

## Financial Services Complaints Limited

### Ratonga Pūtea Puna Manaaki

## Response to 2025 Independent Review Recommendations

Recommendation	Preliminary response
Accessibility and awareness	
<p>1. Conduct desk audits on an ongoing basis of participants' websites to ensure there is proper information about both the participants' internal and external complaints process. Information should include all contact details for FSCL and that FSCL's service is "free and independent".</p>	<p>We accept this recommendation. The recommendation accords with our long held view that the best way for consumers to find out about FSCL, when they want or need to make a complaint, is through their financial service provider.</p> <p>We have already produced and launched to participants a guide on the benefits of promoting external dispute resolution and conducted a webinar on this topic.</p> <p>We have started a desk audit of participants' websites.</p> <p>We will also ask the Financial Markets Authority to confirm that they are checking on how information about complaints is made available by financial advisers in their monitoring visits to financial advisers and general monitoring of financial service providers.</p>
<p>2. Conduct a 'mystery shopper' exercise of a random selection of participants, twice yearly, to ensure frontline staff, who take calls from their customers, recognise a "complaint" or "problem" and provide the appropriate information about both the internal and external complaints process, including FSCL.</p>	<p>We accept this recommendation. The selection for the 'mystery shopper' exercise will likely be limited to larger participants who have call centres or the equivalent. We will consider whether this should be an annual or a twice-yearly exercise.</p>

Recommendation	Preliminary response
3. Engage a search engine consultant to optimise the capability of finding information about FSCL, and use of AI as sources of directing customers who have an issue with their financial service provider to FSCL.	We accept this recommendation. We will look at engaging a search engine consultant as suggested. We note that FSCL currently pays for Google AdWords.
4. Continue ongoing training to ensure FSCL participants are aware of their regulatory obligations to advise their customers about FSCL.	We accept this recommendation. We have already held one webinar on this topic and will build this reminder into other training workshops that we do for participants.
5. The Board and Ombudsman should consider additional community outreach resources to assist vulnerable and disadvantaged consumers.	We accept this recommendation. The Board and Ombudsman accept the importance of consumer outreach work and, in particular, the importance of assisting vulnerable and disadvantaged consumers. FSCL has in place steps to assist vulnerable consumers according to our Vulnerable Consumers Policy. We believe that effective additional community outreach resources requires a joint approach and contribution from the four dispute resolution services working in the financial industry sector.

### Fairness

1. FSCL should conduct one of their very useful and helpful webinars on their fairness project, including discussions on “have regard to the law” and why dispute resolution is free to consumers. It would be useful to make the fairness checklist available.	<p>We accept this recommendation. We will develop and run another webinar on fairness, including discussing “have regard to the law” and why dispute resolution is free to consumers, at some time in the next two years.</p> <p>Our fairness checklist is currently available to our participants in our resource library. We will also publish the fairness checklist on our website so that it is publicly available.</p>
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## Recommendation

## Preliminary response

Effectiveness	
1. Expand reporting and feedback to participants and regulators on the types of complaints FSCL is dealing with.	<p>We accept this recommendation. We will consult with the regulators to see what additional reporting and feedback may be useful to them. We report material breaches as required under section 67 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008. We also meet quarterly with the FMA and Commerce Commission. Regulators have provided feedback that FSCL is the most proactive of the four dispute resolution schemes in reporting material breaches.</p> <p>We hope to start providing more information to participant groups who have requested information about how they are performing relative to other service providers in their particular area, in the near future. FSCL have a very wide range of financial service providers, with financial service providers in most sectors also varying considerably in size. We will need to ensure that our information is providing useful and properly comparable data to those participants who request the data.</p> <p>We also note that, along with the other three approved dispute resolution schemes, we will be reporting to the Minister, and in our Annual Report, on agreed KPIs relating to timeliness, consumer and participant sentiment, systemic issues/complaint themes, access and awareness, and outcomes of complaints and disputes. This starts in the next reporting year (2025-2026). A copy of the agreed KPIs is attached.</p>
2. FSCL should continue to provide their high quality webinars based	<p>We accept this recommendation. We are very pleased to hear that our webinars are proving effective. This</p>

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on actual cases, for training purposes.	aligns with the feedback we have received from both participants and consumers. We will continue with our regular webinar series for both participants and consumers.
3. Continue supporting FSCL's early assistance programme.	We accept this recommendation. We are pleased to hear that both participants and consumer advocates endorse our early assistance programme. The Board is committed to continuing resources for the early assistance programme and will look at whether further improvements can be made over the next five years.
4. Systemic issues and material breaches reporting should be top of mind for FSCL staff when considering a complaint. This may be assisted using AI to identify trends.	<p>We accept this recommendation. All FSCL staff involved in complaint handling receive training on checking for material breaches and systemic issues. Suspected material breaches are recorded on our case management system and are reviewed each month by a senior staff member. We then decide whether the matter recorded is a material breach of financial markets legislation and, if so, whether the matter should be reported to the regulator.</p> <p>Systemic issues identified are discussed with the Ombudsman and dealt with under FSCL's Systemic Issues policy.</p> <p>We will consider whether AI can be used to help us more efficiently identify material breaches, systemic issues, and trends in complaints.</p>

## Key performance Indicators for the approved financial dispute resolution schemes

Key Performance Indicators	
1	Numbers of enquiries, complaints and disputes
2	Percentage of complaints responded to within two working days (excluding standard form responses)
3	Average time for resolving disputes <ul style="list-style-type: none"> <li>• Measured from date dispute received to date process is at an end</li> <li>• Working days</li> <li>• Including jurisdiction declined disputes</li> </ul>
4	Percentage of calls answered
5	Percentage of disputes resolved within 90 working days
6	Consumer satisfaction: <ul style="list-style-type: none"> <li>• net promotor score (from the question "Would you recommend our service to family or friends?)</li> <li>• percentage of consumers who report the process was completed in a timely way</li> <li>• percentage of consumers who report the process was fair and impartial</li> </ul>
7	Member/Financial Service Provider (FSP) satisfaction (measured annually)
8	Number of potential financial service providers compliance breaches reported to regulators (The Financial Markets Authority and the Commerce Commission)
9	Number/percentage of complaints across sectors or service types
10	Numbers and categories of members
11	Top complaint areas/common complaint themes
12	Dispute resolution outcomes: proportion and number of disputes <ul style="list-style-type: none"> <li>• outside jurisdiction (broken down into reason categories)</li> <li>• discontinued</li> <li>• settled</li> <li>• determination issued (including preliminary decisions that are then settled or discontinued without a final decision)</li> </ul>
13	How consumers found out about the financial dispute resolution scheme
14	Actions undertaken to promote access and awareness
15	Awareness of financial dispute resolution schemes (from an external source eg MBIE consumer survey)