

LLOYD'S CANADIAN COMPLAINTS

Handling Canadian Complaints at Lloyd's: Guidance for managing agents

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

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), whilst allowing flexibility for managing agents in the way they handle complaints.

Managing agents should ensure that they comply with local regulations in Canada as well as Lloyd's requirements for handling complaints. Any questions should be directed to Lloyd's Complaints team or Lloyd's representative in Canada.

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 complaints handling at Lloyd's please refer to: www.lloyds.com/complaintshandling.

General Requirements

- Managing agents reporting more than 100 complaints per year to Lloyd's for UK and international complaints (excluding EEA, 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' system 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.
- All emails (with the exception of notification spreadsheets) must only contain data relating to a single policyholder. Emails should only be used by managing agents not in scope for DEX.
- All email attachments must be password protected using the managing agent / coverholder standard password provided to Lloyd's Complaints team.

- 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.
- All documents including original complaints, investigation ongoing letters and stage one responses are to be submitted in pdf format. Local language documents may be provided as Word documents, for managing agents both in scope and out of scope for DEX, these can be provided via email.

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 in Canada is:

“A complaint is the expression of at least one of the following elements that persists after being considered and examined at the operational level capable of making a decision on the matter:

- *a reproach against an organization;*
- *the identification of a real or potential harm that a consumer has experienced or may experience;*
- *a request for a remedial action.*

Complaints are generally expressed in writing through correspondence, e-mail, fax or other form that allows a complaint to be kept on file. Where a consumer makes a complaint by phone or in person and the complaint is handled and examined by the person responsible for the examination of complaints and designated as such in the organization's policy, the complaint must be documented so that it can be kept on file.

The initial expression of dissatisfaction by a consumer, whether in writing or otherwise, will not be considered a complaint where the issue is settled in the ordinary course of business. However, in the event the consumer remains dissatisfied and such dissatisfaction is referred to the person who is responsible for the examination of complaints and designated as such in the organization's policy, then it will be considered as a complaint.

However, organizations must refrain from any undue delay in referring a matter to a higher level solely for the purpose of avoiding reporting requirements.

Where a consumer remains dissatisfied after a reasonable attempt has been made to settle the issue, organizations without a multilevel complaint examination structure are then considered to have received a complaint.”

Which complainants?

A consumer means all current and prospective customers of insurance products.

Process to be followed for handling Canadian complaints

- 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.
- Managing agents who are not in scope for DEX must, within two weeks of receipt of the complaint complete the Lloyd's International Complaint Notification template, providing details of all complaints received from eligible complainants during the preceding fortnight. This includes but is not limited to all complaints that are subject to the local regulatory complaints handling rules or where the complainant has a right of referral to the relevant EDR and can be submitted by the managing agent or their representative (which could be a coverholder or delegated claims administrator).
- Notification spreadsheets must be received by 16.45 GMT 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 Complaints team must not be notified back to Lloyd's however complaints forwarded by Lloyd's Canada must be included. Complaints must be notified to Lloyd's within 14 days of receipt and those not notified to Lloyd's within 21 days of receipt will incur an 'additional administration charge'.
- There is no requirement for a nil return where no new complaints have been received.
- On policies or binding authorities where there is more than one syndicate participating, Lloyd's expects the lead syndicate to notify the complaint.
- For managing agents not in scope for DEX, the International Complaint Notification template should be downloaded from www.lloyds.com/complaintshandling, and completed by the lead managing agent and sent by email to Lloyd's Complaints team at complaints-notification@lloyds.com. Managing agents must use the template provided by Lloyd's Complaints team and should not create their own templates. 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.
- 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 agents system so they can be provided to Lloyd's via API message 'Contacts'.

- The following table explains how to complete the International Complaint Notification template. Completion of all fields is mandatory, except where stated. Managing agents or their representative should ensure that they provide the information in a way that is compliant with the applicable data protection laws.

Field	Comments
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 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	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 Zip / Postal Code	Insert the postal / zip code for the complainant. Completion of this field is required to facilitate identification of duplicate complaints.
Complainant Country	Select from drop down list.
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.
Complaint Process	This is the complaint process that is being followed. 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.
Date Received	Insert the date the complaint was first received by the managing agent or its representative. For example where the complaint was initially received by a coverholder who subsequently notifies the managing agent of the matter the date the complaint was first received by the coverholder will be the operative date.
FCA Complaint code	Select from drop down list.
Product	Select from drop down list.
Placement	Select from drop down list.

Syndicate Number	Lead syndicate on the coverage.* Select from drop down list.
Claims Related	Select Yes or No from drop down list.
Lloyd's UK Root Cause	Select from drop down list. This field is optional.
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.

*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 'NotificationInternational' 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. 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.
- The notification of complaints for managing agents in scope for DEX 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' prior to the resolution of the case. 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.
- 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.

Acknowledgement of complaints

- All complaints are to be acknowledged promptly and in writing. Lloyd's expectation is that acknowledgements are sent within 2 business days where possible. There is no requirement to provide a copy of the acknowledgement letter to Lloyd's.
- Complaints received in the first instance by Lloyd's will be recorded and acknowledged by Lloyd's. Once the relevant managing agent is identified the complaint will be forwarded to the individual nominated by the relevant managing agent for a stage one review.

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 (with details of how this can be done) and set out the availability of the relevant EDR, whether GIO, AMF, FCAC or the UK Financial Ombudsman Service (FOS). The response should not be referred to as a Final Response.
- Lloyd's Canada must be copied in on all stage one responses.
- 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 original complaint must be emailed to complaints-notification@lloyds.com within two business days after the response is sent to the complainant. There is no requirement for these documents to be translated to English; this will be arranged by Lloyd's. The subject line of the covering email should state 'Stage One Response – policyholder name'. The body of the email 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 message will be rejected and this will then need to be corrected and resubmitted by the managing agent.
- Lloyd's Complaints team will monitor each complaint against Key Performance Metrics to ensure:
 - regulatory deadlines are complied with
 - appropriate EDR rights are provided to the complainant

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 within required deadline
- provide details of the coverholder / root cause
- provide correct and complete EDR referral rights

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

- Upon receipt of the copy stage one response, Lloyd's Canada will contact the complainant to establish whether they are happy with the resolution. If they remain dissatisfied, the complainant has 10 business days to request a stage two review.
- If the policyholder remains dissatisfied with the stage one response, or no stage one response has been sent by the managing agent within 10 business days of receipt of the complaint, the policyholder can choose to wait for the stage one response or request that Lloyd's Complaints team undertake a stage two review.
- 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 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 3mb 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'.
- 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.
- 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 non-DEX 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 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.
- Where the Lloyd's proposed resolution to a complaint has a value of £50,000 or less (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 complaint associates are authorised to make a compensation payment of up to £50 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 Final Response.
- Mandate requests in excess of £50,000 will be reviewed and mandated by Head of Policyholder & Third Party Oversight and Head of Market Development with payments over £100,000 reviewed by Head of Markets.
- On completion of its review, Lloyd's Complaints team will issue a written final response to the complainant, together with the reasons. The letter will inform the complainant that they may refer the matter to either, GIO, AMF or FCAC or if they prefer the Financial Ombudsman Service (FOS) in the UK.
- In most cases Lloyd's Complaints team will complete its investigation and send the final response within 56 days of the complaint being received. Where Lloyd's Complaints team cannot provide a final response within that time, Lloyd's Complaints team will send a letter to the complainant explaining why it is not in a position to provide a final response and when it expects to be able to do so.
- 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 GIO, AMF or UK FOS

- Subject to local applicable eligibility criteria, complainants may refer their complaints to GIO, AMF or the UK FOS.
- If the complainant elects to use GIO or AMF the managing agent must inform Lloyd's Complaints team as soon as they are aware.
- When the process is concluded a copy of the outcome must be provided to Lloyd's Complaints team, which will also require information as to whether the decision is accepted or rejected if referred to the GIO or AMF.
- Complainants may refer instead to UK FOS who will review their complaint. Lloyd's Complaints team will act as the communication channel between the UK FOS and the managing agent.

- Details of UK FOS decisions will be sent to Lloyd's Complaints team who will share them with the managing agent either via email or the API message 'EDR'. The team will then work with the managing agents should they wish to challenge the adjudicator's decision and request an ombudsman's review.

Assessment of Managing Agent Compliance with the Code

- Sample checking of stage one responses for managing agents in scope for DEX 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 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.