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LLOYD'S NEW ZEALAND COMPLAINTS

Handling Lloyd's New Zealand Complaints at Lloyd's: Guidance for managing agents and their representatives

This guidance will provide a practical process for the handling of complaints from complainants in New Zealand.

Where complaints arise, policyholders should expect to have their complaint dealt with in a prompt and reasonable way. At the same time, different countries have different local rules for the handling of complaints. Lloyd's revised arrangements for international complaints will allow for better oversight of the handling of complaints outside of the UK, consistent with the regulatory expectations of the Financial Conduct Authority (FCA) and the Fair Insurance Code (FIC), whilst allowing flexibility for managing agents in the way they handle complaints.

Note: This note is only intended to provide summary guidance. It is important that managing agents continue to refer to Crystal for territory specific complaints regulations.

For more information about handling New Zealand complaints at Lloyd's, including correspondence templates, please refer to the [Lloyd's New Zealand Complaints handling page](#).

General Requirements

- All emails (with the exception of Notification Spreadsheets) must only contain data relating to a single policyholder.
- Lloyd's Dispute Resolution team is not to be copied in to emails between managing agents and their representatives. Any additional documentation supplied that is not required will be deleted.
- All documents, including original complaints, investigation ongoing letters and Stage One responses, are to be submitted in PDF format, by a secure file sharing arrangement (unless circumstances require the use of email).
- Should documents containing personal or sensitive information be sent by email, attachments must be password protected using the Managing Agent/Coverholder/DCA standard password provided to Lloyd's Dispute Resolution team. Where multiple documents are attached to an email, these should be attached as a password protected ZIP file.
- If there is a legal opinion on the claim this should never be referred to in any conversation or in any correspondence. Doing so may waive any legal professional privilege.

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.

Under the Insurance and Financial Services Ombudsman (IFSO) Terms of Reference, a complaint is an:

“Expression of dissatisfaction about a Participant, where a response or resolution is explicitly or implicitly expected from the Participant.”

Which complainants?

IFSO defines a “Complainant” as a person or body that at the time of making the Complaint to the Scheme, is:

- a) a person or group of persons, whether acting jointly or severally;
- b) the trustees of a family trust including a corporate trustee (if the family trust carries on a business it must be a Small Business);
- c) a club or an incorporated society;
- d) a unit title body corporate or a body corporate of a company title building which is occupied for residential or Small Business purposes; or
- e) a Small Business (no more than 19 full time employees).

Process to be followed

It is the responsibility of managing agents to handle all international complaints appropriately and ensure that they are compliant with relevant local rules. This includes any requirement to acknowledge complaints, provide information to the complainant and meet applicable time limits.

Please refer to the [Lloyd’s New Zealand Complaints handling page](#) for further information, including requisite templates.

Acknowledgement of complaints

All complaints are to be acknowledged within one business day, providing the complainant with the name and contact details of the person reviewing the complaint. The Stage One Complaint Acknowledgement template may be accessed online via the [Lloyd’s New Zealand Complaints handling page](#).

If a complaint is received in the first instance by either Lloyd’s or by IFSO (ie the complainant has bypassed Stage One), it will be acknowledged by Lloyd’s Australia.

It will then be forwarded to the individual nominated by the relevant Managing Agent and/or its representative for a Stage One review, in accordance with the standard process.

Even if a complaint is first received by Lloyd’s or IFSO, receipt must still be notified by the Managing Agent and/or its representative (see below).

Response to complainant

- In all cases a Stage One written response must be sent to the complainant within 10 business days of the complaint being received.
- All stage one responses must outline the right of the complainant to request a Stage Two review by Lloyd’s and then to escalate their complaint to IFSO. The response should not be referred to as a Final Response.
- The letter should set out details of any redress or remedial action being offered. Redress 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.

Notification of complaints to Lloyd's – general

Lloyd's is notified of complaints received and outcomes in two ways:

1. **If the Managing Agent uses CareSmart DEX messaging**, by loading the complaint directly – the Coverholder or DCA will forward it to the Managing Agent, allowing sufficient time for it to be loaded to CareSmart.
2. **If the Managing Agent does not use CareSmart DEX messaging**, by emailing the Notification Spreadsheet to complaints-notification@lloyds.com – this may be done by either the Managing Agent or the Coverholder or DCA (as agreed with the Managing Agent).

See below for more detail on notifying Lloyd's of both complaints received and their outcomes.

Notification of Complaints to Lloyd's

- Within 7 days of the Stage One response being issued to complainant, the Managing Agent or their representative must notify Lloyd's of the complaint, including details of the outcome and any resolution.
- There is no requirement for a nil return where no complaints have been responded to in the proceeding 7 days.
- On policies or binding authorities where there is more than one syndicate participating, Lloyd's expects the lead syndicate to notify the complaint.
- Notification spreadsheets must be received by 16.45 GMT to be loaded on the day of receipt otherwise they will be loaded the following working day.

The FCA and local regulators have different ways of categorising products, complaints and outcomes. Therefore, there may seem to be some repetition in some areas.

The FCA uses the terminology 'Justified' and 'Not Justified' to distinguish outcomes where there is a change in favour of the complainant ('Justified') and those where there has been no change ('Not Justified').

- **Justified** = Outcome is changed in favour of the complainant, i.e. original decision has been amended, and this resolves the complaint to the customer's satisfaction. Examples would include overturning a claim decision, increasing a settlement or refunding a premium.
- **Not Justified** = Outcome is not changed in favour of the complainant, i.e. the original decision is maintained, and this still resolves the complaint to the customer's satisfaction. This would be the case where an explanation is accepted and resolves the issue.

In addition to the FCA outcome, the ANZ Resolution must also be completed.

- **Resolved** = There are eight 'Resolved' categories, which are used when the complaint is resolved to the customer's satisfaction and confirmed in writing:
 - Resolved – Contract/policy variation
 - Resolved – Decision changed
 - Resolved – Monetary remedy
 - Resolved – No remedy (apology or explanation only)
 - Resolved – Other remedy
 - Resolved – Referred to another financial firm
 - Resolved – Service-based remedy
 - Resolved – Withdrawn/discontinued
- **Unresolved** = In addition, there is one 'Unresolved' category, indicating that the decision remained the same and the complaint was not resolved to the customer's satisfaction:
 - Unresolved – Decision issued – Maintained

All complaints must be notified within seven days of the Stage One letter being issued.

If the Managing Agent uses CareSmart DEX messaging, the entity reviewing the complaint forwards the details of the complaint and Stage One outcome to the Managing Agent for loading. This is typically via a completed copy of the Notification Spreadsheet. Sufficient time must be left for the Managing Agent to load the outcome within seven business days. In order to load the outcome successfully, the Managing Agent will need to attach documents tagged:

- Original Complaint (if a verbal complaint, a file note)
- Stage One Letter (if verbal resolution, a file note)

NB: These may be attached to CareSmart as a PDF or as a URL

If the Managing Agent does not use CareSmart DEX messaging, the complaint and Stage One outcome are forwarded to Lloyd's for loading by either the Managing Agent or the entity reviewing the complaint (as agreed with the Managing Agent). The completed Notification Spreadsheet is sent to complaints-notification@lloyds.com.

NB: While not mandatory, Managing Agents may wish to have copies of the Original Complaint and Stage One Letter attached for monitoring and supervision purposes.

- The Notification Spreadsheet is to be named '**NotificationSpreadsheetANZ.xls**', no additional columns should be added to the spreadsheet.
- Detailed instructions on how to complete the Notification Spreadsheet are contained in the Spreadsheet itself.
- No verification checks will be performed on the spreadsheet prior to upload and it will be loaded as received. In the event that 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 should 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.
- Complaints will be entered onto the complaints monitoring database by Lloyd's Complaints team to enable effective monitoring and reporting to the relevant regulators.
- Managing agents must also keep their own record of each complaint received and the measures taken for their resolution.

Request by complainant for a Stage Two review by Lloyd's

- If a complainant escalates a complaint further, Lloyd's Australia will undertake a Stage Two review.
- At the inception of the Stage Two review, Lloyd's Australia will issue a further acknowledgement letter to the complainant. In the case of a complaint referred to the UK Complaints team, Lloyd's Australia will acknowledge it in the first instance and the UK Complaints team will issue further correspondence on allocation of the complaint.
- The Managing Agent's file, together with the documentation provided by the complainant, will be reviewed by Lloyd's Australia with further information being requested as necessary. Requests for additional information/agreement to proposed resolution are to be responded to within the deadline provided by Lloyd's. The deadline provided will be dependent upon the regulatory deadline of the complaint.
- Where the Lloyd's Australia proposed resolution to a complaint has a value of £50,000 or less (or equivalent), or where the proposed resolution involves a non-monetary outcome the decision of the Lloyd's Complaints team may be made binding by them if agreement cannot be reached. 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.
- All Lloyd's complaint handling staff are authorised to make a compensation payment of up to £50 (or equivalent) without having to follow the formal mandate process. Such a payment will only be required where the complaint associate is satisfied that it is fair and reasonable to do so. Managing Agents will be instructed to make the payment when Lloyd's Complaints team provides a copy of their 'Deadlock Letter'.
- On completion of its review, Lloyd's Australia will issue a written 'Deadlock Letter' to the complainant. The letter will inform the complainant that they may refer the matter to the IFSO in New Zealand or FOS in the UK, as applicable.
- Lloyd's Australia will update the Lloyd's complaint system with the outcome.

- In most cases Lloyd's Australia will complete its investigation and send the 'Deadlock Letter' within 10 business days of the complaint being escalated. Where Lloyd's Australia cannot provide a final response within 60 calendar days of the complaint being raised, Lloyd's Australia will provide the complainant with an explanation as to why it is not in a position to provide a 'Deadlock Letter' and advise the customer that the complaint may be elevated to IFSO, together with IFSO details.
- A copy of the 'Deadlock Letter' will be provided to the Managing Agent or its representative by Lloyd's Australia. The Managing Agent or its representative is asked to confirm that they have carried out the action required by Lloyd's Complaints team final response or EDR decision within 14 days of request. If it necessary for Lloyd's Australia to chase for this confirmation, an additional administration charge will be levied.

Referral to EDR

- Subject to local applicable eligibility criteria complainants may refer their complaints to IFSO or UK FOS.
- If the complainant refers their complaint to IFSO the managing agent must inform Lloyd's Australia as soon as they become aware.

Assessment of Managing Agent Compliance with the Code

- On a quarterly basis, Lloyd's will review managing agents' performance against the published standards, 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 are be 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.

Business Continuity

For whatever reason, should a prolonged business interruption incident or outage occur, resulting in Lloyd's being unable to complete Stage Two reviews and issue 'Deadlock Letters', Lloyd's may initiate an alternate process. This would utilise Managing Agents, Coverholders and DCAs to provide the 'Deadlock Letter', with input from Lloyd's.

Specifically:

1. Lloyd's issues an 'Activation of Lloyd's Australia Business Continuity Plan' email to all complaints and compliance contacts (Managing Agent, Coverholder and DCA), explaining the situation and providing instructions;
2. Managing Agents or their representatives continue to receive, record and review Stage One complaints **as usual**;
3. Where the complainant seeks Stage Two review, Lloyd's will contact the Managing Agent or its representative to discuss the case;
4. Lloyd's discusses the case and Stage One review outcome with the Stage One reviewer, with reference to:

- a. The Stage One Letter
 - b. The policy wording and schedule, including any specific provisions relied upon
 - c. Any reports or other information that would usually be considered as part of a thorough review and they agree on an outcome
5. Lloyd's and the Stage One reviewer agree on a Final Decision
 6. Stage One reviewer drafts a 'Deadlock Letter' and reviews it with Lloyd's
 7. Stage One reviewer issues the 'Deadlock Letter', providing outcome, reasons and EDR options