**Drafting responses to AFCA**

This document has been prepared to assist our coverholders and DCAs in completing responses to AFCA as part of the external dispute resolution (‘EDR’) process.

**Please use the template below for all EDR responses.**

It is important to note the following:

* When a complaint is referred to AFCA, it is an opportunity to consider whether there are any options to resolve the complaint on a commercial basis. You should consider the amount in dispute, the nature of the complaint and the AFCA fees.
* All issues raised in the complaint should be addressed. Please ensure you refer to the AFCA referral email.
* The EDR response must be aligned to the decision detailed in the final IDR decision letter.
* The terms “Complainant” and “Financial Firm” should be used (please note this has changed from the previous terms, “Applicant” and “FSP”).
* The relevant appendices must be listed at the end of the EDR response in the format shown, as an example. These will obviously differ depending on the claim type i.e. claim/policy/service, etc.
* The appendices must be sent to Lloyd’s as separate pdf documents, named ‘Appendix A’, ‘Appendix B’, etc so they can be uploaded to the AFCA portal without further amendment.

**Top tips:**

* Keep the response as concise as possible
* Use Calibri 11, to ensure consistency across all Lloyd’s responses
* Check all dates referred to are correct
* Check for basic spelling mistakes
* The response must be on letterhead and include a signature
* Refer to the relevant appendix in the text of the response, e.g. ‘*Page 17 of the Policy Wording (Appendix B) states…*’
* Engage the relevant Lloyd’s Senior Dispute Resolution Officer if you need any support

***Letterhead of CH/DCA/***

***entity handling complaint***

***Insert date***

Australian Financial Complaints Authority (‘AFCA’)

GPO Box 3

Melbourne VIC 3001

Dear AFCA,

We submit the following information for your review.

**Complaint details**

|  |  |
| --- | --- |
| Financial Firm  | Lloyd’s Australia Limited |
| Insurer |  |
| Insurer’s representative | *Name of person submitting the response* |
| Claim reference |  |
| Complainant’s name |  |
| Complainant’s representative | *If applicable, may be a broker* |
| AFCA reference |  |

**Policy summary**

|  |  |
| --- | --- |
| Insured |  |
| Policy number |  |
| Policy Type |  |
| Insured Property |  |
| Excess |  |

**Complaint summary**

*Insert a brief summary of the complaint and the issues in dispute.*

*For example:*

*“The Complainant held a XXX insurance policy valid from X date to X date. The Complainant lodged a claim on X date. The claim has been denied/partially declined.*

*The issues in dispute are*

* *Has the claim been correctly denied/partially declined?*
* *Have there been delays in the claim handling and is the Complainant entitled to compensation?”*

**Complainant’s position**

*Insert a brief paragraph of the complainant’s position. It may be useful to refer to the AFCA referral email and the ‘outcome requested’.*

**Financial Firm’s position**

*Insert a brief paragraph of the Financial Firm’s position. It may be useful to refer to the conclusion in the final IDR decision letter. Also include details of any offer made to resolve the complaint.*

**Reasons for Financial Firm’s position**

***IMPORTANT****, this should be consistent or aligned with the IDR decision letter to ensure that the same grounds have been used to maintain the decision.*

*Use the following headings, as appropriate:*

Summary of Facts

Issues in Dispute

Relevant Policy sections

Expert reports

Relevant sections of the Insurance Contracts Act

Conclusion

A copy of this information and the appendices has been sent to the Complainant/Complainant’s representative.

Yours faithfully,

***Insert name/signature of CH/DCA complaint handler or person submitting the response***

**Appendices**

*Ensure all the relevant documents are included. These will differ depending on the claim type i.e. claim/policy/service, etc.*

*Appendices should be presented as separate PDF documents and ordered as follows:*

 *Appendix A Claim form*

 *Appendix B Policy wording*

 *Appendix C Policy schedule*

 *Appendix D IDR decision letter*

 *Appendix E Emails to and from Complainant*

*Etc Assessment reports, repair quotations, proof of ownership, call transcripts, etc are to be separate appendices*

**IMPORTANT**: The appendices **must** be provided to Lloyd’s with the draft EDR submission as **separate PDF documents** and named Appendix A, Appendix B, etc.