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Central Bank of Ireland Publishes Findings of Complaints Handling Inspection in Insurance Firms

The Central Bank of Ireland today (19 April 2011) published the findings of an inspection of complaints handling processes in insurance firms. The inspection examined whether insurance firms were in compliance with the requirements of the Consumer Protection Code (the Code), which sets out specific rules on how firms must handle consumer complaints. Over 600 individual complaints across twelve insurance firms were inspected.

Overall, the findings of the inspection were disappointing as none of the firms inspected were fully compliant with all the requirements of the Code. The inspection found a number of firms had a particularly low level of compliance in relation to complaints handling, while less serious breaches were found in others. Compliance issues identified during the inspection are being followed up individually with the firms concerned and the Central Bank is considering enforcement action for a number of firms following the findings of this inspection.

Director of Consumer Protection, Bernard Sheridan, said: 'It is essential that consumers feel they can make a complaint and that it will not be a difficult or prolonged process. The Consumer Protection Code requires that a firm's complaints resolution process is fair and effective and the findings of this inspection are of particular concern considering the prescriptive nature of the

rules contained within the Code. The Central Bank expects full compliance with all aspects of the Code”.

The inspection highlighted a number of specific concerns including:

Requirement to provide a point of contact: Instances were found in all firms that consumers were not provided with details of an individual point of contact until the complaint was resolved or could not be processed any further. Where a point of contact was not provided, the Central Bank found that consumers had to reiterate details of their complaints to a number of different individuals, which increased the duration of the complaints process and led to further consumer dissatisfaction.

Information on the Financial Services Ombudsman: Six firms did not inform the consumer of their right to refer the matter to the Financial Services Ombudsman (FSO), or did not provide the consumer with the contact details of the FSO. Access to the FSO is an important element of the complaints process and the Code requires that consumers are made aware of their right to access this service.

Requirement to acknowledge complaints in writing: Instances were found in all firms where they did not acknowledge complaints in writing within five business days of the complaint being received, as required by the Code. In some cases firms did not issue an acknowledgement at all. In others the acknowledgement was issued, but not within the required timeframe of five business days. It is important that consumer complaints are acknowledged in a timely manner so that consumers are assured their complaint has been received and will be dealt with.

The Central Bank has informed all insurance companies of the findings to ensure they handle complaints in the best interests of consumers.

ENDS

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Notes to editors

The Consumer Protection Code (Chapter 2, Section 46-48) outlines specific requirements on complaints handling by firms. The Code requires that firms must have a written procedure in place for handling complaints. It also requires that:

- Consumers are provided with the name of an individual point of contact in relation to their complaint;
- Complaints must be acknowledged within five business days and consumers must also be told the name of the person who will be examining the complaint;
- Consumers must be given written progress updates at least every 20 business days; and
- If the complaint has not been resolved within 40 business days, the firm must advise the consumer of their right to refer the complaint to the Financial Services Ombudsman (FSO) and provide contact details for the FSO.

The review did not examine the fairness or otherwise of individual complaint adjudications but looked at the manner in which complaints were processed in respect of rules contained within the Consumer Protection Code.

The Consumer Protection Code is available to view on the Central Bank website [here](#).