

Biúró an Ombudsman um  
Sheirbhísí Airgeadais



Financial Services  
Ombudsman

## **2008 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 2008 was published in July 2008.

This current report for the financial year ending on 31 December 2008 indicates that:

- 5947 complaints were received, an increase of 36% over 2007; 3332 complaints were made against the Insurance sector and 2615 complaints about Credit Institutions;
- 17453 complaints have been received since the office's inception on 1 April 2005; at 31 December 2008, 2340 complaints were not resolved -1616 complaints alone were received during the final quarter of the year;
- 4887 cases were concluded during 2008 after consideration or investigation;
- 3012 complaints were resolved in complainants' favour-62% overall with 65% for Credit Institutions and 59% for Insurance sector complaints;
- There was a huge surge in complaints about alleged mis-selling of investment products and other matters relating to investments-1034 complaints in 2008 compared to 382 in 2007.
- Account transactions, mortgages, lending problems and credit card disputes were the other main complaints received about Credit Institutions while motor, travel and life assurance issues were the other main Insurance Sector complaints.

**Joe Meade**  
**Financial Services Ombudsman**  
**15 January 2009**

## Summary

|  | 2008        | 2007        |
|--|-------------|-------------|
| Active complaints at 1 <sup>st</sup> January   | 1280        | 1440        |
| New complaints received                        | <u>5947</u> | <u>4374</u> |
|  | <b>7227</b> | <b>5814</b> |
| <b><i>Complaints closed following</i></b>      |             |             |
| Ombudsman involvement                          | 3034        | 2863        |
| Amicably *                                     | <u>1853</u> | <u>1671</u> |
|  | <b>4887</b> | <b>4534</b> |
| Active complaints at 31 <sup>st</sup> December |             |             |
| <i>Initial contact with office</i>             | 248         | 143         |
| <i>Pre investigation</i>                       | 1237        | 857         |
| <i>Under Investigation</i>                     | <u>855</u>  | <u>280</u>  |
|  | <b>2340</b> | <b>1280</b> |

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

## Complaints Received

|                                       | 2008        | 2007      | % increase  |             |
|---------------------------------------|-------------|-----------|-------------|-------------|
| <b><i>(a) Insurance Sector</i></b>    |             |           |             |             |
| <i>Insurance Companies -life</i>      | 1453        | 857       |             |             |
| <i>-non life</i>                      | 1320        | 1189      |             |             |
| <i>Health Insurers</i>                | 183         | 182       |             |             |
| <i>Intermediaries</i>                 | 259         | 147       |             |             |
| <i>Others</i>                         | <u>117</u>  | <u>70</u> | 2445        | <b>36 %</b> |
| <b><i>(b) Credit Institutions</i></b> |             |           |             |             |
| <i>Banks</i>                          | 2065        | 1588      |             |             |
| <i>Building Societies</i>             | 144         | 99        |             |             |
| <i>Credit Unions</i>                  | 49          | 56        |             |             |
| <i>Stockbrokers</i>                   | 63          | 28        |             |             |
| <i>Intermediaries</i>                 | 158         | 72        |             |             |
| <i>Others</i>                         | <u>136</u>  | <u>86</u> | <u>1929</u> | <b>36%</b>  |
| <b>Total</b>                          | <b>5947</b> | 4374      |             | <b>36%</b>  |

## Complaints Resolved by Financial Service Provider category

|                                       | Upheld            | Amicable Resolution | Mediation / Settlements | Not upheld         | Outside Remit     | Advisory Referrals |
|---------------------------------------|-------------------|---------------------|-------------------------|--------------------|-------------------|--------------------|
| <b><i>(a) Insurance Sector</i></b>    |                   |                     |                         |                    |                   |                    |
| Life Companies                        | 86                | 311                 | 143                     | 285                | 156               | 27                 |
| Non Life Companies                    | 60                | 545                 | 184                     | 276                | 117               | 55                 |
| Health Insurance                      | 7                 | 79                  | 36                      | 49                 | 2                 | 1                  |
| Intermediaries                        | 7                 | 79                  | 36                      | 34                 | 24                | 11                 |
| Others                                | 1                 | 23                  | 3                       | 5                  | 28                | 28                 |
| <b><i>Total</i></b>                   | <b><i>161</i></b> | <b><i>1037</i></b>  | <b><i>402</i></b>       | <b><i>649</i></b>  | <b><i>327</i></b> | <b><i>122</i></b>  |
| <b><i>(b) Credit Institutions</i></b> |                   |                     |                         |                    |                   |                    |
| Banks                                 | 214               | 687                 | 267                     | 377                | 144               | 45                 |
| Building Societies                    | 18                | 41                  | 18                      | 26                 | 16                | -                  |
| Credit Unions                         | 2                 | 16                  | 5                       | 14                 | 6                 | 1                  |
| Stockbrokers                          | 1                 | 10                  | 16                      | 15                 | 6                 | -                  |
| Intermediaries                        | 20                | 35                  | 25                      | 26                 | 9                 | 2                  |
| Others                                | 1                 | 27                  | 9                       | 4                  | 43                | 43                 |
| <b><i>Total</i></b>                   | <b><i>256</i></b> | <b><i>816</i></b>   | <b><i>340</i></b>       | <b><i>462</i></b>  | <b><i>224</i></b> | <b><i>91</i></b>   |
| <b><i>Grand Totals</i></b>            | <b><i>417</i></b> | <b><i>1853</i></b>  | <b><i>742</i></b>       | <b><i>1111</i></b> | <b><i>551</i></b> | <b><i>213</i></b>  |

### ***Summary***

|   |             |            |
|---|-------------|------------|
| Resolved in complainants' favour<br>(Upheld, mediated settlements, amicable resolution) | 3012        | <b>62%</b> |
| Not upheld including outside remit and advisory referrals                               | <u>1875</u> |            |
|   | <b>4887</b> |            |

## Summary of Complaints Concluded

|  | <i>Insurance<br/>Sector</i> | <i>Credit<br/>Institutions</i> | <i>Total</i>       |
|--|-----------------------------|--------------------------------|--------------------|
| <i>(a) Amicably</i>  |                             |                                |                    |
| <i>Resolved after initial referral<br/>to financial service providers</i>                | 1037                        | 816                            | <b>1853</b>        |
| <i>(b) Concluded following Ombudsman involvement</i>                                     |                             |                                |                    |
| Upheld   | 161                         | 256                            |                    |
| Settlements and mediation  | 402                         | 340                            |                    |
| Not Upheld   | 649                         | 462                            |                    |
| Outside Remit  | 327                         | 224                            |                    |
| Advisory Referrals   | <u>122</u>                  | <u>91</u>                      |                    |
|  | <i>1661</i>                 | <i>1373</i>                    | <b><u>3034</u></b> |
| <b>Total</b>   | <b>2698</b>                 | <b>2189</b>                    | <b>4887</b>        |
| <i>(c) Resolved to complainants' satisfaction<br/>(Amicably, upheld and settlements)</i> |                             |                                |                    |
|  | <i>1600</i>                 | <i>1412</i>                    | <i>3012</i>        |
|  | 59%                         | 65%                            | 62%                |

## COMPLAINT TRENDS BY AREA OF BUSINESS

### *(a) Credit Institutions*

|                       | <b>2008</b> | 2007 |
|-----------------------|-------------|------|
| Accounts Transactions | 617         | 588  |
| Mortgages             | 517         | 348  |
| Investment Disputes   | 413         | 190  |
| Lending Problems      | 358         | 272  |
| Credit Card Disputes  | 331         | 279  |
| ATM Disputes          | 161         | 91   |
| Service               | 123         | 49   |
| Other                 | 78          | 88   |
| Foreign Exchange      | 17          | 24   |
| <b><i>Total</i></b>   | <b>2615</b> | 1929 |

**(b) Insurance**

*Non Life*

|  |             |      |
|--|-------------|------|
| Travel   | 360         | 387  |
| Motor  | 569         | 482  |
| Household Buildings  | 155         | 126  |
| Household Contents   | 85          | 72   |
| Payment / Loan Protection  | 100         | 93   |
| (Savings Policy / SSIA's)  | 17          | 37   |
| Mobile Phones  | 37          | 32   |
| Commercial   | 42          | 31   |
| Personal Accident  | 21          | 29   |
| Hospital Cash Plan   | 18          | 35   |
| Miscellaneous (including, inter alia, pet, farm, computer, marine, dental and insurance) | 117         | 48   |
| <b>Total</b>   | <b>1521</b> | 1394 |

*Life*

|   |             |      |
|---|-------------|------|
| Medical Expenses                        | 175         | 182  |
| Life Assurance including PHI            | 514         | 299  |
| Investment Policy                       | 621         | 192  |
| Endowment Policy                        | 80          | 53   |
| Mortgage Protection                     | 79          | 90   |
| Pension                                 | 199         | 129  |
| Salary Protection or Income Continuance | 66          | 62   |
| Critical / Serious Illness              | 77          | 44   |
| <b>Total</b>                            | <b>1811</b> | 1051 |

## COMPLAINT TRENDS BY NATURE OF COMPLAINT

### (a) *Credit Institutions*

|                                    | 2008        | 2007        |
|------------------------------------|-------------|-------------|
| General Account Issues             | 294         |             |
| Misleading Information/Mis-selling | 219         |             |
| Fees & Charges                     | 189         | 190         |
| Mortgage Issues                    | 168         |             |
| ATM Withdrawals                    | 161         |             |
| Interest Rates                     | 153         | 94          |
| Service Issues                     | 152         | 70          |
| Repayment Terms                    | 138         |             |
| Insurance Issues                   | 135         |             |
| Disputed Transactions              | 127         |             |
| Credit Card Issues                 | 110         |             |
| Lending Issues                     | 109         |             |
| Investment Issues                  | 90          |             |
| Other                              | 78          |             |
| Investment Loss                    | 74          |             |
| Opening/Closing Accounts           | 74          |             |
| Transfer of funds/account          | 72          |             |
| Cheques                            | 66          |             |
| Credit Rating                      | 64          | 68          |
| Redemption/Change of Mortgage      | 58          |             |
| Refusals                           | 54          |             |
| SSIA Issues                        | 19          | 36          |
| Dormant Accounts                   | 11          | 11          |
| *Maladministration/Negligence      |             | <u>1460</u> |
| <b>Total</b>                       | <b>2615</b> | <b>1929</b> |

**(b) Insurance Sector**

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Repudiation of Claim                 | 736         | 758         |
| Claims handling Issues               | 195         | 210         |
| Customer Care                        | 121         | 141         |
| Maladministration                    | 504         | 169         |
| Mis-selling                          | 462         | 98          |
| Misrepresentation                    | 83          | 87          |
| Settlement Amount                    | 169         | 123         |
| Lapse/ Cancellation of policy        | 158         | 134         |
| General Advice                       | 51          | 51          |
| Pre-Existing Condition               | 83          | 48          |
| Policy Reviews                       | 175         | 86          |
| Premium Rates                        | 47          | 76          |
| Non Disclosure                       | 34          | 44          |
| Surrender Values                     | 105         | 62          |
| Paid up Policy values                | 51          | 67          |
| Direct Debit                         | 9           | 4           |
| No Claims Bonus                      | 24          | 26          |
| Third Party Insurers                 | 42          | 25          |
| Commission Charges                   | 48          | 21          |
| Subrogation                          | 11          | 35          |
| Bonus Rates                          | 4           | 9           |
| Policy Renewal                       | 29          | 21          |
| Declined Quotation                   | 13          | 13          |
| Pre-Accident Value                   | 18          | 5           |
| Unfair Treatment                     | 7           | 11          |
| Share Allocation                     | 62          | 2           |
| Premium Collection                   | 11          | 10          |
| Fraud                                | 1           | 4           |
| Unclassified/ Outside Bureau's Remit | <u>79</u>   | <u>45</u>   |
| <b>Total</b>                         | <b>3332</b> | <b>2445</b> |

*\*The systems in 2007 did not breakdown this category into the 2008 detail*

## Complaints received since 2005

|                             | <i>Insurance<br/>Sector</i> | <i>Credit<br/>Institutions</i> | <i>Total</i> |
|-----------------------------|-----------------------------|--------------------------------|--------------|
| <b>(a) Yearly</b>           |                             |                                |              |
| <b>2008</b>                 | <b>3332</b>                 | <b>2615</b>                    | <b>5947</b>  |
| 2007                        | 2445                        | 1929                           | 4374         |
| 2006                        | 2229                        | 1566                           | 3795         |
| 2005                        | 2190                        | 1147                           | 3337         |
| <br>                        |                             |                                |              |
| <b>% Increase over 2007</b> | <b>36%</b>                  | <b>36%</b>                     | <b>36%</b>   |
| % Increase over 2006        | 10 %                        | 23%                            | 15%          |
| % Increase over 2005        | 2 %                         | 37%                            | 14%          |