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| Creating a Procedure for UK Complaints  March 2019 |

**CREATING A PROCEDURE FOR UK COMPLAINTS**

This document provides guidance for creating a Complaints Procedure which will comply with Lloyd’s UK complaints handling requirements.

Full details of Lloyd’s requirements, including Lloyd’s Complaints Handling Code and Guidance notes are available on the Lloyd’s website at:

[www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling)

**HOW SHOULD YOU USE THIS TEMPLATE?**

To assist coverholders who have delegated authority to handle complaints, Lloyd’s has prepared this template which will assist with the creation of a procedure that complies with Lloyd’s requirements.

This template guides the reader through the primary elements Lloyd’s believes a procedure should encompass and does so by identifying suggested “headings” for useful sections of the procedure. Under each heading we provide some guidance to help the author populate the relevant section.

We have also provided, where appropriate, some example text for the Procedure that you may wish to use and adapt.

This template has been prepared on the basis that it can be used by a UK coverholder with authority to handle complaints. This template may not be suitable for all business models and as a result you should assess your own specific circumstances alongside the suggestions in this template. Anybody using this template as an aid to their production of a complaints procedure retains responsibility for ensuring that they are compliant with all regulatory obligations at all times.

In particular, the policy to be adopted may depend on the level of authority agreed by the managing agents for the handling of UK complaints. This should be set out clearly in the procedure.

**QUESTIONS ABOUT THIS DOCUMENT**

If you have any questions regarding this document or how to adapt it for use or if you have any questions regarding complaints handling at Lloyd’s you should address them in the first instance to the Lloyd’s Underwriters on your binding authority, via your Lloyd’s broker if appropriate.

**CREATING A PROCEDURE FOR UK COMPLAINTS**

The suggested headings for a Complaints Procedure are detailed below. Under each heading is a summary of the points that should be addressed in that section as well as some suggested example wording.

1. **INTRODUCTION**

This section should introduce the document and clearly explain the need to comply with the complaints handling rules of the Financial Conduct Authority (FCA) as well as those detailed in Lloyd’s ‘[Code for Underwriting Agents: UK Personal Lines Claims & Complaints Handling](vhttp://www.lloyds.com/~/media/files/the%20market/operating%20at%20lloyds/regulation/complaints/uk%20complaints/code%20for%20uk%20personal%20lines%20claims%20and%20complaints%20July%202018.pdf)’.

It is recommended that the Procedure identifies the main sources for complaints handling rules (see below under “example wording”). These should be referred to when questions arise as to how to ensure compliance with the applicable regulations.

The introduction should also make it clear that:

* You aim to establish, implement and maintain effective and transparent procedures for the reasonable and prompt handling of complaints.
* You allow complaints to be made by any reasonable means, including orally.
* Where complaints are made you recognise that the complaint requires resolution.

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| ***Example wording***  From time to time we may receive complaints from our customers.  As a firm we are committed to ensuring that we have effective and transparent procedures for the reasonable and prompt handling of complaints. We are also committed to ensuring that complaints are properly investigated and that all complaints are resolved appropriately. Handling complaints will not only improve the customer’s experience but can contribute to the success of our business. Identifying complaints and understanding the underlying causes can also provide our business with valuable information to improve products and the service provided to customers.  We recognise that complaints can be made using a variety of mediums such as in writing or orally and our procedures cater for this.  This Procedure therefore documents our firm’s approach to handling complaints to ensure they are identified and handled in accordance with both the FCA’s rules and Lloyd’s Complaints Handling Code.  This Procedure is intended to ensure we meet our regulatory obligations. The main sources for complaints handling rules are as follows and should be referred to when questions arise as to how to ensure compliance with the applicable regulations:   * The FCA Handbook – DISP: <https://www.handbook.fca.org.uk/handbook/DISP/>. * Lloyd’s ‘[Code for Underwriting Agents: UK Personal Lines Claims & Complaints Handling](http://www.lloyds.com/~/media/files/the%20market/operating%20at%20lloyds/regulation/complaints/uk%20complaints/code%20for%20uk%20personal%20lines%20claims%20and%20complaints%20July%202018.pdf)’: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling). * Financial Ombudsman Service guidance and previous decisions:   + Technical approach to insurance complaints: <http://www.financial-ombudsman.org.uk/publications/technical.htm>.   + Decisions database: <http://www.ombudsman-decisions.org.uk/>. |

1. **PURPOSE**

This section should clearly explain that the purpose of the procedure is to inform the coverholder’s staff of the required approach to ensure compliance with Lloyd’s Complaints handling requirements and any authorities or specific requirements which might have been received from lead Underwriters.

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| ***Example wording***  This Procedure explains the required approach to ensure complaints are identified and handled in accordance with both the FCA’s rules and those mandated by Lloyd’s. In addition Lloyd’s Underwriters may issue specific instructions of their own; any such instructions will be reflected in this Procedure or in the binding authority agreement.  The Procedure is available to all members of staff; not simply those with complaint handling responsibility as other members of staff should still be able to identify a complaint and be aware of their responsibilities in the event they become aware of one. If you deal directly with customers (e.g. on sales, mid-term adjustments, claims) then this is especially important.  **Sections 1 to 5 of this Procedure are applicable to all our staff.**  **Sections 6 to 12 are relevant to those members of staff who are authorised to handle complaints**.  In this procedure the terms “we” or “our” refer to our firm and “you” or “your” refers to you as one of our employees.  All staff are expected to be familiar with and comply with this Procedure. Failure to do so may lead to disciplinary action. |

1. **COMPLAINTS MANAGER**

This section should identify the individual/role with overall responsibility for complaints handling. It should be made clear that any questions or concerns regarding issues that may arise relating to complaints handling should be referred to this person. There may also be other individuals to whom questions or concerns should be referred before being escalated to the person with overall responsibility and they should be identified here as well.

This section should also identify the team (if there is more than one person) that is responsible for the day to day handling and reporting of complaints and ensuring compliance with complaints handling requirements. All complaints staff should have an appropriate level of complaints training.

While there may be certain individuals who are designated to handle complaints it is important that the policy makes clear that all staff who deal with policyholders should know how to identify complaints when they arise and know what to do with them. For example, this may be to refer the complaint to the team with responsibility for handling complaints. The policy should explain that appropriate training will be provided where required.

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| ***Example wording***  The Complaints Manager is [***name of individual***]. In his/her absence complaints issues will be addressed by [***name of individual***].  The Complaints Manager is responsible for ensuring that complaints are dealt with in accordance with all relevant regulatory rules and the terms of our binding authorities and that all decisions reached represent appropriate customer outcomes.  The Complaints Manager reports to Lloyd’s Underwriters and also to our Board on complaints that have been received and how they have been resolved. The Complaints Manager is also responsible for overseeing the day to day compliance with this Procedure.  The Complaints Manager has the appropriate level of seniority within the firm, understands the relevant legislation and regulations and has the full support of the Board and senior management in carrying out their responsibilities. Specific authorities include:   * Establishing, maintaining and monitoring our firm’s complaints procedures (subject to relevant laws, Lloyd’s requirements and the terms of our binding authorities). * Ensuring complaints are identified and investigated fairly and promptly and that appropriate responses are provided to complainants (that provide the relevant escalation rights to the Society of Lloyd’s and to the Financial Ombudsman Service) * Establishing where appropriate the correct level of redress (subject to applicable authority limits granted by Lloyd’s Underwriters) * Liaising with Lloyd’s Underwriters on complaints issues * Establishing and maintaining training for our staff * Reporting to Lloyd’s Underwriters, our senior management and our Board on all complaints matters * Conducting periodic reviews of our firm’s compliance with relevant legislation and provisions and with the terms of this Procedure * Ensuring that all complaints are recorded in a register that we maintain and which is available for inspection by Lloyd’s Underwriters.   If you have any queries or concerns regarding any complaints issue (such as whether an issue is a “complaint”) you should contact the Complaints Manager immediately |

1. **KEY DEFINITIONS**

This section should provide clear and accurate definitions of the following FCA Handbook terms:

* A complaint.
* Eligible complainant.
* Redress.

Lloyd’s ‘[Code for Underwriting Agents: UK Personal Lines Claims & Complaints Handling](http://www.lloyds.com/~/media/files/the%20market/operating%20at%20lloyds/regulation/complaints/uk%20complaints/code%20for%20uk%20personal%20lines%20claims%20and%20complaints%20July%202018.pdf)’ includes a summary definition of these terms. If a summary definition is used then it must be made clear that reference should be made to the FCA Handbook for the full definition where required.

The process should also clarify the fact that complaints regarding service provided by the Coverholder will still need to follow the Lloyd’s complaints process where that service relates to any activity undertaken in the Coverholder’s capacity as agent of Lloyd’s Underwriters.

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| *Example wording*  It is important that you understand some of the key words that are relevant to handling complaints. You need to know what a “complaint” is and who is an “eligible complainant.” This is important so you know how to recognise a complaint in order that it can be actioned.  What is a complaint?  The FCA’s definition of a complaint is:  *“any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service, which*  *(1) alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience and*  *(2) relates to an activity of that respondent, or of any other respondent with whom that respondent has some connection in marketing or providing financial services or products, which comes under the jurisdiction of the Financial Ombudsman Service.”*  In short, a complaint is any expression of dissatisfaction whether justified or not and can be made in writing (e.g. by letter, email or via our website) or orally (e.g. over the phone or in a meeting). Even where a complaint may relate to our service, where we are acting as agent of Lloyd’s Underwriters it is still a complaint which should follow the Lloyd’s complaint handling process.  The full definition of what is a complaint can be found in the Glossary to the FCA Handbook.    Who can make a complaint?  Anyone can make a complaint and as a firm we are committed to making sure all complaints are identified and resolved.  But the FCA has also defined which customers’ complaints are eligible for the purposes of its complaint handling rules. Such customers are referred to as “eligible complainants” which encompasses:   1. Individuals acting for purposes outside of their trade, business or profession. 2. Micro-enterprises which are smaller businesses with less than 10 persons and an annual turnover of less than €2 million. 3. A small business that is not a micro-enterprise and has an annual turnover of less than £6.5 million and 4. employs fewer than 50 persons; or 5. has a balance sheet total of less than £5 million 6. Charities with an annual income of less than £6.5 million at the time the complaint is made. 7. Trustees with a net asset value of less than £5 million at the time the complaint is made. 8. Professional clients and eligible counterparties, where the person is an individual acting for purposes outside his trade, business, craft or profession. 9. A guarantor   For a full definition of an eligible complainant please refer to DISP 2.7.3  What is redress?  If a complaint from an eligible complainant has been received it will be investigated and where appropriate redress may be offered to resolve the matter.  The FCA’s definition of ‘Redress’ is:  *“redress should be interpreted to include an amount paid, or cost borne, by the* [*firm*](https://www.handbook.fca.org.uk/handbook/glossary/G430.html)*, where a cash value can be readily identified, and should include:*  *(a) amounts paid for distress and inconvenience;*  *(b) a free transfer out to another provider which transfer would normally be paid for;*  *(c) goodwill payments and goodwill gestures;*  *(d) interest on delayed settlements;*  *(e) waiver of an excess on an insurance policy; and*  *(f) payments to put the consumer back into the position the consumer should have been in had the act or omission not occurred.”* |
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1. **NOTIFICATION TO OUR COMPLAINTS MANAGER**

This section should clearly outline the process for your staff to follow to notify complaints to your Complaints Manager in order that the complaint can be recorded, reported and investigated.

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| ***Example wording***  If, as a member of our staff, you receive a complaint you must immediately report this to our Complaints Manager. You should not try to resolve the complaint yourself but instead the Complaints Manager will decide how to proceed.  We and Lloyd’s underwriters, on whose behalf we act, have regulatory obligations to record, handle and report complaints from eligible complainants. So it is it important that all complaints are identified and recorded by us. It is also only by identifying and then handling complaints well that we can improve the customer’s experience and ensure that we can make use of the business information that complaints can provide us with.  When dealing with customers you should keep in mind that a person does not need to say that they wish to make a complaint. Any expression of dissatisfaction should be identified as a possible complaint and referred to the Complaints Manager.  It is understood that from time to time it may be difficult to say whether a communication from a customer is in fact a complaint. If you are in any doubt please report the matter.  The Complaints Manager is available to provide guidance in any case.  The Complaints Manager will ensure that all complaints are recorded in a register that we maintain and which is available for inspection by Lloyd’s Underwriters. |

1. **NOTIFICATION TO LLOYD’S**

This section should clearly outline the process to be followed to notify complaints from eligible complainants to Lloyd’s (or the lead Underwriters, depending upon specific instructions from the leader) and should include:

* Complaints from eligible complainants should be notified to Lloyd’s only by using the Complaint Notification Template which can be downloaded from: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling)
* Where the Complaint Notification Template should be sent when completed. If instructed to notify directly to Lloyd’s it should be sent to: [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) . The subject line of the email should state ‘Notification Spreadsheet’ unless the spreadsheet is automatically created by a complaint management database. The email should only contain the spreadsheet and no other documentation. If the leader has instructed that all complaints should be notified to them the appropriate details should be set out.
* Complaints resolved formally must be notified to Lloyd’s within seven days of receipt.
* Complaints resolved informally must be notified to Lloyd’s within seven days of the Summary Resolution Communication being issued.

Lloyd’s only requires notification of complaints from eligible complainants and, based on the FCA’s rules, the complaint handling process set out in the next sections also only applies to complaints from eligible complaints. For complaints from persons who do not qualify as an eligible complainant it is recommended you should adopt similar principles for the prompt and reasonable handling of the complaint, but it is not necessary to follow the procedures set out in the next sections.

In addition to notifying complaints to Lloyd’s the Coverholder should also maintain its own record of complaints and the procedure should explain the process for doing so.

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| ***Example wording***  When a complaint is received from an eligible complainant (as defined above) details should immediately be passed to the Complaints Manager who will be responsible for ensuring that the matter is recorded appropriately and added to the Complaint Notification Template which can be downloaded from: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling). All fields should be completed accordingly. The Complaint Notification Template is to be emailed to: [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) If the complaint is resolved formally the Complaint Notification Template must be sent to Lloyd’s within seven days of receipt. However, if the complaint is resolved informally by issuing a Summary Resolution Communication (SRC) the Complaint Notification Template must be sent to Lloyd’s within seven days of the SRC being issued. The subject line of the email should state ‘Notification Spreadsheet’ unless the spreadsheet is automatically created by a complaint management database. The email should only contain the spreadsheet and no other documentation.  Note that while we seek to record and ensure the prompt and reasonable handling of all complaints received, only complaints from eligible complainants need to be reported to Lloyd’s. The procedures in the next sections also only apply to the complaints received from eligible complainants. This is consistent with Lloyd’s requirements and the FCA’s rules set out in DISP. |

1. **COMPLAINTS RESOLVED INFORMALLY**

This section should outline the process to be followed in the event that a complaint from an eligible complainant is resolved “informally” by the close of the third business day following receipt of the complaint.

* It should specifically mention the fact that these complaints are still reportable and must receive a written “summary resolution communication” (SRC) within five business days following receipt of the complaint.
* The wording for the SRC to be used for Lloyd’s policyholders is available at: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling) . This includes details of how the complainant can refer the complaint for review by Lloyd’s or the Financial Ombudsman Service, if they remain dissatisfied.
* It should be explained clearly that a complaint may not be considered as “resolved” unless the complainant has indicated that they are satisfied with the proposed resolution to the complaint.

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| ***Example wording***  Some complaints may be able to be resolved informally in accordance with the rules set out by the FCA. The FCA has stated that a complaint can be resolved informally by the close of the third business day following receipt of the complaint but the complainant must receive a written ‘Summary Resolution Communication’ (SRC) within five business days from receipt of the complaint. The SRC for Lloyd’s customers must include the following text:  *“While we consider this matter to be resolved, in the unlikely event that you remain dissatisfied I am obliged to inform you that as your insurance is provided by Underwriters at Lloyd’s you are entitled to refer the matter to the Complaints team at Lloyd’s.  Full details of Lloyd’s complaints procedures are available at* [*www.lloyds.com*](http://www.lloyds.com) *and the Complaints team’s contact details are as follows:*  *Lloyd’s*  *Fidentia House*  *Walter Burke Way*  *Chatham Maritime*  *Chatham*  *Kent ME4 4RN*  *Telephone: +44 (0)20 7327 5693*  *Fax: +44 (0)20 7327 5225*  *Email:* [*complaints@lloyds.com*](mailto:complaints@lloyds.com)  *Alternatively, you may now have the right to refer your complaint to the Financial Ombudsman Service (FOS), free of charge – but you must do so within six months of the date of this communication. If you do not refer your complaint in time, the FOS will not have permission to consider your complaint and so will only be able to do so in very limited circumstances (for example, if the FOS believes that the delay was as a result of exceptional circumstances). Further details regarding the FOS can be obtained from their website at* [*www.financial-ombudsman.org.uk*](http://www.financial-ombudsman.org.uk)*. Alternatively the FOS may be contacted at:*  *The Financial Ombudsman Service*  *Exchange Tower*  *London E14 9SR*  *Tel: 0800 023 4 567*  *Should you refer the matter to Lloyd’s this will not affect your right to refer the matter to the Financial Ombudsman Service following Lloyd’s review.”*  The complaint can only be considered as resolved informally if the complainant has indicated acceptance of the proposed resolution. |

1. **ACKNOWLEDGEMENT**

This section should clearly outline how to acknowledge a complaint from an eligible complainant and should cover the following points:

* The complaint should be acknowledged promptly, ideally within two business days of your decision that the complaint cannot be resolved informally.
* The acknowledgement must be in writing.
* The acknowledgement must include a copy of Lloyd’s ‘How We Will Handle Your Complaint’ leaflet which can be downloaded/printed from:

[www.lloyds.com/compaintshandling](http://www.lloyds.com/compaintshandling).

* A copy of the acknowledgement letter does not need to be provided to Lloyd’s.

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| ***Example wording***  If a complaint from an eligible complainant is not able to be resolved informally it must be acknowledged in writing by the complaints team. An acknowledgement letter should be issued within two business days following the decision that the complaint cannot be resolved informally with a copy of Lloyd’s ‘How We Will Handle Your Complaint’ leaflet. To obtain copies of this leaflet you must download and print them from: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling).  An example of an acknowledgement letter is as follows:  *“We are writing to acknowledge your complaint dated [insert date].*  *We are sorry that you feel you have cause for complaint and thank you for making us aware of this issue. We can assure you that your complaint will be investigated and we will make every effort to ensure this matter is dealt with promptly.*  *Your policy is underwritten at Lloyd’s and we follow the process for responding to complaints which has been put in place by Lloyd’s. Lloyd’s has produced a leaflet “How We Will Handle Your Complaint”, which sets out its complaints procedure and we enclose a copy for your information.*  *You should expect to receive a further response from us within two weeks of the date of your complaint. If we are not able to resolve your complaint after two weeks (or in the unlikely event that we are not able to provide a response in that time), you may then, if you wish, refer your complaint directly to Lloyd's. Details of how to contact Lloyd’s Complaints team are set out in the leaflet.*    *Should you have any queries, or wish to provide any additional information, please do not hesitate to contact me.”* |

1. **FORMAL RESOLUTION (STAGE 1 RESPONSE)**

This section should clearly outline the process for issuing a written response to all complaints from eligible complainants which could not be resolved within the initial three day period and should include:

* A stage 1 written response should be issued within 14 days of receipt of the complaint.
* The stage 1 response should outline the complaint, clarify whether it has been accepted or rejected and what action, if any, will be taken to resolve the complaint. Model wordings produced by the Lloyd’s Market Association are available at:

[www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling).

* Every stage 1 response must explain the complainant’s right to request a stage 2 review by Lloyd’s (with details of how this can be done) and refer to the ultimate availability of the Financial Ombudsman Service.
* The stage 1 response must not be referred to as a ‘Final Response’.
* A copy of the stage one response together with a copy of the original complaint (if not previously provided with an investigation ongoing letter) and submitted as pdf documents, must be emailed to [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) within the stage one deadline. The subject line of the covering email should state ‘Stage One Response – policyholder name’. The body of the mail should confirm:
* policy / claim number used to notify the complaint to Lloyd’s
* stage one decision (justified or not justified)
* if justified, the grounds for justification and action taken, using Lloyd’s standard options
* redress payable
* root cause of complaint (if not provided on notification spreadsheet)
  + Claim – coverage / terms and conditions
  + Claim – customer service
  + Claim – delay
  + Claim – quantum
  + Claim – standard / duration / delay of repair
  + Cancellation / refund
  + Customer Service – non-claims related
  + Product suitability
  + Other (we would expect this option to be rarely used)
* coverholder (if not provided on notification spreadsheet)

For complaints received via the telephone, a copy of the call or a transcript must be provided.

The procedure should emphasise that complaints should be investigated competently, diligently and impartially obtaining additional information as necessary. Complaints must be assessed fairly, consistently and promptly including whether the complaint should be upheld and what remedial action or redress (or both) may be appropriate.

Taking into account all relevant factors, you must offer redress or remedial action when you decide this is appropriate. In all cases, when providing a stage 1 response, you must explain to the complainant promptly and, in a way that is fair, clear and not misleading, your assessment of the complaint, your decision on it, and any offer of remedial action or redress. You must ensure that any offer of remedial action or redress accepted by the complainant is complied with promptly.

The policy should make clear the levels of authority given to you uphold complaints and offer remedial action and/or redress without referral to the managing agent.

When assessing the complaint, factors that may be relevant include:

* all the evidence available and the particular circumstances of the complaint, similarities with other complaints received,
* relevant guidance published by the FCA, other relevant regulators, the Financial Ombudsman Service (or its predecessors),
* paying heed to individual customer circumstances and
* appropriate analysis of decisions by the Financial Ombudsman Service concerning similar complaints received.

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| ***Example wording***  When a complaint from an eligible complainant cannot be resolved informally the Complaints Manager will ensure that the complaint is fully reviewed. The review will take into account all of the available evidence, DISP rules, ICOBS and similar complaints resolved previously by our complaints team, Lloyd’s and the Financial Ombudsman Service. If further information is required to conclude the review it should be requested from the relevant party. At all times we must ensure that complaints are investigated competently, diligently and impartially. The complaints team must be fair, consistent and arrive at the appropriate customer outcome.  Where the complaints team has authority to award redress the relevant authority levels will have been agreed with the Lloyd’s Underwriters. Currently our authorised level of redress is *[insert details]*. If the appropriate amount of redress is above the authority provided the Complaints Manager will seek instructions from Lloyd’s Underwriters.  Once the investigation has been completed a Stage 1 Response should be issued in writing detailing the complaint, whether the complaint is upheld or not, the reason for our decision and any action to be taken. It is important to bear in mind that in some circumstances it might be considered appropriate to award some redress or other remedial action without accepting the complaint. The Stage 1 Response is to be issued within 14 days of receipt of the complaint and must include the following referral rights to Lloyd’s and the Financial Ombudsman Service:  *“Should you remain dissatisfied, you may if you wish, refer your complaint to Lloyd's, who will investigate and assess this complaint. Lloyd's contact details are as follows:*  *Complaints*  *Lloyd’s*  *Fidentia House*  *Walter Burke Way*  *Chatham Maritime*  *Chatham*  *Kent ME4 4RN*  *Email:* [*complaints@lloyds.com*](mailto:complaints@lloyds.com)  *Telephone: +44 (0)20 7327 5693*  *Fax: +44 (0)20 7327 5225*  *Web:* [*www.lloyds.com/complaints*](http://www.lloyds.com/complaints)  *Ultimately, should you remain dissatisfied with Lloyd's final response, you may, if eligible, refer your complaint to the Financial Ombudsman Service (FOS).The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. Details of who is eligible to refer a complaint to the FOS can be found on their website at* [*www.financial-ombudsman.org.uk*](http://www.financial-ombudsman.org.uk)*.”*  A copy of the stage one response together with a copy of the original complaint (if not previously provided with an investigation ongoing letter) and submitted as pdf documents, must be emailed to [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) within the stage one deadline. The subject line of the covering email should state ‘Stage One Response – policyholder name’. The body of the mail should confirm:   * policy / claim number used to notify the complaint to Lloyd’s * stage one decision (justified or not justified) * if justified, the grounds for justification and action taken, using Lloyd’s standard options * redress payable * root cause of complaint (if not provided on notification spreadsheet)   + Claim – coverage / terms and conditions   + Claim – customer service   + Claim – delay   + Claim – quantum   + Claim – standard / duration / delay of repair   + Cancellation / refund   + Customer Service – non-claims related   + Product suitability   + Other (we would expect this option to be rarely used) * coverholder (if not provided on notification spreadsheet)   For complaints received via the telephone, a copy of the call or a transcript must be provided. |

1. **INVESTIGATION ONGOING LETTER**

This section should clearly outline the process and requirement to issue as “investigation ongoing letter” in the event that a stage 1 response cannot be issued within 14 days. This should include:

* An investigation ongoing letter is mandatory if a stage 1 response cannot be issued within 14 days of receipt of the complaint.
* The investigation ongoing letter should update the complainant regarding the investigation into their complaint and provide a date when they can expect to receive a stage 1 response; this should be no later than 28 days from receipt of the complaint.
* The investigation ongoing letter must inform the complainant that if they feel it appropriate they may now request a stage 2 review by Lloyd’s (with details of how to make that request) without awaiting the outcome of the stage 1 review. Again, the ultimate availability of FOS must be mentioned.
* A copy of the investigation ongoing letter and the original complaint must be emailed to [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) within the stage one deadline. These documents must be submitted as pdf documents. The subject line of the covering email should state ‘Investigation ongoing letter – policyholder name’.

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| ***Example wording***  If we are not in a position to issue a Stage 1 Response within 14 days from receipt of the complaint an ‘investigation ongoing letter’ is to be issued to the complainant. The letter is to update the complainant and should provide them with a date when they can expect to receive a Stage 1 Response which should be no later than 28 days from receipt of the complaint. The letter must inform the complainant of their right to refer the matter to Lloyd’s and, ultimately, the Financial Ombudsman Service.  An example of an investigation ongoing letter is as follows:  *“We are writing further to our letter of [insert date] regarding your complaint.*  *We understand your complaint to be [insert description of complaint].*  *Our investigation into this matter is still ongoing due to [insert reason for the delay here, e.g. 'the complexity of your case'.] We will endeavour to complete our investigations by [insert date] and will write to you again then.*  *However, as we have not been able to resolve this matter, you have the choice now, if you wish, to refer your complaint to Lloyd's, who will investigate and assess the complaint.*  *Lloyd's contact details are as follows:*  *Complaints*  *Lloyd’s*  *Fidentia House*  *Walter Burke Way*  *Chatham Maritime*  *Chatham*  *Kent ME4 4RN*  *Email:* [*complaints@lloyds.com*](mailto:complaints@lloyds.com)  *Telephone: +44 (0)20 7327 5693*  *Fax: +44 (0)20 7327 5225*  *Web:* [*www.lloyds.com/complaints*](http://www.lloyds.com/complaints)  *Ultimately, should you remain dissatisfied with Lloyd's final response, you may, if eligible, refer your complaint to the Financial Ombudsman Service (FOS). The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services.*  *Details of who is eligible to refer a complaint to the FOS can be found on their website at* [*www.financial-ombudsman.org.uk*](file:///\\adsportal\LMA-Data$\Common\SMorrell\2015\Model%20complaint%20letters\www.financial-ombudsman.org.uk)*.*  A copy of the investigation ongoing letter and the original complaint must be emailed to [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) within the stage one deadline. These documents must be submitted as pdf documents. The subject line of the covering email should state ‘Investigation ongoing letter – policyholder name’. |

1. **LLOYD’S STAGE 2 REVIEW**

This section should clearly outline the process for sending files over to Lloyd’s in the event that they are required for a stage 2 review. This should include:

* Lloyd’s will request the full files if the complainant requests a stage 2 review by Lloyd’s.
* The files must be provided in a single PDF format within three business days of Lloyd’s request.
* The file must include the policy wording, schedule, key facts document, all correspondence, claims documentation and any necessary call recordings. If there are multiple files, for example the loss adjuster may have his own papers, these need to be provided as well. If the complaint relates to different areas of the business then all relevant files should be provided; for example, a claim may have been declined because a policy has been voided from inception due to non-disclosure or the provision of inaccurate information; therefore Lloyd’s will need the underwriting file as well as the claims file.
* The files must be sent to [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com). Where the complaint relates to a claim the reserve amount should be identified in the covering email.

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| ***Example wording***  In the event that the complainant escalates their complaint to Lloyd’s for a Stage 2 review Lloyd’s will request an electronic copy of our file.  The file must include the policy wording, schedule, key facts document, correspondence and any call recordings. If the complaint is in relation to a claim you must provide Lloyd’s with the loss adjuster’s file. If the complaint is in relation to an underwriting issue you must provide Lloyd’s with the underwriting file.  We should endeavour to send the file as one PDF document if possible. Lloyd’s requires the file within three business days of their request. Send the file to: [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) . Our covering email must identify the reserve amount when the complaint is relates to a claim. |

1. **ESCALATION TO FOS**

In this section the coverholder should clearly outline their responsibility in relation to any case which is subject to a FOS file review. This must include the following:

* Lloyd’s will act as the communication channel between the FOS and the coverholder.
* The coverholder must not communicate with the FOS directly at any time.

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| ***Example wording***  If the complainant remains dissatisfied following Lloyd’s review they are able to refer the matter to the Financial Ombudsman Service. In all such cases Lloyd’s will manage the communication with the FOS. We should not communicate directly with the FOS in relation to any Lloyd’s matter other than with the express agreement of Lloyd’s. In the event that the FOS contacts us regarding a Lloyd’s matter we should politely inform them that it is a Lloyd’s case and ask that they contact Lloyd’s directly. |

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| Version | Date | Description |
| 1 | 15/06/2016 | Document produced |
| 2 | 01/07/2016 | Amended document to reflect the changes made to the informal complaint handling process. |
| 3 | 06/09/2016 | Amended document to reflect the change in name from ‘holding response’ to ‘investigation ongoing letter’ |
| 4 | 05/03/2019 | Amended to reflect change in eligible complaint definition, include documentation requirements and relink to July 2018 code |