

**ENDORSEMENT TO THE MODEL BINDING AUTHORITY AGREEMENT  
FOR UK COMPLAINTS - SRC AUTHORITY**

*(For use with LMA Binding Authority Agreements)*

The provisions of this endorsement are to be read in conjunction with Section 22 (Complaints or Proceedings).

The Coverholder has authority to handle Complaints against Underwriters within three business days of receipt, other than as set out below, and to offer Redress up to and including {GBP } in order to resolve such Complaints.

The Coverholder shall operate written procedures for the handling of Complaints and which allow Complaints to be made by any reasonable means including by letter, by email, in person or by telephone (standard rate or free phone).

**1. Process**

Upon receipt of a Complaint against underwriters from an Eligible Complainant, the Coverholder must comply with the procedures as set out below:

- 1.1. The Coverholder has authority to resolve the Complaint within 3 business days following the date on which the Complaint is received. Underwriters may at any time withdraw or vary this authority in respect of one or more Complaints and in such circumstances Underwriters shall be entitled to make any decisions or take any action regarding the Complaint which Underwriters consider appropriate.
- 1.2. The Coverholder must investigate Complaints competently, diligently and impartially; obtaining additional information as necessary and must assess fairly, consistently and promptly the subject matter of the Complaint, whether the Complaint should be upheld and what remedial action or Redress (or both) may be appropriate.
- 1.3. A Complaint can only be considered resolved if the complainant has confirmed acceptance of the resolution proposed. That acceptance may be verbal or written.
- 1.4. Upon resolution a Summary Resolution Communication (SRC) must be issued by the Coverholder within 5 business days of receipt of the Complaint. The Lloyd's model SRC wording can be located at: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling)
- 1.5. The Coverholder must then notify \*Underwriters within 5 calendar days/Lloyd's within 7 calendar days of issuing the SRC by using the Notification Template located at [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling) and sending it to {Insert Underwriters' email address}/ [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) \*(Delete as applicable)
- 1.6. If the matter is unable to be resolved within 3 business days or the appropriate Redress amount exceeds {GBP } then the Coverholder must immediately pass the Complaint, along with all relevant documentation, to Underwriters using the following email address: {Insert Underwriters' email address}
- 1.7. If Underwriters request further information the Coverholder must provide this promptly. Upon receipt of a Complaint which does not fall within the definitions at Section 5.1 or is not from an Eligible Complainant as defined in 5.2 below, the Coverholder must {Insert instructions here}

## 2. Additional Responsibilities

In addition to the above the Coverholder will:

- 2.1. Ensure that all members of staff that may receive Complaints in relation to any policies bound under this Binding Authority Agreement are trained in Complaint identification to a level appropriate to their position and role within the organisation and are aware of the above procedure;
- 2.2. [Inform policyholders of the availability of the EU Online Dispute Resolution (ODR) scheme in relation to products distributed under this binding authority agreement. Where required to do this, the Coverholder must display the following wording on their website and policy documentation:  
*'If you were sold this product online or by other electronic means and within the European Union (EU) you may refer your complaint to the EU Online dispute Resolution (ODR) platform. Upon receipt of your complaint the ODR will escalate your complaint to your local dispute resolution service - this process is free and conducted entirely online. You can access the ODR platform on <http://ec.europa.eu/odr>.'* ] **[Delete if not applicable]**

## 3. Record Keeping

- 3.1. The Coverholder shall maintain a register of all Complaints, including Complaints resolved within 3 business days and complaints that do not fall within the definitions at 5.1 and 5.2 below. The register should include the following information:
  - a. Name of complainant
  - b. Name of complainant's representative (if applicable)
  - c. Address of complainant
  - d. Address of complainant's representative (if applicable)
  - e. Date Complaint received
  - f. Date resolved
  - g. Date SRC issued
  - h. Date referred to Underwriters
  - i. Policy number
  - j. Claim reference (if applicable)
  - k. Unique market reference
  - l. Product
  - m. Customer type
  - n. Root cause
  - o. Outcome
  - p. Action taken
  - q. Redress paidThe Coverholder must provide a copy of the register to Underwriters, or their representatives, promptly upon request.

## 4. Additional Guidance

- 4.1. In the event additional guidance is required please contact Underwriters on: {Insert Underwriters contact details here}
- 4.2. Lloyd's also provides further guidance at: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling) Alternatively, the Coverholder can contact Lloyd's directly on: [complaints-enquiries@lloyds.com](mailto:complaints-enquiries@lloyds.com) or +44(0)20 7327 5696.
- 4.3. For further guidance in relation to what the procedure should contain refer to 'Creating a Procedure for UK Complaints' which can be located at: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling)

## 5. Definitions:

### 5.1. The 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 or a redress determination, which:

- a. Alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- b. 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 .

### 5.2. Eligible Complainants are defined as:

- a. Individuals acting for purposes outside of their trade, business or profession.
- b. Micro-enterprises which are smaller businesses with less than 10 persons and an annual turnover or balance sheet of less than EUR 2 million.
- c. Charities with an annual income of less than GBP 6.5 million at the time the Complaint was made.
- d. Trustees of a trust with a net asset value of less than GBP5 million at the time the Complaint was made.
- e. Small businesses which are enterprises which have an annual turnover of less than GBP6.5 million and a balance sheet total of less than GBP5 million or employ fewer than 50 persons.
- f. Professional clients and eligible counterparties, where the person is an individual acting for purposes outside of his trade, business, craft or profession.  
Or
- g. Individuals who have given a guarantee or security in respect of an obligation or liability of a person which was a micro-enterprise or small business at the time the guarantee or security was given.

### 5.3. There is no set definition for the term 'redress' but the Financial Conduct Authority have set out what they would expect it to include. Redress is any monetary award made as a result of the Complaint and should include the following:

- a. Amounts paid for distress and inconvenience;
- b. A free transfer of cover to another provider which would otherwise 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 they would otherwise have been in had the act or omission not occurred (including claim payments).

### 5.4. In the event that the Financial Conduct Authority definitions of the above are different then the Coverholder shall apply the Financial Conduct Authority definitions of Complaint and Eligible Complainant.

LMA5297A

15 October 2019