



Financial Services
Ombudsman

2007 Complaints Trends

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Foreword

As Financial Services Ombudsman, I am statutorily required to publish a report within three months after the end of each financial year containing a

- (a) summary of all complaints made during the previous financial year and of the results of the investigations into complaints
- (b) general review of trends and patterns in the complaints.

The Act also provides that I may publish such a report more frequently than once a year if I consider it would be in the public interest to do so. In that regard some complaints trends data for the six months to June 2007 was published in July 2007.

This current report for the financial year ending on 31 December 2007 indicates that:

- 4,374 complaints were received, an increase of 15% over 2006; 2,445 complaints were made against the Insurance sector and 1,929 complaints about Credit Institutions;
- Credit Institutions complaints increased by 23% while Insurance sector complaints increased by 10%;
- 11,553 complaints have been received since the office's inception on 1 April 2005; at 31 December 2007, 893 complaints were not resolved -1,121 complaints were received during the final quarter of the year;
- 4,534 cases were concluded during 2007 after consideration or investigation;
- 2,690 complaints were resolved in complainants' favour-59% overall with 71% for Credit Institutions and 50% for Insurance sector complaints;
- Account transactions, mortgages, lending problems, investments and credit card disputes were the main complaints received about Credit Institutions ;
- Motor, travel, life assurance and investment policies were the main Insurance sector complaints.

Joe Meade
Financial Services Ombudsman
10 January 2008

Summary

	2007	2006
Complaints for investigation at 1 st January	1053	1374
New complaints received	<u>4374</u> 5427	<u>3795</u> 5169
Complaints resolved following		
Investigation by Ombudsman	2863	2565
Initial referral by Ombudsman to financial service providers	<u>1671</u> 4534	<u>1551</u> 4116
Complaints for investigation at 31 st December	893	1053

Complaints Received

	2007	2006	% increase	
(a) Insurance Sector				
Insurance Companies-life	857	780		
-non life	1189	1106		
Health Insurers	182	100		
Intermediaries	147	142		
Others	<u>70</u>	<u>101</u>	2229	10 %
(b) Credit Institutions				
Banks	1588	1302		
Building Societies	99	116		
Credit Unions	56	33		
Stockbrokers	28	30		
Intermediaries	72	54		
Others	<u>86</u>	<u>31</u>	1566	23%
Total	4374	3795		15%

Complaints Resolved by Financial Service Provider category

	Upheld	Amicable Resolution	Mediated Settlement	Not upheld	Outside Remit	Advisory Referrals
(a) Insurance Sector						
Life Companies	76	208	99	458	99	33
Non Life Companies	80	407	224	377	78	45
Health Insurance	7	54	36	59	1	5
Intermediaries	10	39	23	41	18	8
Others	3	12	-	4	26	25
Total	176	720	382	939	222	116
(b) Credit Institutions						
Banks	162	830	234	288	78	25
Building Societies	12	41	7	31	14	-
Credit Unions	8	11	6	16	8	1
Stockbrokers	5	8	5	18	1	3
Intermediaries	12	34	4	24	6	1
Others	3	27	3	3	17	32
Total	202	951	259	381	124	62
Grand Totals	378	1671	641	1320	346	178

Summary

Resolved in complainants' favour (Upheld, mediated settlements, amicable resolution)	2690	59%
Not upheld including outside remit and advisory referrals	<u>1844</u>	
	4534	

Amicable Resolution means resolved after initial referral by Ombudsman to financial service provider

Summary of Complaints Resolved

	Insurance Sector	Credit Institutions	Total
<i>(a) Amicably resolved after initial referral by Ombudsman to financial providers</i>	720	951	1671
 <i>(b) Complaints concluded after investigation by Ombudsman</i>			
Upheld	176	202	
Mediated Settlements	382	259	
Not Upheld	939	381	
Outside Remit	222	124	
Advisory Referrals	<u>116</u>	<u>62</u>	
	1835	1028	<u>2863</u>
Total	2555	1979	4534
 <i>(c) Resolved in complainants' favour (Amicably, upheld and mediated)</i>			
	1278	1412	2690
	50%	71%	59%

Complaints Received - area of business

2007		2006
	(a) <u>Credit Institutions</u>	
588	Account Transactions	367
348	Mortgages	308
279	Credit Card Disputes	217
272	Lending Problems	212
154	Investment Disputes	179
51	Service Issues	81
91	ATM Disputes	69
36	SSIA issues	64
24	Foreign Exchange	53
<u>86</u>	Other	<u>16</u>
1929		1566
	(b) <u>Insurance Sector</u>	
	<i>Non Life</i>	
482	Motor	345
387	Travel	501
126	Household Buildings	112
93	Payment / Loan Protection	84
72	Household Contents	32
37	Savings policy / SSIA's	32
29	Personal Accident	24
32	Mobile Phones	22
31	Commercial	28
35	Hospital Cash Plan	21
22	Computer	2
<u>48</u>	Miscellaneous	<u>107</u>
1394		1310
	<i>Medical</i>	
182	Medical Expenses	104
	<i>Life</i>	
299	Life Assurance including PHI	231
192	Investment Policy	202
129	Pension	100
53	Endowment Policy	85
90	Mortgage Protection	76
	Salary Protection or Income	
62	Continuance	69
<u>44</u>	Critical / Serious Illness	<u>52</u>
869		815
2445	<i>Insurance total</i>	2229

Complaints Received - Nature of Complaint

2007		2006
	(a) <u>Credit Institutions</u>	
642	Maladministration	439
395	Unfair Treatment	442
220	Breach of Contract	224
239	Negligence	174
190	Fees and Charges	115
25	Misrepresentation	28
68	Credit rating	50
36	SSIA	64
11	Dormant accounts	3
9	Breach of Confidentiality	22
<u>94</u>	Interest Rates	<u>5</u>
1929		1566
	(b) <u>Insurance Sector</u>	
758	Repudiation of Claim	574
210	Claims Handling issues	211
141	Customer Care	194
169	Maladministration	132
98	Mis-selling	119
60	Policy Terms	94
87	Misrepresentation	85
123	Settlement Amount	80
134	Lapse/cancellation of policy	77
51	General Advice	67
48	Pre-existing Condition	65
86	Policy Reviews	64
76	Premium Rates	52
44	Non Disclosure	52
62	Surrender Value	51
67	Paid Up Policy values	51
4	Direct Debit	33
26	No Claims Bonus	23
25	Third Party Insurers	18
21	Commission / Charges	16
35	Subrogation	16
9	Bonus Rates	16
21	Policy renewal	14
13	Declined Quotation	13
5	Pre Accident Value	13
11	Unfair Treatment	11
2	Share allocation	9
10	Premium Collection	8
4	Fraud	4
<u>45</u>	Unclassified	<u>67</u>
2445		2229
4374	Total	3795

Complaints received since 2005

	<i>Insurance Sector</i>	<i>Credit Institutions</i>	<i>Total</i>
(a) Yearly			
2007	2445	1929	4374
2006	2229	1566	3795
2005	2190	1147	3337
% Increase over 2006	10 %	23%	15%
% Increase over 2005	2 %	37%	14%
(b) Quarterly			
January –March			
2007	656	452	1108
2006	511	341	852
*2005	456	276	732
April – June			
2007	532	445	977
2006	449	324	773
2005	553	345	898
July – September			
2007	643	525	1168
2006	641	501	1142
2005	574	284	858
October - December			
2007	614	507	1121
2006	628	400	1028
2005	607	242	849

** These refer to the complaints received by the former voluntary Ombudsman schemes for Credit Institutions and the Insurance sector as the statutory Financial Services Ombudsman scheme commenced on 1 April 2005. 779 complaints on hand at 1 April 2005 were then transferred to the Financial Services Ombudsman for investigation.*