



# Complaints against Brokers

Process, Trends and Examples

NZILA conference – 20 September 2018  
Carl Schreiber – FSCL Case Manager

**FSCL**  
FINANCIAL SERVICES COMPLAINTS LTD

**NZILA**  
New Zealand Insurance Law Association

# Overview

- Investigation process
- Philosophy and methodology
- Current trends we're seeing with case studies

# FSCL

- FSCL is an approved independent external dispute resolution scheme which investigates complaints about financial service providers.
- Every financial service provider (FSP) which provides services to retail clients in New Zealand has to be registered on the Financial Service Providers Register (FSPR) and with a dispute resolution scheme.
- Other schemes
  - Banking Ombudsman
  - Insurance and Financial Services Ombudsman
  - Financial Dispute Resolution Service

# Touchstones

## Legislation

- Financial Adviser Act
  - Section 33 – Financial adviser must exercise care, diligence, and skill
  - Section 34 – Financial adviser must not engage in misleading or deceptive conduct
- Insurance Intermediaries Act 1994

## Case law

- *Dunlop Haywards (DHL) Limited v Barbon Insurance Group Limited*

## Good Industry practice

- IBANZ Code of Conduct
- Industry experts

# Case study 1

- motor vehicle insurance
- car accident
- cover not placed
- broker liable
- settled by agreement



# Trends

- Rise in consumer expectations



# Case study 2

- Small business client
- Employment disputes liability cover not offered
- Reasonable not to offer cover in the circumstances
- Complaint discontinued



# Case study 3

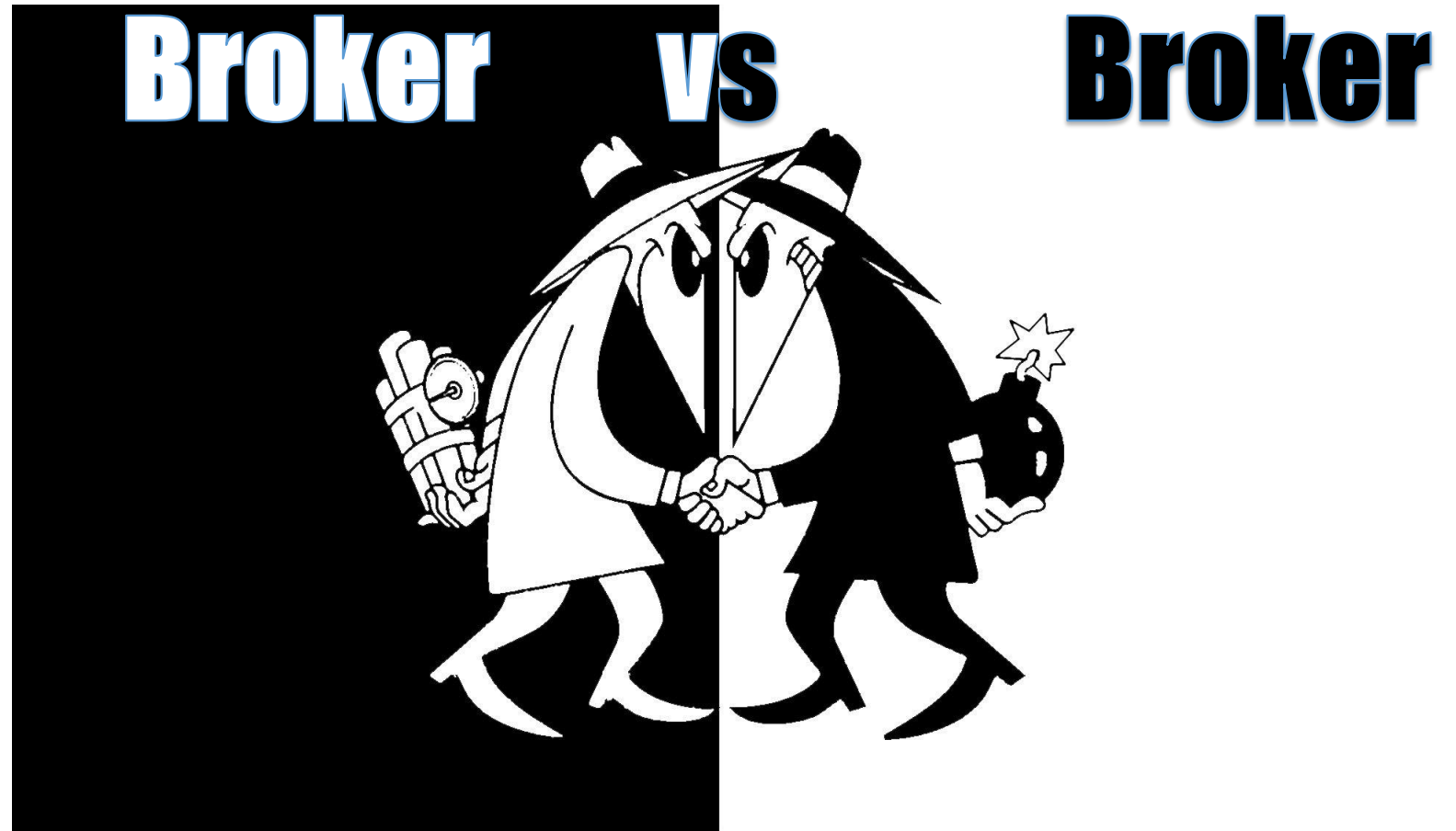
- Professional indemnity client
- Commercial decision not to renew and offer terms
- Unreasonable expectation on broker
- Complaint discontinued





# Trends

- Rise in consumer expectations
- Brokers complaining about brokers



# Case study 4

- First broker removed swimming pool from cover and did not advise client.
- Second broker renewed on same terms
- Complaint settled



# Trends

- Rise in consumer expectations
- Brokers complaining about brokers
- Rise in difficult/unreasonable people



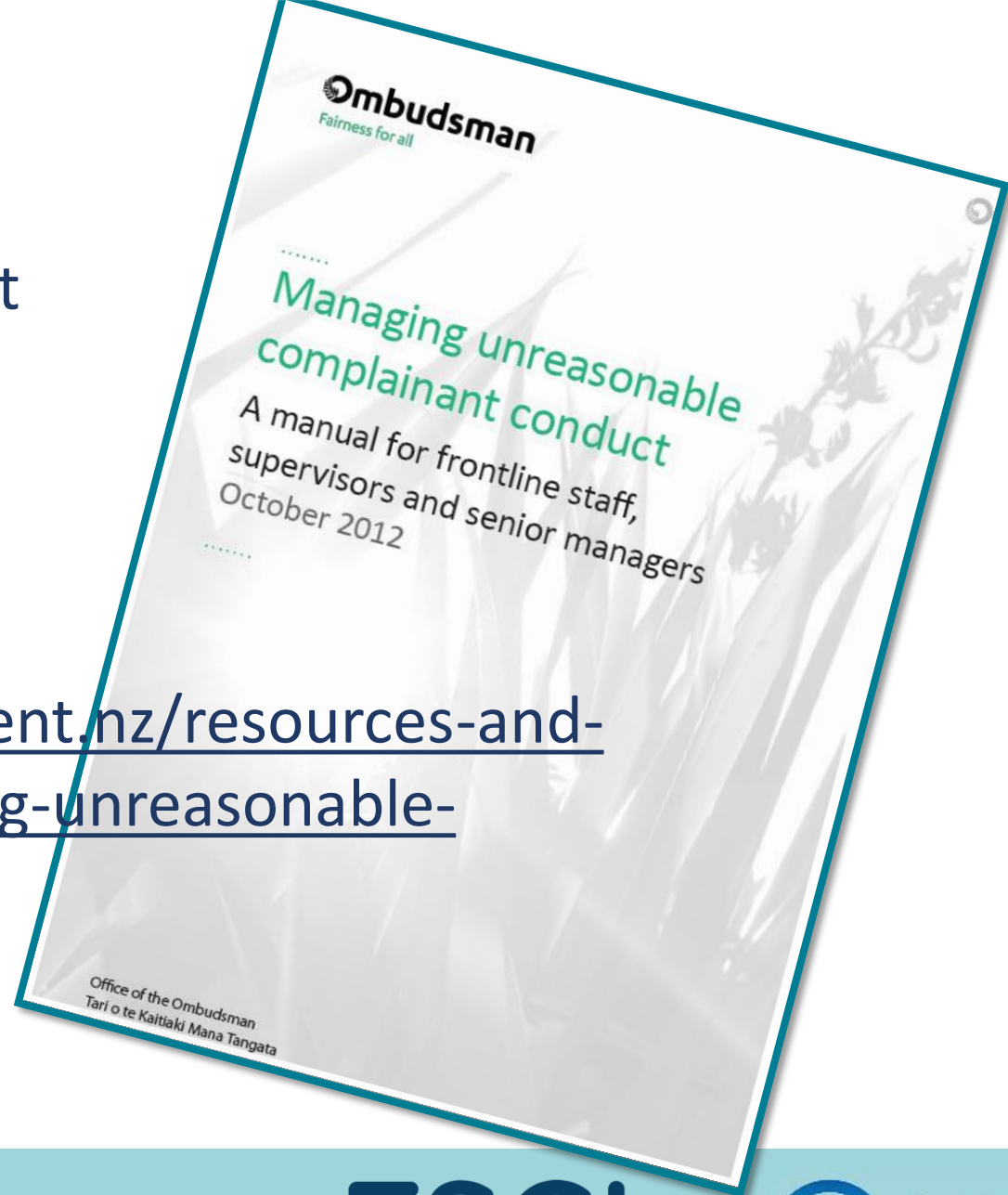
# Case study 5

- Breach of privacy
- lack of files notes increased the client's frustration
- Difficult complainant behaviour
- Complaint discontinued



# Managing unreasonable complaint conduct - Parliamentary Ombudsman's manual

<http://www.ombudsman.parliament.nz/resources-and-publications/documents/managing-unreasonable-complainant-conduct-full-manual>





# Questions

For information about FSCL check out - [www.fscl.org.nz](http://www.fscl.org.nz)