

BANKING OMBUDSMAN SCHEME
INDEPENDENT REVIEW
ISSUES PAPER
19 August 2019

1. INTRODUCTION

As an approved scheme under the [Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#) (the Act), the Banking Ombudsman Scheme (BOS) is required to commission an independent review and provide a report to the Minister of Commerce and Consumer Affairs. BOS' participation agreement also requires such a review.

Deborah Hart of Deborah Hart Consulting has been engaged to conduct the review.

Deborah Hart is the former executive director of the Arbitrators' and Mediators' Institute of New Zealand and an Associate of that organisation. She is a panel member of the Human Rights Review Tribunal and a member of the Institute of Directors. She will soon take up the board chair of the Holocaust Centre of New Zealand.

The purpose of this issues paper is to invite anyone interested to provide submissions to the review.

2. REVIEW TERMS OF REFERENCE

BOS will be reviewed against its [strategic plan 2017 - 2020](#) and the principles listed in section 52(2) of the Act, namely accessibility, independence, fairness, accountability, efficiency and effectiveness.

The review's main objective is to examine and make recommendations about, how effectively and efficiently the scheme operates to achieve its strategic objectives, particularly to resolve and prevent complaints as set out in the strategic plan.

The review will also identify any improvements to help BOS achieve its aim of being a modern ombudsman scheme that makes a valued contribution to a fair banking sector.

3. RELEVANT ISSUES

Here's what we will be reviewing. We seek your views.

a. Accessibility

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

We want to know your views about whether BOS is sufficiently accessible to those who may need its services.

In particular:

- Are its promotional activities adequate and appropriate?

- Are its services easy for all consumers to use, including those who might be vulnerable?
- Are there any barriers, including cost barriers?
- Do banks adequately promote BOS' service?
- Is there anything more, or different, you believe could be done to make BOS more accessible to all?

b. Independence

Principle: The decision-making process and administration of BOS are independent from the banks.

We want to know your views as to whether BOS structure and systems ensure both its independence and the public perception of independence.

In particular:

- Is the organisational structure of BOS one that promotes independence?
- Do BOS' systems seem independent?
- Is there anything more, or different, you believe could be done to ensure BOS independence?

c. Fairness

Principle: The procedures and decision-making of BOS are fair and seen to be fair.

We want to know your views as to whether BOS is fair and perceived as fair.

In particular:

- Is BOS' procedure transparent and clear?
- Do you feel BOS' procedure allows complainants to be heard?
- Are complainant concerns properly and fully addressed by BOS?
- Do BOS decisions seem fair to you?
- Are principles of natural justice met?
- Does BOS adopt a rigorous, credible approach to reaching its decisions?
- Is there anything more, or different, you believe could be done to improve BOS fairness?

d. Accountability

Principle: BOS publicly accounts for its operations by publishing its final determinations and information about complaints and reporting any systemic problems to its participating organisations, policy agencies and regulators.

We want to know your views as to whether BOS is sufficiently accountable.

In particular:

- Does BOS provide adequate statistical and general reporting to the board, banks and public?
- Are there appropriate processes for managing complaints about BOS?
- Does BOS have a fair, transparent and appropriate process for setting fees and allocating costs?
- Is there anything more, or different, you believe could be done to improve BOS accountability?

e. Efficiency

Principle: BOS operates efficiently by keeping track of complaints, ensuring complaints are dealt with by the appropriate process or forum, and regularly reviewing its performance.

We want to know your views about BOS efficiency.

In particular:

- Is the case management process and decision-making efficient, especially given fluctuating caseloads and other commitments?
- Are quality assurance processes adequate?
- Is the organisational design, including the composition of the leadership team, appropriate?
- Is early and efficient resolution of complaints promoted?
- How timely is decision-making?
- Is there anything more, or different, you believe could be done to improve BOS efficiency?

f. Effectiveness

Principle: BOS is effective by having an appropriate and comprehensive jurisdiction and periodic independent reviews of its performance.

We are interested in your views of whether BOS is effective.

In particular:

- Is the scope of BOS appropriate?
- Is BOS delivering on its strategic objectives to resolve and prevent complaints?
- Is BOS adequately identifying root causes of complaints, sharing insights and collaborating with stakeholders?
- Do the roles of BOS reflect modern ombudsman practice?
- Is BOS adequately resourced to fulfil its dual functions – to resolve and prevent complaints?
- Are BOS rules, including the commercial judgement limitation, appropriate?
- Is there anything more, or different, you believe could be done to improve BOS effectiveness?

g. Generally

- What improvements could be made to BOS?
- Are there ways in which BOS could better prevent and / or resolve disputes?

4. SUBMISSIONS

You are invited to make submissions. The matters raised above are intended to prompt your thinking, but not to limit the scope of submissions or to prevent you raising matters you believe are relevant.

Your submissions need not be formal or lengthy.

Written submissions must be received by **5pm, 16 September 2019**. If in writing, they may be made publicly available on BOS' website unless confidentiality is requested in the submission.

It would be helpful if your submission is accompanied by the completed form titled "Submission Information". You will find it at the end of this document.

Please forward written submissions to:

Deborah Hart

Deborah Hart Consulting Ltd

Email: deborah@deborahhartconsulting.co.nz

Post: PO Box 523, Shortland St, Auckland 1140

If you need any assistance in making a submission or would prefer to make a submission in person, please contact Deborah Hart on 021 379-344 or deborah@deborahhartconsulting.co.nz.

5. WHO WE WILL BE CONSULTING

As well as receiving submissions, we will be consulting:

- The Banking Ombudsman Scheme – board members, the Banking Ombudsman and staff
- Representatives of participants
- Government representatives / regulators
- Non-government consumer organisations
- Ombudsman of other dispute resolution schemes
- Complainants whose matters have been closed

An invitation will be extended to the Minister to provide views on the review.

6. REVIEW TIMETABLE

The timetable for the review is:

Call for submissions	16 August
Document review, research and interview template development	August
Written submissions received	5pm, 16 September
Interviews	September / October
Draft report to Banking Ombudsman	By 8 November
Banking Ombudsman feedback received	By 15 November
Draft report to the Board	By 22 November
Board feedback received	By 29 November
Final report delivered to the Minister	By 13 December

SUBMISSION INFORMATION

Contact details	
Name	
Postal Address	
Email Address	
Phone number	
Best contact time	<input type="radio"/> Morning <input type="radio"/> Afternoon <input type="radio"/> Evening
About you	
Gender	
Age	
Ethnicity	
About your submission	
What are you submitting on?	<input type="radio"/> a. Accessibility <input type="radio"/> b. Independence <input type="radio"/> c. Fairness <input type="radio"/> d. Accountability <input type="radio"/> e. Efficiency <input type="radio"/> f. Effectiveness <input type="radio"/> Generally
If you are making the submission on behalf of someone else, who is that?	
Do you wish to meet with the reviewer if possible?	<input type="radio"/> Yes <input type="radio"/> No
Do you want your submission to be confidential?	<input type="radio"/> Yes <input type="radio"/> No