the largest group, or 51%, of claims filed at FIDReC. Those aged 41 to 50 years formed the second largest group, contributing 26% of claims filed.

Although restrictions caused by the ongoing Covid-19 situation resulted in FIDReC concluding 82% of its claims within six months, which was lower than 89% the financial year before, the Centre continued to achieve a high level of success in amicable dispute resolution. 862 of the claims it handled were completed in the first stage of mediation without having to proceed to the second stage of adjudication. This represented 76% of cases handled in FY2020/2021. This was the third consecutive year the mediation completion rate exceeded 75%. Of the cases concluded at mediation, 48% were concluded with a settlement, while there was no settlement for the remaining cases.

There were 271 cases that proceeded to adjudication in FY2020/2021, including cases brought forward from the previous year. Of these, 14% were awarded claims.

As in past years, the top three types of financial institutions complained against in FY2020/2021 were banks and finance companies (52%), life insurers (26%), and general insurers (13%).

Claims against banks and finance companies involved mostly disputes relating to unauthorised transactions, frauds, and scams (42%); and disputes on inappropriate advice, misrepresentation, or disclosure issues (31%).



The claims against life insurers involved mostly disputes on inappropriate advice, misrepresentation, or disclosure issues (41%); and disputes on liability (22%). Claims against general insurers were mostly related to disputes on liability (72%). See table in Annex A for case breakdown.

**FIDReC's Chief Executive Officer, Ms Eunice Chua**, said: *"The ongoing Covid-19 pandemic meant more consumers transacting online. This led to a surge in claims for 'unauthorised transactions, frauds and scams' in FY2020/2021. These claims took over 'market conduct' as the top claim against banks and financial institutions. We also saw more investments-related claims than previous years likely due to volatile markets and heightened financial stress.*

*"Nevertheless, the FIDReC team worked hard to serve consumers while adhering to safe management measures and adapting to remote working. Their commitment to peace-making has made all the difference and we attained a record 84.7% customer satisfaction rating."*

FY2020/2021 was FIDReC's 15<sup>th</sup> anniversary. Its theme for this milestone year was "Building on Our Past, Shaping the Future". During the past year, the Centre had worked on building on existing expertise while evolving to be ready for a digital future. It will be launching a new portal by early December 2021 ([www.fidrec.com.sg](http://www.fidrec.com.sg)), which will have new features such as a DIY evaluation tool to help consumers determine their eligibility to file a claim at FIDReC, online claim filing linked with MyInfo, portals for consumers and financial institutions to upload documents and receive updates, and a revised website with case studies and an enhanced resource database. The new system is expected to increase FIDReC's efficiency and bring greater convenience to all.

**Ms Chua**, said: *"Next year, we hope to better serve the public through our new case management system and website with dedicated portals for consumers and financial institutions. We will also continue with our online outreach programmes to educate consumers and financial institutions about our services and share tips on how to prevent disputes."*

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#### **About FIDReC**

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

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

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

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Breakdown by Nature of Claims (1 July 2020 to 30 June 2021)

Block*	No. of Claims Handled						No. of Claims Completed <sup>#</sup>			No. of Claims pending as at 30 June 2021
	Financial Institutions' Practice / Policies	Market Conduct	Service Standards	Others	Total	% <sup>^</sup>	By Mediation	By Adjudication (awards made)	By Adjudication (no awards made)	
<b>A</b>	72	171	76	232	551	51.64	446	18	133	276
<b>B</b>	131	112	30	0	273	25.59	194	7	49	112
<b>C</b>	125	0	13	0	138	12.93	144	12	24	43
<b>D</b>	7	9	34	2	52	4.87	52	0	16	21
<b>E</b>	0	51	2	0	53	4.97	26	0	12	40
<b>Total</b>	<b>335</b>	<b>343</b>	<b>155</b>	<b>234</b>	<b>1,067</b>	100	<b>862</b>	<b>37</b>	<b>234</b>	<b>492</b>
<b>%</b>	31.40	32.15	14.53	21.93	100					

A further breakdown of the types of complaints for each category of financial institution is available can be found at pages 19 to 26 of the *FIDReC Annual Report 2020/2021*, which is available at [www.fidrec.com.sg](http://www.fidrec.com.sg).

\* Block:

A: Banks and finance companies

B: Life and composite insurers

C: General and composite insurers

D: Capital markets services licensees

E: Licensed financial advisors and insurance intermediaries

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

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