

Public Consultation on FIDReC's Terms of Reference

1. Introduction

- 1.1. The Financial Industry Disputes Resolution Centre Ltd ('FIDReC') is an independent and impartial institution specialising in the resolution of financial disputes between financial institutions and consumers. It is the only approved dispute resolution scheme in Singapore under the Financial Services and Markets (Dispute Resolution Schemes) Regulations 2023.
- 1.2. FIDReC was launched in August 2005 as part of an initiative by the industry and the Monetary Authority of Singapore ('MAS') to create a one-stop centre for the resolution of all retail disputes with financial institutions such as banks, finance companies, life insurers, general insurers, capital market services licensees, licensed financial advisers, and insurance intermediaries.
- 1.3. FIDReC's mission is 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. FIDReC's core principles are: Accessibility, Independence, Effectiveness, Accountability and Fairness.
- 1.4. FIDReC carries out its mission through offering mediation and adjudication services. Our services are available to consumers who are either individuals or sole proprietors for claims against licensed financial institutions. FIDReC allows consumers to have access to justice without going to court or paying hefty legal fees. Mediation at FIDReC is free for the consumer although there is a case fee for adjudication. FIDReC is staffed by full-time employees familiar with the laws, guidelines, and practices of the financial industry in Singapore.
- 1.5. In May 2004, MAS formed a Steering Committee to facilitate the creation of FIDReC. A public consultation was conducted in October 2004. The public were invited to provide their views on several issues including FIDReC's governance structure, funding, and its Terms of Reference.¹ This feedback was considered carefully by the Steering Committee and played a part in the eventual shaping and creation of the organisation that FIDReC is today.²
- 1.6. The Terms of Reference that FIDReC abides by have been in place since 2005.³ As the landscape of the financial industry and the nature of financial disputes have evolved over the years, FIDReC is embarking on a review of its Terms of Reference to ensure that it continues to serve its purpose and remain relevant in a fast-changing world.

¹ 'Consultation Paper on Public Financial Industry Disputes Resolution Centre', available online: <<https://www.mas.gov.sg/publications/consultations/2004/consultation-paper-on-public-financial-industry-disputes-resolution-centre>> (hereafter 'Consultation Paper').

² 'Response to Feedback: Consultation Paper on Public Financial Industry Disputes Resolution Centre', available online: <<https://www.mas.gov.sg/publications/consultations/2004/consultation-paper-on-public-financial-industry-disputes-resolution-centre>> (hereafter 'Response to Feedback').

³ 'FIDReC Terms of Reference', available online: <<https://www.fidrec.com.sg/knowledgebase/article/KA-01002/en-us>>.

- 1.7. FIDReC's Terms of Reference set out, amongst other things, the scope and jurisdiction of FIDReC and the responsibilities of Complainants and Subscribers. All Complainants and Subscribers agree to be bound by the Terms of Reference when making use of our process. The proposed amendments in the Terms of Reference will impact FIDReC's operations and the disputes brought to FIDReC.
- 1.8. In this regard, this Consultation Paper is meant to seek the views of the public on the following areas that are being considered under the present review:
- i. The increase of the award limit from \$100,000 to \$150,000;
 - ii. Including small businesses as eligible complainants;
 - iii. Allowing the circulation of the Grounds of Decision;
 - iv. Fixing timelines for process completion;
 - v. A Mediator's Indication process for non-NIMA disputes;
 - vi. Amendments to the list of Excepted Complaints; and
 - vii. Timelines to refer to business days instead of calendar days.

2. Increase in Award Limit

- 2.1. The current award limit at FIDReC is \$100,000 per claim at adjudication for all disputes. At FIDReC's inception in August 2005, the award limit had been \$100,000 per claim for insurance disputes and \$50,000 per claim for all other disputes. In January 2017, the award limit for all disputes was aligned at \$100,000 per claim.
- 2.2. In the Responses to the Public Consultation⁴ issued prior to FIDReC's inception, the Steering Committee set out its view at the time that the claim limit should be maintained at a level that would not serve to disqualify the majority of disputes while at the same time ensure that FIDReC's services be primarily targeted at retail consumers who would more likely require the services offered by FIDReC.⁵
- 2.3. Since then, the profile of the retail consumer has changed. From 2005 to 2022, the Consumer Price Index of Singapore ('CPI') showed a 32.83% increase. From 2006 (when the data became first available) to 2021, there had been a substantial 91.1% increase in the median gross monthly income of Singapore residents.
- 2.4. With the increases in both the cost of living as well as income levels over the years, FIDReC has observed that the financial products purchased, and investments made by retail consumers have increased in quantum.
- 2.5. Although only a small percentage of claims exceed the \$100,000 claim limit at FIDReC at present, we note that this figure is rising. Based on FIDReC's claim statistics, the number of claims exceeding \$100,000 had risen from 95 cases in FY20/21 to 100 cases in FY21/22 and again to 157 cases in FY22/23. These claims often pertained to disputes

⁴ 'Response to Feedback: Consultation Paper on Public Financial Industry Disputes Resolution Centre', available online: <<https://www.mas.gov.sg/publications/consultations/2004/consultation-paper-on-public-financial-industry-disputes-resolution-centre>> (hereafter 'Response to Feedback').

⁵ Response to Feedback, note 4, pp 6-7.

involving scams, insurance claims and market conduct which are significant issues for retail consumers.

- 2.6. In the light of the above, FIDReC is considering an increase in its adjudication claim limit from \$100,000 per claim to \$150,000 per claim to keep up with the changing profile of the retail consumer as well as the evolving nature of financial disputes. FIDReC's preference is to maintain a single award limit for ease of understanding by the public.
- 2.7. Such claims are already handled at mediation (where FIDReC does not have a claim limit). However, we anticipate an increase in the number of disputes filed due to the proposed increase of the adjudication limit. Additionally, we anticipate that more of these larger claims may proceed for adjudication. All this will require more resources on FIDReC's part to handle.
- 2.8. We propose to amend Rule 21 (Referring Dispute to Adjudicator) and Rule 29 (Limits On Awards) of the FIDReC TOR as follows:

21(2) The Mediator shall not refer the following Disputes to Adjudication:

- i) where the Dispute is one which involves a claim for non-monetary losses only; and
 - ii) where the claim amount exceeds ~~SS\$100,000~~ SS\$150,000 per claim (regardless of the nature of the claim / dispute).
- ...

29(1) The maximum award which may be made in any Dispute referred to FIDReC shall be an award of up to ~~SS\$100,000~~ SS\$150,000 per claim (regardless of the nature of the claim / dispute).

Q1. Do you agree with the proposed increase in the Adjudication Limit from \$100,000 per claim to \$150,000 per claim? Please share any concerns you may have.

3. Allowing Small Businesses as Eligible Complainants

- 3.1. Presently, apart from the courts, small businesses may pursue a complaint against their financial service providers by seeking mediation or arbitration through private service providers. Such processes are consensual and will require the agreement of both parties. The cost of these processes is usually significant.
- 3.2. In the Public Consultation conducted in 2004, there had been respondents who felt that the scope of FIDReC's complainants could have been widened to include small businesses.⁶ The Steering Committee's view at the time had been for FIDReC to focus on individual retail consumers during its initial years as this group of people were less financially able in comparison with small businesses and would more likely require the services offered by FIDReC. However, FIDReC remained open to reviewing this position in the future.

⁶ Response to Feedback, note 4, p 4.

- 3.3. Based on our own enquiry experience as well as the experience of Financial Dispute Resolution Institutions ('FDRIs') from other jurisdictions,⁷ some examples of the types of disputes we might anticipate from small businesses include:
- i. Insurance disputes relating to employee medical insurance claims;
 - ii. Third party motor insurance claim disputes involving company-owned vehicles;
 - iii. Banking disputes relating to Telegraphic Transfer ('TT') exchange rates or wrong recipients of TT transfers;
 - iv. Business banking and card account service issues;
 - v. Disputed transactions, frauds and scams relating to corporate bank accounts & cards; and
 - vi. Loan agreement disputes.
- 3.4. Many of these issues are already within FIDReC's current set of expertise although we recognise that additional training will be required for our case managers to handle claims brought by corporate entities. Additional resources for headcount and system modifications will also be needed.
- 3.5. As to the question of what would constitute a small business, it was noted that overseas FDRIs had made use of several different factors including the number of employees and annual turnover.⁸ Locally, we had observed that Enterprise Singapore defines a 'micro-business' that would be eligible for an SME Micro Loan as a private company registered and operational in Singapore, with annual sales turnover equal to or less than \$1 million or less than a total of 10 employees, and with minimum 30% local shareholding.
- 3.6. To simplify the assessment criteria, we propose to define a small business as one with an annual turnover of SGD 1 million or less.
- 3.7. Based on data from the Singapore Department of Statistics for 2021,⁹ the total number of enterprises with operating revenue less than or equal to S\$1million was 229,200 representing about 79% of Singapore's enterprise landscape.
- 3.8. In this regard, we propose to amend Rule 2 (Definitions) and Rule 6 (Eligible Complainant) of the TOR as follows:

2. Definitions

In these terms of reference:

⁷ See, for example, 'Complaints we see', UK Financial Ombudsman Services for small businesses website, 11 Oct 2022, <<https://sme.financial-ombudsman.org.uk/complain/complaints-can-help/banking-payments>>; 'Who and what you can complain about', Australian Financial Complaints Authority website, 17 Sep 2023, <<https://www.afca.org.au/what-to-expect/small-business>>.

⁸ See, for example, Definition of Small business, Section E1.1, p 48 of Australian Financial Complaints Authority Complaint Resolution Scheme Rules, available online: <<https://www.afca.org.au/about-afca/rules-and-guidelines>> (hereafter 'AFCA Rules'); Definition of Small Enterprise, Section A, Paragraph 2.1, p 6 of Hong Kong Financial Dispute Resolution Centre Terms of Reference, available online: <https://www.fdr.org.hk/en/doc/FDRC_ToR_Full_2018_en.pdf> (hereafter 'HK FDRC TOR').

⁹ Department of Statistics Singapore, 'Singapore's Enterprise Landscape (Excludes Public Sector) 2021', available online: <<https://www.singstat.gov.sg/modules/infographics/singapore-enterprise-landscape>>.

i) the following expressions have the following meanings:

- 'Small Business' means a private company incorporated and operating in Singapore, which as at the date of the complaint has an annual sales turnover of SGD1million or less.

6. Eligible Complainants

The following persons (known as 'Eligible Complainants') may bring Complaints before FIDReC:

- individual consumers having a customer relationship with a FI;
- sole proprietors or a Small Business having a customer relationship with a FI;
- a person who has a beneficial interest in the activity, including the following persons: ...

Q2: Do you agree with the proposal of allowing small businesses to be Eligible Complainants?

Q3: Besides the examples listed in paragraph 3.3, what other examples or types of financial disputes do you foresee from small businesses?

Q4: Do you agree with the proposed criteria of a small business set out in paragraph 3.6?

4. Allowing the Circulation of the Grounds of Decision

4.1. At FIDReC, the Adjudicator's Grounds of Decision ('GD') are not circulated to the parties. Instead, upon receipt of the GD, the case manager will arrange for a session to read out the GD to the parties. FIDReC stands alone in its practice of reading out the GD instead of circulating it to the parties or publishing it. All other FDRIs from the jurisdictions studied will circulate decisions to the parties in writing and/or publish them.¹⁰

4.2. This practice of reading the GD stemmed from the initial response to the Public Consultation. At that time, FI Respondents expressed concern with the circulation of decisions and the implications if there was a breach of confidential information by consumers.¹¹

¹⁰ See HK FDRC TOR, note 7, Annex IV, Rules 3.8.8 and 3.8.9; AFCA Rules, note 7, A14.5; Recommendation and Final Decision, Rule 37, p 24 of Malaysia Ombudsman for Financial Services Terms of Reference, available online: <https://www.ofs.org.my/file/files/OFS_Term%20of%20Reference_1October%20%202016_Implementation.pdf> (hereafter 'MY OFS TOR'); Process for adjudicating complaints, Paragraph 25 (1)(a)(iii), p 15 of New Zealand Financial Dispute Resolution Service Scheme Rules, available online: <<https://fdrs.org.nz/assets/Pages/Resources/Rules/FDRS-Scheme-Rules-1-November-2021.pdf>> (hereafter 'NZ FDRS TOR');, Determination by the Ombudsman, Paragraph 3.6.6(1), UK Financial Conduct Authority Handbook, available online: <<https://www.handbook.fca.org.uk/handbook/DISP/3/6.html>> (hereafter 'UK FOS TOR'); Format of recommendations, Paragraph 13.6, p 15 of Canada Ombudsman for Banking Services and Investments Terms of Reference, available online: <https://www.obsi.ca/en/about-us/resources/Documents/OBSI-Terms-of-Reference---June-2022-amendments_EN.pdf> (hereafter 'OBSI TOR').

¹¹ Response to Feedback, note 4, p 6.

- 4.3. However, in more recent times, FIDReC has received feedback from consumers, FIs and Industry Associations requesting for the GD to be circulated to the parties. Some factors that had been highlighted in these requests were the importance of transparency and accountability, as well as to enhance productivity given the time-consuming nature of the GD reading process. It had also been noted that the manual process of reading out the GD was incongruent with the move towards digitalisation and future-readiness.
- 4.4. In view of the concerns on confidentiality, we intend to use a secured platform (i.e. the FIDReC Portal) to release the GD to the parties. The GD will also have the relevant disclaimers and watermarks to remind the recipients of their obligation of confidentiality.
- 4.5. In the light of the above, we propose to amend Rule 26 (Notification Of Determination And Binding Effect) of the TOR as follows:

26(1) Where the Adjudicator or the Panel has reached a decision, he / they shall write and sign the Grounds of Decision. Thereafter, ~~a hearing shall be convened where the Adjudicator or an appointed member of the Panel or such designated officer of FIDReC shall read the Grounds of Decision to both parties before announcing the decision of the Adjudicator or the Panel.~~ FIDReC will give the Complainant and the FI a copy of the Grounds of Decision.

26(2) A copy of the signed Grounds of Decision shall be kept in the Adjudication file. ~~The Grounds of Decision shall not be circulated to the parties.~~

- 4.6. Additionally, Annex 4 of the TOR will also have to be amended as follows:

- i. On page 6 of 32 of Annex 4:

6.5 Where the Adjudicator or the Panel has reached a decision, he / they shall write and sign the Grounds of Decision. ~~Thereafter, a hearing shall be convened where the Adjudicator or an appointed member of the Panel or such designated officer of FIDReC shall read the Grounds of Decision to both parties before announcing the Adjudicator or the Panel's decision.~~ FIDReC will give the Complainant and the FI a copy of the Grounds of Decision.

6.6 A copy of the signed Grounds of Decision shall be kept in the Adjudication file. ~~The Grounds of Decision shall not be circulated to the parties.~~

- ii. On page 24 of 32 of Annex 4:

6.5 Where the Adjudicator or the Panel has reached a decision, he / they shall write and sign the Grounds of Decision. ~~Thereafter, a hearing shall be convened where the Adjudicator or an appointed member of the Panel or such designated officer of FIDReC shall read the Grounds of Decision to the FI's representative and to the Eligible Complainant or his / her Nominee before announcing the Adjudicator or the Panel's decision.~~ FIDReC will give the Complainant and the FI a copy of the Grounds of Decision.

~~6.6 The Eligible Complainant may appoint a Nominee to attend the reading of the Grounds of Decision under a valid Power of Attorney signed in the presence of and attested by a Notary Public or a person having the authority to administer oaths in~~

~~the country of signing. The Nominee shall not be a practising lawyer acting for the Eligible Complainant.~~

~~6.7 In the event the Eligible Complainant does not attend and does not appoint a Nominee to attend the reading of the Grounds of Decision, the Adjudicator or the Panel or such designated officer of FIDReC shall inform the Eligible Complainant in writing of the decision only (and not the Grounds of Decision).~~

~~6.6 6.8 A copy of the signed Grounds of Decision shall be kept in the Adjudication file. The Grounds of Decision shall not be circulated to the parties or read to the parties over the telephone.~~

Q5: Do you agree with the proposal to circulate the Grounds of Decision to the parties?

5. Fixing Timelines for Process Completion

- 5.1. The case managers of many overseas FDRIs are empowered under their TOR to close cases upon the expiry of certain deadlines.¹² This ensures that cases are concluded in a timely manner and the FDRIs' resources are used more effectively.
- 5.2. Nevertheless, where there are unforeseen circumstances justifying delays, case managers should have discretion to extend any deadlines.
- 5.3. Additionally, just as financial institutions are required to cooperate with FIDReC, the same should be expected of complainants.
- 5.4. In this regard, we are proposing to amend Rule 18 (Co-operation From Parties) of the TOR as follows:

18(1) The Mediator:

i) shall receive the full co-operation and assistance of the Complainant, FI and any Representative of the FI in the investigation of the dispute;

ii) may require the Complainant, FI and any Representative of the FI to provide all information relating to the subject matter of the Dispute in its possession or control that is in the public domain or agreed to by parties in writing to be disclosed or which parties are compelled by law to disclose; and

iii) shall have the power to request the Complainant, FI and / or such of the FI's Representatives as it deems necessary to attend interviews for the purpose of recording a statement on any matter whatsoever from such FI and / or FI's Representative.

18(2) The FI shall provide the Mediator with all relevant data, information and materials as are relevant to the Dispute to enable the Case Manager to comprehensively mediate the Dispute, and shall attend or ensure that its Representative attends all such interviews as the Case Manager has requested the FI and / or its Representative to attend.

¹² See, for example, HK FDRC TOR, note 8, Section D, Paragraph 19.9.1, p 19; MY OFS TOR, note 8, Paragraph 26, p 18.

18(3) The FI shall at all times comply, and shall ensure that all its officers, representatives, and / or agents comply, with all instructions and determinations made by the Mediator, FIDReC and such officers and employees of FIDReC duly authorised.

18(4) The parties shall comply with the timelines set by the Mediator, FIDReC and such officers and employees of FIDReC duly authorised. If the Complainant fails to comply after 30 calendar days from the expiry of the set timeline, FIDReC shall have the discretion to dismiss the Dispute. If the FI fails to comply after 30 calendar days from the expiry of the set timeline, FIDReC shall have the discretion to deem the FI in breach of Rule 3(1) and take such measures as stated in Rule 3(2).

Q6: Do you agree with the proposal to empower case managers to fix and enforce timelines for process completion, including by closing cases?

6. The Inclusion of Mediator's Indication process for non-NIMA disputes

- 6.1. Under Rule 18A for the TOR, parties in cases under the FIDReC Non-Injury Motor Accident ('NIMA') Scheme¹³ are required to go through a Mediator's Indication ('MI') session.
- 6.2. The MI is defined under Rule 2 of the TOR as 'an indication by the Mediator under the NIMA Scheme as to whether an Award is likely to be made in favour of the Eligible Complainant and if so, the likely monetary amount of the Award.'
- 6.3. Following an independent review of FIDReC's process, the independent reviewer recommended that FIDReC consider a preliminary assessment process for all disputes and not only NIMA Scheme disputes. The independent reviewer noted that such a scheme may bring about increased resolution of disputes at the mediation stage and this, in turn, would improve FIDReC's use of resources.
- 6.4. A pilot scheme was launched on April 2022 to implement an optional MI process for non-NIMA disputes. Whether to offer the MI process was left to the case manager's discretion, and the convening of an MI session was subject to the consent of the parties. The pilot scheme proved successful, with a majority of claims that have undergone the MI being closed at the mediation stage without proceeding further to adjudication.
- 6.5. The feedback gathered from this pilot scheme showed that most respondents preferred that both parties' consent be sought for the MI although a few expressed that they would be comfortable leaving the convening of the MI to the case manager's discretion. It was noted that given the varying levels of complexity and the different factual situations involved in non-NIMA cases, there may be instances where it would not be appropriate or productive for an MI to be held.
- 6.6. Accordingly, we propose to amend Rule 18A (Mediator's Indication for FIDReC-NIMA Scheme) of the FIDReC TOR as follows:

¹³ The FIDReC NIMA Scheme is for disputes that involve non-injury motor accident disputes with insurance companies in which the amount claimed is below S\$3,000.

18A. Mediator's Indication ~~for FIDReC-NIMA Scheme~~

- 1) For cases under the FIDReC-NIMA Scheme, the Mediator shall provide a Mediator's Indication to the FI and the Eligible Complainant. **For all other cases, the Mediator shall only provide a Mediator's Indication to the FI and the Eligible Complainant with their express agreement.**
- 2) The FI and the Complainant may choose to accept or reject the Mediator's Indication.
- 3) Where both parties accept the Mediator's Indication, the Dispute is deemed resolved by mediation.
- 4) The Dispute is not resolved by mediation in the event that any one (or more) of the parties rejects or does not accept the Mediator's Indication.

6.7. Additionally, the definition of the Mediator's Indication under Rule 2 would have to be amended as follows:

- 'Mediator's Indication' means an indication by the Mediator ~~under the FIDReC-NIMA Scheme~~ as to whether an Award is likely to be made in favour of the Eligible Complainant and if so, the likely monetary amount of the Award.

Q7: Do you agree with the proposal to have a mediator's indication for non-NIMA disputes subject to the consent of both parties?

7. Amendments to the list of Excepted Complaints

- 7.1. For the list of Excepted Complaints set out in Rule 5 of TOR, we are seeking to include two categories of complaints and to clarify one existing category. The areas of amendment we are proposing are as follows:
 - i. The re-wording of Rule 5(iv) (i.e. Cases concerning principal agent issues);
 - ii. The exclusion of disputes that have been handled at FIDReC previously; and
 - iii. The exclusion of disputes relating solely to investment performance.

Re-wording of Rule 5(iv) (i.e. Cases concerning principal agent issues)

- 7.2. Rule 5(iv) of the TOR is meant to exclude disputes involving insurance agents seeking redress against their agencies (i.e., the principal) under the guise of an insurance dispute.
- 7.3. In this regard, in order to enhance its clarity, we propose to amend this clause as follows:

5. The following Complaints cannot be brought before FIDReC: ...

...

- iv) ~~cases concerning principal agent issues;~~ disputes relating to a contract of employment between a Subscriber and its officers and employees, or agency matters concerning a Subscriber.

Exclusion of disputes that have been previously handled at FIDReC

7.4. In practice, FIDReC generally does not handle disputes that have been previously dealt with as doing so would be to re-litigate the same issues and would not be fair to the parties. It would also compromise the effective use of FIDReC's resources. As FIDReC's process and its adjudicator's decision are not binding on the parties, Complainants are free to continue to pursue their case at other avenues in the event they are unsuccessful at FIDReC.

7.5. Accordingly, we are proposing to make the following addition to Rule 5 (Excepted Complaints) of the TOR:

5. The following Complaints cannot be brought before FIDReC:

...

Complaints that have been dealt with by or resolved by FIDReC unless there is new material information that was not reasonably available at the time the previous complaint had been filed;

Exclusion of dispute relating solely to investment performance

7.6. Most disputes received by FIDReC involving investment losses usually have an element of alleged misconduct, negligence, or contractual breach. However, there are also cases where a Complainant has expressed dissatisfaction with the investment performance without more.

7.7. Investment performance is an issue that FIDReC is not able to handle as it involves commercial decisions by the financial institution. This is consistent with the approach of the overseas FDRIs studied.¹⁴ In this regard, we are proposing the following addition to Rule 5:

5. The following Complaints cannot be brought before FIDReC:

...

cases relating solely to investment performance of a financial product;

7.8. In summary, we are proposing the following amendments to be made to Rule 5 (Excepted Complaints) of the TOR:

5. The following Complaints cannot be brought before FIDReC:

i) Commercial Decisions;

ii) pricing policies and other policies such as interest rates and fees;

iii) cases relating solely to investment performance of a financial product;

~~iii)~~ iv) cases under investigation by any law enforcement agency, including cases where allegations of fraud or criminal activity have been made, and where the matter has been referred to the police for investigation

¹⁴ See, for example, MY OFS TOR, note 8, Paragraph 13(9), p 13; AFCA Rules, note 7, C.1.5(A), p 34; NZ FDRS TOR, note 8, Paragraph 11, p 9l; HK FDRC TOR, note 7, Annex II-A, Paragraph B(9), pp 33-34.

~~iv) v) cases concerning principal agent issues; disputes relating to a Subscriber and its officers and employees or agency matters concerning a Subscriber.~~

~~v) vi) Complaints that are more than six months old after the FI's final reply;~~

~~vi) vii) Complaints arising under a Former Scheme and which have been considered by or resolved under that Scheme;~~

~~viii) Complaints that have been dealt with by or resolved by FIDReC unless there is new material information that was not reasonably available at the time the previous complaint had been filed;~~

~~vii) ix) Complaints that have been settled privately or otherwise between the Eligible Complainant and the FI; and~~

~~x) cases which have been subjected to a court hearing and for which a court judgment and / or order has been passed.~~

Q8: Do you agree with the proposed amendments to the list of Excepted Complaints?

8. Timelines to be stated in Business Days rather than Calendar Days

8.1. The current TOR specifies its timelines in calendar days. FIDReC has received feedback from the industry and from its staff that it would be better practice if some of these timelines were to be specified in terms of business days. This would account for any public holidays and also recognises that in many cases more time is required for a response, for example, because of time being needed to recover data from archives or verify the accuracy of any data.

8.2. Such amendments would affect Rules 11 and 15 of the TOR as well as Section 2 of Annex 2, and Section 5 of Annex 5.

8.3. There will remain some references to calendar days in the TOR where these are more practical, or where changes will result in significant administrative cost to FIDReC. For the avoidance of doubt, such references will be amended to 'calendar days'. The amendments relate to Rules 3, 14 and 22 of the TOR, and Sections 4 and 5 of Annex 4. Section 7 of Annex 1 already refers to 'calendar days' and amendments are not required there.

8.4. Accordingly, the amendments proposed in the TOR are as follows:

3(2). In the event that the FI breaches this Rule 3(1), FIDReC shall have the power to require the FI to take such steps as may be necessary to rectify the breach within 14 **calendar** days of the breach, and further, to impose the following penal actions:

- i) A penalty of up to S\$100 per **calendar** day of continuing breach from the day of the breach until the breach is rectified or up to 14 **calendar** days from the date of the breach, whichever is lesser ('initial penalty');
- ii) Impose a penalty of up to S\$200 per **calendar** day of continuing breach from the expiry of 14 **calendar** days from the day of the breach until the breach is rectified or up to a further 14 **calendar** days from

- the date of the expiry of the period for the imposition of the initial penalty, whichever is lesser ('first step-up penalty');
- iii) Impose of a penalty of up to S\$400 per **calendar** day of continuing breach from the expiry of 14 **calendar** days from the date of the expiry of the period for the imposition of the first step-up penalty until the breach is rectified ('second step-up penalty'); and
 - iv) Terminate the FI's subscription to FIDReC at the sole discretion of FIDReC where the breach is not rectified despite the imposition of the second step-up penalty.

...

11(2). FIDReC shall be required to submit to the MAS on a quarterly basis, and in any event no later than ~~14~~ **15 business days** ~~after the end of each quarter from the end of the last day of the quarter~~, a categorised summary report of all Disputes received. Such report is to be provided in the form of the template as set out in Annex 2.

...

14(2). FIDReC shall within ~~three~~ **two business** days of the receipt of a DRF, acknowledge receipt of such Dispute to the person who submitted the DRF.

...

15(3). The Case Manager shall be entitled to request for all relevant data and materials relevant to the Dispute from the FI and the Eligible Complainant, and the FI and Eligible Complainant shall provide to the Case Manager all such information and materials as are relevant to the dispute. Specifically, the Case Manager shall write to the FI advising it of the DRF and requesting all relevant data and information (referred to as a 'Request'). The FI shall respond to the Request of the Case Manager within ~~21 days~~ **21 business days** of the date of the Request, providing the investigation report compiled by the FI upon conclusion of its investigation into the dispute first raised to it by the Complainant in full, grounds of its decision and any other relevant information and documents relevant to the Dispute.

...

22. FIDReC shall, in its discretion appoint such number of Adjudicators as it deems necessary to ensure sufficient expertise in resolving a Dispute, but subject only to a maximum of three Adjudicators at any particular time, to hear any Dispute referred to them by the Case Manager. FIDReC must notify all parties to the Dispute within 21 **calendar** days of the appointment of the Adjudicator or panel of Adjudicators, as the case may be.

8.5. The amendments proposed in Section 2 of Annex 2 are as follows:

2. The template shall be submitted to the MAS no later than ~~15 days~~ **15 business days** after the end of each quarter.

8.6. The amendments proposed in Sections 4 and 5 of Annex 4 are as follows:

4.2. FIDReC shall, in its discretion, appoint such number of Adjudicators as it deems necessary to ensure sufficient expertise in resolving a Dispute, but subject only to a maximum of three Adjudicators at any particular time, to hear any Dispute referred to them by the Case Manager. FIDReC must notify all parties to the Dispute within 21 **calendar** days of the appointment of the Adjudicator or panel of Adjudicators, as the case may be.

...

5.7. The parties shall submit all documents (which they intend to rely on during the Adjudication hearing) to FIDReC **not later than seven (7) calendar days** before the day of the hearing. Where documents are submitted later than seven (7) **calendar** days before the day of hearing, the Adjudicator or the Panel shall have the discretion to exclude such documents. Where the Adjudicator or the Panel exercises his or its discretion to exclude such documents, the said documents shall not be relied upon and / or considered during the adjudication hearing.

8.7. The proposed amendments to Section 4.2 is applicable to 'THE ADJUDICATION PROCEDURE AND ADJUDICATION AGREEMENT' (found on page 2 of 32 of Annex 4) and 'ADJUDICATION PROCEDURE (FOR DOCUMENTS ONLY ADJUDICATION)' (found on page 21 of 32 of Annex 4)

8.8. The amendments proposed in Section 5 of Annex 5 are as follows:

5.1. Payment of damages and any contribution towards the claimant's legal fees should be made by the insurer within ~~14 days~~ **14 business days** from the date of the execution of the Settlement Agreement or in the absence of a Settlement Agreement, within ~~14 days~~ **14 business days** from the date of settlement of the claim.

Q9: Do you agree with the proposed amendments for some timelines in the TOR to be stated in terms of business days rather than calendar days?

8 January 2024
Financial Industry Disputes Resolution Centre