

# Code for Complaints Handling

June 2021

# INTRODUCTION

Lloyd's seeks to ensure that policyholders are treated fairly and can have confidence that where they arise, complaints are dealt with promptly and in a reasonable way.

This Code sets out Lloyd's requirements for the handling of complaints at Lloyd's on policies underwritten by Lloyd's syndicates. It supplements all other relevant requirements. The Code is intended to reflect and apply to the Lloyd's market the Financial Conduct Authority (FCA) rules and guidance for the handling of personal lines claims and complaints. In complying with the requirements set out in the Code managing agents should continue to have due regard to all other rules and guidance of the UK regulators. Where appropriate, references to the relevant corresponding paragraph in the FCA Handbook (primarily in ICOBS and DISP) have been included as footnotes for ease of reference. For international (that is, non-UK) complaints, managing agents must additionally ensure that they remain compliant with the local regulatory rules and guidance.

All managing agents are required to ensure that their processes and procedures are compliant with this Code. Where managing agents have any questions regarding the handling of complaints these questions should be addressed to the Complaints team in the first instance (Helpline: 020 7327 5696; email: [complaints@lloyds.com](mailto:complaints@lloyds.com)).

Where the Complaints team become involved with a complaint managing agents should respond promptly to queries raised by the team. Managing agents should also ensure the prompt provision of all files, papers, reports and other documentation which the team may require to investigate the complaint.

This Code is made pursuant to paragraph 31 of the Underwriting Byelaw.

## Part 1: The Handling of UK Complaints

The requirements in this section apply to complaints under UK policies made by eligible complainants, as that term is defined in the FCA Handbook. In outline, an eligible complainant is anyone who may be eligible to have a complaint considered by the Financial Ombudsman Service (FOS). The exact scope of Part 1 is set out in more detail at the start of the section.

DISP 1.11.1R states:

The Society must establish and maintain appropriate and effective procedures for handling complaints by policyholders against members of the Society which comply with this chapter.

DISP 1.11.2R states:

A member of the Society must, in complying with this chapter, ensure that the arrangements which the member maintains are compatible with the Lloyd's complaint procedures, so that, taken as a whole, the requirements of this sourcebook are met.

For these purposes, the obligations of members to comply with DISP devolve to managing agents.

DISP 1.11.3R states:

The Society must take reasonable steps to ensure that complaints by policyholders against members of the Society are dealt with under the Lloyd's complaint procedures and that members comply with the requirements of those procedures.

The FCA recognises that Lloyd's operates a two-tier complaints handling procedure as set out in this Code. In accordance with DISP 1.11.1R, it is this Code that establishes for the Lloyd's market the procedures for handling complaints by policyholders against members which comply with DISP 1. Members are only considered to have complied with DISP 1 by complying with Lloyd's complaints procedures (see DISP 1.11.9G). Managing agents should have written procedures in place for the handling of complaints which are compatible with those maintained by Lloyd's.

The requirements set out in Part 1 apply equally to policies written by coverholders under delegated authorities as they do to policies written by managing agents on an open market basis. Where a coverholder is involved the managing agent must ensure arrangements are in place to ensure compliance with the requirements of this Code. Managing agents should also note that UK coverholders are FCA authorised intermediaries and thus have their own obligations under DISP to handle complaints concerning their own actions.

## Part 2: The Handling of International Complaints

When handling complaints arising outside of the UK, managing agents must comply with the arrangements set out in this section together with any country specific requirements or guidance published by Lloyd's at [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling).

For international complaints, managing agents are required (1) to take full responsibility for handling complaints in compliance with all local legal and regulatory requirements, (2) notify to Lloyd's all new complaints received, and (3) promptly send to Lloyd's a copy of both the complaint and the complaint response after the response has been sent to the complainant.

The requirements for the handling of international complaints, are intended to allow managing agents to have flexibility in the way they handle complaints, recognising that different countries have different local rules and practices.

While managing agents must comply with the local rules of any territory where a policy is written, the jurisdiction of the Financial Ombudsman Service is wide and covers firms for all activities carried on from an establishment maintained by it in the United Kingdom (see DISP 1.1.3 & DISP 2.6.1R). The Financial Ombudsman Service may therefore have jurisdiction over complaints made by eligible complainants in all territories where Lloyd's underwriters write business. However, the Financial Ombudsman Service has the discretion to dismiss complaints without a consideration of the merits where the complaint is or would be more suitable to be dealt with by a comparable independent complaints scheme or dispute resolution process (DISP 3.3.4(7) & (10)). This would include any equivalent overseas scheme in the jurisdiction where the complainant is based.

Lloyd's has produced additional country specific guidance material [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling). This includes, where practical, local language translations to assist with providing information to coverholders and DCAs.

**Note:** this Code does not apply to complaints on policies underwritten by Lloyd's Europe, which operates its own arrangements for the handling of complaints. Lloyd's Europe's operational guidance can be obtained from Lloyd's Europe by emailing [LloydsEurope.Complaints@lloyds.com](mailto:LloydsEurope.Complaints@lloyds.com).

## Coverholders and DCAs

Coverholders and DCAs will be an important source of expertise for managing agents to ensure that local complaints rules are being complied with. Coverholders/DCAs will need to have processes in place to ensure relevant information is reported promptly to managing agents or to Lloyd's, where the managing agent has delegated that responsibility. Managing agents should therefore engage with their coverholders/DCAs to inform them of the procedures and to ensure that the coverholder/DCA can support compliance with this Code.

While managing agents may authorise their coverholders and DCAs to handle complaints, it remains the responsibility of managing agents to ensure that Lloyd's complaints requirements, and requirements under local regulations, are complied with. It is also the responsibility of managing agents to ensure that any locally appointed coverholder or DCA has the necessary complaints handling expertise and is provided with appropriate instructions to ensure their compliance with Lloyd's requirements and local regulations.

On binding authorities where there is more than one syndicate participating, Lloyd's expects the lead syndicate to coordinate the discussions with the coverholder.

## **Assessment of managing agent compliance with this Code**

Lloyd's will from time to time set standards, KPIs and other measures of managing agent compliance with this Code. Where a managing agent fails to comply with this Code or meet the standards expected by Lloyd's, Lloyd's will require the managing agent to improve its compliance and may, where appropriate, levy a compliance charge, require the managing agent to undertake remedial action or, in appropriate circumstances, Lloyd's may pursue enforcement action.

## **Compliance with Data Protection Laws**

In the course of following the requirements set out in this Code it may be necessary for managing agents to share with Lloyd's information regarding the complaint that includes personal data for the purposes of applicable data protection laws (including the Data Protection Act 2018). This can include information such as the policyholder's name and address, the policy number, details of the claim and correspondence with or relating to the policyholder. It is the responsibility of managing agents to ensure that they provide information to Lloyd's in a way that is compliant with data protection laws.

# 1 THE HANDLING OF UK COMPLAINTS

The requirements in this section apply to complaints from eligible complainants concerning activities of managing agents (or their appointed representatives) in respect of the underwriting of members and which relate to UK contracts of insurance.<sup>1</sup> It sets out Lloyd's expectations of how such complaints will be dealt with by managing agents and by Lloyd's to comply with the FCA's DISP rules.<sup>2</sup>

The FCA Handbook 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, which (1) alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience and (2) 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."<sup>3</sup>

An eligible complainant is "a person eligible to have a complaint considered under the Financial Ombudsman Service, as defined in DISP 2.7 (Is the complainant eligible?)"<sup>4</sup>

The requirements of this section apply equally to policies written by coverholders under delegated authorities as they do to policies written by managing agents on an open market basis.

All complaints may be made free of charge.<sup>5</sup>

## 1.1 Advance disclosure of the complaints process

- 1.1.1 Lloyd's seeks to publish appropriate information of Lloyd's procedures for the reasonable and prompt handling of complaints against members of Lloyd's.<sup>6</sup> This information includes details of (1) how Lloyd's members fulfil their obligation to handle and seek to resolve relevant complaints and (2) that, if the complaint is not resolved, the complainant may be entitled to refer it to the Financial Ombudsman Service.<sup>7</sup> Eligible complainants are also provided with information about the Financial Ombudsman Service, including its website address.<sup>8</sup> The summary details are set out in a leaflet: "Your Complaint - How We Can Help"<sup>9</sup> and are available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints). Lloyd's also produces a leaflet for use by managing agents: "How We Will Handle Your Complaint".
- 1.1.2 Managing agents must refer eligible complainants to the availability of these details in writing at or immediately after the point of sale of the policy.<sup>10</sup> The availability of these details may be referred to in contractual documentation, including policy documentation.<sup>11</sup> The LMA have produced two model complaints clauses for inclusion in policy documentation, LMA9123 and LMA9124. These include suitable wording for this purpose. The details must also be made available by managing agents in writing and free of charge to eligible complainants on request and when complaints are

---

<sup>1</sup> DISP 1.1.3R(1). See also DISP 1.11 which relates to Lloyd's obligations & Glossary definition of "member". Lloyd's has implemented separate requirements in relation to complaints arising from non-UK contracts of insurance.

<sup>2</sup> These rules are made to meet Lloyd's obligations pursuant to DISP 1.11.1R and in accordance with DISP 1.3.1R and DISP 1.3.2G

<sup>3</sup> Glossary definition of "complaint".

<sup>4</sup> Glossary definition of "eligible complainant". Managing agents should refer to DISP 2.7 for further details of complainants who fall within the jurisdiction of the Financial Ombudsman Service.

<sup>5</sup> DISP 1.3.1AR

<sup>6</sup> DISP 1.2.1R(1)

<sup>7</sup> DISP 1.2.3G

<sup>8</sup> DISP 1.2.1R(4)

<sup>9</sup> DISP 1.2.4G

<sup>10</sup> DISP 1.2.1R(2)(b)

<sup>11</sup> DISP 1.2.4G

acknowledged.<sup>12</sup> Lloyd's will make the details available on request and when acknowledging a complaint.<sup>13</sup>

- 1.1.3 Managing agents whose business may result in complaints from eligible complainants must provide information, in a clear, comprehensible and easily accessible way about the Lloyd's Complaints team and the Financial Ombudsman Service, including their website addresses, on its website and in the contractual documentation with the policyholder. LMA9123 and LMA9124 include suitable wording for inclusion in contractual documentation. Where there is a coverholder, the information should also be provided on the coverholder's website, where one exists.<sup>14</sup>

## 1.2 Complaints procedures

- 1.2.1 Managing agents must establish, implement and maintain effective and transparent procedures for the reasonable and prompt handling of complaints.<sup>15</sup> Procedures must allow complaints to be made by any reasonable means, including orally.<sup>16</sup> The procedures should recognise complaints as requiring resolution.<sup>17</sup> Where managing agents operate a telephone line for the purpose of enabling an eligible complainant to submit a complaint, the complainant must not be bound to pay more than the basic rate when contacting the managing agent by telephone.<sup>18</sup>
- 1.2.2 Managing agents must ensure they have in place appropriate management controls and take reasonable steps to ensure that in handling complaints they identify and remedy any recurring or systemic problems.<sup>19</sup>
- 1.2.3 Managing agents must keep a record of each complaint received and the measures taken for its resolution and retain that record for three years from the date the complaint was received.<sup>20</sup> A record of each complaint received will also be kept by Lloyd's. Lloyd's will keep a record of the measures taken for the resolution of each complaint in relation to those parts of the process in which Lloyd's is involved.

## 1.3 Complaint acknowledgement and forwarding

- 1.3.1 On receipt of a complaint, a managing agent must send the complainant a prompt written acknowledgement providing early reassurance that it has received a complaint and is dealing with it.<sup>21</sup> When acknowledging the complaint in respect of an eligible complainant, the managing agent must provide free of charge appropriate written information regarding Lloyd's internal processes for the reasonable and prompt handling of complaints.<sup>22</sup> This should be done by providing to the complainant one of the leaflets produced by Lloyd's referred to in paragraph 1.1.1. Thereafter, the managing agent

---

<sup>12</sup> DISP 1.2.1R(3)

<sup>13</sup> DISP 1.2.1R(3)

<sup>14</sup> DISP 1.2.1R(4). See also DISP 1.11.2AR.

<sup>15</sup> DISP 1.3.1R & 1.3.2G. See also DISP 1.3.2AG

<sup>16</sup> DISP 1.3.2G(1) & Glossary definition of "complaint".

<sup>17</sup> DISP 1.3.2G(2)

<sup>18</sup> DISP 1.3.1AA. The basic rate is the simple cost of the connection and must not provide the managing agent with a contribution to its costs or revenues. Note that the same rule applies where a coverholder or DCA provides the telephone line. See DISP 1.3.1ACR and DISP 1.3.1ADR for telephone numbers that may and may not be used.

<sup>19</sup> DISP 1.3.3R. Managing agents should refer to the rule for examples of actions that may be required. See DISP 1.3.3BG for examples of the processes managing agents should have in place to comply with DISP 1.3.3R. See also DISP 1.3.6G as to the need to consider whether the managing agent ought to act on its own initiative with regard to the position of customers who may have suffered detriment but who have not complained.

<sup>20</sup> DISP 1.9.1R

<sup>21</sup> DISP 1.6.1R(1). Where appropriate, acknowledgements may be sent by a managing agent's coverholder or DCA.

<sup>22</sup> DISP 1.2.1R(3)(b)

must ensure that the complainant is kept informed of the progress of the measures being taken for the complaint's resolution.<sup>23</sup>

- 1.3.2 Where a complaint relating to an insurance contract is made by a complainant directly to Lloyd's, Lloyd's will provide the written acknowledgement and reassurance that the complaint is being dealt with before referring the complaint to the relevant managing agent. Lloyd's will pass to the managing agent of the syndicate in respect of which the complaint is made all details relating to the complaint received by Lloyd's for the managing agent to investigate and assess. If there is more than one syndicate on the policy, Lloyd's will pass the complaint to the managing agent of the lead Lloyd's syndicate.
- 1.3.3 If the managing agent or Lloyd's receives a complaint that has been forwarded to it under the DISP complaints forwarding rules (DISP 1.7) the complaint will be treated for DISP purposes as if the complaint was made directly to the managing agent or Lloyd's.<sup>24</sup> The complaint will be treated as received when the forwarded complaint is received and the standard time limits will be applied from that date.<sup>25</sup>
- 1.3.4 Details of all complaints received by a managing agent (including their coverholders or DCAs) must be notified to Lloyd's in such form and within such times as Lloyd's may prescribe. Where the number of complaints that a managing agent notifies to Lloyd's each year exceeds the number that Lloyd's prescribes from time to time, managing agents will be required to notify their complaints and undertake all subsequent communications with Lloyds' using secure API messaging adopting Lloyd's prescribed standard.
- 1.3.5 A managing agent that has reasonable grounds to be satisfied that another respondent<sup>26</sup> may be solely or jointly responsible for the matter alleged in a complaint may inform Lloyd's. The assessment by the managing agent must be done fairly, consistently and promptly.<sup>27</sup> In notifying Lloyd's, the managing agent should provide details of why the complaint should be forwarded as well as the other respondent's contact details (if known). Lloyd's will forward the complaint promptly, or the relevant part of it, in writing to that other respondent.<sup>28</sup> Lloyd's will also inform the complainant promptly in a final response<sup>29</sup> why the complaint has been forwarded to the other respondent and Lloyd's will provide the other respondent's contact details.<sup>30</sup> Where the managing agent is jointly responsible for the fault alleged in the complaint, it must comply with its own obligations under DISP 1 in respect of that part of the complaint it has not forwarded.<sup>31</sup> Lloyd's may agree with the managing agent in appropriate circumstances that the managing agent will forward the complaint in accordance with this paragraph.
- 1.3.6 The requirements in respect of complaints acknowledgement and forwarding set out in paragraphs 1.3.1, 1.3.3 and 1.3.5 above do not apply if the complaint is resolved by the managing agent or Lloyd's by close of business on the third business day following the day on which it is received.<sup>32</sup> For these purposes, a complaint is resolved where the complainant has indicated acceptance of a response from the managing agent or Lloyd's. There is no requirement for complainant's the response or acceptance to be in writing.<sup>33</sup>

---

<sup>23</sup> DISP 1.6.1R(2)

<sup>24</sup> DISP 1.7.2R

<sup>25</sup> DISP 1.7.2R & DISP 1.7.3G

<sup>26</sup> See the Glossary definition of "respondent".

<sup>27</sup> DISP 1.4.1R(2)(d)

<sup>28</sup> DISP 1.7.1R

<sup>29</sup> See definition in DISP 1.6.2R(1) & Glossary definition of "final response"

<sup>30</sup> DISP 1.7.1R(2)

<sup>31</sup> DISP 1.7.1R(3)

<sup>32</sup> DISP 1.5.1R

<sup>33</sup> DISP 1.5.2AR

## 1.4 Complaints that are time barred

- 1.4.1 If a managing agent receives a complaint which is outside the time limits for referral to the Financial Ombudsman Service (see DISP 2.8) it may reject the complaint without considering the merits. The managing agent should inform Lloyd's and Lloyd's will explain this to the complainant in a final response.<sup>34</sup>

## 1.5 Resolving Complaints

- 1.5.1 Once a complaint has been received by a managing agent, it must investigate the complaint competently, diligently and impartially obtaining additional information as necessary. The managing agent 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.<sup>35</sup>
- 1.5.2 Taking into account all relevant factors, the managing agent must offer redress or remedial action when it decides this is appropriate. In all cases, the managing agent must explain to the complainant promptly and, in a way that is fair, clear and not misleading, its assessment of the complaint, its decision on it, and any offer of remedial action or redress. The managing agent must comply promptly with any offer of remedial action or redress accepted by the complainant.<sup>36</sup>
- 1.5.3 When assessing the complaint, factors that may be relevant include: (1) all the evidence available and the particular circumstances of the complaint, (2) similarities with other complaints received by the managing agent, (3) relevant guidance published by the FCA, other relevant regulators, the Financial Ombudsman Service (or its predecessors) and (4) appropriate analysis of decisions by the Financial Ombudsman Service concerning similar complaints received by the managing agent.<sup>37</sup>

### Complaints resolved by the close of the third business day

- 1.5.3A Where a managing agent considers a complaint to be resolved by close of business on the third business day following the day on which it is received, the managing agent must promptly send the complainant a 'summary resolution communication' which complies with DISP 1.5.4R. The summary resolution communication should, additionally, tell the complainant that if he subsequently decides that he is dissatisfied with the resolution of the complaint he may be able to refer the complaint to Lloyd's, and the summary resolution communication should provide details of how to do so. A complaint is resolved for the purposes of this paragraph where the complainant has indicated acceptance of a response from the managing agent or from Lloyd's, with neither the response nor acceptance having to be in writing.<sup>38</sup> Lloyd's has prepared model wording to be included by managing agents in all 'summary resolution communications' to ensure compliance with this paragraph (see Appendix 1).

### Stage 1

- 1.5.4 Other than where a complaint has been resolved in accordance with paragraph 1.5.3A, within two weeks of receipt of the complaint managing agents must provide to the complainant a written response which offers redress or remedial action (whether or not the managing agent (on behalf of members) accepts the complaint) or rejects the complaint and gives reasons for doing so. The response must further (1) inform the complainant that he can pursue his/her complaint by contacting the Complaints team at Lloyd's if he remains dissatisfied and (2) refer<sup>39</sup> to the ultimate availability of the Financial

<sup>34</sup> DISP 1.8.1R. See also paragraph 1.5.10.

<sup>35</sup> DISP 1.4.1R(1) & (2). This and the following requirements do not apply to time-barred complaints. See DISP 1.8.1R and paragraph 1.4.1.

<sup>36</sup> DISP 1.4.1R(3), (4) & (5)

<sup>37</sup> DISP 1.4.2G. See DISP 1.3.2AG in relation to paragraph 1.5.3(4).

<sup>38</sup> DISP 1.5

<sup>39</sup> DISP 1.6.6AG provides that this must be set out clearly, comprehensibly, in an easily accessible way and prominently within the text of the response.



Ombudsman Service if he remains dissatisfied with the managing agent's and Lloyd's response.<sup>40</sup> Note that this response must not be described as a "final response". A copy of the response must be provided to Lloyd's.

- 1.5.5 If, within the two weeks, the managing agent cannot provide a written response as set out in paragraph 1.5.4 it must send to the complainant within that time a written response which explains why the managing agent is not in a position to provide a written response as referred to in paragraph 1.5.4 and which indicates when the managing agent expects to be able to provide such a response, which should be no later than four weeks from receipt of the complaint. In such a case the managing agent must include in the written response the information referred to in paragraph 1.5.4 (1) & (2). A copy of the response and such other information about the complaint as Lloyd's may prescribe must be provided to Lloyd's.
- 1.5.6 In the event that the managing agent fails to provide any written response within two weeks, Lloyd's may initiate a Stage 2 review in accordance with paragraph 1.5.7. Lloyd's may also initiate a Stage 2 review if no response in accordance with paragraph 1.5.4 is provided within four weeks of receipt of the complaint.

## Stage 2

- 1.5.7 If, (1) after a complaint has been resolved in accordance with paragraph 1.5.3A; or (2) at the end of two weeks or after the complainant has received a written response in accordance with paragraph 1.5.4 (whichever is earlier), the complainant indicates to Lloyd's that he remains dissatisfied, Lloyd's will investigate and assess the complaint having regard to DISP and in particular DISP 1.4 (Complaints resolution rules).<sup>41</sup>
- 1.5.7A Where Lloyd's assesses that the complaint should be upheld and that remedial action and/or redress should be offered then the decision of Lloyd's shall be binding. Lloyd's operates internal procedures for the review of decisions where it is proposed to uphold a complaint and where the value to the complainant exceeds prescribed thresholds, details of which can be provided on request.
- 1.5.8 (Subject to paragraph 1.5.11) by the end of eight weeks after first receipt of the complaint, Lloyd's will in all cases where paragraph 1.5.7 applies send the complainant either a final response<sup>42</sup> or a written response which (1) explains why Lloyd's is not in a position to make a final response and indicates when it expects to be able to provide one; (2) informs the complainant<sup>43</sup> that he may now refer the complaint to the Financial Ombudsman Service; (3) encloses a copy of the Financial Ombudsman Service standard explanatory leaflet; and (4) provides the website address of the Financial Ombudsman Service.<sup>44</sup> Lloyd's will indicate in the response whether or not consent is given to waive the relevant time limits for referring the complaint to the Financial Ombudsman Service after consulting with the relevant managing agent.<sup>45</sup>
- 1.5.9 Where Lloyd's sends a final response it will be a written response which either (1) states that Lloyd's (on behalf of members) accepts the complaint and, where appropriate, Lloyd's (on behalf of members)

---

<sup>40</sup> DISP 1.6.5R(1) and see DISP 1.6.6R (pre-1 July 2012) with regard to the application of time limits. With effect from 1 July 2012 DISP 1.6.5R and DISP 1.6.6R were deleted from DISP. The FCA has confirmed to Lloyd's that this change is not intended to require a change to Lloyd's complaints process as set out in this code. The references to the unamended rules have therefore been retained in this document and managing agents should follow the process set out here.

<sup>41</sup> Note that for complaints resolved in accordance with paragraph 1.5.3A, the complainant may elect to refer the complaint to the Financial Ombudsman Service, in which case Lloyd's will not follow the Stage 2 process.

<sup>42</sup> See definition in DISP 1.6.2R(1) & Glossary definition of "final response"

<sup>43</sup> DISP 1.6.6AG provides that this must be set out clearly, comprehensibly, in an easily accessible way and prominently within the text of the response.

<sup>44</sup> DISP 1.6.2R(2)

<sup>45</sup> DISP 1.6.2R(2)(ba)

will offer redress or remedial action which in its view is appropriate<sup>46</sup>, (2) states that the managing agent (on behalf of members) offers redress or remedial action without accepting the complaint, and (3) states that Lloyd's rejects the complaint and will give the reasons for doing so.<sup>47</sup>

- 1.5.10 All final responses sent by Lloyd's will (1) enclose a copy of the Financial Ombudsman Service's standard explanatory leaflet; (2) provide the website address of the Financial Ombudsman Service, and (3) inform the complainant<sup>48</sup> that if he remains dissatisfied with the response, he may now refer his complaint to the Financial Ombudsman Service. Lloyd's will indicate in the final response whether or not consent is given to waive the relevant time limits for referring the complaint to the Financial Ombudsman Service after consulting with the relevant managing agent.<sup>49</sup>
- 1.5.11 For the purposes of calculating the eight weeks referred to in paragraph 1.5.8, if the complainant takes more than a week to reply to a written response of the kind described in paragraph 1.5.4, the additional time in excess of a week will not be counted by Lloyd's for the purposes of the time limits.<sup>50</sup>
- 1.5.12 Lloyd's is not required to take the steps set out in paragraph 1.5.8 if the complainant has already indicated in writing acceptance of a response by the managing agent or Lloyd's, provided that any response sent by the managing agent (1) informed the complainant how to pursue his complaint with Lloyd's if he remains dissatisfied, (2) referred to the ultimate availability of the Financial Ombudsman Service if he remains dissatisfied with Lloyd's and the managing agent's response, (3) enclosed a copy of the Financial Ombudsman Service standard explanatory leaflet, (4) provided the website address of the Financial Ombudsman Service, and (5) indicates whether or not the managing agent consents to waive the relevant time limits in DISP 2.8.2R.<sup>51</sup>

## 1.6 Complaints referred to the Financial Ombudsman Service

- 1.6.1 Managing agents and Lloyd's will aim to resolve complaints at the earliest possible opportunity, minimising the number of unresolved complaints which need to be referred to the Financial Ombudsman Service.<sup>52</sup>
- 1.6.2 Where a complaint against a member is referred to the Financial Ombudsman Service, the managing agent and Lloyd's will cooperate fully with the Financial Ombudsman Service and managing agents will comply promptly with any settlements or awards made by it.<sup>53</sup>
- 1.6.3 Managing agents should make sure their procedures ensure that lessons learned as a result of determinations by the Financial Ombudsman Service are effectively applied in future complaints handling.<sup>54</sup>

---

<sup>46</sup> Where a managing agent during Stage 2 makes clear to Lloyd's that it will accept the complaint, on behalf of members, and, where appropriate, will offer redress or remedial action, this will be reflected in the final response.

<sup>47</sup> See definition in DISP 1.6.2R(1) & Glossary definition of "final response".

<sup>48</sup> DISP 1.6.6AG provides that this must be set out clearly, comprehensibly, in an easily accessible way and prominently within the text of the response.

<sup>49</sup> DISP 1.6.2R(1)(f). The wording to be used is set out at DISP 1 Annex 3R.

<sup>50</sup> DISP 1.6.6R (pre-1 July 2012) (see notes to paragraph 1.5.4). Note that a letter sent in accordance with paragraph 1.5.5 does not have the effect of stopping time running in accordance with this paragraph.

<sup>51</sup> DISP 1.6.4R. The wording to be used is set out at DISP 1 Annex 3R.

<sup>52</sup> DISP 1.4.3G

<sup>53</sup> DISP 1.4.4R

<sup>54</sup> DISP 1.3.2AG

## 2 THE HANDLING OF INTERNATIONAL COMPLAINTS

For all territories outside of the UK, other than for policies that are subject to Lloyd's Europe's complaints procedures, managing agents must have in place arrangements to ensure that they can comply with the requirements set out below. Policies written by Lloyd's Europe are subject to Lloyd's Europe's operational guidance, which can be obtained from Lloyd's Europe by emailing [LloydsEurope.Complaints@lloyds.com](mailto:LloydsEurope.Complaints@lloyds.com).

### 2.1 Handling the Complaint

- 2.1.1 It is the sole responsibility of managing agents to handle complaints and ensure that they are compliant with all relevant local rules.
- 2.1.2 Details of the complaints handling rules for each territory where Lloyd's has a licence are provided on Crystal. Managing agents should also consider in each case whether they require further local advice regarding the detailed application of the rules.
- 2.1.3 Lloyd's does not provide a final response for international complaints with the exception of Australia, New Zealand, Canada and Singapore. This means that in responding to complaints, managing agents do not need to give complainants the right to refer their complaint to Lloyd's. This does not apply to Australia, New Zealand, Canada and Singapore, where Lloyd's is responsible for providing the final response. Further details of the process to be followed can be found for each territory in the relevant international complaints handling guidance notes.
- 2.1.4 In handling international complaints, managing agents should consider:

**Information requirements:** Local rules may require that the managing agent provides certain information to policyholders, including its complaints handling policies/procedures, for example in the pre-contractual information and/or the policy documentation.

**Definition of complaint:** Managing agents should have regard to the local definition of complaint.

**Time limits for responses:** Managing agents must ensure that they meet all local time limits for complaints handling. Where there are no locally prescribed time limits, or if the local rules allow for a timescale which is in excess of eight weeks, Lloyd's will expect managing agents to provide the substantive response to the complaint within eight weeks.

**External Dispute Resolution (EDR) facilities:** Managing agents must give the complainant details of any local EDR facility such as an ombudsman or a regulator where this is provided for in the relevant jurisdiction and where the complainant is eligible in accordance with local rules. This may require informing policyholders of these rights in the pre-contractual information, policy documents or at various stages in the complaint process.

### 2.2 Notification of new complaints to Lloyd's

- 2.2.1 Managing agents must notify Lloyd's of all complaints where the customer is eligible to have their complaint considered by the local EDR scheme. Furthermore, there may be territories in which the relevant definition of a complainant includes persons whose cases are not eligible for consideration by the EDR scheme; those cases will also need to be notified to Lloyd's. Country specific details are provided in summary sheets available at [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling).
- 2.2.2 The details of all complaints received by a managing agent (including their coverholders or DCAs) must be notified to Lloyd's in such form and within such times as Lloyd's may prescribe. Where the number of complaints that a managing agent notifies to Lloyd's each year exceeds the number that Lloyd's prescribes from time to time, managing agents will be required to notify their complaints and undertake all subsequent communications with Lloyd's using secure API messaging adopting Lloyd's prescribed standard.

## **2.3 Send copies of complaints and responses**

- 2.3.1 Managing agents must also send to the Complaints Team a copy of both the complaint and response in every case, as detailed in the relevant international complaints guidance note. Lloyd's is not asking managing agents for translations of the complaint or response (although these should be provided where available). Translations, where required, will be arranged by Lloyd's.

## **2.4 Maintaining complaints handling standards**

- 2.4.1 The role of the Complaints Team will be limited to monitoring complaints, including compliance with the time limits for responding to complaints under local regulations. For those countries with two stage complaints processes, Lloyd's will be responsible for providing the final response.
- 2.4.2 Where the responses of managing agents, coverholders or DCAs persistently fall below the standards expected of them, then Lloyd's may require the managing agent, coverholder or DCA to send copies of all proposed complaints responses in draft form to Lloyd's for review before the response is sent to the policyholder.
- 2.4.3 Further, 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 in order to ensure compliance with the local regulatory requirements that apply to Lloyd's underwriters.

## Appendix 1

### Model 'Summary Resolution Communication'

The following wording should be included within all Summary Resolution Communications:

*"While we consider this matter to be resolved, in the unlikely event that you remain dissatisfied I am obliged to inform you that as your insurance is provided by Underwriters at Lloyd's you are entitled to refer the matter to the Complaints team at Lloyd's. Full details of Lloyd's complaints procedures are available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and the Complaints team's contact details are as follows:*

*Lloyd's  
Fidentia House  
Walter Burke Way  
Chatham Maritime  
Chatham  
Kent ME4 4RN*

*Tel: 0207 327 5693  
Fax: 0207 327 5225  
Email: [complaints@lloyds.com](mailto:complaints@lloyds.com)*

*Alternatively, you may now have the right to refer your complaint to the Financial Ombudsman Service (FOS), free of charge – but you must do so within six months of the date of this communication. If you do not refer your complaint in time, the FOS will not have permission to consider your complaint and so will only be able to do so in very limited circumstances (for example, if the FOS believes that the delay was as a result of exceptional circumstances). Further details regarding the FOS can be obtained from their website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Alternatively the FOS may be contacted at:*

*The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR*

*Tel: 0800 023 4 567*

*Should you refer the matter to Lloyd's this will not affect your right to refer the matter to the Financial Ombudsman Service following Lloyd's review."*