



CONSUMER EMPOWERMENT  
AND MARKET CONDUCT  
(CEMC) WORKING GROUP

# COMPLAINT HANDLING IN CENTRAL BANK TOOLKIT





# 1

## INTRODUCTION

### 1.1. RATIONALE FOR THE TOOLKIT

The complaint handling mechanism plays an important role for a reliable financial system, keeping financial service providers (FSPs) publicly accountable and ensuring continuous development.

Effective complaint handling significantly supports central banks and other regulatory authorities to keep a safe and sound financial system by expanding public confidence over time.<sup>1</sup> The Complaint Handling in Central Bank Framework developed by AFI members highlights the relevance of the appropriate feedback mechanisms, allowing consumers to raise their concerns, and make comments and suggestions.



The framework and the toolkit were developed keeping in mind that most AFI member countries have established an authority responsible for receiving and resolving financial consumer complaints (80%). Although central banks are the competent authorities to resolve financial consumer complaints, due to the institutional arrangement, the scope of complaints is limited only to commercial banks. It is important to highlight that just 14% of countries use the Ombudsman office as an alternative dispute resolution (ADR) mechanism. Reporting statistics on complaints and enforcement action is uncommon among the AFI member countries, as well, as only 38% have an established approach of sharing complaint-related information publicly. Given these statistics, effective complaint handling in central banks can become an important breakthrough in providing necessary protection before establishing other mechanisms.<sup>2</sup> Effective complaint handling becomes even more challenging considering extensive

digitalization. According to the AFI survey on consumer protection for digital financial services (DFS), 50% of regulators were concerned about the complaints and redress mechanisms in place. Having an effective complaint handling mechanism needs a systematic effort and should not be confused with a mechanism for feedback, queries or products/services information.<sup>3</sup>

The need to have a proper mechanism of complaint handling in a central bank is core to effective consumer protection. Market conduct regulation and supervision as an important driver for financial inclusion have been addressed by AFI several times. The exponential growth of digitalization should not pose any risks to consumer protection or complaint handling.<sup>4</sup>

### 1.2. OBJECTIVES AND TARGET AUDIENCE FOR THE TOOLKIT

This toolkit has been developed to support AFI member institutions in the process of designing and implementing policy measures related to the complaint management process and enforcement actions.

Specifically, the toolkit:

- > provides practical guidance on the implementation component of the Complaint Handling in Central Bank Framework by clearly outlining various approaches, models, tools and methods to deal with the financial complaints efficiently
- > provides clear directions to ensure enforcement of market conduct rules
- > presents experiences of AFI member countries in complaint handling mechanisms to support supervision of the market conduct.

This toolkit is intended for policymakers, regulators, local and international organizations, FSPs and other stakeholders interested in the advancement of complaint handling mechanisms. It provides tools and methods, case studies and examples by outlining some critical directions to improve complaint handling practices across the AFI member countries.

1 AFI. 2020. Complaint Handling in Central Bank Framework.  
2 AFI Data Portal.  
3 AFI. 2021. Consumer Protection for Digital Financial Services: A Survey of the Policy Landscape.  
4 AFI. 2020. Policy Model on Consumer Protection for Digital Financial Services.

# 2

## SCOPE AND PRINCIPLES

### 2.1. SCOPE AND DEFINITIONS

The extent to which complaints are handled in central banks varies depending on the institutional arrangement for financial consumer protection in a country.

The Framework outlines key rules of thumb in complaint handling in central banks. Considering the differences in institutional arrangement, it is important to elaborate on the key concepts and scope of complaint handling. The following defines the scope of complaint handling in central banks.

#### INSTITUTIONAL ARRANGEMENT

Financial system-related regulatory framework, policies, systems and processes that differentiate the roles and responsibilities of central banks and other authorities in dealing with financial consumer complaints and efficiently coordinating the appropriate activities to fulfil their mandate.

Depending on the institutional arrangement, the scope and regulatory power of the central bank to resolve financial consumer complaints can be limited to specific sectors and priorities.

#### CONSUMER

A consumer means an individual or a small firm who uses, has used or contemplates using any of the products or services provided by FSPs.

In complaint handling, depending on the regulations, usually micro, small and medium enterprises (MSME) are considered individual consumers due to their limited resources and capabilities. The precise definition of the MSME in relation to its turnover and/or the number of employees is not significant for the purposes of this toolkit.

#### COMPLAINT

An expression of dissatisfaction made to the central bank/authority on a particular issue with FSP(s), the complaint handling process or the financial system in general where a response or resolution is explicitly or implicitly expected.<sup>5</sup>

In some cases, only complaints that result in a financial loss, material inconvenience or material distress are addressed by central banks or other regulators. However, it is also important to consider the complaints that are non-material (misbehaving, service quality, etc.).

#### EXTERNAL DISPUTE RESOLUTION (EDR)

A process of escalating a financial consumer complaint by engaging one or more external authorities that have the regulatory power to resolve complaints, and provide sectoral expertise and enforcement action.

Complaint handling in central banks is not intended to replace the complaint handling process at FSPs. Rather, it complements it by acting as an EDR mechanism that requires extensive (resolving complaints) or targeted (mediating complaint handling process, providing sectoral expertise) involvement, depending on the institutional arrangement. The EDR mechanism is intended to ensure effective complaint handling for all consumers, inform policy measures in the areas of consumer protection, market conduct regulation and supervision, and promote consumer trust and confidence in the financial system. The Framework recommends it is important to make a complaint to the FSP first and then escalate the issue to central banks and other authorities if the complainant is not satisfied with the response/outcome. Moreover, in order to resolve financial consumer complaints faster, more targeted Financial Ombudsman offices are established and provide an ADR mechanism.

#### INTERNAL DISPUTE RESOLUTION (IDR)

A process that allows consumers to make a complaint directly to FSPs before escalating it with an external organization or authority.

FSPs have an interest and responsibility to efficiently handle consumer complaints as soon as they are filed by mitigating reputational risks and encouraging effective decision-making within the organization. FSPs should use a consistent and standardized complaint handling strategy with key performance indicators (KPI) to resolve complaints and ensure that an effective IDR mechanism. It is also important that FSPs ensure that dedicated mechanisms for tracking and reporting complaint-related statistics are in place. Periodic information on the matter from FSPs to regulatory

<sup>5</sup> Consumers can make inquiries, requests, suggestions and provide information not necessarily considered a complaint. The toolkit uses the term “complaint” to refer to all.

authorities will significantly support effective policy action in consumer protection, market conduct, financial education and inclusion.<sup>6</sup>

## 2.2. PRINCIPLES

Authorities should ensure that the complaint handling mechanisms are accessible, affordable, independent, fair, accountable, timely and efficient.

These mechanisms should not require additional costs, inconvenience, burden or delay. Instead, they should ensure that consumers can efficiently exercise their rights to make a complaint. This is important both for the IDR and the EDR mechanisms. Specially tailored channels might be also needed for specific groups (remotely located, illiterate, disabled consumers). This will help ensure the model employed is approachable and effective on addressing issues (language barriers).<sup>7</sup>

Effective complaint handling techniques require more than just an expertise in complaint management. In designing effective complaint handling mechanisms, it is important to divide the complaint handling process into three directions: facilitating complaints, responding to complaints and accountability.

The principles outlined in the Framework can be further elaborated and presented as follows:

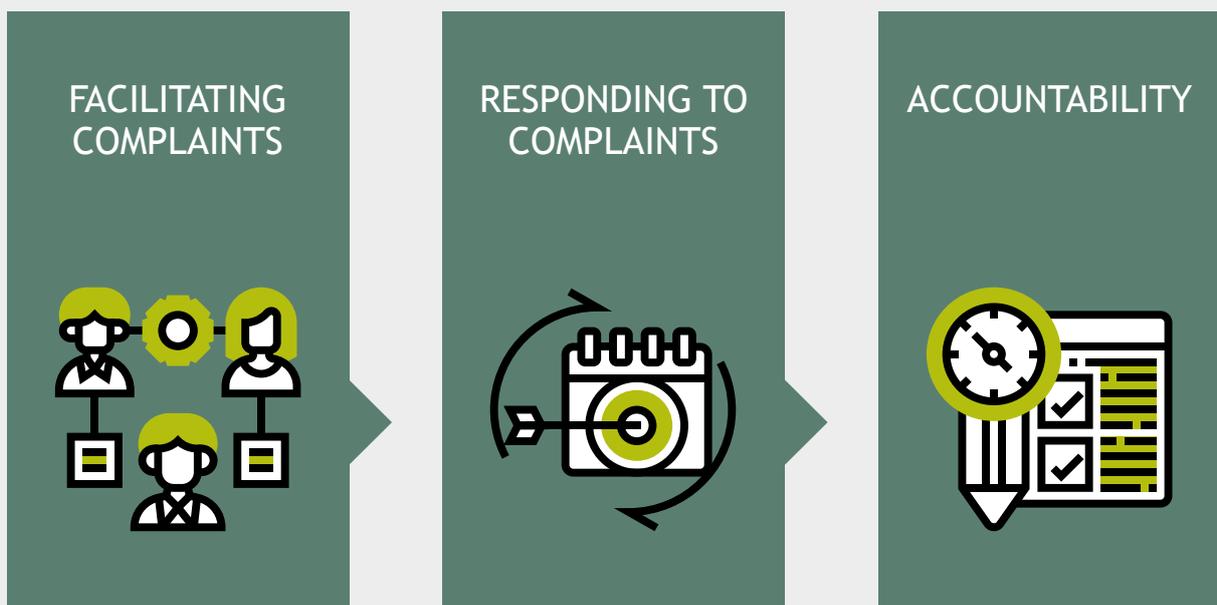
### 1. CONSUMER FOCUS

Maintaining a consumer-centric focus is not always straightforward, particularly during IDR and EDR processes which lack a specific institution responsible for consumer protection and market behavior. FSPs and central banks should adopt a consumer-centric mindset to ensure effective processes and appropriate priorities. Although this may require greater effort, compromise and communication skills, it will always pay off in terms of increased consumer trust and confidence.

### 2. VISIBILITY

There should not be consumers who do not know where and how to file a financial complaint. Information about how and where to complain must be well-publicized to consumers, staff and other interested parties. Consumers should also have a clear understanding of complaint handling process, requirements related to the processing of complaint (number of days) and possible outcomes.

FIGURE 1: COMPLAINT MANAGEMENT



6 Center for Financial Inclusion by Accion. 2019. Handbook on Consumer Protection for Inclusive Finance.

7 OECD. 2011. G20 High-Level Principles on Financial Consumer Protection.

### 3. ACCESSIBILITY AND SIMPLICITY

Consumers should have an easy access and understanding of the process for filing and investigating a complaint. Typically, FSPs and authorities enjoy complicated procedures and erecting barriers that have little practical applicability in the financial system.

### 4. RESPONSIVENESS

Communication is critical during the complaint resolution process. Even if the procedures are intricate and time-consuming, it is key to contact consumers on an ongoing basis and keep them informed of the status of their complaint. Complaints should be acknowledged and prioritized immediately, and consumers kept informed throughout the process.

### 5. OBJECTIVITY AND FAIRNESS

Complaints should be resolved in an objective and unbiased manner. The authority responsible for resolving complaints should invest resources to build trustworthiness in the complaint handling process.

### 6. CONFIDENTIALITY AND PRIVACY

Personal information has to be kept confidential. Data privacy is an important prerequisite for trust and there should be clear regulations on collection and processing of personal data during complaint handling.

### 7. RESOLUTION

Consumers want to have tangible results of their complaint. Depending on the institutional framework, it is not always clear who is ultimately responsible to make decisions and resolve the complaint. If a complaint is resolved in the consumer's favor, the FSP should give adequate compensation, if any. Otherwise, the consumer should receive a clear justification for the final decision. Compensation should be proportionate to the nature of the complaint and consistent with all similar complaints.

### 8. RESPONSIBILITY

A dedicated person should always be responsible for processing the complaint, communicating with consumer and dealing with related stakeholders. It is important that complaint handling specialists are properly trained and can communicate details in simple language making sure the consumer understands various aspects of the complaint handling. These specialists should also have a holistic understanding of the complaints, the FSP's products, services and procedures, and have a consumer-centric attitude.

### 9. REVIEW

Consumers should always have an option to request an additional internal or external review and/or appeal, depending on the resolution of a complaint. These review mechanisms should be clearly explained to consumers and empower them to protect their rights further.

### 10. ACCOUNTABILITY AND COLLABORATION

Establishing accountability and collaboration mechanisms for complaint handling enhances the public's awareness and trust towards financial products and services. On the other hand, these mechanisms help policymakers, FSPs and relevant authorities to share appropriate data, monitor and report to each other, ensure targeted use of resources and achieve continuous improvement of the financial system.

### 11. CONTINUOUS IMPROVEMENT

A flexible and forward-thinking attitude toward complaint management systems enables effective implementation and adoption of technological improvements by fully harnessing potential of complaints as a source for improvement of the financial system. This becomes even more essential considering the global COVID-19 pandemic's aggressive digitalization initiatives, the growing importance of data management, protection, and privacy, the upcoming FinTech, RegTech and SupTech revolutions, etc.

# 3

## COMPLAINT HANDLING APPROACHES

### 3.1. INSTITUTIONAL ARRANGEMENTS

Establishment a complaint-handling system in the country should be a driving force in exploring and developing policies for consumer protection, financial inclusion and financial education. As a result, each institutional setup for financial consumer protection in a country requires a distinct complaint handling method.

Although the Framework provides key directions and guidance on complaint handling in central banks, to take grounded actions and effectively apply this toolkit, it is important to thoroughly discuss institutional arrangements in a country by outlining the key benefits and challenges of each approach. Existing approaches can be classified into four major types:<sup>8</sup>

#### 1. SINGLE (INTEGRATED) AGENCY MODEL

Financial consumer protection supervision responsibilities fall under a single financial sector authority responsible for all aspects of supervision (prudential and financial consumer protection) of all FSPs. Countries where this institutional setup is applied include Armenia, Mauritania and Malawi.

##### ARMENIA



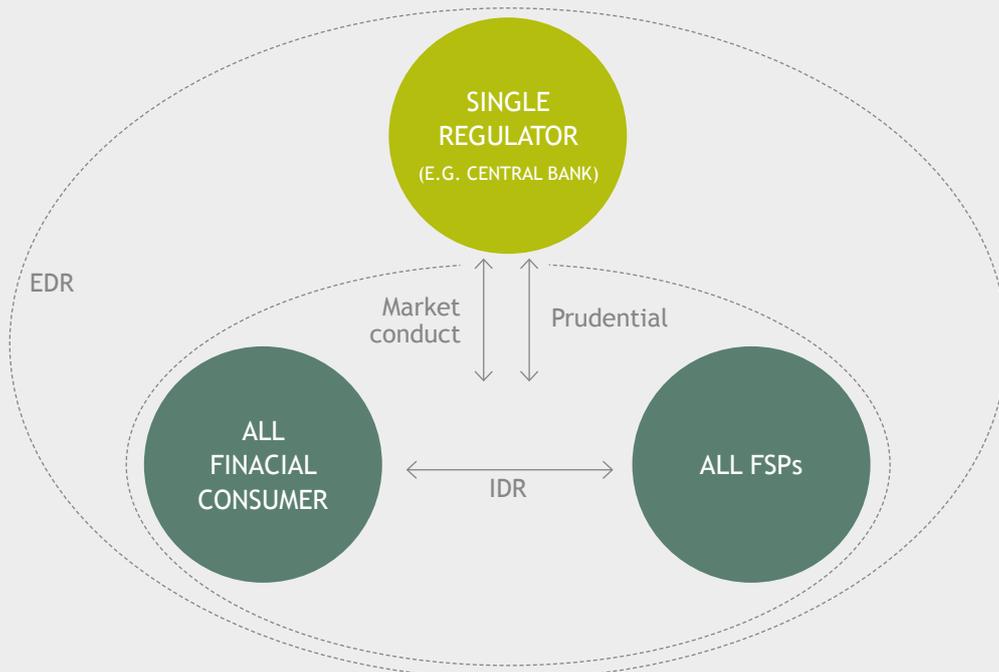
As a mega regulator, the Central Bank of Armenia (CBA) has the authority to regulate and supervise activities of all participants in the financial sector. CBA has a complaint handling procedure in place. It has the authority to apply sanctions against FSPs in case of violation of market conduct regulation. However, CBA cannot resolve consumers complaints because it has no authority to intervene in the contractual relations between consumer and FSPs.

##### MAURITANIA



Banque Central de Mauritanie (BCM) also follows a single agency model. BCM is responsible for handling of consumers complaints. The role of BCM is to resolve complaints, coordinate and engage all stakeholders to support complaint handling.

FIGURE 2: SINGLE AGENCY MODEL



8 World Bank. 2017. Global Financial Inclusion and Consumer Protection Survey: 2017 Report.

The key benefit of this approach to complaint handling is that it is centralized, especially in terms of complaint management and statistics. The regulator has a complete overview of the system and can initiate more efficient policies on prudential and market conduct. One of the drawbacks is that this approach requires a lot of resources and capacity inside a single institution and can lead to management and coordination-related issues. Another problem might arise when market conduct and prudential objectives contradict each other and there is a trade-off in terms of high-level decision making. It takes time and resources to deal with certain conflicting arguments between enforcing prudential and market conduct requirements, especially in areas that do not necessarily align (profitability and extension of repayment holidays, interest freezes and restructure due to the COVID-19 pandemic). At the same time, the stability of the financial system can be mostly counted as a priority, thus limiting the scope of consumer protection. These issues should be monitored very closely in this model.

**2. MULTIPLE SECTORIAL (INTEGRATED) AGENCY MODEL**

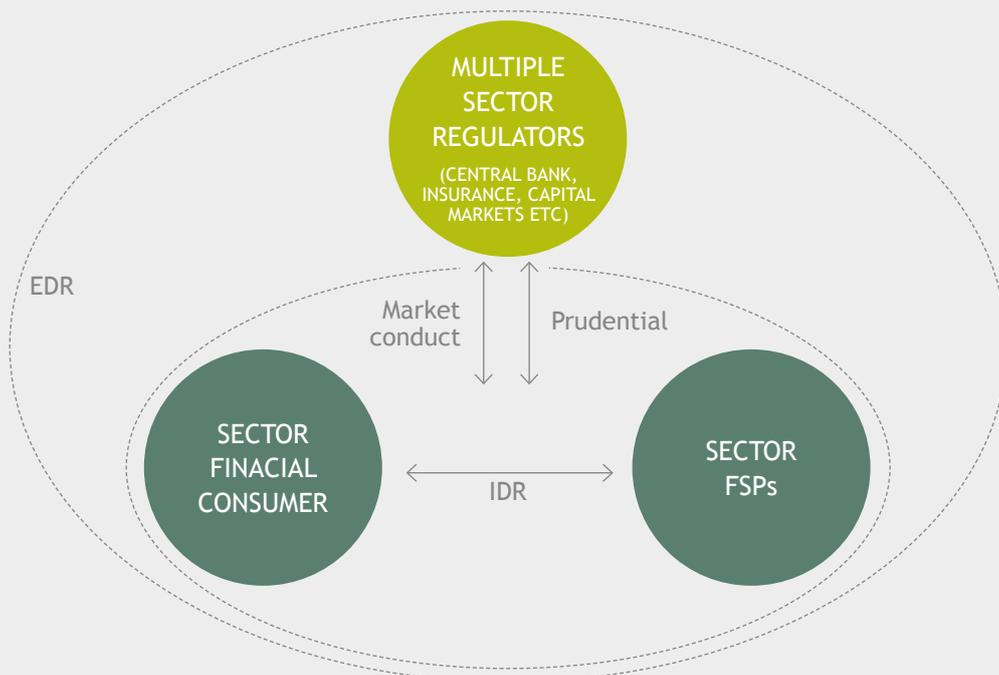
Financial consumer protection supervision responsibilities fall under multiple financial sector authorities, each responsible for all aspects of supervision (prudential and financial consumer

protection) of FSPs operating within specific financial sectors (banking). Single (integrated) agency model and Multiple sectorial (integrated) agency model also include what is deemed “Variant Twin peaks” in the sense that although the market conduct function is within the regulatory authority/central bank and the prudential supervision, the market conduct function is highly independent of the prudential function. Countries where this institutional setup is applied include Cambodia and Namibia.

**CAMBODIA** 

Cambodia has an integrated sectoral financial sector authority model where the National bank of Cambodia (NBC) is only responsible for the consumer protection and market conduct (CPMC) in the banking industry. Insurance and capital markets are under the non-bank supervisory authority. According to the existing regulation on complaint handling<sup>9</sup>, all consumers who have difficulties or are dissatisfied with the products and services of the banking FSPs can contact NBC’s complaint unit on the hotline. However, NBC only has a role of coordinating and engaging stakeholders, and providing expertise to support complaint handling. The central bank doesn’t have the mandate for enforcement to solve consumer complaints.

**FIGURE 3: MULTIPLE SECTORIAL AGENCY MODEL**



9 Prakas on Resolution of Consumer Complaints, October 25, 2018. Available at: [https://www.nbc.org.kh/download\\_files/legislation/prakas\\_eng/Prakas\\_on\\_Resolution\\_of\\_Consumer\\_Complaints\\_ENG.pdf](https://www.nbc.org.kh/download_files/legislation/prakas_eng/Prakas_on_Resolution_of_Consumer_Complaints_ENG.pdf)

NAMIBIA



Bank of Namibia (BN) is only responsible for the CPMC in the banking industry, as well. Non-bank industries are regulated by the Namibia Financial Institutions Supervisory Authority (NAMFISA). BN only acts as a mediator between consumers and banks but does not have the power to decide or interject in court cases.

Although the complaint statistics are not centralized in one authority, there is still a strict sectorial separation. The regulators have a complete overview of their specific sector. There is a need for active collaboration and some standardization. However, each regulator can independently initiate efficient policies related to prudential and market conduct. In this case, the management and coordination challenges inside the authority will be less problematic although it will require more time and efforts to collaborate with external stakeholders. The problem of the trade-off between market conduct and prudential supervision objectives will be still relevant. Countries where market conduct is part of prudential supervision run a high risk to neglect market conduct objectives in case of contradiction. Countries applying the “variant twin peaks” approach may need a lot of coordination and resources for prompt decision making.

3. DEDICATED FINANCIAL CONSUMER PROTECTION AUTHORITY MODEL (TWIN PEAKS)

Financial consumer protection supervision responsibilities fall under a single authority primarily dedicated to financial consumer protection or market conduct. Countries where this institutional setup is applied include Australia and South Africa.

AUSTRALIA



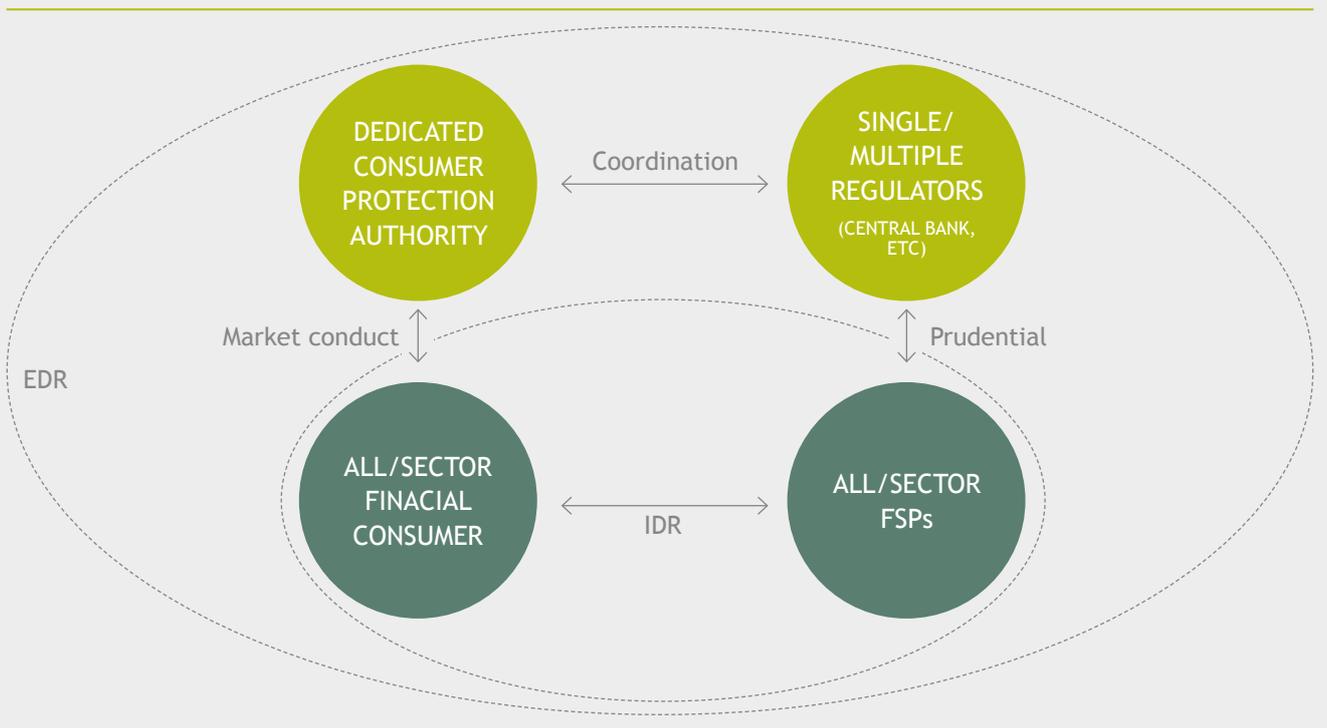
Australia was the first to adopt the dedicated financial consumer protection authority model (“twin peaks” model) where the Australian Securities and Investments Commission holds responsibility for market conduct for the entire financial sector.

SOUTH AFRICA



South Africa has become the eighth country to adopt the “twin peaks” model. South African Reserve Bank is given an express and expanded financial stability mandate as the central bank. The conduct “peak” is called the Financial Sector Conduct Authority and it assists consumers with corelated legislative complaints dealing with the conduct of regulated companies and contravention of acts by which they are governed. However, it cannot assist with claim disputes and contractual disagreements.

FIGURE 4: DEDICATED FINANCIAL CONSUMER PROTECTION AUTHORITY MODEL



In this approach, complaint handling can be more focused because there is a dedicated regulator for consumer protection. However, the financial system’s consistency and overall success are largely dependent on effective coordination and collaboration between the financial regulators which may have contradicting objectives. In that case, the collaboration and coordination challenges are more intense than the first two approaches where prudential and market conduct function within the same authority.

**4. GENERAL CONSUMER PROTECTION AUTHORITY MODEL**

Financial consumer supervision responsibilities fall under one or more authorities responsible for general consumer protection supervision within the jurisdiction, including non-financial activities. Country where this institutional setup is applied is Costa Rica.

**COSTA RICA** 

Costa Rica does not have a specific law dealing with financial complaint handling. Nevertheless, there is a law dealing with the matter at a general level, the Law for the promotion of competition and effective defense of the consumer (Act 7472). This Law does not differentiate between regular or financial consumers and does not specify who can make a financial complaint. Each financial supervisor in the country has rules for complaint handling in their sectors, but the Ministry of Economy, industry and commerce is the sole responsible for consumer protection regulation (CPR) and supervision of all sectors.

In this approach, the link between financial regulator(s) and general consumer protection authority is not strong. Since the general consumer protection authority is also responsible for non-financial complaints, it requires many resources and a specific focus. Although there is a complaint handling, the benefits and challenges are akin to financial complaints handled by courts.

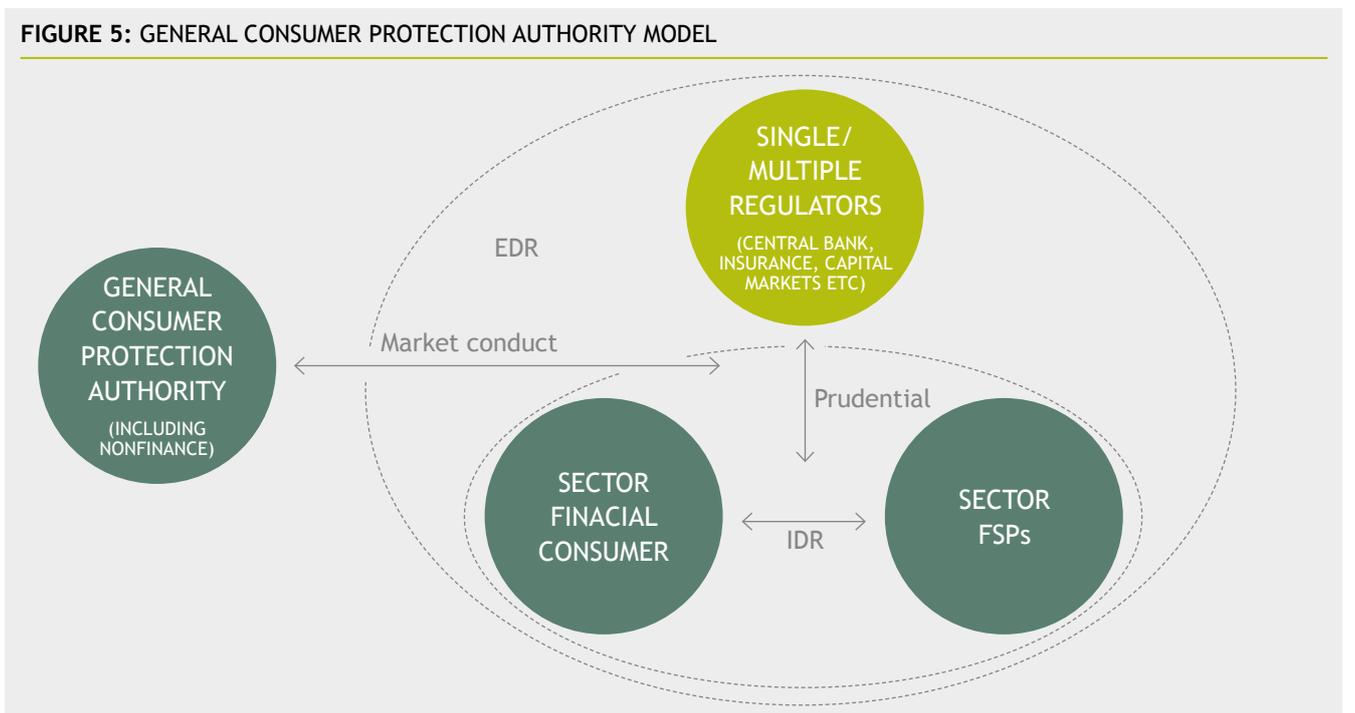
**ADR**

All previous types of institutional arrangement assumed that the authority responsible for the market conduct is also responsible for complaint handling. However, there is a growing tendency to establish a dedicated authority (Financial System Ombudsman) as an ADR mechanism in countries which do not have market conduct regulation and supervision mandate, but a mandate to resolve financial consumer complaints. In this case, the complaint handling process becomes more efficient and focused without affecting the overall institutional arrangement.

**ARMENIA** 

The Office of Financial System Mediator (FSM) is called to resolve disputes between individuals and financial institutions (FIs). The dispute resolution is free of charge. The Office for FSM, founded by CBA, is established pursuant to the Armenian Law on FSM.

**FIGURE 5: GENERAL CONSUMER PROTECTION AUTHORITY MODEL**



SOUTH AFRICA



The Office of the Ombud for Financial Services Providers (FAIS) in South Africa has the mission to promote consumer protection and enhance the integrity of the financial services industry through fair and expeditious resolution of complaints, informally and free of charge. Before submitting a complaint to the FAIS, consumer must endeavor to resolve the complaint with the FSPs.

MALAYSIA



In Malaysia, the Financial Mediation Bureau provides consumers seeking redress with a convenient and efficient alternative to the courts. It provides an alternative redress mechanism for consumers of FSPs under the purview of the Bank Negara Malaysia.

ADR mechanisms help consumers to resolve their financial complaints without courts, making the process relatively quicker and cheaper. AFI ADR Survey report provides an overview of ADR systems for resolving disputes between FSPs and their consumers. It also discusses case studies done in Armenia, Colombia and Malaysia in detail.<sup>10</sup>

3.2. COMPLAINT HANDLING LIFECYCLE

According to the Framework, it is important to establish a sound complaint handling process at the central bank.

The process derives from the complaint handling lifecycle which can be divided into three stages: internal dispute resolution (IDR), external dispute resolution (EDR), and general dispute resolution (GDR). At each stage, different dispute resolution mechanisms are applied; central banks act as an EDR authority.

Figure 6 below illustrates three dispute resolution mechanisms. In an ideal case, they follow one another.

The Framework for effective complaint handling recommends consumers first apply IDR mechanisms of complaint handling, then escalate to the EDR mechanisms and then avail of an option to use the GDR mechanisms available in the country. In the complaint handling lifecycle, the institutional arrangement is mostly important for EDR mechanisms and predetermines the roles and responsibilities of central banks and other authorities.<sup>11</sup> Consumers should receive clear instructions about all mechanisms of the complaint handling lifecycle. A regulation should provide appropriate means of IDR mechanisms in case of DFS or digital banks.<sup>12</sup>

FIGURE 6: DISPUTE RESOLUTION STAGES



10 AFI. 2017. Alternative Dispute Resolution: Survey Report.

11 The focus of this toolkit is on complaint handling from the perspective of central banks. Some guidelines from above might be also successfully applied by other EDR mechanisms outlined in the complaint handling lifecycle.

12 AFI. 2021. Policy Framework on the Regulation, Licensing and Supervision of Digital Banks.

# 4

## COMPLAINT HANDLING IN CENTRAL BANKS

Effective complaint handling, as highlighted before, depends on institutional arrangement in a country and effective setup of dispute resolution mechanisms at the different stages of the complaint handling lifecycle. On the other hand, the level of central banks involvement in financial complaint handling is mainly determined by their mandates.

This toolkit considers central banks have a mandate to resolve financial consumer complaints related to all types of FSPs by providing an effective EDR mechanism to resolve consumer complaints. While discussing the complaint handling in central banks, it is important to highlight it is assumed there is an effective IDR mechanism in place, which allows a unified and standardized process for all FSPs before referring consumers to the central bank, if they remain dissatisfied with the complaint resolution.

According to the AFI Complaint Handling in Central Bank Framework,<sup>13</sup> there is a critical need to have a separate CPMC function independent of prudential supervision to avoid conflict in supervisory objectives, and achieve effective and fair complaint resolution. The complaint handling in the CPMC function of central banks can be made by the market conduct supervisors or by a separate team.

If market conduct supervisors handle the complaint, there is a trade-off between their focus on supervisory activities (market monitoring, on-site and off-site examinations, and enforcement actions) and efforts on complementary activities (handling complaints, resolving inquiries, providing information to the general public or government agencies).

On the other hand, if a separate team is responsible for complaint handling there is a need of coordination, collaboration and communication between complaint handling specialists and market conduct supervisors.<sup>14</sup> Regular complaint handling reporting will help market conduct supervisors use complaint data for supervisory activities.

### 4.1. STAFF TRAINING

Effective complaint handling requires sufficient personnel equipped with proper knowledge, skills and attitude to deal with consumers, and internal and external stakeholders.

Complaint handling specialists have the following roles and responsibilities:

- > Communicating directly with consumers and receiving complaints through different channels (hotline, email, website, etc.)
- > Screening complaints, checking their validity and obtaining additional clarifications from consumers, if needed
- > Recording and tracking complaints in a dedicated system
- > Collaborating and communicating with market conduct supervisors and other internal and external stakeholders to resolve a complaint
- > Preparing information notes and reports for various parties.

These responsibilities require strong social and analytical skills, deep knowledge of the subject matter and consumer-centric personality. In addition, Central bank of Philippines highlights the following skills and capabilities: interpersonal and consumer service skills, listening, written and verbal communication, handling financial consumer feedback, dealing with difficult people, problem solving and conflict resolution.

Although skills are important and can be developed through intensive and regular trainings, choosing people with the right attitude could be more important because the personality type can be an important predeterminant of good service. Staff working with consumers needs to be extroverted, caring, consumer-centric and positive. These qualities will help capture the underlying causes for complaints and effectively communicate with consumers no matter the resolution.<sup>15</sup>

Beyond strong analytical and social skills, and personal integrity, training should also focus on providing knowledge and understanding of consumer protection, institutional arrangement, complaint handling lifecycle

<sup>13</sup> AFI. 2020. Complaint Handling in Central Bank Framework.

<sup>14</sup> Central banks might have other means of communication with different parties (media, general public, partners) including a mechanism of receiving certain applications unrelated to CPMC function. This toolkit only considers complaints related to CPMC.

<sup>15</sup> Bangko Sentral ng Pilipinas. 2014. BSP Regulations on Financial Consumer Protection.

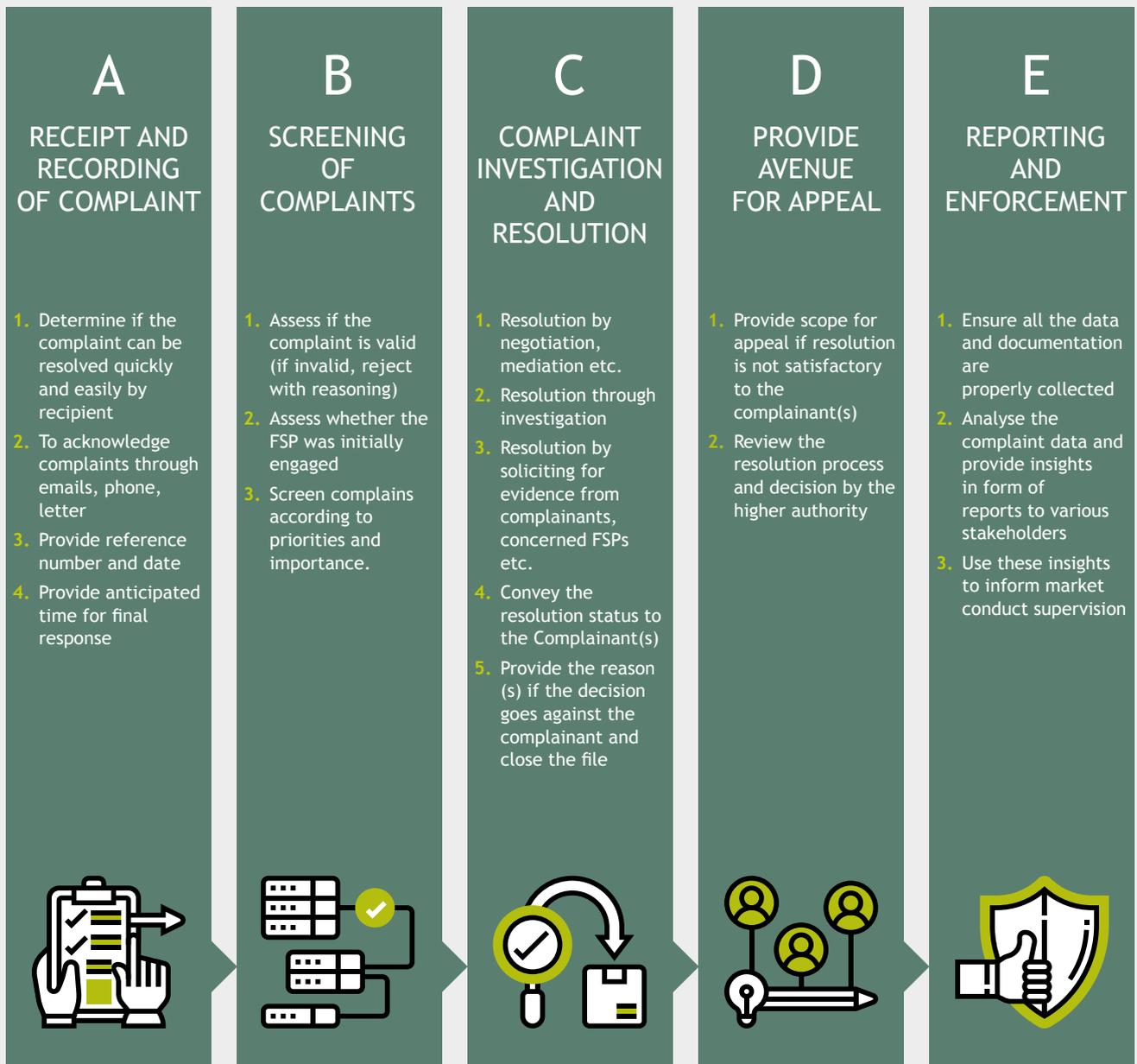
in a country, FSP’s products and services, complaint handling framework at central banks, procedures, data protection issues, ethics, technical skills related to the tools used in the process, etc.

The implementation of training programs can differ among countries and institutions. One example is the United Kingdom’s Financial Ombudsman Service’s training academy which takes four months of extensive skill development and hands-on workshops.<sup>16</sup>

4.2. PROCESS

The Framework provides the process map for complaint handling in central banks with clear instructions for each stage. Figure 7 provides more details and tips to organize each stage of complaint handling in a more efficient way.

FIGURE 7: PROCESS MAP FOR COMPLAINT HANDLING



## A)

# RECEIPT AND RECORDING OF COMPLAINT

## PROCESS

1. Determine if the complaint can be resolved quickly and easily by the recipient.
2. Acknowledge complaint through email, phone, letter, etc.
3. Provide reference number and date.
4. Provide anticipated time for final response.



Central banks can use various official channels to receive a complaint from consumers. Applications can be received in the office, via post, email, hotline, social media channels and website.

In some cases, consumer physically signs the application. In other, the complaint is processed even if there is no physical signature. Diversity of channels allows consumers to have better access to file a complaint with central banks. In addition, advantages of one channel allow to compensate challenges raised by another.

It is important to have a centralized system where all complaints are recorded no matter the channel. It is also important to have detailed information about the complaint in the system, which will help in evidence-based policymaking. The following minimum information might be needed:

1. Complaint unique identification number,
2. Date of receiving complaint by central bank,
3. Full name of the consumer,
4. Contact details of the consumer,
5. Preferred method for receiving follow-up information relevant to the complaint,
6. Channel used to make a complaint,
7. Staff receiving a complaint: full name of the responsible person,
8. Product or service type the complaint refers to (loan, deposit, insurance),
9. FSP sector the complaint refers to (commercial bank, credit organization),
10. Name of the FSP,
11. FSP branch concerned (if applicable),
12. Full name of the FSP contact person (if applicable),
13. Date/period complaint occurred,
14. Description of the complaint,
15. Desired resolution for the consumer,
16. Date FSP received complaint (if applicable),
17. Resolution of the complaint by FSP (if applicable),
18. Status (based on the complaint handling process at the central bank)
19. Any supporting documentation provided by the consumer.

It is important to track the time between receiving a complaint and recording it in the centralized system, depending on different channels.

TABLE 1: CENTRAL BANK CHANNELS FOR CONSUMER COMPLAINTS

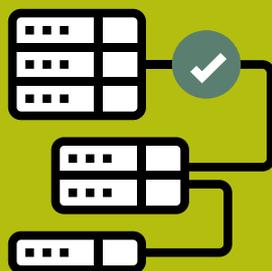
CHANNEL	ADVANTAGES	CHALLENGES
<p><b>IN PERSON</b></p> 	<p>Allows direct interaction with the consumer by exploring all details of a complaint.</p>	<p>Difficult for consumers to access if from remote locations. Some might also have difficulties writing the complaint if there is no support staff at the office.</p>
<p><b>POSTAL SERVICE</b></p> 	<p>Postal offices usually have wide representation across the country which reduces geographical barriers to making a complaint.</p>	<p>Illiterate consumers might have difficulties writing the complaint. It also takes time until the letter arrives in the central bank.</p>
<p><b>HOTLINE</b></p> 	<p>A relatively easy way to make a complaint without any costs because hotlines are usually free. Requires verbal interaction and might be accessible also during non-working hours. Consumers can receive an immediate response to their question/complaint and/or information on how it will be resolved.</p>	<p>Difficult for consumers to access if they do not have cell phones or a landline.</p>
<p><b>EMAIL ADDRESS</b></p> 	<p>Easy and fast for consumers to use if they have access to a computer and email address and are sufficiently literate. Does not bear any additional costs and allows quick response time. Allows consumers to make confidential and/or anonymous complaints.</p>	<p>Might fail to be a relevant channel if consumers do not have proper access to computer and the internet.</p>
<p><b>WEBSITE AND SOCIAL MEDIA</b></p> 	<p>Publicly posted responses may help answer questions and solve problems for other consumers who see them.</p>	<p>Responses may be limited, to preserve the institution's public image.</p>
<p><b>USE OF AI</b></p> 	<p>Prompt and automatic collection of complaint data saving time and resources in all steps of complaint handling. Semantic analysis of texts allows generate insights on actual complaints and general public feelings.</p>	<p>Requires initial investment and dedication to build an effective working model.</p>

## B)

# SCREENING OF COMPLAINTS

### PROCESS

1. Assess if the complaint is valid; if invalid, reject with reasoning.
2. Assess whether the FSP was initially engaged.
3. Screen complaints according to the priority and importance.



After recording complaints in the centralized system, the complaint handling specialist at the central bank needs to make the initial screening and categorization of the complaint according to different characteristics.

The complaint handling specialist also needs to validate the complaint in accordance with the complaint handling framework in the central bank. The central bank may not deal with cases when a complaint:<sup>17</sup>

- > is not in the scope of the financial complaint handling framework at the central bank
- > contains incomplete information
- > was not first reported to the FSP
- > was not reported within a reasonable timeframe (six months from the date the consumer received a response from the FSP)
- > is already submitted and awaiting resolution or has already been resolved by other institution (mediation, arbitration, court)
- > has been resolved previously by the central bank and the new complaint does not contain any new information
- > involves a FSP exercise of its commercial judgments on lending policy (refusal to give a loan), unless there was failure on the part of an FSP to follow the correct procedures and this unfairly affected the complainant.

Based on the complaint characteristics, priorities are set and the investigation process may start. There might be a need to set specific KPIs to help to track the screening, categorization and validation process (the time spent on screening, time spent on validation, proportion of validated complaints in total complaints, proportion of different categories of complaints).

<sup>17</sup> AFI. 2020. Complaint Handling in Central Bank Framework.

## C)

# COMPLAINT INVESTIGATION AND RESOLUTION

## PROCESS

1. Resolution by negotiation, mediation, etc.
2. Resolution through investigation.
3. Resolution by soliciting for evidence from complainants, concerned FSPs, etc.
4. Convey the resolution status to the complainant(s).
5. Provide reason(s) if the decision goes against the complainant and close the file.



Depending on the complaint all the relevant departments in the central bank may engage to investigate the case properly. In some cases, external stakeholders should be also involved in the investigation process.<sup>18</sup>

The complaint handling specialist is the primary investigator and should organize, communicate and engage with all internal and external stakeholders to expeditiously resolve the issue. Central bank may have a dedicated specialist for receiving a complaint and for investigation. Specialized staff help to make the process more effective, especially when central banks are directly engaged in the complaint resolution.

It is critical to inform the consumer about the procedure throughout the process. KPIs should be established for each stage of the investigation. It is critical to establish deadlines for both internal and external stakeholders participating in the inquiry process. For the resolution there are various possible outcomes.

Although establishing clear and simple timelines for resolving complaints is essential, this depends on the complaint handling framework in place. On the one hand, complaint handling process should be sufficiently fast as to not to discourage consumers.

On the other, there should be enough time allowed to perform quality investigation. complaint should be resolved immediately, if possible. Otherwise, investigation and resolution should take ten to 15 working days. In some cases, depending on the complexity of the issue, this can be prolonged to a maximum of 20-30 working days.<sup>19</sup>

<sup>18</sup> Ombudsman Western Australia. 2020. Guidelines on Complaint Handling.

<sup>19</sup> World Bank. 2019. Complaints Handling within Financial Service Providers: Principles, Practices, and Regulatory Approaches.

TABLE 2: INVESTIGATION STEPS

**INVESTIGATION STEPS**

**POINTS TO CONSIDER**

**STEP 1:  
EXAMINE THE  
COMPLAINT**

Study and determine the root cause of the complaint and actions required to resolve the complaint.



- > Does the complaint involve only a communication problem that can be easily resolved through proper explanation and discussion with the consumer?
- > Consider all appropriate means of dealing with the issue.
- > Be prompt in notifying internal and external stakeholders related to the complaint.
- > Collect as much background information about the complaint as possible. Request additional information from the consumer, if needed.
- > Consider similar complaints resolved previously.
- > Assess the significance of the issue for the complainant, FSP and financial system in general.

**STEP 2:  
APPLY APPROPRIATE  
INVESTIGATIVE  
APPROACH**

Depending on the existing requirements, the nature, significance and scope of the issue, possible short-term and long-term consequences.



- > Evidence-focused approach can be applied when meeting all legal and procedural requirements is crucial. This can be especially relevant for the new issues when there is a need to fully understand the problem and take some preventive actions to avoid similar complaints in the future.
- > Outcome-focused approach can be applied when quickly identifying and fixing the problem is preferable and ensuring sufficient information for a fair and informed judgement is easy. This approach can be used for insignificant issues of repetitive nature and have been already addressed many times before.

**STEP 3:  
INVESTIGATION  
PLANNING**

Develop an investigation plan by identifying the scope, stakeholders and key action items.



- > Identify questions that need to be answered, information required to answer those questions and the best way to obtain it.
- > Consider action items with strict deadlines, responsible parties (internal and external) and outcomes.
- > Develop a communication plan with all stakeholders, including the consumer.

**STEP 4:  
INVESTIGATION  
POWERS AND  
AUTHORITY**

During investigation, assess whether there are necessary powers to obtain evidence and information from relevant parties.



- > Ensure engagement of decision-makers from internal and external stakeholders in complaint handling.
- > Ensure proper delegation of tasks and assignment of responsible persons for each stakeholder.
- > Distinguish between the right to ask and the power to demand.
- > Ensure the primary investigator has the authority to conduct the investigation.

**STEP 5:  
OBTAIN  
EVIDENCE**

Gather sufficient reliable information to properly address the issue



- > Engage consumers in the process of investigation to effectively manage their expectations.
- > If the issue is significant or sensitive, consider having approved terms of reference and adequate resources to resolve the complaint within deadlines.

**STEP 6:  
RESOLUTION  
AND  
RESPONDING**

Summarize investigation steps in your response to the consumer about the resolution.



- > Wherever possible, separate the investigation and decision-making functions.
- > Ensure proper step-by-step documentation of the investigation: how investigation was conducted, relevant facts, conclusions, findings and recommendations.
- > Ensure proper communication and explanation about the resolution by highlighting all key details to the consumer.

**STEP 7.  
DATA MANAGEMENT  
AND REPORTING**

Ensure proper data management for reporting to all stakeholders at the end of investigation.



- > Fill in full data for every complaint by capturing as many details as possible.
- > Make sure to fill the relevant data according to the relevant step of investigation.
- > Establish a proper communication mechanism with stakeholders and, if necessary, make customized reporting about the investigation and resolution of specific complaints or generally.

TABLE 3: EXAMPLES OF RESOLUTION OUTCOMES

RESOLUTION	DESCRIPTION
<b>EXPLANATION AND EDUCATION</b> 	Since consumers often have complaints due to the lack of awareness or literacy issues, it may be possible to resolve the complaint by providing additional information and educating about specific aspects of the complaint.
<b>APOLOGY</b> 	Depending on the issue, a prompt apology can be extremely effective. Consumers value empathy and a human-centered approach.
<b>RECONSIDERING CONDUCT</b> 	It is okay to reconsider the resolution in light of new information or information that may have been unintentionally ignored during the original investigation.
<b>CHANGING POLICY, PRACTICE, REGULATION</b> 	Some complainants are satisfied that changes will be made to prevent future similar issues. However, it is important to communicate results, as well. Consumers will feel appreciated if they were able to make an improvement. Once the change happens, appreciation letter to the consumer can be an important follow-up step.
<b>MITIGATION</b> 	Mitigation reduces the impact of the problem and may involve correcting records, providing additional time, refunding fees, etc.
<b>COMPENSATION</b> 	Covering costs incurred due to the flawed decision, including monetary costs, time, trouble involved, etc.

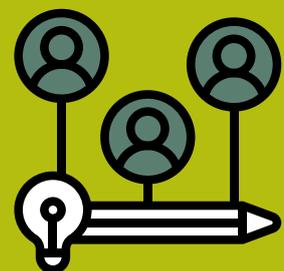
# D) AVENUE FOR APPEAL

## PROCESS

1. Provide scope for appeal if resolution is unsatisfactory to the complainants.
2. Review the resolution process and decision by the higher authority.

There are cases when consumers might not be happy with the resolution of a complaint. To ensure that consumers can exercise their rights, it is always important to allow consumers to apply GDR mechanisms, particularly courts, to resolve their complaint. Institutional arrangements might be also important in terms of GDR mechanisms to define the roles and responsibilities of authorities for general consumer protection, if any.

However, these authorities also lack specialized expertise in financial complaint handling. Nevertheless, courts remain the last resort for dispute resolution if a consumer is unhappy with the outcome of IDR and EDR mechanisms.



# E)

## REPORTING AND ENFORCEMENT

### PROCESS

1. Ensure all data and documentation is properly collected.
2. Analyse complaint data and provide insights in form of reports to various stakeholders.
3. Use these insights to inform market conduct supervision.



Based on the complaint data different regular reports are created and shared with public, and internal and external stakeholders. Specific complaints might be also highlighted for the market conduct and prudential supervision to ensure proper enforcement action.

The regularity of making and sharing reports based on the complaint data should be decided for each case. Public reports can be annual, bi-annual and quarterly; reports shared with external stakeholders can be more regular and reports for internal use should be the most regular. In some cases, internal stakeholders might gain access to the centralized system of complaint handling with certain level of restrictions to ensure personal data privacy. For example, the Reserve bank of Fiji (RBF) publishes quarterly reports on complaints management by including information about the key statistics related to complaints, types of complaints, performance indicators related to resolving complaints, etc.<sup>20</sup>

Depending on the outcome of the investigation, there might be a need for enforcement action that targets changing a specific practice of an FSP. The types of corrective measures highly depend on the institutional arrangement and regulatory mandate of a central bank or other competent authorities in a country. The following are the most used sanctions that might be imposed:

- > warning letters to FSP
- > mandatory awareness-raising and financial education activities
- > letter of apology to the consumer
- > compensation to the consumer depending on the complaint
- > monetary penalties
- > adverts cancellation
- > product recall
- > forced change in the internal practice and regulation to comply with laws
- > restriction of certain activities
- > suspension from inter-bank activities
- > suspension/removal of Board/management or staff/employees
- > referral to law enforcement agencies for prosecution
- > suspension/withdrawal/revocation of licenses.

<sup>20</sup> Reserve Bank of Fiji. Complaints Update Data.

Even though enforcement actions may vary widely across countries, it is important to focus on prevention of misconduct. The supervisory activity should target prevention. The enforcement action should appropriately discourage FSPs from further violations. Moreover, there should be mechanisms that will allow FSPs to change practices based on cases of other FSPs (public reports of the central bank on complaints case studies with redacted private data) can be included to demonstrate how enforcement applies based on a complaint outcome.

Additionally, the range of measures should be applied corresponding to the gravity of a situation. Central banks should monitor the compliance with its sanctions during the off-site and on-site examination of the FSPs. In case of the risk-based market conduct supervision, complaints can be an especially important source of information to determine significant activities that may pose a risk to a financial system.<sup>21</sup>

### 4.3. TOOLS AND TECHNIQUES TO SUPPORT COMPLAINT HANDLING

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Central bank may use various tools and techniques to ensure effective complaint handling for financial consumers. These tools might be related to the specific aspect of the complaint handling or the framework in general.

#### A) CERTIFICATION AND AUDIT FOR IDR MECHANISMS

Central banks can design and develop a standardized framework for IDR mechanism for FSPs, provide certification training courses for the complaint handling specialists of FSPs and conduct regular audit to ensure the proper functioning of the IDR mechanisms. The audit of IDR mechanism can be performed as a required part of market conduct supervision. CBA has a regulatory framework that defines minimum conditions and principles for internal rules, regulating the procedure for examination of complaints in FSPs. CBA has the authority to apply sanctions against FSPs in case of violation of the regulation.

In case of standardized framework, central banks need to define the process of complaint handling in case of IDR mechanism, mandatory functions within the FSPs, a minimum number of employees and their responsibilities, data management and reporting practices, communication instructions with consumers and public, etc. Based on this framework, the content of certification training courses must be developed for complaint handling specialists of FSPs. The certification training course should also focus on developing soft skills, deep knowledge of financial system, products and services, regulatory aspects of consumer protection and procedural aspects of complaint handling.

#### B) DIGITAL CHANNELS

Central banks need to have properly working digital channels (email, website, social media) to receive a complaint. The more standardized these channels, the faster complaint handling specialists can screen, categorize and validate complaints. Digital channels can be effectively integrated into the holistic system solutions for complaint handling and also ensure proper communication with consumers. For example, with Central bank of Russia, consumers can file a complaint and receive financial consultation on different financial services and products, financial education and regulatory framework 24/7 using a mobile application

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<sup>21</sup> AFI. 2016. Guideline Note on Market Conduct Supervision of Financial Services Providers: A Risk-Based Supervision Framework.

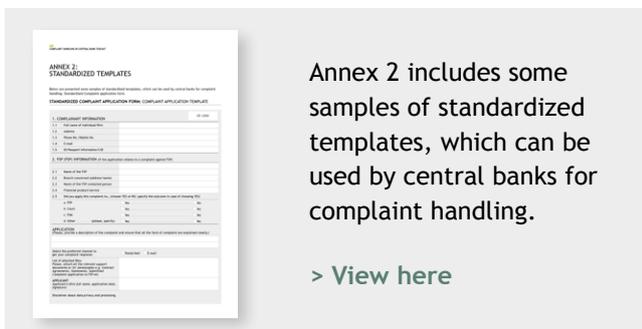
(CB online). Another example, RBF accepts financial consumer complaints via post, email, website and social media (Facebook, Twitter, etc.).

### C) STANDARDIZED TEMPLATES

Standardized templates can be developed and used in all stages of complaint handling. These templates will also be automatically generated and used in case of the holistic system solutions for complaint handling. The following templates can be developed:

- > complaint filing form
- > standardized response to consumer once the complaint is proceeded
- > meeting minutes templates if meetings are organized with the consumer or any stakeholder
- > standardized template to receive additional information from consumer
- > standardized reports, etc.

For example, Bank of Mozambique has a standardized form for complaints. Consumer must submit the following information: full name, contact information (phone number, e-mail), ID number, bank account number, FSP name, financial product/service and complaint narrative. Bank of Namibia also has a standard form for consumer complaint which contains complainant (and authorized person, if available) full name and contact information, FSP name, branch and contacted person full name, short description of complaint, relevant documents, a clear and short statement of specific assistance sought and any other relevant information. Central Bank of Sri Lanka provides a specific QR code for consumers to download the complaint submission form easily.



Annex 2 includes some samples of standardized templates, which can be used by central banks for complaint handling.

> [View here](#)

Different templates are provided in Annex 2, including:

### D) AWARENESS-RAISING AND FINANCIAL EDUCATION

Dedicated awareness-raising and financial education activities in cooperation with FSPs, and internal and external stakeholders to ensure that all consumers are properly aware of all aspects of complaint handling.

These activities will also enable consumers to make financial complaints in case of any issue. For example, the Financial Education Network in Malaysia is an inter-agency platform comprising of institutions and agencies committed to improving the financial literacy of Malaysians. Its members include Ministry of education of Malaysia, Bank Negara Malaysia, Securities commission Malaysia, other relevant government ministries, industry associations, institutions, consumer groups and other key stakeholders to deliver, monitor and measure financial education initiatives under the National Strategy for Financial Literacy (2019-2023) of Malaysia. Similar network also exists in Armenia.

In Nigeria, Financial Inclusion Steering Committee is the highest governance structure in development and implementation of financial literacy programs in the financial system. It provides strategic direction and oversight for all financial literacy issues in Nigeria.

In addition, awareness-raising and financial education must also focus on consumer responsibilities. This will ensure consumers are informed of their role as responsible players in the financial system. This can also lead to reducing the number of complaints because the consumers will have a chance to ask the right questions when served by an FSP, etc.

In line with rapid digitalization, it is important to formulate and implement digital financial literacy activities, as well. Consumers need to rapidly learn and adapt to the increasing sophistication, complexity and variety of DFS. Otherwise, there can be a significant risk of declining trust in the financial system. For example, one of the strategic goals highlighted in the National Financial Inclusion Strategy 2018-2020 of Jordan is to set appropriate measures to safeguard consumers' rights based on the grievances received through complaints handling mechanisms.<sup>22</sup>

22 AFI. 2021. Digital Financial Literacy Toolkit. and AFI. 2021. Guideline Note on Digital Financial Literacy.

### E) FORUMS AND CONFERENCES

In the spirit of collaboration, central banks can organize forums once or twice a year to discuss with FSPs, other agencies that handle complaints and relevant stakeholders (depending on the institutional arrangement) trends and matters in the financial sector. This will allow reporting areas of interest based on data received from FSPs and provide a platform to openly discuss industry challenges that may be leading to financial consumer complaints. An example of such a forum is the one organized by RBF, chaired by the Deputy Governor and a representative from the private sector. Various stakeholders are part of the forum (representatives of the FSPs, consumer protection advocates, representatives of banking and other associations and other authorities that oversee consumer issues).

### F) SOFTWARE SOLUTIONS

Specific software solutions might be applied for data management, hotline and other aspects of complaint handling in central banks. In some cases, software solutions might target complaint handling and the whole relationship management. Customer relationship management (CRM)-like solutions to ensure an effective and automatic complaint handling process from receiving a complaint to its resolution and following up with a consumer. For example, the Central Bank of Nigeria (CBN) uses Consumer Complaints Management System (CCMS) to automate the complaint handling processes. The CCMS software has three working portals: for CBN, for FSP and for consumers to submit a complaint. According to the system, FSPs must assign a tracking number for every complaint received from their consumers, issue an acknowledgement to the consumer with the assigned tracking number and upload complaints to the CCMS every day. The CCMS allows CBN to have the whole picture of complaints in the financial system and check if FSPs comply with timelines for resolution of various categories of complaints stipulated in the CCMS.

### G) ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) is a field of computer science that leverages technology to mimic the problem-solving and decision-making capabilities of humans by performing tasks (speech recognition, language processing, visual perception). Based on AI technologies, robots can ask questions, discover and test hypotheses, generate insights and automatically make decisions based on big data and machine learning applications. Currently, robots are already used in many different industries, including finance. Robotic process automation (RPA) in financial system, especially banks, allows full automatization of manual, rule-

based and repetitive processes. These are tasks that do not require in-depth decision-making or thinking. For example, RPA can help organize, categorize and prioritize consumer complaints and immediately provide pre-formatted responses for repeated use, etc.<sup>23</sup>

According to the market research done by the consulting company Grand View Research, the global RPA market size is expected to reach USD 13.74 billion by 2028. Major US banks like Citibank and Bank of America are using robotics to strengthen consumer service and security.<sup>24</sup>

In one of Armenian banks you can meet Robin - the first robot of the financial system. Robin still has limited functions. It presents the bank's news, learns partners opinions on the quality of bank services and talks with them.<sup>25</sup>

### H) CHATBOTS

Chatbots are solutions designed to simulate conversation with consumers by mimicking a real person. These solutions are widely used for online consumer services on FSPs websites or other digital communication channels. Advanced chatbots also benefit from possibilities of machine learning algorithms allowing for improved performance. For example, the Africa Digital Financial Inclusion Facility by Ghana, Rwanda and Zambia aims to establish a complaints-handling system for financial regulators using multi-lingual chatbots and AI that interface with key FSPs of countries. It incorporates key local languages for ease of use, records consumer complaints, including audio complaints from those unable to read and write, and tracks their resolution across all regulated FIs. Bangko Sentral ng Pilipinas (BSP) also has a chatbot to assist consumers in their complaints processes.<sup>26</sup>

23 Retiwalla R. 2020. What is Robotic Process Automation in Banking?

24 Grand View Research. 2021. Robotic Process Automation Market Size Worth \$13.74 Billion By 2028.

25 Evocabank. 2020. Hi, Robin!

26 <https://www.bsp.gov.ph/Pages/InclusiveFinance/ConsumerAssistanceChannelsChatbot.aspx>

### I) BIG DATA<sup>27</sup>

Big data technologies are digital tools and information systems that can analyze large volume of different types of data from varied sources in real-time. Moreover, they are also able to generate insights to support decision making. The increased availability of structured data in the financial system, availability of methods to process unstructured data, increased data storage capabilities, advances in computing power and specialized parallel computer architectures are the key drivers of data economy. To benefit from this, central banks need to have in-house teams of data scientists, data analysts and data engineers who will develop customized solutions to support different activities of central banks, including the complaint handling. For example, central banks can assess misconduct risk of FSPs by using the complaints data or automatically screening contracts for suspicious terms and conditions during complaint investigation.<sup>28</sup>

### J) REGTECH AND SUPTECH<sup>29</sup>

Technologies targeting policymakers' regulatory and supervisory efforts are enabled by developing innovative or cutting-edge approaches. These allow supervisors to carry out their work more effectively and efficiently. The impact of technology in the financial system changed the relationship between consumers and FSPs. The new innovative solutions also require new regulatory and supervisory tools powered by technology. RegTech and SupTech allow disruption in the regulatory and supervisory landscape within the financial industry in the directions such as regulatory reporting, risk management, identity management, compliance, transaction monitoring, etc.<sup>30</sup> For example, BSP complaints management system is enabled by an application programming interface and a natural language processing-powered text engine where consumers can submit complaints using either smart or feature phones on a variety of messaging platforms, including Facebook messenger, SMS or a chatbot embedded on an FSP's website.<sup>31</sup>

The National Bank of Rwanda is one of the first supervisory agencies to use an automated reporting system (data pull approach). This technology extracts data directly from the IT systems of supervised institutions. It is done automatically every 15 minutes, 24 hours or even a longer period depending on data type.<sup>32</sup>

### K) BEHAVIORAL INSIGHTS

Policy interventions based on behavioral insights and nudging can effectively change certain behaviors of both consumers and FSPs.<sup>33</sup> Complaint behavior is highly

dependent on the culture, beliefs and social norms in the society. There are many reasons why consumers may not voice their complaint and it is especially hard when they fail to see their power of influence and ownership. Studies related to consumer complaint behavior distinguish four main reasons that urge consumers to file a complaint:

1. Getting a compensation for the loss
2. Escaping emotional stress, anger, feeling of injustice and recover self-esteem
3. Helping to have better service quality
4. Altruism to prevent other people experiencing the same problem.<sup>34</sup>

This means that any behavioral intervention targeting one of these triggers can help to enable complaints. For example, the Central Bank of Ghana conducted behavioral research and unearthed several barriers to submitting a formal complaint. It helped to reveal why consumers sometimes do not act as expected or in the way that might be best for their welfare.

27 AI, machine learning, big data and solutions based on these technologies although closely related are intentionally separated in the toolkit to highlight different aspects of each.

28 Doerr S., Gambacorta L., Serena J. 2021. Big data and machine learning in central banking.

29 FinCoNet International Financial Consumer Protection Organization. 2020. SupTech Tools for Market Conduct Supervisors.

30 Deloitte. 2021. RegTech Universe.

31 AFI. 2021. Mitigating the Impact of COVID-19 on Gains in Financial Inclusion. And World Bank. 2021. The Next Wave of Suptech Innovation: Suptech Solutions for Market Conduct Supervision.

32 Broeders D., Prenio J. 2018. Innovative technology in financial supervision- the experience of early users.

33 Mazer R., McKee K., Fiorillo A. 2014. Applying Behavioral Insights in Consumer Protection Policy.

34 Lovelock Ch., Wirtz J. 2011. Services Marketing: People, Technology, Strategy, 7th edition.

#### 4.4. DATA MANAGEMENT AND PRIVACY

Carefully handling data is a crucial part of complaint handling process. It is important that complainants trust that their personal data is securely kept and ethically treated.

Running a comprehensive database is essential to continuously improve the service and develop new digital products to enhance complainants' experience. Some part of database should be automated whereas others can be handled manually.

Ideally, database may also generate standardized reports on complaints trends with in-depth complaints analysis. There should be enough comprehensive data to allow central banks to aggregate complaints data and analyze them by type (loan questions, employee misconduct, location) and other relevant factors.

Data management should be done in a way that it supports not only the resolution of individual cases, but also helps market conduct regulation and supervision function and not only. Databases may allow to check information related to the:

- > number of complaints received over certain period
- > number of complaints resolved
- > number of complaints pending
- > number of complaints received by age, location and gender of complainant
- > number of complaints by product and/or service type
- > number of complaints received by nature of complaint
- > number of complaints received by channel type, etc.

The complaint handling specialists review these reports periodically (quarterly), looking for potential issues that are systemic and/or consistent over time. In this way, complaints data is a valuable form of market research and can also be used to avoid client complaints in the future.

The data management should support the processes of complaint handling from receiving the complaint until reporting. In order to have holistic approach, it is important that database of complaints is not operated separately from other tools. It will be more effective to have an end-to-end solution covering data management and standardized reporting. The solution can be used at a different scale by including only the competent complaint handling unit at the central bank

or all stakeholders and consumers. The latter will allow a centralized approach and holistically cover all aspects of complaint handling. In this case, it will also be possible to apply unified privacy protocols, allow different users to access different information by applying special permissions. Aggregation of complaints data will benefit from the contemporary data science techniques (social media web-scraping) and allow identification of trends and patterns.<sup>35</sup>

Privacy obligations apply to personal information, including personal information collected and used to resolve a complaint. Personal information is information that identifies or could identify an individual. It can also be a combination of information. It is essential that the complainant gets acquainted with privacy policy before submitting any complaint.

The key elements of privacy, relevant to managing complaints records, are:

- > keeping complete, accurate and up-to-date records of complaints
- > collecting only the information that is core to the complaint
- > keeping records secure and confidential.

At the outset of investigation, the complainant should be informed that their personal information will likely to be shared with other stakeholders. It will be effective to have the approval of consumer to process personal data right in the application.

In line with increasing use of DFS, many privacy issues arise; this should be considered while managing complaint data, as well. For this reason, it is important to study the AFI guiding principles for data privacy.<sup>36</sup>

<sup>35</sup> Behavioral Insights Team. 2019. CMA market study on online platforms and advertising.

<sup>36</sup> AFI. 2021. Guideline Note on Data Privacy for Digital Financial Services.

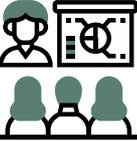
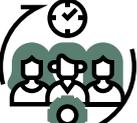
# 5

## IMPLEMENTATION ASPECTS

The implementation of the toolkit is crucial for effective complaint handling in place. The following steps and guidelines are suggested to start the implementation.

IMPLEMENTATION STAGES	GUIDING QUESTIONS
<p><b>STEP 1: EXPLORATORY REFLECTION</b></p> <p>Exploratory reflection research aims to define priorities and key objectives the complaint handling framework in central bank should address.</p>	<p>To understand the current stage better, there is a need to conduct initial research reflecting on the following:</p> <ol style="list-style-type: none"> <li>1. What are the existing problems for sectors and FSPs? This information can be collected using the complaint data provided by FSPs and insights from the market conduct supervision. Knowing existing problems will help identify whether there is a problem in facilitating complaints in the country or specific regions of the country (rural/urban).</li> <li>2. Why don't consumers complain even if there are existing issues? This study will help understand the root causes for refraining from filing a complaint, identify access-related issues, preferable channels for filing complaints, etc.</li> <li>3. What is the current institutional arrangement in the country? This will help explore existing capacity to solve complaints, identify responsible authorities and their roles, highlight the role of central bank, existing regulatory gaps, etc.</li> </ol>
<p><b>STEP 2: CONCEPT AND ROADMAP DEVELOPMENT</b></p> <p>Based on the exploratory reflection there is a need for a concept paper for complaint handling, which will define vision of the complaint handling in a country. Detailed roadmap should also be developed.</p>	<p>Depending on the high-level country development strategy there is a need to setup a vision for complaint handling, which will define the ideal complaint handling framework for the country:</p> <ol style="list-style-type: none"> <li>1. What is the ultimate goal of complaint handling?</li> <li>2. How does the introduction/reform of complaint handling impact consumer protection, market conduct regulation and supervision, financial inclusion, financial education or other functions of central bank?</li> <li>3. What are the regulatory implications?</li> <li>4. Who are the stakeholders and what are their roles and responsibilities?</li> <li>5. What are the suggested channels to be implemented, capacities to be developed, resources to be acquired?</li> <li>6. Who is responsible for the implementation of complaint handling framework?</li> <li>7. What are the timelines and deadlines?</li> </ol> <p>Etc.</p> <p>Introduction/reform of the complaint handling framework should be considered a separate project with concrete action items, teams and deliverables.</p>



IMPLEMENTATION STAGES	GUIDING QUESTIONS
<p><b>STEP 3: REGULATORY REFORMS</b></p>  <p>The complaint handling should be appropriately regulated and the role of central banks should be clearly outlined.</p>	<p>Regulatory reforms should be implemented based on the specific procedures in a country.</p> <p>It is important to engage and collaborate with all stakeholders in the process and use the process for awareness-raising among the public. In the regulatory reforms, it is important to also consider the data processing-related aspects.</p>
<p><b>STEP 4: CAPACITY DEVELOPMENT</b></p>  <p>Staff training on specific aspects of the complaint handling framework is crucial to set up an effective mechanism upfront.</p>	<p>Considering the scope of regulatory reforms, there might be a need for functional/structural changes in central banks, as well.</p> <p>After these changes are made, it is also important to develop professional capacities of the team who will be directly handling complaints.</p>
<p><b>STEP 5: MECHANISM SETUP</b></p>  <p>Application of all tools and techniques, and internal and external processes should be implemented, tested and adopted.</p>	<ol style="list-style-type: none"> <li>1. What channels are used? How does each of them work?</li> <li>2. How do stakeholders communicate and collaborate?</li> <li>3. What reports are submitted? What is the regularity of reports? What information should be included in the public reports?</li> <li>4. How does data management work?</li> <li>5. What software is used for all processes? Are AI, big data, RegTech or SupTech solutions implemented?</li> </ol> <p>Every detail in the setup stage is important. Competent professionals should be engaged to consult the process.</p>
<p><b>STEP 6: PILOT AND SETUP OF KPIs</b></p>  <p>After the staff is trained and mechanisms are set, it is important to start piloting the process and adopting all the details to have flawless experience for all involved parties (consumers, staff, stakeholders)</p>	<p>Piloting of the whole framework with a small group of consumers and improving based on feedback. It is important to use both quantitative and qualitative methods of gathering feedback to be able to set up appropriate KPIs both related to the process of complaint handling (number of days for investigation) and impact of complaint handling (trust increased towards the financial system).</p>
<p><b>STEP 7: PUBLIC LAUNCH</b></p>  <p>Announcement to the general public about the start of complaint handling, active awareness-raising and education to enable complaints.</p>	<p>This should be a well-planned campaign engaging all stakeholders. It is especially important to draft key messages and build promotion around a few key messages.</p>
<p><b>STEP 8: CONTINUOUS IMPROVEMENT</b></p>  <p>Review and development in the process.</p>	<p>It is important to engage consumers in the continuous development step to be able to improve.</p>

## 6

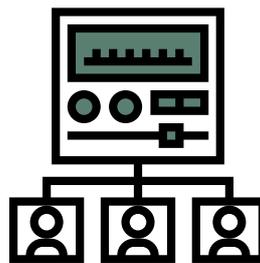
## CONCLUSION

The Complaint Handling in Central Bank Toolkit complements the framework and provides key directions on implementation.

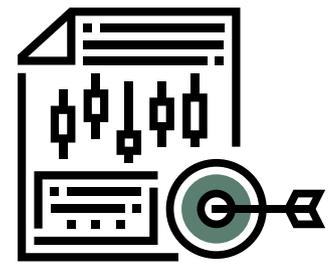
**TOOLKIT HIGHLIGHTS THE IMPORTANCE OF INSTITUTIONAL ARRANGEMENT** by providing important aspects considered before implementing and/or improving the complaint handling framework in the country.



Important aspects of the implementation have also been highlighted, such as **INTERNAL CAPACITY DEVELOPMENT, PROCESS-RELATED DETAILS, TOOLS AND TECHNIQUES, DATA MANAGEMENT AND ETHICS.**



Although the toolkit includes all the important details on implementation of complaint handling framework, **SPECIFIC DOMAIN EXPERTISE IS REQUIRED TO DRIVE IMPLEMENTATION AND ADOPT TO THE NEEDS OF A SPECIFIC COUNTRY.**



## ABBREVIATIONS

<b>ADR</b>	Alternative dispute resolution
<b>AI</b>	Artificial intelligence
<b>BN</b>	Bank of Namibia
<b>BSP</b>	Bangko Sentral ng Pilipinas
<b>CBA</b>	Central bank of Armenia
<b>BCM</b>	Banque Central de Mauritanie
<b>CBN</b>	Central bank of Nigeria
<b>CCMS</b>	Consumer Complaints Management System
<b>CPMC</b>	Consumer protection and market conduct
<b>CPR</b>	Consumer protection regulation
<b>CSBF</b>	Banking and Financial Supervision Commission
<b>DFS</b>	Digital financial service
<b>EDR</b>	External dispute resolution
<b>FI</b>	Financial institution
<b>FSM</b>	Financial System Mediator
<b>FSP</b>	Financial service provider
<b>GDR</b>	General dispute resolution
<b>IDR</b>	Internal dispute resolution
<b>KPI</b>	Key performance indicator
<b>MSME</b>	Micro, small and medium enterprise
<b>NAMFISA</b>	Namibia Financial Institutions Supervisory Authority
<b>NBC</b>	National bank of Cambodia
<b>RBF</b>	Reserve bank of Fiji
<b>RPA</b>	Robotic process automation
<b>SUGEf</b>	Superintendencia General de Entidades Financieras de Costa Rica

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## ANNEX 1: COMPLAINT HANDLING FRAMEWORK IN DIFFERENT COUNTRIES

To design and develop this toolkit a survey among AFI member countries have been initiated by covering various aspects of complaint handling such as institutional arrangements, regulations, process, tools, and techniques etc.

Overall, 18 member institutions responded to the survey by providing certain insights to the raised questions. The characteristics of countries related to the complaint handling practices are summarized in the table below.

	FINANCIAL OMBUDSMAN	SYSTEM SOFTWARE	COMPLAINT DATABASE	INTERNAL GUIDELINE	DIGITAL CHANNELS	REPORTING SYSTEM	STANDARDIZED TEMPLATE OR MINIMUM REQUIREMENTS FOR COMPLAINT
CAMBODIA						●	●
NAMIBIA	●	●	●	●	●	●	●
HONDURAS		●	●	●	●	●	●
SIERRA LEONE			●	●	●		
MAURITANIA			●				●
NEPAL				●	●	●	●
RWANDA			●	●	●		●
TIMOR-LESTE		●			●	●	●
EGYPT			●	●			
FIJI			●	●	●	●	●
MALDIVES				●	●	●	●
SEYCHELLES				●	●		●
ARMENIA	●	●	●	●	●	●	●
ANGOLA		●	●	●	●	●	●
MOZAMBIQUE			●	●	●	●	●
NIGERIA		●	●	●	●	●	●
COSTA RICA	●	●	●	●	●		

Based on the survey results the country cases have also been developed and the selected cases are presented below:

## ARMENIA

As a mega regulator, the CBA has the authority to regulate and supervise activities of all participants of the financial sector. CBA has a complaint handling procedure in place. It has the authority to apply sanctions against FSPs in case of violation of market conduct regulation, but cannot resolve consumers complaints, because CBA has no authority to intervene in the contractual relations between consumers and FSPs.

The regulatory framework for complaint handling in the financial system of Armenia consists of:

- > **Law on FSM** - This law regulates procedure pertaining to Mediator's examination of claims arising from private legal relationships brought by consumers against financial organizations, status of FSM, procedure and conditions on establishment and operation of FSM's office and other legal issues relating to protection of consumer interests.
- > **IDR process in FSP** - CB Board Resolution: Regulation 8/04 "Minimum Conditions and Principles for Internal Rules, Regulating the Procedure of Examination of Complaints of Consumers"
- > **Reporting complaints data for FSP to the regulator** - CB Board Resolution: Regulation 8/07 "Minimum Conditions and Principles for accounting, Maintenance and Registration"

Definition of "consumer" covers individuals and sole entrepreneurs. Consumer is any individual and sole entrepreneur that used, has been using or intends to use financial services.

Consumers can also apply to the Central Bank, but the latter is not a dispute resolution body.

Complaints addressed to the Central Bank serve as signals for the business conduct of FIs.

By regulation, FSM - non-commercial organization, is engaged in the complaint handling process. Its main goal is to support activities of FSM and make consumers aware about financial sector.

The regulations listed above are common to all organizations (banks, credit companies, insurance companies, investment companies, pawnshops) licensed by the Central Bank. Exceptions are organizations

that don't provide services directly to consumers. For example, processing and clearing companies.

Recently, changes have been made to the existing complaint handling process.

Individual entrepreneurs and micro-entrepreneurs were included. The ways consumers can handle complaints have been expanded, too. For example, receiving complaints digitally is also available. With these recent changes it is necessary to establish more flexible control mechanisms for Central Bank.

Complaints can be submitted through postal mail, Email, Phone call (hotline), social media (Facebook, Twitter, etc.), Website.

There is a requirement to contact the competent FSP before FSM. Consumer rights protection and financial education centre is responsible for natural consumer complaint response, but Central bank is not a dispute resolution body. The Central Bank operates a Docflow system, through which document circulation is carried out, including the response to written complaints.

Manual for acceptance, examination and response of applications submitted by individuals to the central bank of RA (The manual is not a public document) regulates the process of receiving, reviewing, and responding to the Applications submitted by the Consumers in writing (by post, by hand, electronically and by other means) to the Central Bank.

Manual of "Management and Response for Hotline of Consumer Protection and Financial Education Center" (The manual is not a public document) regulates general rules of hotline management; rules of communication through the hotline; hotline registration processes; analysis of information received from calls and processes of further actions; Procedures for monitoring hotline operations.

Consumers should be instructed in writing to apply relevant FSPs and /or FSM. Consumer rights protection and financial education center maintain Register (database) of applications, where applications are separated by type (complaint, request, suggestion), by organization, by the nature of the problem, etc.

The minimum requirements for applications (also complaint) submitted to the Central Bank are defined by the MANUAL FOR ACCEPTANCE, EXAMINATION AND RESPONSE OF APPLICATIONS SUBMITTED BY INDIVIDUALS TO THE CENTRAL BANK OF RA (The manual is not a public document).

Extract from Manual - The Application submitted to the Central Bank must at least include:

- > Consumer name and (or) surname.
- > Content of the application (subject).
- > Consumer's place of residence and (or) other contact information (by phone, e-mail address, etc.).

The minimum requirements for complaint submitted to FSPs are defined by CB Board Resolution: Regulation 8/04" Minimum Conditions and Principles for Internal Rules, Regulating the Procedure of Examination of Complaints of Consumers".

In this regulation there is a requirement that FSPs must have a complaint template. CBA uses the number of days to answer the consumer, % of satisfaction, frequency of application. There are no unanswered applications (also complaints), as Central bank (administrative body also) have an obligation/mandate under the legislation to respond to consumers.

Consumer satisfaction is assessed by Central bank staff and for hot line by feedback survey and satisfaction assessment.

The Central Bank is currently working on having a unified, new digital capabilities database, which will allow it to share with other departments.

The Central Bank is currently working on having a unified, new digital capabilities database, which will allow it to share with other departments. For the moment it is handled by Docflow system & MS Excel. The database includes:

Complaint submission date, Unique tracking ID, Channel, Complaint type, Consumer information, financial service/product type, FSP information, other stakeholders (if any), Complaint narrative, Complaint status, Complaint outcome, Complaint related documentation, Satisfaction of complaints, was directed to another structure or not.

Manuals for applications submitted by individuals to the central bank of RA and for hotline defines the procedures / requirements for preparing and submitting reports. The semi-annual and annual reports are prepared by the Consumer rights protection and financial education centre. This reports, are shared CBA Board and other interested departments. They are not public for others.

At the request of the Central Bank, Organizations should provide reports on complaints received to the

Central Bank. Details are regulated by Regulation 8/07 CB Board Resolution: Regulation 8/07 "Minimum Conditions and Principles for accounting, Maintenance and Registration". This information and relevant data is not public and they are not required by Central Bank for publication such information like number, type of complaints that they have received and resolved.

The semi-annual and annual reports are prepared by the Consumer rights protection and financial education centre. This reports, are shared with CBA Board and other interested departments. The information is not public for others and there is no requirement to make it public or sharing with external stakeholders.

We share common trends or signals received from complaints with FIs.

These data are for the applications and hot line received to the Central Bank from consumers in 2020:

- > 1195 application (41% related to the banks, 24% credit organization)
- > 16 916 hot line call (41% related to the credit organization, 31% banks)

Based on signals received by complaints Central bank develops on-site and off-site supervision plan. In some cases, they can make and share a circular letter.

In many cases, they include the top topics received from complaints in financial education programs. If the cases are mor urgent, they prepare posts or article and share by social site or website.

When they develop or change any regulations or laws, they consider the signals and problems received from the complaints.

CBA also receives semesterly complaints data for FSM. The mentioned information also serves as an effective way and source for regulation, supervision and education.

Market conduct supervision and prudential supervision are performed by different department. On-site supervisions are carried out jointly.

Type of supervision:

- > market monitoring (based on reported complaints data),
- > off-site and on-site inspections (in-depth interviews and meetings, system checks, policy and procedures reviews, among other activities),
- > thematic reviews,

- > consumer research (to gather demand-side data)
- > mystery shopping (to identify how FSPs handle complaints from the consumer perspective).

CBA may apply the following sanctions towards FSPs:

- a) warning and directive on elimination of violations,
- b) fine,
- c) deprivation of the bank manager's qualification certificate,
- d) recognition of the license as ineffective.

When a violation/not compliance is found by the employee investigating the complaint, a protocol is drawn up and sent to the Financial Supervision Department. This violation/not compliance is discussed and presented at the licensing session.

Based on signals received by complaints Central bank develop on-site supervision plan. Detailed actions and ways for supervision are indicated in the plan.

It is necessary to develop more effective supervision tools, which will be less resource-intensive for Central Bank. For example, for supervision of oral communication between consumers and FSPs we use on site supervision or mystery shopping, which is very costly (staff, financial needs).

## CAMBODIA

Cambodia has an integrated sectoral financial sector authority model, where the NBC is only responsible for the CPMC in the banking industry. Insurance and capital markets are under the non-bank supervisory authority. According to the existing regulation on Complaint Handling, all consumers who have difficulties or dissatisfaction with the products and services of the banking FSPs can contact NBC's Complaint Unit via hotline. However, NBC has only a role of coordinating and engaging the stakeholders, providing expertise to support complaint handling. There is no mandate for enforcement to solve consumer complaints.

Cambodia has an integrated sectoral financial sector authority model, where the NBC is only responsible for the CPMC in the banking industry. Insurance and capital markets are under the non-bank supervisory authority. According to the existing regulation on Complaint Handling, all consumers who have difficulties or dissatisfaction with the products and services of the banking FSPs can contact the NBC's Complaint Unit via hotline. However, the NBC has only a role of coordinating and engaging the stakeholders, providing expertise to support complaint handling. There is

no mandate for enforcement to solve consumer complaints. In Cambodia there is no separate ombudsman authority as well.

Complaint handling process is coordinated by the Complaint Unit under the Macro Surveillance and Data Management Department at the NBC. Hotline is the only channel to receive consumer complaints. The consumers have to approach the bank first to solve the issue, and banks are required to submit the complaints data to the central bank on a monthly basis.

The complaints are usually related to the pay-off loans before the maturity, loan restructuring because of covid, etc.

There is no framework in place to use the complaint handling for the market conduct supervision, CPR or financial education. There is no complaint database and dedicated procedure for analyzing complaint data and making reports.

There are no clear procedures in place to use complaint handling for off-site supervision, however they might be used for on-site supervision to do mystery shopping. In this case general sanctions can be set according to the Law on banking and FIs.

## COSTA RICA

Costa Rica has no specific law dealing with financial complaint handling. Nevertheless, there is a law dealing with the matter at a general level, i.e., the "Law for the promotion of competition and effective defense of the consumer" (Act 7472) which does not make differences between regular consumer or financial consumer and does not specify who can make a financial complaint. Additionally, each of the financial supervisors of the country has its own rules for complaint handling in the sector under its supervision.

Currently there is no specific law dealing with complaint handling in the financial system. Nevertheless, there is a law dealing with the matter at a general level, i.e., the "Law for the promotion of competition and effective defense of the consumer" (Act 7472) which does not make differences between regular consumer or financial consumer and do not specify who can make a financial complaint. Additionally, each of the financial supervisor of the country has its own rules for complaint handling in the sector under its supervision.

Complaint handling is done basically at four different levels:

1. FI level: by prudential regulation each supervised

institution must have a unit or process in charge of handling the complaints of their clients.

2. At the industry level: several FIs have organized an “Office for the defense of the financial consumer” for handling complaints that are not satisfactorily solved at the FI level. However, not all supervised institutions are working under this scheme.
3. At the financial supervisor level: there are four sectoral supervisors (financial intermediation, securities, insurances, and pension) each of which handle the complaints of its own industry.
4. At the judicial instances

The ombudsman usually handles complaints dealing with public institutions (e.g., state-owned banks) or matters affecting a significant portion of the population. Even though there is a regulation that protects financial consumer, the congress has not yet approved a specific regulation for financial consumers protection.

As previously mentioned, a particular framework for financial consumers protection is still missing in Costa Rica.

To have a complaint handling regulation for financial consumers, they need to tackle the institution's dispersion, because two or three of them are handling complaints right now. The framework that is already in the study within the Legislative Assembly gathers these efforts.

Central Bank does not have a mandate for complaint handling.

Complaints are submitted via postal mail, Email, Phone call (hotline).

The Department is Superintendencia General de Entidades Financieras de Costa Rica (SUGEF) Credit Information Center handles the complaints identically regardless of the channel. This Department receives complaints and contacts the competent FSP to ask for explanations and clarifications about the situation. The FSP must inform SUGEF of the outcome.

Complaints are registered in a “Consumer Relationship Management” software, but this software does not cover the full process of complaint handling. Because of that, currently, a joint project is being managed to automate the process jointly for the four superintendencies. Of course, each one resolves according to their competence (that is, SUGEF only transfers the complaint to the entity so that it responds

directly to the client).

There is an internal procedure for complaint handling, but it is not public.

They only handle complaints related to financial services provided by the oversight FIs due to our legal mandate.

Currently, they do not have specific forms for complaints submission, it is only required that the financial consumer explains the situation in the mail to contact the FSP.

Although they have a record of monthly complaints, they do not have KPIs for complaint handling process.

The complaints are registered in a “Consumer Relationship Management” software, but, it does not have analytical functions installed. They are taking part in a joint project designed to automate the process jointly for the four sectoral supervisors (financial intermediation, securities, insurances, and pension) each of which handle the complaints of its own industry according to their competence.

The current database includes information about complaint submission date, Unique tracking ID, Channel, Consumer information, financial service/product type, FSP information, other stakeholders (if any), Complaint narrative

It is important to mention that currently SUGEF does not have legal power regarding financial consumer protection or market conduct. SUGEF’s power is limited to prudential aspects. Data about complaints is mainly used to identify possible matters of concern from a prudential point of view.

SUGEF's is still handling complaints through the Credit Information Centre, which contacts the competent FSP to ask for explanations about the situation. Key issues are related to credit loans, over indebtedness, and credit score

The Ministry of Economy, Industry and Commerce is responsible for CPR and supervision for all sectors.

## FIJI

Both individual and MSMEs can submit their complaints.

Central Bank and FSPs are engaged in the financial complaint handling process by regulation. In the Complaints Guidelines, complainants are supposed to report issues first to the FSPs. If they are not satisfied

with the response, then they have the opportunity of escalating these issues to the Central Bank. The process is the same for all complaints handling at the Central Bank. One policy covers all financial services provided by licensed/supervised FIs. This includes all commercial banks, credit institutions, insurers (including brokers, agents), development bank, superannuation fund and securities market players. Revision and streamlining to consider financial services offered by informal sector i.e., moneylenders, MFIs, financial cooperatives can be considered. These are the factions where most of the vulnerable are served.

The ultimate role of the Central Bank is in resolving complaints, coordinating, and engaging stakeholders to support complaint handling, using for prudential supervision.

Complaints can be submitted via postal mail, Email, social media (Facebook, Twitter, etc.), website. There is a requirement in place to contact the competent FSP before complaining to the RBF.

Financial System Development Group is responsible for complaint handling at RBF. Email, phone query is registered and assigned to an officer. Officer then liaises with the complainant and the FSP to amicably resolve the complaint.

They have an Excel spreadsheet database. Currently developing an online program to efficiently generate reports, correspondence, and registrations. The RBF has developed policy guidelines on complaints management for:

- > Banking Supervision Policy
- > Capital Markets Supervision Policy
- > Restricted Foreign Exchange Dealers and Money Changers Supervision Policy
- > Insurance Supervision Policy

Financial service complaints are dealt with at the RBF. There is some collaboration however with other agencies that deal with complaints like the Consumer Council and the Commerce and Competition Commission in discussing high level consumer issues.

The complaints are classified by industry (banking, insurance, securities markets) and at times further break down by types of services (consumer service, fees & charges, contracts, and disclosure). There is no specific form, however, when submitting a complaint, one should include: identification, contact details, FSP, nature of complaint.

The KPI is the number of days to respond to complaints, % of solved complaints.

There is a centralized database for only internal stakeholders at RBF. At this stage, a simple excel spreadsheet is used for that. However, they are trialing the usage of software program developed internally. At this stage, it has reporting features but not specific analytical functions. All analysis and interpretations are done by Analysts. The database includes complaint submission date, Unique tracking ID, Complaint type, Consumer information, financial service/product type, FSP information, Complaint narrative, Complaint status, Complaint outcome, Complaint related documentation.

Complaint's data are collated, analyzed, and reported on a quarterly basis within the Group then to Executive Management and the RBF Board through information papers. FSPs are required under the Policy to report this to the RBF on a quarterly basis. However, there is no requirement for them to report to the public. General information and updates are aggregated by industry and reported to Executive Management and the Board through information papers and to stakeholders via Forum Meetings. At times, the Bulletin is released to the media for publication. The number of complaints has decreased during the pandemic because most of the complaints received were through traditional channels i.e., walk-in complainants, and phone calls. The key complaints are usually related to disclosure, high fees and charges, fairness and improper explanation of terms and conditions. The complaint handling process identify the areas that need further investigation through on-sites. Nature of complaints whether it be process or personnel related, will be discussed internally during the development of the inspection plan to devise questions and inspection points. If issues persist from a complaint handling standpoint, then certain policy decisions need to be made whether a review will be initiated. Should awareness be a constant issue in resolving complaints, focus must then shift to redoing/refining some of the educational projects that were previously implemented.

Market conduct supervision and prudential supervision are conducted by different groups. Market Conduct is done by the development team which also administer consumer educations and protection. Prudential supervision is done by the supervision team who look at a host of other things from a risk-perspective - Capital, Credit, Governance, etc. There is however good relationships and collaboration between the 2 Groups in supervising FSPs.

At this stage, RBF has the requirements under the Policy to guide FSPs. However, sanctions can also be issued under the general powers of the RBF Act.

Reports are submitted on a quarterly basis from FSPs. These are analyzed by institution and industry and reported to RBF's Financial System Policy Committee and the Complaint Forum which comprise of regulators, FSP representatives and other related stakeholders from the private sector.

On-sites are conducted when required. The pandemic has forced a lot of collaboration via virtual means with restrictions in place. However, they anticipate on-site to be conducted once normalcy resumes. The Complaints team usually accompany the prudential team during their on-site visits.

The framework for the supervision of complaints is quite effective but can be improved further with the use of technology and collaboration with agencies handling similar roles.

## MADAGASCAR

By regulation, the Public Treasury is responsible for complaint handling. The following institutions are engaged in the financial complaint handling process in Madagascar:

- > Banking and Financial Supervision Commission (CSBF) of the Central Bank setting by instruction the rules aimed at ensuring the requirement of transparency of financial information, and a complaints management mechanism. It also enacts management rules aimed at monitoring the conduct of the market, in the areas of consumer protection.
- > Minister in charge of Trade giving authorization to place a product on the market or it jointly with the interested Ministers depending on the field concerned
- > Ministry of Justice which decides cases brought before the body concerned.

There are a few rules and regulations in Madagascar for complaint handling in the financial system:

1. **Microfinance law:** referral to the CSBF by any public body, any client victim of illegal treatment, or any interested party or ex officio referral by the CSBF
2. **Insurance law:**
  - a. communication of information on consumer complaints to the CSBF by insurance companies.
  - b. any person subject to compulsory insurance subscription but subscription to an insurance

contract refused by an insurance company.

c. The association for the protection of insured persons may in particular:

- i. defend the interests of consumers of insurance services.
- ii. to take legal action for the purposes of:
  - become a civil party for acts causing direct or indirect damage to the interests of consumers of insurance services.
  - order the cessation of illegal acts or the removal of an illegal or abusive clause.
  - request the application of the legal provisions in force favorable to consumer protection when the initial request is aimed at compensation for damage suffered by one or more consumers.

d. Alert by companies of any breach of consumer protection rules by their IARs, distribution channels and employees, and inform the EA Professional Association and the CSBF General Secretariat

3. **Banking law:** In particular, consumer associations can:

a. defend the interests of consumers of banking services,

b. take legal action for the purposes of:

- become a civil party for acts directly or indirectly prejudicial to the interests of consumers of banking services.
- order the cessation of unlawful acts or the removal of an unlawful or abusive clause.
- request the application of the legislative measures in force favorable to consumer protection when the initial request relates to compensation for damage suffered by one or more consumers.

c. alert the EC of any breach of consumer protection rules by their employees or their distribution agents and inform the professional association of the EC concerned and the General Secretariat of the CSBF.

d. deliver its opinion on draft texts relating to consumer protection rules.

e. inform the President of the CSBF in the event of illegal exercise of the activity of a banking service provider.

4. **Law related to guarantees and consumer protection**

- associations duly declared with the explicit statutory object of defending consumers' interests may, if they have been approved for this purpose, exercise the rights granted to the civil party in relation to facts directly or indirectly prejudicial to

the collective interest of consumers.

- The consumer associations mentioned may ask the civil court, ruling on the civil action, or the criminal court, ruling on the civil action, to order the defender or the accused, if necessary, under penalty, any measure. intended to put an end to illegal acts or to remove an illegal clause from the contract or the type of contract offered to consumers.
- Consumer associations can intervene before the civil courts and request in particular the application of the legislative measures in force favorable to consumer protection, when the initial request is for compensation for damage suffered by one or more consumers for good reason. facts not constituting a criminal offense.

The primary way of submitting a complaint is via post mail, or a phone call (hotline). There are usually two classifications of complaints: unpaid claims and delayed claims compensation.

The complaint file is processed and studied. An investigation and research are carried out. The answer to the consumer depends about his request, he could be referred to the entity with which he has a problem after exchanges between the department and the entity in question or the department seizes the competent authority (CSBF, Ministry of Commerce, etc.)

The Public Treasury of Madagascar does not have a specific manual or detailed guideline or internal policy on how to handle consumer complaints. If they are not able to solve the problem, they try to forward the case to the competent bodies. As a KPI they identify the number of issues resolved in relation to cases handled. There is no specific software and a database for keeping the records. The corresponding department only analyzes the content of the consumer letter and start the treatment process. The Ministry in charge of the financial sector can request information concerning FIs and the consumer from the CSBF / Central Bank. The CSBF uses the tool to assess the level of compliance with the regulations in force, that means with respect to good practices. The CSBF will set up the complaints management system and will monitor the media.

## MAURITANIA

Banque Centrale de Mauritanie (BCM) has a single sectoral financial sector authority model as well. Within the jurisdiction BCM is responsible for consumers complaint handling. The role of BCM is to resolve complaints, coordinate and engage all stakeholders to

support complaint handling.

In Mauritania, the central bank is responsible for handling financial complaints. The regulations are the same for any kind of complaint submitting institution and individuals. It should be established in the banking law that consumer should, before taking their complaint in a court, follow a process which should start a first in the FI and secondly the central bank or institution in a charge of.

The central bank is ultimately responsible for resolving complaints, coordinating, and engaging stakeholders to support complaint handling, using for market conduct supervision, using for prudential supervision.

Consumer empowerment department oversees complain handling at the BCM. Complaints are received by postal mail. The department can require more information from the consumer if its needed, otherwise central bank writes the FI to ask about the complaint. After receiving information, they are treated, and the consumer is informed if the complaint is justified or not.

The central bank uses Excel for database management. It includes complaint submission date, complaint type, consumer information, financial service/product type, FSP information, complaint narrative. Excel is used to analyze "statement of account" information. The bank usually receives 2-3 complaints monthly.

The consumer complaint is forwarded to FSP in order the get more information about the complaint. FSP accept to automatically to resolve the problem.

Currently, the complaint handling is not really supporting market conduct supervision. But, most probably, in the future it'll be the case. In fact, BCM has taken a series of reforms. E.G a department of complaint handling has been recently created; the department has a financial education service.

Both market conduct supervision and prudential supervision are in the same general direction in the central bank.

For off-site supervision of complaints, there's a person in charge of all the process. Asking information to both parts (consumer and FSP). Sometimes, if it's needed, he can ask for an on-site verification.

On-site supervision of companies is generally undertaken sending an inspector to the FSP to verify directly through the information system if the

complaint is justified or not. General framework for the supervision of complaints is rated medium.

## NAMIBIA

Bank of Namibia (BN) is only responsible for the CPMC in the banking industry as well. Non-bank industries are regulated by the NAMFISA. BN only acts as a mediator between consumers and banks though it can't adjudicate and interfere in cases that are in a legal process.

Namibia has an integrated sectoral financial sector authority model, where the BN is only responsible for the CPMC in the banking industry. Non-bank industries are regulated by the NAMFISA.

The complaint handling process for the banks works based on the Guidelines for Lodging Consumer Complaints (January 2013). These guidelines apply to complaints relating to claims of less than N\$1,000,000.00 (~68000 USD) in respect of services and products offered by banking institutions. In this regard a complaint is defined as an individual or small business that expresses grievance or dissatisfaction to the Bank regarding the usage of any of the product or service provided by a banking institution and includes a representative of such individual or small business. The central bank only acts as a mediator between consumers and banks though the central bank does not have powers to adjudicate and interfere in cases that are in a legal process. Currently the central bank is working on legislative changes to get power to adjudicate on complaints as resolving complaints becomes one of the ultimate objectives.

Complaint handling process is coordinated by the Banking Supervision Department at the BN. There are several channels which can be used to complain such as the postal mail, Email, Phone call (hotline), Website, hand-delivered to our Offices. There is also an active collaboration between the BN and Namfisa. In case if complaints are related to non-bank such as insurance, pension funds, capital markets, the complaint is forwarded to Namfisa.

The complaints are usually related to the home-loans, insurance policy cessions, fees and charges, suspected fraud, poor service, and unauthorized bank account deductions.

We use the website and email for complaints, e.g. Microsoft software.

There is a standard form for consumer complaint, which

should contain:

- a) the name and contact details of the complainant and the name and contact details of the person submitting the complaint, if different.
- b) the name of the staff member who dealt with the original complaint, and the name and branch of the banking institution.
- c) an accurate and short statement of facts giving rise to the complaint supported by documents, if any, and showing that the banking institutions acted wrongly; the nature and proof of the extent of the loss caused to the complainant.
- d) a clear and short statement of the specific assistance sought and
- e) any other relevant information.

According to the procedure there are 15 working days after receiving a response from a banking institution. A banking institution also has 15 working days to respond to a complainant. A complainant then 5 working days to accept or appeal on the outcome of the complaint.

There is a database of complaints but only for internal use in the Banking Supervision department. It is a web-based system (e.g. intranet), which includes the following information for each complaint: complaint submission date, unique tracking ID, channel,

complaint type, consumer information, financial service/product type, FSP information, complaint narrative

There is only basic analytics on complaints data, which just includes the quantitative information about number of received complaints, resolved status and unresolved status, any refund amounts etc. The analytics is done on a quarterly and yearly basis. There is also a regulation for banks to keep a consumer complaint register at each branch and head office, and to report on a quarterly basis on complaints and whether it was resolved or not.

Information about the complaints is provided to other departments inside the central bank on a quarterly basis. Complaint's statistics are also included in the annual report of the BN.

Complaint handling process now acts as a standalone activity and does not support the market conduct and consumer protection processes actively due to the regulatory limitations. There are no enforcement mechanisms powered by the complaints data.

## NIGERIA

In Nigeria, FIs are required to establish helpdesk in line with the Central Bank of Nigeria (CBN) circular issued in August 2011. The CBN intervened in complaints against institutions licensed by it, most of which are carrying out banking businesses - which include, Commercial and Microfinance Banks, Finance Companies, Non-Interest banks, etc. Likewise, the Securities and Exchange Commission and the Nigeria Stock Exchange intervene on complaints against institutions within the securities and capital market etc. Institutions operating within the space are required to investigate and resolve their consumer complaints in line with extant regulations. Dissatisfied consumers are encouraged to escalate their complaints to the regulators. Each industry's complaint handling process is established by the industry's regulator. For example, the CBN established the framework for complaint handling in the banks and microcredit industry. The Central Bank's role is in resolving complaints, using for market conduct supervision. Complaints are submitted via postal mail, Email, social media (Facebook, Twitter, etc.). There is a request to contact the competent FSP first, and then to the Central Bank. At Central Bank, Consumer Protection Department is in charge for handling the consumer complaints. The CBN deployed the CCMS to automate the complaint handling process. The application has three (3) portals- The FIs portal, the internal portal for (CBN) and the public portal where the public can escalate complaints unresolved by their FIs to the CBN. The pilot phase of the Public Portal launched on 1st October 2021.

The CBN intervened in complaints against institutions licensed by it, most of which are carrying out banking businesses - which include, Commercial and Microfinance Banks, Finance Companies, Non-Interest banks, etc. Likewise, the Securities and Exchange Commission and the Nigeria Stock Exchange intervene on complaints against institutions within the securities and capital market etc. Institutions operating within the space are required to investigate and resolve their consumer complaints in line with extant regulations. Dissatisfied consumers are encouraged to escalate their complaints to the regulators.

Each industry's complaint handling process is established by the industry's regulator. For example, the CBN established the framework for complaint handling in the banks and microcredit industry. The CPR2019 provides guidelines for handling complaints. The central bank forwards complaints to the appropriate FSP or stakeholder: Securities and Exchange Commission (SEC) Nigeria Deposit Insurance Corporation (NDIC) National

Insurance Corporation (NICOM) National Pension Commission (PENCOM) etc.

In order to submit a complaint, one should write a clear and concise complaint email or letter containing:

- > Name of complainant
- > contact phone no
- > email
- > address
- > Name of your FI
- > Location of the complaint
- > Account details

The complaints are lodged with the FSPs, if the FSP fail to engage or resolve the complaint, it is escalated to the CBN. At escalation, the complaints are acknowledged, and the petitioner informed of the extant SLA on the resolution on each category of complaint. Each complaint category has its timeline established by regulation within which the complaint should be resolved by the FI which is contained in the Consumer Protection Regulation, 2019. FSPs are required to provide reports: there is a centralized database for all external and internal stakeholders. The CCMS is used to collate complaints data from FIs. FIs are required to provide rendition of complaints received from their consumers daily, within 24 working hours after receipt. Microsoft BI is used to analyze data received through the CCMS. The system contains the following data: complaint submission date, Unique tracking ID, Channel, Complaint type, Consumer information, financial service/product type, FSP information, Complaint narrative, Complaint status, Complaint related CCMS documentation. Complaint's data is analyzed using power BI. The BI draws data from the CCMS data pool and preset report are run regularly presented to CBN Management. Types of report of include the number of complaints per institution, categories of those complaints and number resolved / unresolved etc. The FSPs report annually in their annual reports and daily to the CBN. The CBN usually furnish Management and the general public with information on the number of complaints received/ resolved/ category and refunds made to consumers. Over 500 complaints are escalated to the CBN monthly, with most bothering on electronic channels related complaints e.g., ATM and POS dispense errors, erroneous transfers, failed transactions etc. Large value complaints are mostly loan- related with complaints on excess charges etc. The data generated from the CCMS is analyzed by the department, this helps the CBN to develop a strategy on carrying out routine examinations, spot checks and mystery shopping. The analysis of the complaints

category also aids the consumer education division to develop Financial Education tips for each of the target groups as identified in the National Financial Literacy Framework (NFLF) to enable them to make optimal, informed, and effective decision with respect to their financial resources. The data generated from the CCMS is analyzed by the department, this helps the CBN to develop a strategy on carrying out routine examinations, spot checks and mystery shopping. The analysis of the complaints category also aids the consumer education division to develop Financial Education tips for each of the target groups as identified in the National Financial Literacy Framework (NFLF) to enable them to make optimal, informed, and effective decision with respect to their financial resources. Market conduct supervision is carried out by the Consumer Protection Department because the prudential supervision is carried out by other departments. The tools and mechanism used based on the complaints data are spot checks, consumer compliance examination and risk-based conduct supervision. Complaints are escalated by consumers to the CBN, the complaints are processed by a relationship officer who forward the complaints to the FI requesting them to review and resolve the complaints in line with extant regulation. The Central Bank visits the FIs to carry out spot checks and examination. The CBN developed a CPR which addresses global best practices and the overarching principles stipulated in the Consumer Protection Framework. The CPR are a set of guidelines issued by the CBN to guide the conduct of FSPs to engender consumer protection and confidence in their relationship with their consumers. The CPR has helped to protect consumers against unfair and unethical practices by FSP.



## ANNEX 2: STANDARDIZED TEMPLATES

Below are presented some samples of standardized templates, which can be used by central banks for complaint handling.

### STANDARDIZED COMPLAINT APPLICATION FORM: COMPLAINT APPLICATION TEMPLATE

1. COMPLAINANT INFORMATION		CB LOGO
1.1	Full name of individual/firm	
1.2	Address	
1.3	Phone No./Mobile No.	
1.4	E-mail	
1.5	ID/Passport information/CID	
2. FSP (FSP) INFORMATION (if the application relates to a complaint against FSP)		
2.1	Name of the FSP	
2.2	Branch concerned (address/name)	
2.3	Name of the FSP contacted person	
2.4	Financial product/service	
2.5	Did you apply this complaint to... (choose YES or NO, specify the outcome in case of choosing YES)	
a	FSP	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No
b	Court	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No
c	FSM	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No
d	Other _____ (please, specify)	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No
<b>APPLICATION</b>		
(Please, provide a description of the complaint and ensure that all the facts of complaint are explained clearly.)		
Select the preferred channel to get your complaint response:		
<input type="checkbox"/> Postal Mail <input type="checkbox"/> E-mail		
List of attached files: <i>Please, attach all the relevant support documents or its' photocopies e.g. Contract Agreements, Statements, Submitted Complaint Application to FSP etc</i>		
<b>APPLICANT</b> <i>Applicant's/firm full name, application date, signature)</i>		
Disclaimer about data privacy and processing.		

## STANDARDIZED RESPONSE TO CONSUMER WHEN THE COMPLAINT IS PROCEEDED: COMPLAINT STATUS TEMPLATE

### COMPLAINANT DETAILS

Complainant	<i>(full name)</i>
Receipt date and time	<i>(day/month/year, hour/minute)</i>
Registration Number	<i>(provided by CB)</i>
Complaint short description	<i>(use financial service type, name or type of FSP or the specific topic of the complaint)</i>

Dear Applicant,

Thank you for your application. This is to notify that your complaint is accepted and proceeded. You will get your response in \_\_\_\_\_ days.

- ✓ If additional information will be needed you will get a request to provide it.
- ✓ You can track your complaint using following tracking number \_\_\_\_\_  
(provide all the possible tracking channels (eg. website, SMS tracking) if available).
- ✓ If you need additional information on the progress of your complaint contact us:
  - > Tel. no/Hotline/Contact Center :
  - > E-mail :
  - > Website :

### CENTRAL BANK DETAILS

Address	
Phone No./Mobile No.	
E-mail	
Contact person	<i>(full name/department/position/signature)</i>

## STANDARDIZED TEMPLATE TO RECEIVE ADDITIONAL INFORMATION FROM CONSUMER: REQUEST FOR INFORMATION TEMPLATE

### COMPLAINANT DETAILS

Complainant	<i>(full name)</i>
Receipt date and time	<i>(day/month/year, hour/minute)</i>
Complaint Number	<i>(unique identification number from the system/software/complaint data)</i>
Complaint heading	<i>(use financial service type, name or type of FSP or the specific topic of the complaint)</i>

Dear Applicant,

Thank you for your application. This is to notify you that additional information is needed for the further examination of your complaint. Please, provide (write the exact name of the needed document or information):

> \_\_\_\_\_  
> \_\_\_\_\_

✓ You can track your complaint using \_\_\_\_ (provide all the possible tracking channel (eg. website, SMS tracking) if available).

✓ If you need additional information on the progress of your complaint contact us:

> Tel. no/Hotline/Contact Center :

> E-mail :

> Website :

### CENTRAL BANK DETAILS

Address	
Phone No./Mobile No.	
E-mail	
Contact person	<i>(full name/department/position/signature)</i>

## STANDARDIZED TEMPLATE TO RESPOND TO THE CONSUMER'S INVALID COMPLAINT: INVALID COMPLAINT RESPONSE TEMPLATE

### COMPLAINANT DETAILS

Complainant	<i>(full name)</i>
Receipt date and time	<i>(day/month/year, hour/minute)</i>
Complaint Number	<i>(unique identification number from the system/software/complaint data)</i>
Complaint heading	<i>(use financial service type, name or type of FSP or the specific topic of the complaint)</i>

Dear Applicant,

Thank you for your application. This is to notify that your complaint cannot be considered by \_\_\_\_\_  
(write full name of central bank) according to the following reason(s):

> \_\_\_\_\_

> \_\_\_\_\_

*(write the exact reason why the complaint cannot be considered. complaint is not in the scope of the financial complaint handling framework at the central bank, not reported within a reasonable timeframe, already submitted, and awaiting resolution or has already been resolved by any other institution etc.)*

### CENTRAL BANK DETAILS

Address	
Phone No./Mobile No.	
E-mail	
Contact person	<i>(full name/department/position/signature)</i>

## MEETING MINUTES TEMPLATES TO BE USED IF MEETINGS ARE ORGANIZED WITH THE CONSUMER OR ANY STAKEHOLDER: MEETING MINUTES TEMPLATE

### COMPLAINANT DETAILS

Complaint Number	<i>(unique identification number from the system/software/complaint data)</i>
Complainant information	<i>(full name, contact information)</i>
Complaint Receipt Date	<i>(day/month/year)</i>

### MEETING DETAILS

Date/Time	<i>(day/month/year, hour/minute)</i>
Participants	<input type="checkbox"/> Central Bank representative <i>(full name/department/position)</i>
	<input type="checkbox"/> Financial Services Provider (FSP) <i>(name)</i> FSP representative <i>(full name/position)</i>
	<input type="checkbox"/> Complainant/representative <i>(full name)</i>
Purpose	1. 2. ..
Result	2. ..
Next Steps	2. ..

#### Representatives:

1. \_\_\_\_\_ *(full name/signature)*
2. \_\_\_\_\_ *(full name/signature)*
3. \_\_\_\_\_ *(full name/signature)*
- 4....

## STANDARDIZED REPORTS: COMPLAINT REPORT TEMPLATE

Frequency	<i>(monthly/quarterly/annual)</i>		
Reporting Period	<i>(day/month/year - day/month/year)</i>		
Reported Date	<i>(day/month/year)</i>		
<b>1</b>	<b>COMPLAINTS</b>	<b>REPORTING PERIOD</b> <i>(total number)</i>	<b>PREVIOUS PERIOD</b> <i>(number/percentage change - increase and decrease)</i>
1.1	received		
1.2	resolved		
1.3	pending		
1.4	by Individual applicants		
1.5	by Firm applicants		
1.6	by female		
1.7	by male		
1.8	repeated by the same applicant		
<b>2</b>	<b>COMPLAINTS</b> <i>channel of submission</i>	<b>REPORTING PERIOD</b> <i>(total number)</i>	<b>PREVIOUS PERIOD</b> <i>(number/percentage change - increase and decrease)</i>
1.1	manually		
1.2	postal service		
1.3	hotline		
1.4	e-mail		
1.5	Website and social		
1.6	media		
<b>3</b>	<b>COMPLAINTS</b> <i>by FSP types</i> <i>(change the options according to your financial system)</i>	<b>REPORTING PERIOD</b> <i>(total number)</i>	<b>PREVIOUS PERIOD</b> <i>(number/percentage change - increase and decrease)</i>
<b>3.1</b>	<b>banks</b>		
A	bank 1		
B	bank 2		
C	...		
<b>3.2</b>	<b>credit unions</b>		
A	credit union 1		
B	credit union 2		
C	...		

3.3	insurance company		
A	insurance company 1		
B	insurance company 2		
C	...		
3.4	money transfer organization		
A	money transfer organization 1		
B	money transfer organization 2		
C	...		
...			
<p>COMPLAINTS by financial services/ products (change the options according to your financial system)</p>			
4		REPORTING PERIOD (total number)	PREVIOUS PERIOD (number/percentage change - increase and decrease)
4.1	personal loan		
4.2	insurance		
4.3	money transfer organization		
4.4	savings		
4.5	...		



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