

LLOYD'S AUSTRALIA COMPLAINTS

Handling Lloyd's Australia Complaints: Guidance for Managing Agents and their Delegates

Index

Introduction	2
General	2
What is a Complaint?	2
How are Complaints made?	3
Who is a Complainant?	3
What if the Complainant is represented by someone else?	4
Dealing with Lloyd's	4
Email communication	4
Data protection and file sharing	4
Process to follow when handling a Complaint	5
Key Timeline.....	5
Acknowledgement of Complaints received by Managing Agents or their Delegates	5
Notification to Lloyd's of receipt of a Complaint	6
Stage One review of the Complaint	7
<i>If Complaint is not resolved in Stage One Review – Auto-Escalate to Lloyd's</i>	9
Notification to Lloyd's of Stage One outcomes	9
Stage Two review by Lloyd's Australia	11
When will Lloyd's Australia undertake a Stage Two review?	11
Acknowledgement by Lloyd's	11
What will Lloyd's do during the Stage Two review?	11
Can Lloyd's make compensation payments?	12
Completion of Lloyd's Stage Two review	12
Will Lloyd's Stage Two review be binding?	13
External Dispute Resolution (EDR)	13
Referral to AFCA or UK FOS	13

If the matter has undergone the full IDR Process	13
If the matter has not undergone the full IDR process	14
Are an EDR scheme's determinations binding?	15
Assessment of Managing Agent Performance	15
FCA Complaints return	15
What is the FCA Complaints return?.....	15
What Managing Agents must do to facilitate the FCA Complaints return.....	15
Is this information published?.....	15
Business Continuity in Handling of Complaints	16
If Lloyd's Australia has a business interruption	16
Alternate Complaints process when Lloyd's has a business interruption	16

Introduction

1. This guidance sets out the process for handling Lloyd's Complaints from Complainants in Australia.
2. The guidance is for Managing Agents, who have ultimate accountability for Complaint handling, so is therefore applicable to their Delegates.
3. Where Complaints arise, Complainants should expect to have their Complaint dealt with in a prompt and reasonable way. Lloyd's arrangements for Australian Complaints allows for oversight of the handling of Complaints, consistent with the regulatory expectations of the Financial Conduct Authority (FCA) and the Australian Securities and Investments Commission (ASIC), whilst allowing flexibility for Managing Agents in the way they handle Complaints.
4. For more information about handling Australian Complaints at Lloyd's, including correspondence templates, please refer to the [Lloyd's Australia Complaints Handling page](#).

General

What is a Complaint?

5. The definition of a Complaint in Australia, under ASIC Regulatory Guide 271, is an:

"Expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a Complaint, where a response is explicitly or implicitly expected or legally required."
6. The General Insurance Code of Practice (GICOP) states that:

“Complaint means an expression of dissatisfaction made to us, related to our products or services, our staff or the handling of a Complaint, where a response is explicitly or implicitly expected or legally required.”

7. It goes on to state that:

“A Complaint also includes such expressions of dissatisfaction made about us on a social media channel or account owned or controlled by us, where the person making the Complaint is both identifiable and contactable.”

8. To clarify, two elements are necessary for there to be a Complaint:
 - a. An expression of dissatisfaction; *and*
 - b. An expectation of a response or resolution.
9. Importantly:
 - a. The Complainant does not need to use words such as ‘Complaint’ or ‘dissatisfaction’ when making a Complaint
 - b. Care must be taken to ensure Complaints are not incorrectly categorised in ways that might exempt them from this process (e.g. as ‘feedback’ or a ‘contentious/complex claim’)

How are Complaints made?

10. A Complainant must be able to make a Complaint by any reasonable means, including by:
 - a. Telephone;
 - b. Email;
 - c. Post; and
 - d. Social media (on social media accounts owned or controlled by Managing Agents and/or their Delegates).
11. A Complainant cannot be required to put the Complaint in writing.

Who is a Complainant?

12. There is no official definition of a Complainant in Australia.
13. Under RG271, it includes, at a minimum, “an individual consumer or guarantor” and a “small business” as defined by s761G of the Corporations Act.
14. In addition, the Australian Financial Complaints Authority (‘AFCA’) has jurisdiction to review Complaints from an ‘Eligible Person’, which is defined in its Rules to include:
 - a. An individual or individuals (including those acting as a trustee, legal personal representative or otherwise);
 - b. A partnership comprising of individuals – if the partnership carries on a business, the business must be a Small Business;
 - c. The corporate trustee of a self-managed superannuation fund or a family trust – if the trust carries on a business, the business must be a Small Business;
 - d. A Small Business (whether a sole trader or constituted as a company, partnership, trust or otherwise) employing under 100 employees;
 - e. A not-for-profit organisation or club – if it carries on a business, the business must be a Small Business unless the not-for-profit organisation or club is also a charity registered with the Australian Charities and Not-for-Profits Commission;

- f. A body corporate of a strata title or company title building which is wholly occupied for residential or Small Business purposes; or
 - g. The policy holder of a group life or group general insurance policy, where the Complaint relates to the payment of benefits under that policy.
15. There are additional requirements which must be met for AFCA to consider a complaint:
- a. The Complaint must arise from a customer relationship or other circumstance that brings the Complaint within AFCA's jurisdiction.
 - b. There must be a sufficient connection with Australia.
 - c. Generally, there is a time limit within which the Complaint must be submitted to AFCA.
 - d. If the Complaint is about a Traditional Trustee Company Service that involves Other Affected Parties, the Complainant must get the consent of all Other Affected Parties.

What if the Complainant is represented by someone else?

16. In all cases, the Complainant is the person on whose behalf the Complaint is being made (i.e. the individual or the company, not the broker or representative).
17. If the Complainant is being represented by a broker, family member or other third party, appropriate authority must be in the file.
18. Appropriate authority could include:
- a. An engagement letter;
 - b. Policy documentation (e.g. certificate of insurance care of a broker);
 - c. An email from the Complainant providing authority to a friend or family member; or
 - d. A detailed file note following a telephone call with the Complainant (in which case, an email should also be forwarded to the Complainant confirming the authority).

Dealing with Lloyd's

Email communication

19. All emails (except for Notification Spreadsheets) must only contain data relating to a single policyholder.
20. Lloyd's Australia Dispute Resolution Team is not to be copied in to emails between Managing Agents and their Delegates. Any additional documentation supplied that is not required will be deleted.
21. Complaint files or other documents containing personal or sensitive information should not be sent to Lloyd's Australia by email. These are to be shared via the relevant SecureShare site. If, for whatever reason, documents containing personal or sensitive information can only be sent by email, they must be password protected.

Data protection and file sharing

22. The protection of customers' personal information is important. Lloyd's Australia uses SecureShare for sharing files.
23. All documents are to be submitted in accordance with the Stage 2 Escalation Request template.
24. 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.

Process to follow when handling a Complaint

25. It is the responsibility of Managing Agents and their Delegates to handle all Australian 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.
26. Please refer to the [Lloyd's Australia Complaints Handling page](#) for further information, including requisite templates and flow diagrams on the Complaints process.

Key Timeline

27. Below is a high-level timeline for Complaint handling:
 - Day 0: Complaint is received
 - Within 1 Business Day: Acknowledge Complaint
 - Within 5 Business Days: Notify Lloyd's of Complaint
 - Within 10 Business Days:
 - Stage One review resolves Complaint
 - Lloyd's is notified of resolution
 - Complaint is auto-escalated to Lloyd's if unresolved after Stage One review
 - Issue advice of escalation to the Complainant
 - Send full file to Lloyd's within 2 Business Days
 - Request extension from Lloyd's
 - Update Complainant at least every 10 Business Days
 - Within 30 Calendar Days
 - Final Decision due
 - If not complete, IDR Delay Notification Letter provided to Complainant
28. **Day Zero** is the calendar day a Complaint is received, regardless of time.
29. **1 Calendar Day** is the calendar day after the Complaint is received.
30. **1 Business Day** means the business day after the Complaint is received. Public holidays are not counted as Business Days.

Acknowledgement of Complaints received by Managing Agents or their Delegates

31. All Complaints must be acknowledged within 1 Business Day, which must include:
 - a. The name and contact details of the person reviewing the Complaint; and
 - b. The Lloyd's Australia Complaint Handling Brochure, "What to do if you have a Complaint."
32. The Stage One Complaint Acknowledgement template and Complaint Handling Brochure may be accessed online via the [Lloyd's Australia Complaints Handling page](#).

Acknowledgement of Complaints received by Lloyd's or AFCA

33. If a Complaint is first received by Lloyd's Australia or by AFCA (bypassing Stage One):
 - a. It will be acknowledged by Lloyd's Australia; and
 - b. It will then be forwarded to the Managing Agent or its Delegate for a Stage One review.
34. Even if a Complaint is first received by Lloyd's Australia or AFCA, the Managing Agent or its Delegate must still formally notify Lloyd's, as set out below.

Notification to Lloyd's of receipt of a Complaint

35. Receipt of all Complaints must be notified to Lloyd's within five Business Days of receipt, via the Notification Spreadsheet or DEX messaging, including:
 - a. Complaints that may not be subject to local regulatory requirements; or
 - b. Where the Complainant may not have a right of referral to AFCA.
36. Lloyd's is required to report on Complaints to both local regulators and the FCA. As different regulators sometimes have different ways of categorising products, Complaint types and outcomes, there may seem to be repetition in some areas of the Notification Spreadsheet.

How is Lloyd's notified of receipt of a Complaint?

37. If the Managing Agent uses DEX messaging:
 - a. The Delegate reviewing the Complaint forwards the details of the Complaint to the Managing Agent for loading onto Caresmart, via a completed Notification Spreadsheet.
 - b. The Delegate must allow sufficient time for the Managing Agent to load the Complaint onto Caresmart within five Business Days.
38. If the Managing Agent does not use DEX messaging:
 - a. The Managing Agent or its Delegate forwards a completed Notification Spreadsheet to Lloyd's by email to Complaints-notification@lloyds.com.
 - b. Notification Spreadsheets must be received by 16:45 GMT by Lloyd's to allow the Complaint to be loaded onto Caresmart the day of receipt. Otherwise, the Complaint will be loaded the following working day.

How is the Notification Spreadsheet completed?

39. The Lloyd's Australia Notification Spreadsheet must be used when notifying Lloyd's of a Complaint.
40. The template can be downloaded from the [Lloyd's Australia Complaints Handling page](#) and must not be altered.
41. Fill out the 'Receipt' columns, following the Instructions tab on the template to ensure correct completion.
42. Name the document 'NotificationSpreadsheetANZ.xls'.
43. When emailing it, the subject line of the email should state 'Notification Spreadsheet'.
44. No other attachments apart from the Notification Spreadsheet will be actioned by Lloyd's (e.g. Original Complaint, Resolution Letter or Escalation Template). However, Managing Agents may ask Delegates to be copied in and include other attachments for the purposes of oversight.

Loading of the Notification Spreadsheet by Lloyd's

45. No verification checks will be performed on the Notification Spreadsheet prior to upload, and it will be loaded as received.

46. If it fails to load successfully:
 - a. The Notification Spreadsheet will be returned to the Managing Agent or its Delegate, with details of the records that have failed;
 - b. These incorrect records should be resubmitted; and
 - c. The Complaint will not be classed as logged for performance oversight purposes until the corrected Notification Spreadsheet is received and the Complaint is successfully uploaded onto Caresmart.

Stage One review of the Complaint

47. A Stage One review must be completed within 10 Business Days of the Complaint being received (unless an extension from Lloyd's Australia is granted).
48. In accordance with best practice and regulatory guidance, wherever possible, the Stage One review is completed by a person not involved with the handling of the claim or policy in dispute.
49. If a Stage One reviewer finds evidentiary deficiencies in a file or investigation and considers further information is required (e.g. an expert report or clarification), any request must be timely and reasonable.
50. The Stage One review is responsible for seeking any necessary extensions from Lloyd's and sending relevant regulatory updates to the Complainant, per the process outlined below.
51. A Complainant must be sent only one 'Complaint Decision Letter', providing AFCA details – either:
 - a. Confirming resolution to the customer's satisfaction (sent by the Stage One or Stage Two reviewer); or
 - b. Maintaining the original decision in whole or in part (sent by the Stage Two reviewer).
52. Accordingly, care must be taken in the management of Stage One reviews to ensure 'resolved' Complaints are fully resolved, as Complaints that are not actually resolved may ultimately be referred to AFCA without the benefit of a full review by Lloyd's taking place first.

If Complaint is resolved at Stage One – Send Resolution Letter

53. The Complaint will only be considered 'resolved' if it is to the customer's satisfaction.
54. If resolved, complete the following:
 - a. Issue a response using the Stage One Resolution Letter template. There are only limited circumstances in which a resolved Complaint will not require a Resolution Letter, as outlined at para. 58.
 - b. Notify Lloyd's of the resolution of the Complaint within two Business Days. This is done via an updated Notification Spreadsheet for non-DEX managing agents or DEX messaging for managing agents in scope for DEXc.
55. The Stage One Resolution Letter template may be accessed online via [Lloyd's Australia Complaints Handling page](#).
56. The Stage One Resolution Letter should set out reasons for the decision and details of any redress or remedial action being offered.

57. Redress may include:
 - a. Payment of a claim;
 - b. Amounts paid for distress and inconvenience;
 - c. Goodwill payments and gestures;
 - d. Interest on delayed settlements;
 - e. Refund of policy premium; or
 - f. Waiver of an excess.
58. A Stage One Resolution Letter does not need to be sent to the Complainant if the Stage One review resolves the Complaint to the Complainant's satisfaction within 5 Business Days, unless:
 - a. The Complainant requests a letter; or
 - b. The Complaint relates to:
 - i. A claim denial;
 - ii. The value of a claim; or
 - iii. Financial hardship.
59. If a Stage One Resolution Letter is not sent, a detailed file note must be kept and Lloyd's still needs to be notified of the outcome, as usual. The detailed file note must include:
 - a. The date and time of the conversation which resolved the Complaint;
 - b. The name of the staff member and Complainant/representative;
 - c. A summary of the call, including detail of the Complaint and desired response or resolution;
 - d. The precise resolution (e.g. an apology, explanation, etc); and
 - e. Explicit confirmation that the action resolves the Complaint (e.g. ask "does this resolve the Complaint for you?" or "As agreed, we will close the Complaint from out end, is that right?" or "I will send you an email confirming what we discussed and I will consider this case closed, is that okay?").

If the Managing Agent or its Delegate needs more time – Seek an Extension from Lloyd's

60. While every effort must be made to complete a Stage One review within 10 Business Days, this is not always possible, appropriate or resolution-focused.
61. Lloyd's intention is to maximise the Stage One reviewer's opportunity to complete a comprehensive review and achieve resolution to the Complainant's satisfaction, wherever possible.
62. If the Stage One review is not completed within 10 Business Days, a Managing Agent or its Delegate should request an extension from Lloyd's Australia.
63. Examples of where an extension may be appropriate include where further information or evidence is reasonably required, if negotiations with the Complainant are on foot or if resolution is otherwise imminent.
64. Extensions should not be used simply because a complaint has not been actioned in a timely manner.
65. An extension is requested by emailing the completed Review Extension Request template to IDRAustralia@lloyds.com.
63. This must be done before 4pm Sydney time on the 10th Business Day to allow it to be recorded before the end of the 10 Business Days.

66. If an extension is granted by Lloyd's Australia, the Managing Agent or its Delegate is responsible for providing the requisite updates to the Complainant including (where appropriate):
 - a. 10 Business Day Update (All Stages); and
 - b. Request for Further Information (Stage 1); and
 - c. IDR Delay Notification – 30 Calendar Day Letter (All Stages).
67. The templates for the above updates may be found online via the [Lloyd's Australia Complaints Handling page](#).

If Complaint is not resolved in Stage One Review – Auto-Escalate to Lloyd's

68. If the Stage One review does not resolve the Complaint to the Complainant's satisfaction, the Complaint is auto-escalated to Stage Two by the Managing Agent or its Delegate.
69. When a Complaint is auto-escalated, the Managing Agent or its Delegate must:
 - a. Advise the Complainant that the Complaint has been escalated for further review, using the Advice of Escalation to Stage 2 template;
 - b. Forward the completed State 2 Escalation template to Lloyd's Australia via IDRAustralia@lloyds.com;
 - c. Upload the full file to the relevant SecureShare site within 2 Business Days of escalation.
70. Prior to escalation, Managing Agents and their Delegates are expected to have completed a full and thorough Stage One review.
71. If there are any evidentiary deficiencies in the file/investigation, the obligation is on the Stage One review to remedy these and if additional time is required, for whatever reason, an extension from Lloyd's should be sought.
72. The outcome, with reference to all relevant evidence, is to be comprehensively captured in the Stage 2 Escalation template.
73. Files must be uploaded in accordance with the instructions on the Stage 2 Escalation template.
74. Failure to meet these requirements, provide all documentation within 2 Business Days and/or in the required format may attract an Additional Administration Charge.
75. As the regulator of the market, Lloyd's role is to determine whether the Stage One outcome is correct and whether that outcome is supported by the available evidence.
76. Once a file has been escalated to Lloyd's, the file and Stage One review are taken to be complete.
77. Post-escalation, Managing Agents and their Delegates should have no expectation that, either during or at the completion of a Stage Two review, the review will be held in abeyance while further information or evidence is sought.

Notification to Lloyd's of Stage One outcomes

78. The outcome of all Stage 1 reviews must be notified to Lloyd's within two Business Days of the outcome.

How is Lloyd's notified of the outcome of a Stage 1 review?

79. If the Managing Agent uses DEX messaging:
 - a. The Delegate reviewing the Complaint forwards the details of the Stage One outcome to the Managing Agent for loading onto its complaint handling system, normally via updated copy of Notification Spreadsheet with the 'outcome' columns completed.
 - b. The Delegate must allow sufficient time for the Managing Agent to load the outcome within two Business Days of the outcome.
 - c. To load the outcome successfully, the Managing Agent will need to attach documents tagged:
 - i. Original Complaint (if a verbal Complaint, a file note); and
 - ii. Stage 1 Resolution Letter (if verbal resolution, a file note) or completed Stage 2 Escalation Template, depending on whether the Stage 1 review resolved the Complaint.
80. If the Managing Agent does not use DEX messaging:
 - a. The Managing Agent or its Delegate forwards the updated Notification Spreadsheet to Lloyd's by email to Complaints-notification@lloyds.com.
 - b. 'Receipt' information, such as names and reference numbers should not be changed, as it can result in the creation of duplicate complaints.
 - c. Notification Spreadsheets must be received by 16:45 GMT by Lloyd's to allow the outcome to be loaded onto Caresmart the day of receipt. Otherwise, the outcome will be loaded the following working day.

How is the Notification Spreadsheet completed?

81. When the Stage One review is complete, regardless of the outcome, the 'Outcome' columns of the Notification Spreadsheet must be completed.
82. Update it, by filling out the 'Outcome' columns, following the Instructions tab on the template to ensure correct completion.
83. Name the document 'NotificationSpreadsheetANZ.xls'.
84. When emailing it, the subject line of the email should state 'Notification Spreadsheet'.

What is "Resolved" and "Unresolved – Auto-Escalated" in the Notification Spreadsheet?

85. The ANZ resolution must also be completed using "Resolved" and "Unresolved – Auto-Escalated" options.
86. The "Resolved" categories are used when the Complaint is resolved to the Complainant's satisfaction at Stage 1.
87. The "Unresolved – Auto-Escalated" categories are used when the Complaint is auto-escalated to Stage 2.

What is "Justified" and "Not Justified" in the Notification Spreadsheet?

88. The FCA uses these terms to distinguish outcomes:
 - a. Justified = Outcome is changed in favour of the Complainant.
 - b. Not Justified = Outcome is not changed in favour of the Complainant.
89. Examples of 'Justified' outcomes include:

- The original decision has been amended, resolving the Complaint to the customer's satisfaction; or
 - Overturning a claim decision, increasing a settlement, or refunding a premium.
- A Resolution Letter is sent (unless not required, as detailed above).
90. A "Not Justified" outcome could be where the original decision is maintained, but still resolves the Complaint to the Complainant's satisfaction. This would be the case where an explanation is accepted and resolves the issue. A Resolution Letter is sent (unless not required, as detailed above).
91. At Stage 1, these two outcomes (Justified and Not Justified) always represent that the Complaint is resolved to the Complainant's satisfaction and finalised.
92. Where a Complaint is "Unresolved – Auto-Escalated", the FCA outcome is:
- a. Left blank in the Notification Spreadsheet; or
 - b. If recorded directly into Caresmart, recorded as 'Incomplete'.

Stage Two review by Lloyd's Australia

When will Lloyd's Australia undertake a Stage Two review?

93. When a complaint is auto-escalated or when a Complainant requests it.

Acknowledgement by Lloyd's

94. Lloyd's Australia will issue an acknowledgement letter to the Complainant within 1 Business Day of receiving the auto-escalation, providing the name and contact details of the person reviewing the Complaint, using the 'Complaint Acknowledgement (Stage 2)' template.
95. 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.

What will Lloyd's do during the Stage Two review?

96. As the regulator of the market, Lloyd's role is to determine whether the Stage One outcome is correct and whether that outcome is supported by the available evidence.
97. Once a file has been escalated to Lloyd's, the file and Stage One review are taken to be complete.
98. While Lloyd's may request further information from either party, Lloyd's is under no obligation to remedy any evidentiary deficiencies in a file, assessment or Stage One review by requesting further evidence, such as additional expert reports.
99. Any requests must be responded to by the Managing Agent or its Delegate within the timeframe specified. This will consider the nature of the request and the regulatory deadline of the Complaint.
100. Post-escalation, Managing Agents and their Delegates should have no expectation that, either during or at the completion of a Stage Two review, the review will be held in abeyance while further information or evidence is sought.

101. Lloyd's will review the Managing Agent's file (which was provided within 2 Business Days), together with any documentation provided by the Complainant.
102. Lloyd's will consider whether any relevant legislation or regulation apply to the circumstances.
103. Lloyd's may also form a view as to whether there may be an opportunity for a commercial or negotiated settlement.
104. If Lloyd's makes a decision that the Complaint is Justified or the previous decision should be overturned, Lloyd's will:
 - a. Provide a recommendation to the Stage One reviewer – if this is the Managing Agent's Delegate, the Managing Agent will be copied in;
 - b. Allow two business days for the Stage One reviewer put forward any objections and, if agreement cannot be reached, for the Managing Agent to appeal the decision in accordance with the process outlined below.

Can Lloyd's make compensation payments?

105. 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.
106. Such a payment will only be required where the Stage 2 reviewer is satisfied that it is fair and reasonable to do so. Managing Agents or their Delegates will be instructed to make the payment when Lloyd's provides a copy of its Stage 2 Final Decision Letter.

Completion of Lloyd's Stage Two review

When will the Stage Two review be completed?

107. Lloyd's aims to complete its review within 30 Calendar Days of the Complaint being made.
108. In most cases Lloyd's will complete its investigation and send the Complaint Decision Letter within 10 Business Days of the Complaint being escalated.

What happens when the Stage Two review has been completed?

109. On completion of its review, Lloyd's Australia will issue a Complaint Decision Letter to the Complainant. The letter will inform the Complainant that they may refer the matter to the AFCA in Australia or FOS in the UK, as applicable.
110. A copy of the Complaint Decision Letter will be provided to the Managing Agent or its Delegate by Lloyd's Australia.
111. The Managing Agent or its Delegate is asked to confirm that they have carried out any action required by Lloyd's within 14 days of request. If it is necessary for Lloyd's Australia to chase for this confirmation, an Additional Administration Fee will be levied.
112. Lloyd's Australia will update the Caresmart system with the outcome.

What if Lloyd's Australia cannot provide a final response within 30 Calendar Days?

- 113. If Lloyd's Australia cannot provide a final response within 30 Calendar Days of the Complaint being raised, it will send an IDR Delay Notification to the Complainant.
- 114. The IDR Delay Notification will explain why it is not able to provide a final response and advise that the Complaint may be elevated to AFCA, together with AFCA's details.

Will Lloyd's Stage Two review be binding?

- 115. If the claim has a value of £50,000 or less (or equivalent), or where the proposed resolution involves a non-monetary outcome, the decision may be made binding by Lloyd's Australia if agreement cannot be reached with the Managing Agent or its Delegate.

Can Managing Agents appeal a decision by Lloyd's Australia?

- 116. Managing Agents may appeal decisions by appealing to the contact details provided on the Complaints Mandate proforma within 2 Business Days.
- 117. 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's company who is not directly involved with the management or oversight of either the claim or Complaint process.

External Dispute Resolution (EDR)

Referral to AFCA or UK FOS

- 118. Lloyd's is the Member of AFCA and UK FOS on behalf of the Market and is responsible for coordinating any EDR response.
- 119. Subject to local applicable eligibility criteria, Complainants may refer their Complaints to AFCA or UK FOS.
- 120. If AFCA or UK FOS refers a Complaint to the Managing Agent or its Delegate in the first instance, Lloyd's Australia must be informed immediately. Lloyd's will then have the matter re-registered into Lloyd's name at AFCA or UK FOS.
- 121. If the Complainant contacts AFCA before the Complaint is reviewed through the IDR process, AFCA will send a notification to Lloyd's Australia.

If the matter has undergone the full IDR Process

- 122. This is where a Complaint has been reviewed as part of the IDR process and a final decision was provided (e.g., Resolution Letter at Stage One or Complaint Decision Letter at Stage Two).
- 123. The relevant Managing Agent, or its Delegate, is responsible for drafting an EDR Response using the Lloyd's Australia EDR Submission Template and Guide.
- 124. The draft EDR response must be sent to Lloyd's Australia for a final review and uploading to the AFCA portal.

125. The EDR Submission Template and Guide may be accessed online via [Lloyd's Australia Complaints Handling page](#).

If the matter has not undergone the full IDR process

126. This is where a Complaint has not been fully reviewed as part of the IDR process and no decision letter was provided (e.g., resolution letter at Stage One or final decision letter at Stage Two).

127. The Complaint will be acknowledged by Lloyd's Australia, using one of two templates:

- Pre-Stage 1 Complaint Acknowledgement; or
- Pre-Stage 2 Complaint Acknowledgement.

Pre-Stage 1 Complaint Acknowledgement

128. This is used when the Complaint has not yet been through a Stage One review.

129. The Complaint will be referred to the relevant Managing Agent or its Delegate to complete the Stage One review as normal, but with some minor changes as follows.

130. Process to follow:

- Stage one review is completed.
- If the review resolves the Complaint to the Complainant's satisfaction, Lloyd's Australia is informed and provided with the Stage One Resolution Letter.
- Lloyd's Australia will advise AFCA of the resolution and ask that the case be closed.
- AFCA may contact the Complainant to confirm the matter is resolved before closing its file.

131. Where the Stage One review does not resolve the Complaint to the Complainant's satisfaction, it is escalated to Lloyd's Australia, as normal, using the Stage Two Escalation template.

132. Lloyd's Australia will review the Complaint as usual and coordinate the response to AFCA with the relevant Managing Agent, or its Delegate, as necessary.

133. The Managing Agent or its Delegate are responsible for completing and submitting the Notification Spreadsheet, as normal to ensure the complaint is recorded on Caresmart.

Pre-Stage 2 Complaint Acknowledgement

134. This is used when the Complaint has had a Stage One review and was provided with a Resolution Letter, yet the Complainant remains dissatisfied and has escalated the matter to AFCA.

135. The Complaint will be reviewed by Lloyd's Australia, completing the Stage Two review as normal.

136. Process to follow:

- If the review resolves the Complaint to the Complainant's satisfaction, Lloyd's Australia will advise AFCA and ask that the case be closed.
- AFCA may contact the Complainant to confirm the matter is resolved before closing its file.

137. Where the review does not resolve the Complaint to the customer's satisfaction, Lloyd's Australia will coordinate the response to AFCA with the relevant Managing Agent, or its Delegate, as necessary.

Are an EDR scheme's determinations binding?

138. EDR determinations are binding on the insurer and must be implemented promptly and in their entirety.
139. Any payments must be made within the timeframe stipulated or, if not stipulated, within 14 Calendar Days of the date of the determination.

Assessment of Managing Agent Performance

140. On a quarterly basis, Lloyd's will review Managing Agents' performance against the principle-based oversight standards, KPIs and other measures.
141. Managing Agents failing to meet the required standards will be required to explain the measures being taken to address any failings.
142. Failure to improve performance may result in remedial or enforcement action.

FCA Complaints return

What is the FCA Complaints return?

143. Every 6 months, Lloyd's is required to submit a return to the Financial Conduct Authority (FCA) in the UK.
144. The return must detail the number of Complaints received, how quickly they were resolved, how many were upheld in the period and the amount of redress paid.
145. This contains details of both UK and non-UK Complaints.

What Managing Agents must do to facilitate the FCA Complaints return

146. 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.
147. Managing Agents must ensure that the product categorisation used to report Complaints aligns with the product categorisations used for the eligible Complainant return.
148. 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.

Is this information published?

149. As required by the FCA, Lloyd's publishes these figures on its website at:
www.lloyds.com/Complaints.

Business Continuity in Handling of Complaints

If Lloyd's Australia has a business interruption

150. If there is a prolonged business interruption incident or outage occurs, resulting in Lloyd's Australia being unable to complete Stage Two reviews and issue Final Decisions, Lloyd's Australia may initiate an alternate process.
151. This would utilise Managing Agents or their Delegates to provide the Final Decision, with input from Lloyd's Australia.

Alternate Complaints process when Lloyd's has a business interruption

152. Lloyd's Australia 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.
153. Managing Agents or their Delegates continue to receive, record and review Stage One Complaints as usual.
154. Where the Stage One review does not resolve the Complaint to the customer's satisfaction, the Auto-Escalation Template is completed as usual, but the Complaint is not auto-escalated; instead, the Managing Agent or its Delegate contacts Lloyd's Australia to discuss the case.
155. Lloyd's Australia discusses the case and Stage One review outcome with the Stage One reviewer, with reference to:
 - a. The completed Auto-Escalation Template;
 - b. The policy wording and schedule, including any specific provisions relied upon; and
 - c. Any reports or other information that would usually be considered as part of a thorough review and they agree on an outcome.
156. Lloyd's Australia and the Stage One reviewer agree on a Final Decision.
157. Stage One reviewer drafts a Complaint Decision Letter and reviews it with Lloyd's Australia.
158. Stage One reviewer issues the Complaint Decision Letter, providing outcome, reasons and EDR options.