



Advice from Alan

Financial complaints services

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If you have a complaint against a financial service provider

(including banks, insurers, KiwiSaver, finance companies, and the like), it is possible to make that complaint to a free customer complaint service. Every financial provider has to be a member of a complaints resolution service. There are currently four complaints services: the Banking Ombudsman, the Insurance & Financial Services Ombudsman, the Financial Dispute Resolution Service, and Financial Services Complaints.

Each of these four services follows similar processes and which one you complain to depends on which scheme your finance organisation belongs to. Organisations will usually tell the consumer which complaint service they are a member of, or each service provides a list of members. If you complain to the incorrect one, they will usually refer you or forward on your complaint.

Each service requires you first to make a complaint to the financial organisation and to wait while that process is

followed. You must also exhaust any review or appeal processes internally with the financial institution first. If it is unresolved (usually around two months) then you can complain to the relevant dispute service.

They will appoint an investigator to then gather information and investigate the complaint. These services are independent and not owned or run by the industry or government. They will attempt to resolve matters between the consumer and provider, but if that does not occur, each can make a decision. Before reaching a final decision, it is usual for a preliminary one to be provided to the parties, who can make comments and provide further information. The final decision is binding on the financial organisation, but not on the consumer (who can follow other remedies, including the Disputes Tribunal or Court).

The limit for money claims to the dispute services is \$500,000 plus GST and compensation for stress etc of up to \$10,000 plus GST. For amounts over that, consumers need to use the High Court process.