

# We make banking better

## Our purpose

To help resolve and prevent problems to improve banking for customers and banks

## Our values

We offer a service that is accessible, independent, fair and efficient

## Resolving complaints

**Listen**  
actively, objectively and empathetically to guide and help both sides

**Facilitate**  
early, mutually agreed solutions

**Decide**  
promptly and clearly, to put things right

## Preventing complaints

**Identify**  
the root causes of complaints

**Share**  
insights to encourage best practice by banks and informed decisions by customers

**Collaborate**  
with stakeholders and other agencies to build financial capability and promote high standards of conduct

“The scheme has engaged with a wide range of stakeholders, including consumer groups, regulators, bank chief executives and our international counterparts to ensure fair customer outcomes.”

Miriam Dean

**Our board** From left to right: Donna Cooper, Angie Mentis, Miriam Dean CNZM QC Independent Chair, Kenina Court, Sue Chetwin.



“BOS is the best known of the financial dispute resolution schemes, by a considerable margin.”

Deborah Hart | Scheme reviewer 2019

## What we did

Cases received

4582

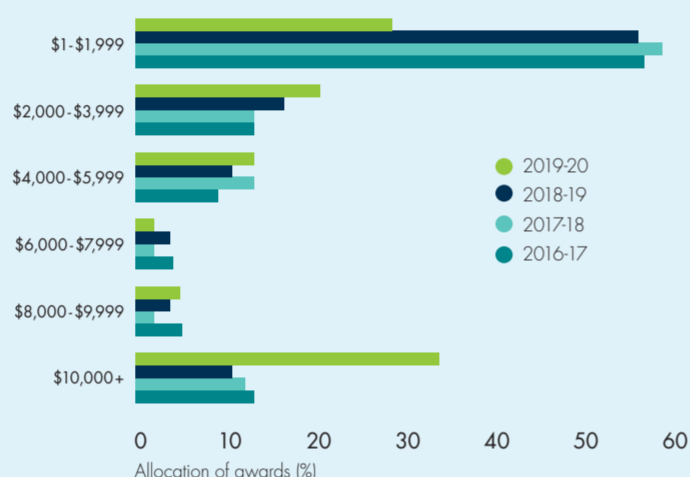
Enquiries 1472

Complaints 2966

Disputes 144

## Financial compensation

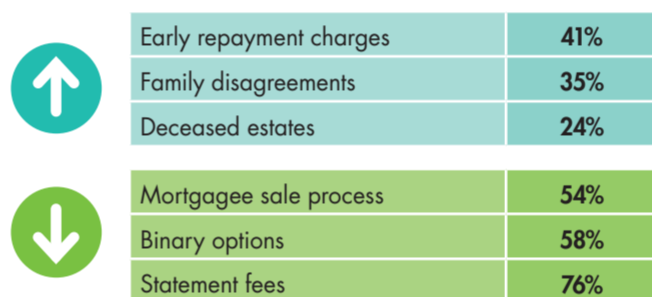
\$1 million recommended in compensation



## How we facilitate fair outcomes



## Trends



## We found these main problem areas

Lending 1157

Lending remains our most common problem

Bank accounts

966

Payment systems

787

Cards

582

Investment

347

Insurance

191

## Bank closed accounts based solely on staff allegations

The teller demanded two signatures before Anahera could deposit a cheque.

Anahera tried to deposit a foreign cheque in an account held jointly with her brother. Either could deposit or withdraw money from the account without the signature of the other. However, the teller insisted the account's terms and conditions demanded her brother's signature too before she could deposit the cheque. This was incorrect.

Days later, she returned to the branch and became frustrated when the bank again refused to deposit the cheque for the same reason. The bank sent her a letter saying she had behaved unacceptably and it would consider closing her accounts if her behaviour towards staff

continued. She complained to us and the bank acknowledged its error. It sent a letter of apology to Anahera and promised to train staff better in processing foreign cheques.

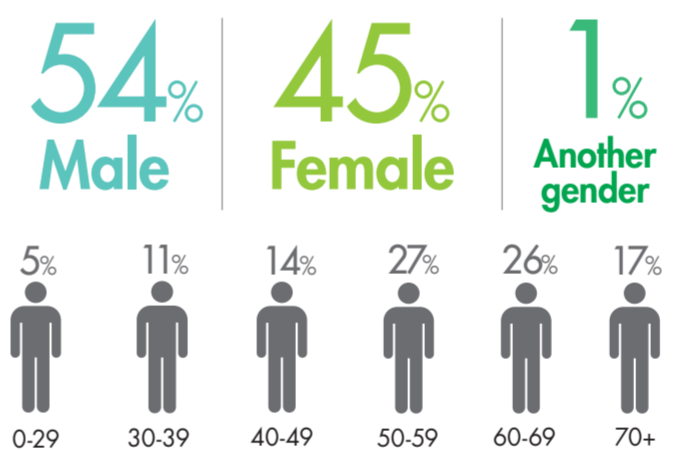
A month later, she tried to deposit another foreign cheque and met the same problem, despite referencing the bank's letter of apology. She became frustrated and lodged a complaint on the bank's website later in the day – the bank replied the same day saying it was closing her accounts because of her continued abusive behaviour.

## The outcome

We found the bank had not followed an appropriate process before closing Anahera's accounts. It did not examine CCTV footage of Anahera in the branch, did not consider her complaint, and based the closure decision solely on the word of staff involved in the exchange. We later viewed the CCTV footage and were of the view Anahera's behaviour was reasonable and innocuous – and the bank agreed with this.

We recommended the bank compensate Anahera for the stress and inconvenience it had caused her, and that it also send her a letter acknowledging its failings. Anahera was happy with this outcome.

## Who uses us



“Listened carefully, understood completely, acted promptly.

Brilliant.”

Complainant | From the Banking Ombudsman review | Dec 2019

## Cases by bank

Bank	Enquiries received <sup>1</sup>	Complaints received	Disputes received	Total	% of our cases	% of total assets <sup>A</sup>
Large <sup>A</sup>						
ANZ Bank NZ	89	746	44	879	19.2	29.9
ASB Bank	84	470	23	577	12.6	19.2
BNZ	58	376	18	452	9.9	19.0
Westpac NZ	95	593	20	708	15.5	18.8
Medium <sup>A</sup>						
Heartland	63	54	3	120	2.6	0.8
HSBC	8	5	2	15	0.3	1.2
Kiwibank	76	445	13	534	11.7	4.2
Rabobank	5	10	0	15	0.3	2.9
SBS	101	77	6	184	4.0	0.9
The Co-operative Bank	14	54	4	72	1.6	0.5
TSB	8	72	5	85	1.9	1.4
Small <sup>A</sup>						
Bank of Baroda	1	10	0	11	0.24	<0.5
Bank of China	1	6	3	10	0.22	0.6
Bank of India				0	0	<0.5
China Construction Bank	0	1	0	1	0.02	0.5
Citibank	3	0	0	3	0.07	<0.5
ICBC	5	1	1	7	0.15	<0.5
Nelson Building Society	5	2	1	8	0.17	<0.5
NZCU Baywide	13	40	1	54	1.2	<0.5
Bank not specified*	843	4		847		
Overall total	1472	2966	144	4582		

“Insights and case notes are valuable for driving towards a consistent and effective customer resolution experience across banking as a whole in NZ.”

Bank participant | May 2020

<sup>A</sup> Participants are classified according to total assets at 31 December 2019 as verified by participants in May 2020.

\* Includes calls about non-participants.

<sup>1</sup> Includes calls where a customer intended to call their bank instead of BOS i.e. wrong number.

# Top 10 What

Banking Ombudsman Scheme



Banking Ombudsman Scheme

How to contact us

Freephone 0800 805 950

Web [www.bankomb.org.nz](http://www.bankomb.org.nz)

Phone 04 915 0400

Email [help@bankomb.org.nz](mailto:help@bankomb.org.nz)

Post Freepost 218002

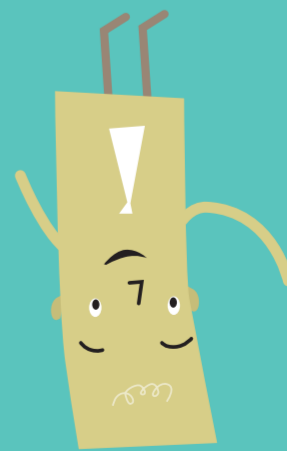
Banking Ombudsman Scheme

PO Box 25 327

Wellington 61 46

[bankombnz](http://bankombnz)

@ombuddies



“We are here to speak up - and speak up plainly - when we see poor customer service and unsatisfactory customer outcomes. We challenge banks to improve their culture and processes.”

Nicola Sladden | Banking Ombudsman



## whistle blowing

The scheme scoped and decided to establish a whistleblowing service for bank employees. A whistleblowing function is consistent with the scheme’s strategic focus on promoting high standards of conduct and using insights to lift banking standards. There is a strong connection between the environment banks create for their staff and the resulting outcomes for customers.

BOS makes itself readily available to customers by promoting knowledge of its services, being easy to use and having no cost barriers.

## we talk to the community

We increased our engagement with consumer advocacy groups.

50% Increase in social media followers

244k Website users

115 Media mentions

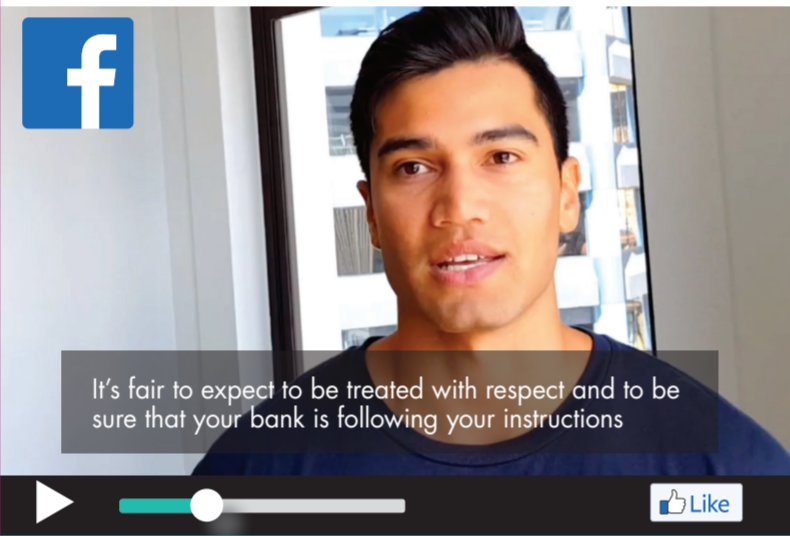
47% Complaints received online

## what we noticed

When we see an issue that could affect other bank customers, we act on it to improve the system for everyone.

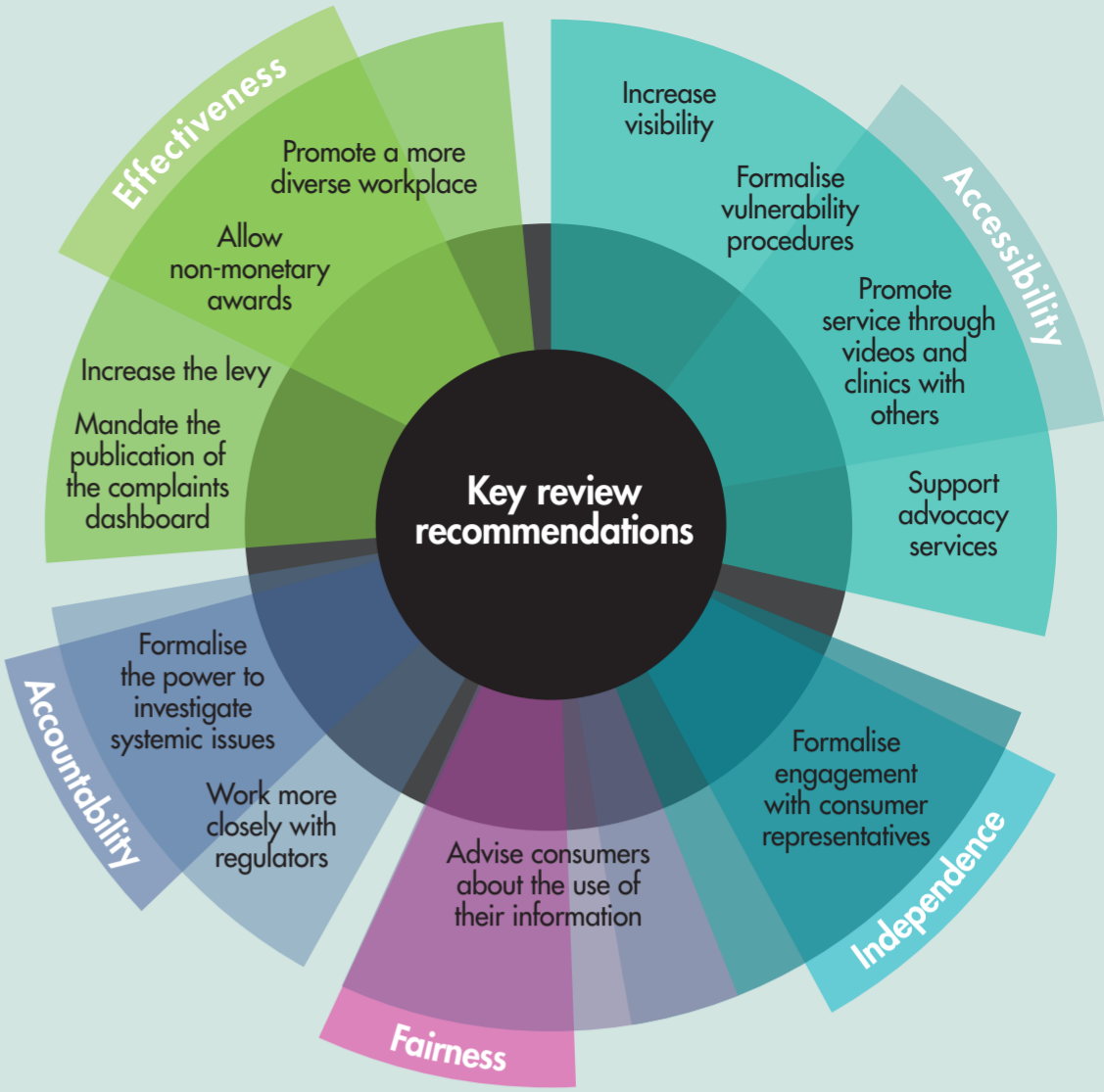
### Some of the wider issues we identified were:

- **Term deposit maturity dates:** we asked banks to review their practices and terms and conditions to ensure customers were not disadvantaged by term deposits maturing on non-business days.
- **Chargebacks:** we identified that a bank had wrongly declined chargeback requests and the bank partially reimbursed the affected customers.
- **Fraud liability:** we asked a bank to review its terms and conditions to ensure they are consistent with the bank’s obligations to reimburse fraud losses under the Code of Banking Practice and that they clearly explain the circumstances where a customer will be responsible for fraud losses.
- **Technical errors:** we worked with banks to ensure they appropriately addressed any impact on customers resulting from technical errors in their systems.



Facebook campaign reached 78k viewers.

## Review



### Independent review 2019

As an approved scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, the Banking Ombudsman Scheme is required to commission an independent review and provide a report to the Minister every 5 years. Deborah Hart was engaged to conduct the review in 2019.

The review found that BOS meets the legislative requirements for an approved scheme, we comply with our terms of reference and we are meeting our strategic objectives.

A full copy of the review and its recommendations is available on our website.

“BOS is a highly effective dispute resolution scheme. It operates with integrity and professionalism. It is outward-looking and proactive in finding ways to both prevent disputes and resolve them. It has also been nimble in responding to changing conditions. Particularly notable is a significantly increased workload, whilst also markedly improving its prevention function.”

Deborah Hart

## COVID-19

### How we responded

- 1 We set up our team to work from home under level 3 & 4 lockdown.
- 2 We worked with the NZBA, FinCap and banks to continue to ensure fair outcomes for customers.
- 3 We developed a dedicated FAQ page for information relating to COVID-19 and banking.



“Even though COVID-19 pressures were mounting I very quickly got a full and helpful reply... Great service!”

Complainant | May 2020

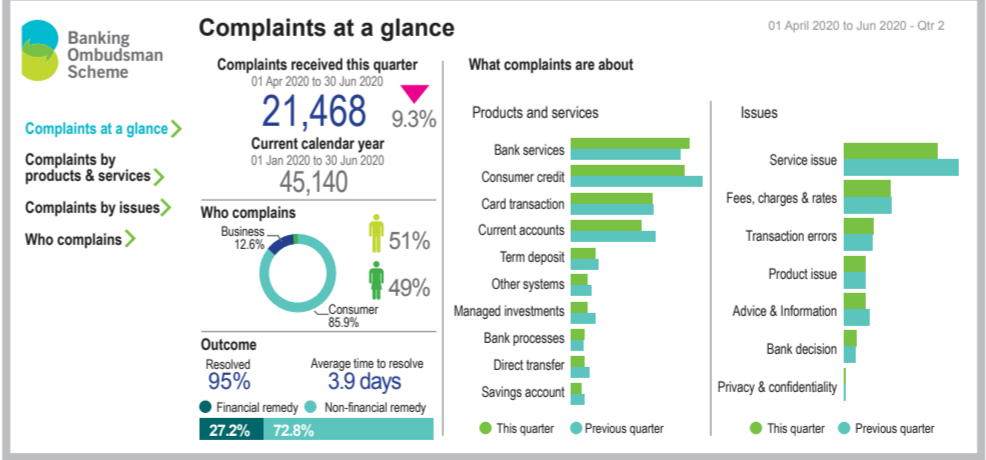
## We are making current statistics more available

We developed an industry-wide complaints dashboard along with our member banks who agreed to provide us with anonymised data about complaints they receive.

Having access to comprehensive, sector-wide data means we can identify problems early on, prevent any escalation, and develop more actionable insights.

The interactive dashboard, which is available on our website and updated quarterly, breaks down complaints by product and service type and the underlying problem. It also shows how long each type of complaint took to resolve and what the outcome was. Complainants are profiled by age, gender, location and whether they are an individual, business or trust. Data on complaints about individual banks will be shown in 2021. Customers will then see how their bank’s complaints and complaints-handling record compares with other banks.

Complaints dashboard View the interactive dashboard online at [bankomb.org.nz/complaints-dashboard](http://bankomb.org.nz/complaints-dashboard).



We’re confident the dashboard will:

- help customers understand which products and services most often lead to complaints
- help customers see how banks perform in responding to complaints
- help banks learn how to improve their products and services
- help us anticipate trends and offer timely advice
- help regulators monitor the soundness of the banking sector.

### CASE STUDY Customer not at fault for scam losses

Carol was 75 and was not computer-savvy.

A scammer phoned her, pretending to be from her telco provider, and said someone was accessing her WiFi and obtaining her personal information. However, he could fix the problem if she gave him remote access to her computer. She was initially suspicious, but agreed, thinking he could read only what was on her screen. He insisted she not give him her bank details or passwords.

Bank records showed her internet banking was accessed twice and nearly \$20,000 transferred to an account at another bank that could not be recovered. The transaction generated a code that was sent to Carol’s mobile phone. The scammer gained access to the code as he had also obtained remote access to Carol’s mobile phone.

Carol’s bank said she was negligent for allowing the scammer access to her internet banking and declined to compensate her.

#### Our investigation

We found nothing to show Carol had been negligent. She believed the scammer to be genuine, and the fact she fell victim to a scam did not mean she had failed to take reasonable care. We also found nothing to show Carol knew the scammer was accessing her password when she logged on to internet banking or that he was controlling her computer. Carol did not know the scammer had access to her mobile phone, and she did not read out the code sent to it. The bank agreed to compensate her fully.

Read the full case note on our website

## Teddy strikes back

Anti-scam campaign reaches

990k aged 55 and over during Oct & Nov 2019

