

**GUIDELINES ON COMPLAINTS HANDLING
POLICY AND PROCEDURES
APPLICABLE TO BANKS
AND NON BANK DEPOSIT TAKING INSTITUTIONS
LICENSED BY THE BANK OF MAURITIUS**

07 OCTOBER 2019

1. Introduction

The Ombudsperson for Financial Services Act 2018 (Act) has been proclaimed on 01 March 2019 and is operative as from that date. Amendments have been made thereto in the Finance Act 2019 and those amendments are effective as from 9 August 2019.

The Act sets up the Office of Ombudsperson for Financial Services hereinafter referred to as “Office”. The primary mandate of the Ombudsperson is to deal with complaints made by consumers of financial services against financial institutions with a view to give better protection to consumers of financial services. The Ombudsperson may for the purposes of the Ombudsperson for Financial Services Act request any institution to furnish within such time and in such form and manner as he may determine such information as he may require. He may also by notice in writing to financial institutions falling under his purview, issue instructions and guidelines and impose such requirements as he may determine.

This guideline sets out the minimum standards and criteria to be observed by banks and non-bank deposit taking institutions licensed by the Bank of Mauritius for the purposes of the above.

2. Authority

This guideline is issued under the authority of section 5(3)(a) of the Act.

The guidelines shall apply to banks and non-bank deposit taking institutions licensed by the Bank of Mauritius under the Banking Act 2004.

3. Effective Date

This guideline shall come into effect on 7 October 2019.

4. Interpretation

In this guideline: -

“Act” means the Ombudsperson for Financial Services Act 2018.

“Bank of Mauritius” means the Bank of Mauritius established under section 3 of the Bank of Mauritius Act.

“Consumer” means a consumer of financial services.

“Financial institution” for the purpose of this Guideline means banks and non-bank deposit taking institutions.

“Office” means Office of Ombudsperson for Financial Services

“Waiting time” means the time which a customer has to wait before being served by a financial institution.

5. Complaints Handling Policy and Procedures

5.1 Financial institutions should have in place appropriate and effective internal procedures for handling consumer complaints. In formulating these procedures, regard should be had to the provisions of Section 7 of the Act and this guideline.

5.2 The Board of Directors of financial institutions should approve the Complaints Handling Policy & Procedures and senior management should ensure that the Complaints Handling Policy & Procedures are regularly reviewed to reflect changes in the regulatory and legal framework and best practice.

5.3 Every financial institution should, with the exception of banks not doing retail banking, have a complaint desk at their head office where complainants may make their complaints. The complaint desk should be manned with appropriate complaints handling officers versed in the handling of complaints. The complaint desk should be clearly visible to the public.

For banks not doing retail banking and branches of financial institutions, a signboard conspicuously displayed mentioning “For Complaints: Address Here”, will suffice.

5.4 Consumers should be allowed to make complaints by any reasonable means, for example in person at the complaints counter, by phone, by letter, facsimile or e-mail.

- 5.5 Special assistance should be given to customers having disability or language problems.
- 5.6 Efforts should be deployed for complaints to be resolved on the spot. In the case that it has not been possible for the complaint to be resolved on the spot, consumers should then be advised to submit their complaints in writing at the counter or by letter through the post, facsimile or by email.
- 5.7 Financial institutions should, except where the complaint has been made verbally or over the phone, send a written acknowledgement of the complaint within two working days of its receipt, giving the name, job title and contact details of the person handling the complaint.
- 5.8 Financial institutions should appoint a complaints coordinator with the overall responsibility for the handling of complaints. The complaints coordinator should be an officer at senior managerial level. The complaints coordinator should be empowered to either resolve complaints or have access to, the person who has the authority to do so.
- 5.9 The Complaints Handling Policy & Procedures should be made available to all relevant staff of the financial institution through an adequate internal channel. Financial institutions should take reasonable steps to ensure that all relevant employees are aware of their internal Complaint Handling Policy & Procedures and that they act in accordance therewith.
- 5.10 The Complaints Handling Policy & Procedures shall be binding on the financial institution and this has to be expressly stated in the document incorporating those procedures.

6. Accessibility to Complaints Handling Policy & Procedures

- 6.1 Financial institutions should provide a copy of the Complaints Handling Policy & Procedures to its consumers free of charge upon request. For new consumers, a paragraph on Complaints Handling Policy & Procedures should be inserted in their terms and conditions informing them of Complaints handling Policy and Procedures and also where to find them.

6.2 Financial institutions should also publish on their websites their Complaints Handling Policy & Procedures with a view to bringing actual notice thereof to their consumers.

7. Time Limit to Deal with Complaints

7.1 A written reply containing the decision of the financial institution to the complainant should, as prescribed in the law, be sent to the complainant within 10 days as from the date the complaint is received by the financial institution.

7.2 Complainants should be informed that in case they are still aggrieved by the decision provided to them by the financial institution, or that they do not receive a reply from the financial institution concerned within 10 days as from the date of their complaint, they may refer their complaint to the Office of the Ombudsperson to be dealt with in the manner the Office considers appropriate.

8. Investigation of Complaints by Financial Institution

8.1 Once a complaint has been received by the financial institution, the financial institution shall: -

- (a) investigate the complaint competently, promptly and impartially;
- (b) assess fairly the subject matter of the complaint and see whether the complaint should be upheld and what remedial action or redress (or both) may be appropriate;
- (c) offer any redress or remedial action which is appropriate;
- (d) explain to the complainant, in a way that is fair, clear and not misleading, its assessment of the complaint, its decision on it, and any offer of remedial action or redress; and
- (e) comply promptly with any offer of remedial action or redress which the complainant accepts.

8.2 To avoid any conflict of interest, the complaint should be investigated by someone who has not been directly or indirectly involved in the complaint.

9. Resources and Staff Training

9.1 Financial institutions should make available resources needed to ensure the efficiency and effectiveness of a complaint management system. Resources comprise staff, appropriate training and technology.

9.2 With a view to continuously enhance the level of customer service, financial institutions should provide appropriate training to its staff in order to improve their competence in Customer Care.

10. Monitoring and Audit

10.1 Financial Institutions should monitor their complaints to help identify whether their products and services are causing issues for consumers and whether their operations and processes are working as intended. Complaints can serve as helpful indicators of possible weaknesses in processes, training, and controls.

10.2 Financial institutions should have in place an efficient information management system capable to monitor and review the quality of complaint handling, detect underlying problems and take actions to address issues identified.

10.3 Effective procedures to monitor complaints should be set up with regular reports to senior management for review. Information provided to management should include at least the following: -

- ✦ Statistics on the volume and type of complaints received;
- ✦ How well the internal complaint management system meets prescribed performance standards;
- ✦ The level of customer satisfaction;
- ✦ Whether recurrent problems are being identified and corrected.

- 10.4 A regular assurance exercise should be conducted by competent and independent staff. The assurance exercise should aim at examining whether the procedures are operating effectively.
- 10.5 The results of the assurance exercise should be used to improve the complaint handling procedures, operating processes, products and services as appropriate.

11. Record Keeping

11.1 Financial institutions should record and retain details of complaints for at least a period of 7 years as from the date of their receipt.

11.2 The details to be recorded should include:

- ✦ the complainant's name;
- ✦ the substance of the complaint;
- ✦ any correspondence between the institution concerned and the complainant, including the manner in which the complaint was resolved and details of any redress offered by the financial institution concerned; and
- ✦ Whether any alleged problem, if substantiated, were rectified and the manner in which this was done.

11.3 The records should be kept in a convenient and accessible form to facilitate discharge by the Ombudsperson or its Officers of its powers under section 5 (3A) of the Act.

12 Notification to the Office of Ombudsperson

12.1 Financial institutions should provide the Office on a quarterly basis, with information on complaints as per format annexed.

12.2 To enhance communication with the Office in relation to complaint handling, financial institutions should provide the Office within one week as from the issue of this guideline, details of the complaints coordinator appointed by them.

12.3 Financial institutions should notify the Office as soon as reasonably practicable of any subsequent change of the complaints coordinator.

13 Relationship of Financial Institution with Customers

13.1 The relationship between a financial institution and a consumer shall be guided by three key principles namely: fairness; reliability; and transparency.

13.2 A financial institution should not engage in unfair, deceptive practices or unbecoming behaviour such as intimidating, abusing, or humiliating a consumer. A financial institution should, through its préposés, always be courteous towards its customers. Responsibility thereof would be borne by the financial institution.

14. Miscellaneous

14.1 No financial institution should close the account of a customer, without good cause shown.

14.2 In the case financial institution has good cause to close an account, evidence thereof should be duly documented and it should, except where it is contrary to law or required by a Court of law, give at least one-month notice to the consumer, explaining clearly the reasons for which the account is being closed.

14.3 Except as provided for in section 57(6) of the Banking Act, no financial institution should give a different treatment or impose fees on accounts which have remained inactive in the bank or non-bank deposit taking institution, whether held in the name of a minor or any other person until the period of seven years has been reached where it should be treated as abandoned funds.

14.4 Financial institutions should take such measures as are necessary and deploy every effort to reduce the time which consumers have to wait before being served at their premises. In this context, financial institutions should forward to this Office a report on a monthly basis showing the total amount of consumers visiting the

financial institution on a daily basis and the maximum time that a consumer has had to wait at the financial institution before being served and the efforts that the financial institution have made to reduce waiting time.

- 14.5 Phone calls made by consumers should be attended to promptly by financial institutions. Consumers should not be made to wait for more than 2 minutes after his call has been made. In cases where the recipient of the call is not at his place of work or is busy, the consumer should be so informed and requested to call later. This provision shall not apply to a consumer phoning directly on the telephone number of any particular staff.

Office of Ombudsperson for Financial Services
07/10/19

Annex 1

STATEMENT OF COMPLAINTS				
PERIOD.....				
DATE RECEIVED	NAME AND ADDRESS	NATURE	RESOLVED (DETAILS)	UNRESOLVED (REASONS)