

# LLOYD'S COMPLAINTS - UK

## Handling complaints at Lloyd's: Guidance for managing agents and their representatives

This guidance note provides a practical process for handling UK complaints received from eligible complainants on policies whose overall lead is a Lloyd's syndicate.

It is intended to assist managing agents and their representatives to comply with Part 2 of Lloyd's 'Code for Complaints Handling' (the 'Code').

The Code, and this guidance, applies to UK complaints only from eligible complainants (as that term is defined by the UK Financial Conduct Authority (FCA)), although the Code does include certain requirements that apply to overseas complaints, as set out in the introductory section of the Code. Reference should be made to the Code for those requirements. Complaints arising in territories outside of the UK will also be subject to local rules for complaints handling. Managing agents should therefore ensure they are able to comply with any local rules as well as Lloyd's local arrangements for handling complaints in that territory. Any questions should be directed to Lloyd's Complaints team or the local Lloyd's general representative.

**Note:** This note is only intended to provide summary guidance. It is important that managing agents continue to refer to the Code for Lloyd's detailed requirements for complaints handling as well as to any applicable rules of the UK (or relevant overseas) regulator, including those set out in DISP.

For more information about complaints handling at Lloyd's, or to view a copy of the Code, see: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling).

### General Requirements

- Managing agents reporting more than 100 complaints per year to Lloyd's for UK and international complaints (including Australian and New Zealand) are required to exchange all data, documentation and case communication via secure API automated data exchange messages (DEX). It will no longer be possible to share data or information via email.
- The API messages are only able to exchange data between Lloyd's and managing agents' systems and therefore all requests for documentation and information will be made via the managing agent rather than direct to a coverholder or delegated claims administrator.
- For managing agents not in scope for DEX, all emails (except for notification spreadsheets) must only contain data relating to a single policyholder.
- All email attachments must be password protected using the managing agent / coverholder standard password provided to Lloyd's Complaints team. Emails should only be used by managing agents not in scope for DEX.

- Lloyd's Complaints team are not to be copied in to emails between managing agents and their representatives. Any additional documentation supplied that is not required will be deleted.
- Complaints where the overall lead is a company underwriter are not considered to be complaints about the Society of Lloyd's and so should not be handled under Lloyd's complaints processes.
- All documents including original complaints, investigation ongoing letters and stage one responses are to be submitted in pdf format.

#### **Expression of dissatisfaction by complainant to managing agent/representative**

- Managing agents must have in place procedures that allow complaints to be made by any reasonable means, including orally. The definition of a complaint to be applied is the one set by the FCA in the FCA Handbook. In summary, this is any 'expression of dissatisfaction'.
- Managing agents must have oversight of all complaints. Therefore coverholders, delegated claims administrators (DCAs) or other agents of the managing agent, whether they have delegated authority or not, must notify the managing agent of each complaint received.
- Managing agents who are not in scope for DEX must, on at least a weekly basis, complete the Lloyd's Complaint Notification Template, providing details of all complaints received from eligible complainants (as that term is defined in the FCA Handbook). This can be submitted by the lead managing agent or their representative (which could be a coverholder or delegated claims administrator).
- Notification spreadsheets must be received by 16.45 to be loaded on the day of receipt otherwise they will be loaded on the following working day.
- Complaints which have been brought to the attention of the managing agent by Lloyd's must not be notified back to Lloyd's.
- There is no requirement for a nil return where no new complaints have been received.
- The Complaint Notification Template should be downloaded from [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling) and sent via email 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 must only contain the spreadsheet and no other documentation.
- For complaints made by a party other than policyholder, the details on the notification spreadsheet must be the complainant details and the covering email should provide details of the policyholder. For managing agents in scope for DEX, the policyholder contact details should be added to the managing agent system and these details will be provided to Lloyd's via API message 'Contacts'.
- Complaints where the risk address differs to the correspondence address or the complainant is being represented by another party, for managing agents in scope for DEX, these details should be recorded on the managing agent's system so they can be provided to Lloyd's via API message 'Contacts'.

- Complaints should be notified within 7 days of receipt. Complaints not notified to Lloyd's within 14 days will incur an 'additional administration charge'.
- For managing agents not in scope for DEX, the following table explains how to complete the Complaint Notification Template. Completion of all fields is mandatory, except where stated. Managing agents or their representatives should ensure that they provide the information in a way that is compliant with applicable data protection laws.

Field	Comments
Informal / Formal*	Select from drop down list. Informal complaints are those resolved by close of business on the third business day following receipt and a summary resolution communication has been issued.
Submitting Company	This is the name of the managing agent or its representative, whichever of the two is completing the template.
Coverholder	If the policy was underwritten by a coverholder, insert the coverholder name in this field.
DCA	This is the name of the delegated claims administrator involved in the claim. This field is optional.
Complainant Title	This field is optional and selected from drop down list.
Complainant Forename	This field is optional.
Complainant Surname	This is the name of the complainant. Either the surname or company name must be completed.
Complainant Company Name	This is the name of the complainant. Either the surname or company name must be completed.
Complainant Address Line 1	Insert a correspondence address for the complainant. This field is optional.
Complainant Address Line 2	Insert a correspondence address for the complainant. This field is optional.
Complainant Address Line 3	Insert a correspondence address for the complainant. This field is optional.
Complainant Town	Insert a correspondence town for the complainant. This field is optional.
Complainant County	Select from drop down list. This field is optional.
Complainant Post Code	Insert the complainant's postcode. Completion of this field is required to facilitate identification of duplicate complaints.
Complainant Country	Select from drop down list.
Policyholder Country	Select from drop down list. If the complainant and policyholder are the same person, please enter same option as in complainant country.
Policy Number	Either policy number or claim number must be entered.

Claim Number	Either policy number or claim number must be entered.
Year of Account	Enter in the format YYYY. This field is optional.
Date Received	Insert the date the complaint was received by the managing agent or its representative. For example, where the complaint was received by a coverholder from the policyholder and the coverholder subsequently notifies the managing agent, the date the complaint was received by the coverholder should be included.
Complaint Code	Select from drop down list.
Product	Select from drop down list.
Placement	Select from drop down list.
Syndicate Number <sup>^</sup>	Lead syndicate on the coverage.
Claims Related	Select Yes or No from drop down list.
Summary Resolution Communication Date	Date of the SRC, not the date the complaint resolved with the complainant. Mandatory for Informal Complaints – do not enter for Formal Complaints.
Summary Resolution Communication Decision	Mandatory for Informal Complaints – do not enter for Formal Complaints. Select from drop down list.
Summary Resolution Communication Grounds for Justification	Mandatory for Justified Informal Complaints – do not enter for Formal Complaints. Select from drop down list.
Summary Resolution Communication Action Taken	Mandatory for Justified Informal Complaints – do not enter for Formal Complaints. Select from drop down list.
Summary Resolution Communication Redress Amount	Mandatory for Justified Informal Complaints – do not enter for Formal Complaints. If no redress is being paid, or figure is not yet known enter £0.00.
Summary Resolution Communication Redress Date Paid	Mandatory for Justified Informal Complaints if redress is being paid, only enter if redress is greater than £0.00 – do not enter for Formal Complaints.
Root Cause	Select from drop down list. This field is optional for Formal Complaints.
Managing Agent Name	Managing agent for the lead syndicate. Select from drop down list.
Managing Agent Reference	Enter reference from managing agent system. This field is optional.

\*Complaints are considered informal for the purposes of Lloyd's reporting where they have been resolved within three business days following receipt provided that the resolution is agreed with the complainant.

<sup>^</sup>If written on a multi lead basis, please leave blank and set out in an email the lead managing agent/syndicate for each contract and the percentage share of the risk.

- The spreadsheet should be named 'NotificationUK' and saved as an .xls document, no additional columns should be added to the spreadsheet.
- No verification checks will be performed on the spreadsheet prior to upload and it will be loaded as received. If the spreadsheet fails to load successfully, the spreadsheet will be returned to the managing agent, or their representative, with details of the records that have failed. These incorrect records are to be resubmitted on the next spreadsheet. NB The complaint will not be classed as logged for performance oversight purposes until the corrected spreadsheet is received and the complaint is successfully uploaded.
- The notification of complaints for managing agents in scope for DEX, both formal and informal, will be automatically provided to Lloyd's via the API message 'Notification' when loaded on to the managing agent system. Whilst it is not a requirement, it would be beneficial if a copy of the original complaint, in pdf format, is saved to the managing agent system at the same time so that this is provided by the API message 'Attachments' at the time of notification. If written on a multi lead basis, please provide details of each managing agent/syndicate and their percentage share via API message 'Case Communication'.
- Complaints will be entered onto the complaints monitoring database by Lloyd's Complaints team to enable effective monitoring and reporting to the relevant regulators.
- Complaints should be notified within 7 days of receipt. Complaints not notified to Lloyd's within 14 days will incur an 'additional administration charge'.
- Managing agents must also keep their own record of each complaint received and the measures taken for their resolution.
- Lloyd's reserves the right to review and take over coordinating the response to individual complaints where, in the view of Lloyd's, this is appropriate in all the circumstances, including to meet local regulatory expectations of Lloyd's.

### **Complaints Resolved by the Close of the Third Business Day**

- A managing agent may consider a complaint as resolved informally provided that the proposed resolution is agreed with the complainant within three business days following receipt of the complaint. A complaint can only be considered resolved if the complainant has confirmed their acceptance of the proposed resolution.
- Complaints which are regarded as having been resolved by the close of the third business day following receipt must be provided with a summary resolution communication (SRC) within 5 business days of receipt of the complaint. The Lloyd's template SRC wording must be used.
- If the complainant subsequently decides they are dissatisfied with the resolution and ask Lloyd's and/or the FOS for a review, the managing agent will not be given the opportunity to review the matter and issue a stage one response. All such cases will be reviewed by Lloyd's and/or FOS.
- Lloyd's will monitor the number of complaints that are escalated for review by Lloyd's / FOS that have been resolved informally.

- Managing agents do not need to provide a copy of each complaint and SRC. To ensure compliance, Lloyd's will request a random selection of original complaints and SRC responses for sampling. These documents are to be submitted as pdf documents.
- For managing agents in scope for DEX, the API message 'SRC' will be automatically provided to Lloyd's when the case is resolved on the managing agent's system. Whilst it is not a requirement, it would be beneficial if a copy of the original complaint and SRC, in pdf format, are saved to the managing agent system at the same time so that these are provided to Lloyd's via the API message 'Attachments' with the resolution message. This information will then be readily available to Lloyd's if the policyholder makes contact and for the periodic sample checking.

## Stage One

### Acknowledgement of complaints

- All complaints are to be acknowledged promptly and in writing. Lloyd's expectation is that acknowledgements should be sent within two working days where possible. The LMA has drafted a model wording for this purpose which can be used when acknowledging complaints (see LMA Bulletin [LMA13-008-SM](#)).
- The acknowledgement should enclose a copy of Lloyd's '*How We Will Handle Your Complaint*' leaflet. Printed copies of this leaflet are available on request, for a charge, from Lloyd's Complaints team or can be downloaded/printed from [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling). There is no need to provide a copy of the acknowledgement to Lloyd's.
- Complaints received in the first instance by Lloyd's will be recorded and acknowledged by Lloyd's (which will provide the complainant with a copy of the *Your Complaint - How We Can Help* leaflet). Once the relevant managing agent is identified, the complaint will be notified to the individual nominated by the managing agent for a stage one review, either via email for managing agents not in scope for DEX or via the API message 'Notification' for managing agents in scope for DEX. Managing agents should ensure that Lloyd's Complaints team is made aware of who their nominated recipient is for new complaints and of any changes, including changes to contact details.

### Response to complainant

- In all cases a stage one written response must be sent to the complainant within two weeks of receipt of the complaint.

#### (1) Offer of redress or remedial action/rejection of complaint

- Model letters have been produced by the LMA for (see LMA Bulletin [LMA13-008-SM](#)).

(1) Accepted complaints.

(2) Complaints that are not accepted but where redress or remedial action is offered.

(3) Complaints that are rejected.

- Whatever the response to a complaint, all stage one responses must outline the right of the complainant to request a stage two review by Lloyd's (with details of how this can be done) and set out the ultimate availability of the Financial Ombudsman Service (FOS). The response to the complaint must not be described as a 'Final Response'.
- The letter should set out details of any redress or remedial action being offered. This includes:
  - Payments to put the complainant back into the position the complainant should have been in had the act or omission complained about not occurred, including any claim payments.
  - Amounts paid for distress and inconvenience.
  - Goodwill payments and goodwill gestures.
  - Interest on delayed settlements.
  - Waiver of an excess.
- For managing agents not in scope for DEX, a copy of the stage one response together with a copy of the original complaint (if not previously provided with an investigation ongoing letter) must be submitted as pdf documents to email address [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)
    - Cancellation / refund
    - Claim – coverage / terms and conditions
    - Claim – customer service
    - Claim – delay
    - Claim – quantum
    - Claim – standard / duration / delay of repair
    - Customer Service – non-claims related
    - Other (we would expect this option to be rarely used)
    - Product suitability
    - Underwriting / Premium Issues
  - coverholder (if not provided on notification spreadsheet)

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

- For managing agents in scope for DEX, the API message 'Stage One' will be automatically provided to Lloyd's when the case is resolved on the managing agent's system. A copy of the original complaint, if not already provided, and stage one response, both in pdf format, must be sent via the API message 'Attachments' with the stage one message. If these are not provided on the same day, the stage one response message will be rejected and this will then need to be corrected and resubmitted by the managing agent. The case will not be classed as closed until



all messages are successfully received and so chase messages may be created and associated charges may be levied if corrected messages are not provided prior to the response deadline.

## **(2) Incomplete investigation**

- In exceptional cases, if investigations into the complaint cannot be concluded within two weeks an 'investigation ongoing' letter should be sent to the complainant within that time explaining the position and indicating when it is expected a letter will be sent informing the complainant of the outcome of the investigation. This cannot be more than four weeks from the complaint received date. The letter must inform the complainant that they may now request a stage two review by Lloyd's (with details of how to make that request) and the ultimate availability of FOS. The LMA have drafted a model letter that is suitable for these purposes (see LMA Bulletin [LMA13-008-SM](#)).
- For managing agents not in scope for DEX, where an investigation ongoing letter is sent, a copy of the letter and full details of the original complaint (including a copy of any correspondence received) must be emailed to Lloyd's Complaints team at [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) within the stage one deadline. These documents must be submitted as pdf documents and the subject line of the covering email should state 'Investigation ongoing letter – policyholder name'.
- The body of the email should confirm the policy / claim number used to notify the complaint to Lloyd's.
- For managing agents in scope for DEX, the API message 'Investigation Ongoing' will be automatically provided to Lloyd's when the investigation ongoing letter date is entered on the managing agent's system. A copy of the original complaint, and investigation ongoing letter, both in pdf format, will be sent via the API message 'Attachments' with the investigation ongoing message. If these are not provided on the same day, the investigation ongoing message will be rejected and this will then need to be corrected and resubmitted by the managing agent. The investigation ongoing letter will not be classed as reported until all messages are successfully received and so chase messages may be created and associated charges may be levied if corrected messages are not provided prior to the response deadline.
- Investigations into the complaint should be concluded at the earliest opportunity following an investigation ongoing letter being sent, and in any event within four weeks from the complaint being received, at which point a stage one response letter must be sent to the complainant (see above). The complainant must again be informed of their right to request a stage two review by Lloyd's and the ultimate availability of FOS.
- Lloyd's Complaints team will monitor each complaint to ensure an appropriate response is issued. Where an investigation ongoing letter is issued, resulting in additional administration to record, re-diarise and monitor the full stage one response this will incur an 'Investigation Ongoing Letter Issued' charge.
- It is Lloyd's expectation that investigation ongoing letters will only be required for a very limited number of complaints

**Failure to comply with the following requirements will incur an additional administration charge:**



- correctly report the complaint received date or other mandatory information
- provide all documentation in the format required by the Complaints Documentation Policy Statement
- provide a copy of the original complaint and stage one response or investigation ongoing letter within the stage one deadline
- provide a copy of a stage one response within the extended stage one deadline if an investigation ongoing letter has previously been issued
- provide details of the coverholder / root cause
- issuing both an SRC and stage one response on the same case
- issuing more than one stage one response on the same complaint
- stage one response referring to itself as a 'Final Response'
- investigation ongoing letter issued at four weeks rather than two weeks
- failure to provide correct referral rights
- failing to provide the original complaint or SRC response when requested for sampling, resulting in a chase email being sent will incur a charge

### **Request by complainant for a stage two review by Lloyd's**

- If the policyholder remains dissatisfied with the stage one response, or no stage one response has been sent by the managing agent within two weeks of receipt of the complaint, the policyholder can request Lloyd's to undertake a stage two review.
- If, following receipt of a substantive stage one response, the complainant takes more than a week to request a stage two review, Lloyd's will not include this additional time when calculating the regulatory eight weeks deadline and the regulatory deadline clock will stop one week after the response is issued.
- At the inception of a stage two review, for managing agents not in scope for DEX, Lloyd's will request a full copy of the managing agent's file, policy wording and schedule and confirmation of either the claim reserve or that the complaint is not claims related. Files should be emailed to [complaints-notification@lloyds.com](mailto:complaints-notification@lloyds.com) and must include all documentation, including reports and call recordings pertinent to the case along with case notes. These documents are to be provided within 3 working days, in chronological order, with a single pdf document for the managing agent's file and a separate pdf for the policy wording and schedule. There should be no duplicated documentation or emails. Files too large to send in one email should be uploaded to secure store.
- For managing agents in scope for DEX, Lloyd's will request the documentation and claim reserve or confirmation that the complaint is not claims related via the API message 'Stage Two Escalation and File Request'. The data is submitted via API message 'Case File to Lloyd's'. The managing agent's file, policy wording and schedule are sent back to Lloyd's via the API message 'Attachments'. These documents are to be provided within 3 working days, in chronological order, with a single pdf document for the managing agent's file and a separate pdf for the policy wording and schedule. There should be no duplicated documentation or emails. Documents under 10mb are to be attached to the message, documents over this size are to be uploaded to secure store and a link to the file should be provided in this message.
- Failure to provide the documentation within this timeframe will attract either an 'Additional Administration Fee' or 'Automated Chase for Document / Information Fee' and failure to provide

the documentation in the required format will attract an 'Additional Administration Fee' charge per hour, or part thereof, taken to prepare the file.

- Should the file contain any documents on which you have asserted legal privilege, you understand that you transfer this to us at your own risk and any privilege in the documents transferred to us may be lost. In the event that you have any concerns relating to privileged documents and/or the loss of privilege, please obtain your own legal advice.

If in scope for DEX, please add a business risk of "legal privilege" and send this to us via the API message 'Fields Update'.

- Lloyd's will issue a letter to the complainant informing them of the contact details of the complaint associate allocated to their case.
- These papers, together with documentation provided by the complainant, will be reviewed by Lloyd's Complaints team with further information being requested as necessary as part of Lloyd's investigation and assessment of the complaint. This review will consider guidelines from FOS as well as rulings on previous, similar cases.
- For managing agents out of scope for DEX, each Monday a report will be emailed to each managing agent providing details of all open cases that are being reviewed at stage two together with the contact details for the complaint associate. Emails relating to these cases are to be sent to the relevant complaint associate direct and not to the complaints or notification mailboxes. Emails incorrectly sent to these email addresses may cause delays.
- Case communication for managing agents out of scope for DEX, will be via email and the subject line of email should include Lloyd's complaints reference and the policyholder's name. All case communication for managing agents in scope for DEX, must be via the API message, 'Case Communication'.
- Requests for additional information / agreement to proposed resolution are to be responded to within the deadline provided by the complaint associate. The deadline provided will be dependent upon the regulatory deadline of the complaint.
- Lloyd's Complaint team decisions may be made binding on managing agents under the Mandate of Complaint Decisions Policy, details of which are provided to managing agents separately. Managing agents may appeal such decisions by appealing to the contact details provided on the Complaints Mandate proforma within 2 business days. Managing agents are required to appoint a nominated person(s) to make the appeal on their behalf. This person must be a senior person within the managing agent who is not directly involved with the management or oversight of either the claim or complaint process.
- On completion of its review, Lloyd's Complaints team will issue a written Final Response to the complainant, together with the reasons for the decision. The letter will inform the complainant that they may refer the matter to FOS within six months of the date of this letter if they remain dissatisfied and will provide a copy of the FOS standard explanatory leaflet.

- In most cases Lloyd's will complete its investigation and send the Final Response by the end of the regulatory eight weeks. Where Lloyd's Complaints team cannot provide a Final Response at this time, the complaint associate will send a letter to the complainant explaining why they are not able to provide a Final Response and when they expect to be able to provide one. This letter will also inform the complainant that they may refer the matter to FOS if they remain dissatisfied and will provide a copy of the FOS standard explanatory leaflet.
- Managing agents out of scope for DEX, will be provided with a copy of the Final Response letter by Lloyd's Complaints team via email. Managing agents in scope for DEX, will be provided with this via the API message 'Final Response'.
- Managing agents are asked to confirm that they have carried out the action required by Lloyd's Complaints team final response within 14 days of request or an EDR decision within 28 days of request. If it necessary for Lloyd's to chase for this confirmation, an additional administration charge will be levied.

#### **Referral to Financial Ombudsman Service (FOS)**

- Complainants may request that FOS review their complaint within six months of the date of the SRC or Final Response or after eight weeks from receipt of the complaint if no Final Response has been issued. Lloyd's will act as the communication channel between FOS and the managing agent. Managing agents and their representatives must not liaise with the FOS without Lloyd's prior permission.
- Details of FOS decisions will be sent to Lloyd's Complaints team who will share this with the managing agent either via email or API message 'EDR'. If, following an initial decision by an adjudicator a managing agent wishes to request a full Ombudsman review, the complaint associate assigned to the case will work with the managing agent to facilitate this.
- FOS publishes statistics about the complaints referred to them, showing the number they receive and the proportion they uphold. These can be viewed at [www.ombudsman-complaints-data.org.uk](http://www.ombudsman-complaints-data.org.uk)

#### **Assessment of Managing Agent Compliance with the Code**

- Sample checking of stage one responses and investigation ongoing letters, for managing agents in scope for DEX and SRC responses for all managing agents, will be conducted on a regular basis and this will feed into Lloyd's Complaints team quarterly review managing agents' performance against Lloyd's Complaint Performance Metrics, KPIs and other measures.
- Managing agents failing to meet the required standards will be required to explain the measures being taken to address any failings. Failure to improve performance may result in remedial or enforcement action.

### **FCA complaints return**

- Every six months, Lloyd's is required to submit a return to the FCA, detailing the number of complaints received, how quickly they were resolved, how many were upheld in the period and the amount of redress paid. This contains details of both UK and non-UK complaints.
- Managing agents will be required to confirm that they (and anybody acting on their behalf) have notified Lloyd's of all UK complaints received by them.
- Managing agents are required to provide details of the number of policies in place for eligible complainants, broken down into specific product categorisations and territory. Managing agents must ensure that the product categorisation used to report complaints aligns with the product categorisations used for the eligible complainant return. A reconciliation of this data must be undertaken prior to submitting the eligible complainant return to ensure that there are no discrepancies between the two data sets.
- As required by the FCA, Lloyd's publishes these figures on its website at: [www.lloyds.com/complaints](http://www.lloyds.com/complaints).