

Biúró an Ombudsman um
Sheirbhísí Airgeadais



Financial Services
Ombudsman

2008 Complaints Trends

Contents

	Page
Foreword	3
Summary of 2008 complaints activity	4
Complaints received in 2008	4
Resolved complaints by financial provider category	5
Summary of Resolved Complaints	6
Complaints by area of business	7
Complaints by nature of complaint	9
Comparative annual figures	11

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 st January	1280	1440
New complaints received	<u>5947</u>	<u>4374</u>
	7227	5814
<i>Complaints closed following</i>		
Ombudsman involvement	3034	2863
Amicably *	<u>1853</u>	<u>1671</u>
	4887	4534
Active complaints at 31 st 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>
	2340	1280

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

Complaints Received

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

Complaints Resolved by Financial Service Provider category

	Upheld	Amicable Resolution	Mediation / Settlements	Not upheld	Outside Remit	Advisory Referrals
<i>(a) Insurance Sector</i>						
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
<i>Total</i>	<i>161</i>	<i>1037</i>	<i>402</i>	<i>649</i>	<i>327</i>	<i>122</i>
<i>(b) Credit Institutions</i>						
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
<i>Total</i>	<i>256</i>	<i>816</i>	<i>340</i>	<i>462</i>	<i>224</i>	<i>91</i>
<i>Grand Totals</i>	<i>417</i>	<i>1853</i>	<i>742</i>	<i>1111</i>	<i>551</i>	<i>213</i>

Summary

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

Summary of Complaints Concluded

	<i>Insurance Sector</i>	<i>Credit Institutions</i>	<i>Total</i>
<i>(a) Amicably</i>			
<i>Resolved after initial referral to financial service providers</i>	1037	816	1853
<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>	<u>3034</u>
Total	2698	2189	4887
<i>(c) Resolved to complainants' satisfaction (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

	2008	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
<i>Total</i>	2615	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
Total	1521	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
Total	1811	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>
Total	2615	1929

(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>
Total	3332	2445

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

Complaints received since 2005

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