

LLOYD'S AUSTRALIA AND NEW ZEALAND COMPLAINTS

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

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

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

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

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

General Requirements

- All emails (with the exception of notification spreadsheets) must only contain data relating to a single policyholder.
- 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.

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 Australia is:

“Expression of dissatisfaction made to an organisation, related to its service, products, or the complaints handling process itself, where a response is explicitly or implicitly expected.”

The definition of a complaint in New Zealand is:

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

Which complainants?

Whilst there is no official definition of a complainant in Australia, the Australian Financial Complaints Authority has jurisdiction to review complaints from applicants that meet the following criteria:

- 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);
- e) a club or incorporated association – if the club or incorporated association carries on a business, the business must be a Small Business;
- 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 third-party beneficiary of a group general insurance policy, where the dispute relates to the payment of benefits under that policy.
- h) an uninsured third party claiming against an insured's motor policy (up to \$15000)

In relation to:

- (i) Retail General Insurance Policy (i.e. home, motor, sickness & accident, travel, personal & domestic property incl. valuables, pleasurecraft, caravans, fine art, farm etc,
- (ii) Residential Strata Title Insurance Product,
- (iii) Small Business Insurance Product (currently excluding legal liability or professional indemnity products); or
- (iv) Medical indemnity insurance product.

Small Business means a business employing under 100 employees.

In New Zealand a “Complainant” means a person or body that at the time of making the Complaint to the Scheme, is:

- a) a person or group of persons, whether acting jointly or severally;
- b) the trustees of a family trust including a corporate trustee (if the family trust carries on a business it must be a Small Business);
- c) a club or an incorporated society;

d) a unit title body corporate or a body corporate of a company title building which is occupied for residential or Small Business purposes;

or

e) a Small Business (no more than 19 full time employees)

Process to be followed

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

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.
- Complaints received in the first instance by Lloyd's Australia will be acknowledged by Lloyd's Australia but they must still be included on the Lloyd's Australia and New Zealand Notification template once a response has been issued. The complaint will be forwarded to the individual nominated by the relevant managing agent &/or their representative for a stage one review.

Response to complainant

- In all cases a stage one written response must be sent to the complainant within 15 business days in Australia and 10 business days in New Zealand of the complaint being received.
- All stage one responses must outline the right of the complainant to request a stage two review by Lloyd's Australia and then to escalate their complaint to the Australian Financial Complaints Authority (AFCA) for Australian complaints and the Insurance & Financial Services Ombudsman (IFSO) in New Zealand. The response should not be referred to as a Final Response.
- The letter should set out details of any redress or remedial action being offered. Redress includes:
 - Payments to put the complainant back into the position the complainant should have been in had the act or omission complained about not occurred, including any claim payments.
 - Amounts paid for distress and inconvenience.
 - Goodwill payments and goodwill gestures.
 - Interest on delayed settlements.
 - Waiver of an excess.

Notification of Complaints to Lloyd's

- Within 7 days of the stage one response being issued to complainant, the lead managing agent or their representative (which could be a coverholder or delegated claims administrator) must

complete the Lloyd's Australia and New Zealand Notification template, providing details of all complaints resolved in the proceeding 7 days. 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 relevant EDR.

- There is no requirement for a nil return where no complaints have been responded to in the proceeding 7 days.
- On policies or binding authorities where there is more than one syndicate participating, Lloyd's expects the lead syndicate to notify the complaint.
- Notification spreadsheets must be received by 16.45 GMT to be loaded on the day of receipt otherwise they will be loaded the following working day.
- The Australia and New Zealand Notification template should be downloaded from the Australian or New Zealand page at www.lloyds.com/complaintshandling/international, and sent once completed by email to complaints-notification@lloyds.com. Managing agents must use the template provided by Lloyd's 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.
- The following table explains how to complete the Complaint Notification Template. Completion of all fields is mandatory, except where stated. Managing agents or their representatives should ensure that they provide the information in a way that is compliant with applicable data protection laws.

Field	Comments
Submitting Company	This is the name of the managing agent or its representative that 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 Title	This field is optional and selected from drop down list.
Complainant First name	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 1	Insert a correspondence address for the complainant. This field is optional.

Complainant Address 2	Insert a correspondence address for the complainant. This field is optional.
Complainant Address 3	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 State	Select from drop down list. This field is optional.
Complainant Post Code	Insert the complainant's postcode. 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	The territory in which the complaint is being considered. 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.
Lead Syndicate Number - please check your binder	Lead syndicate on the coverage / binder.* Select from drop down list.
Claims Related	Select Yes or No from drop down list.
Stage One Response Date	Date of stage one response.
Stage One Decision Outcome ^	Select from drop down list.
Stage One Grounds for Justification	If the stage one outcome is justified, select from drop down list otherwise leave blank.
Stage One Action Taken	If the stage one outcome is justified, select from drop down list otherwise leave blank.

Stage One Redress Amount	Redress is to be reported in AUD. If no redress is being paid, or figure is not yet known, enter AUD0.00.
Stage One Redress Date Paid	Mandatory if redress is being paid, only enter if redress is greater than £0.00.
Lloyd's UK Root Cause	Select from drop down list.
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.

^ Stage One Decision Outcome :

- Justified = Outcome is changed in favour of the complainant, i.e. original decision has been amended
- Not Justified = No change in favour of the complainant, i.e. the original decision is maintained

Coverholders will also need to ensure they record information required to complete their Australian and New Zealand regulatory reporting.

- The spreadsheet should be named 'NotificationAustralia' 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.
- Complaints will be entered onto the complaints monitoring database by Lloyd's Complaints team to enable effective monitoring and reporting to the relevant regulators.
- Managing agents must also keep their own record of each complaint received and the measures taken for their resolution.

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

- If the policyholder remains dissatisfied with the stage one response they can request that Lloyd's Australia undertake a stage two review.
- At the inception of the stage two review, Lloyd's will issue a further acknowledgement letter to the complainant and will request via email a full copy of the managing agent's file and confirmation of the claim reserve. Files requested by Lloyd's Australia to for Australia complaints are to be emailed to IDRAustralia@lloyds.com and New Zealand complaints are to be emailed to IDRNewZealand@lloyds.com. Files requested by Lloyd's Complaints team in the UK should be

emailed to complaints-notification@lloyds.com. These files must include all documentation, including reports and call recordings pertinent to the case along with case notes and 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. Failure to provide all documentation within this timeframe and/or in the required format will attract an additional administration charge per hour, or part thereof, taken to prepare the file.

- These papers, together with the documentation provided by the complainant, will be reviewed by Lloyd's with further information being requested as necessary. Requests for additional information / agreement to proposed resolution are to be responded to within the deadline provided by 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 equivalent), or where the proposed resolution involves a non-monetary outcome the decision of the Lloyd's Complaints team may be made binding by them if agreement cannot be reached. Managing agents may appeal such decisions by appealing to the contact details provided on the Complaints Mandate proforma within 2 business days. Managing agents are required to appoint a nominated person(s) to make the appeal on their behalf. This person must be a senior person within the managing agent who is not directly involved with the management or oversight of either the claim or complaint process.
- All complaint associates are authorised to make a compensation payment of up to £50 (or equivalent) without having to follow the formal mandate process. Such a payment will only be required where the complaint associate is satisfied that it is fair and reasonable to do so. Managing agents will be instructed to make the payment when Lloyd's Complaints team provides a copy of their Final Response.
- On completion of its review, Lloyd's will issue a written final response to the complainant. The letter will inform the complainant that they may refer the matter to the AFCA in Australia or the IFSO in New Zealand or FOS in the UK, as applicable.
- In most cases Lloyd's will complete its investigation and send the final response within 15 business days of the complaint being escalated for Australian complaints or 10 business days for New Zealand. Where Lloyd's cannot provide a final response within that time, Lloyd's 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.
- A copy of the final response letter will be provided to the managing agent by Lloyd's. 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 EDR

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

Assessment of Managing Agent Compliance with the Code

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

FCA complaints return

- Every six months, Lloyd's is required to submit a return to the FCA, detailing the number of complaints received, how quickly they were resolved, how many were upheld in the period and the amount of redress paid. This contains details of both UK and non-UK complaints.
- Managing agents are be required to provide details of the number of policies in place for eligible complainants, broken down into specific product categorisations and territory. Managing agents must ensure that the product categorisation used to report complaints aligns with the product categorisations used for the eligible complainant return. A reconciliation of this data must be undertaken prior to submitting the eligible complainant return to ensure that there are no discrepancies between the two data sets.
- As required by the FCA, Lloyd's publishes these figures on its website at: www.lloyds.com/complaints.