

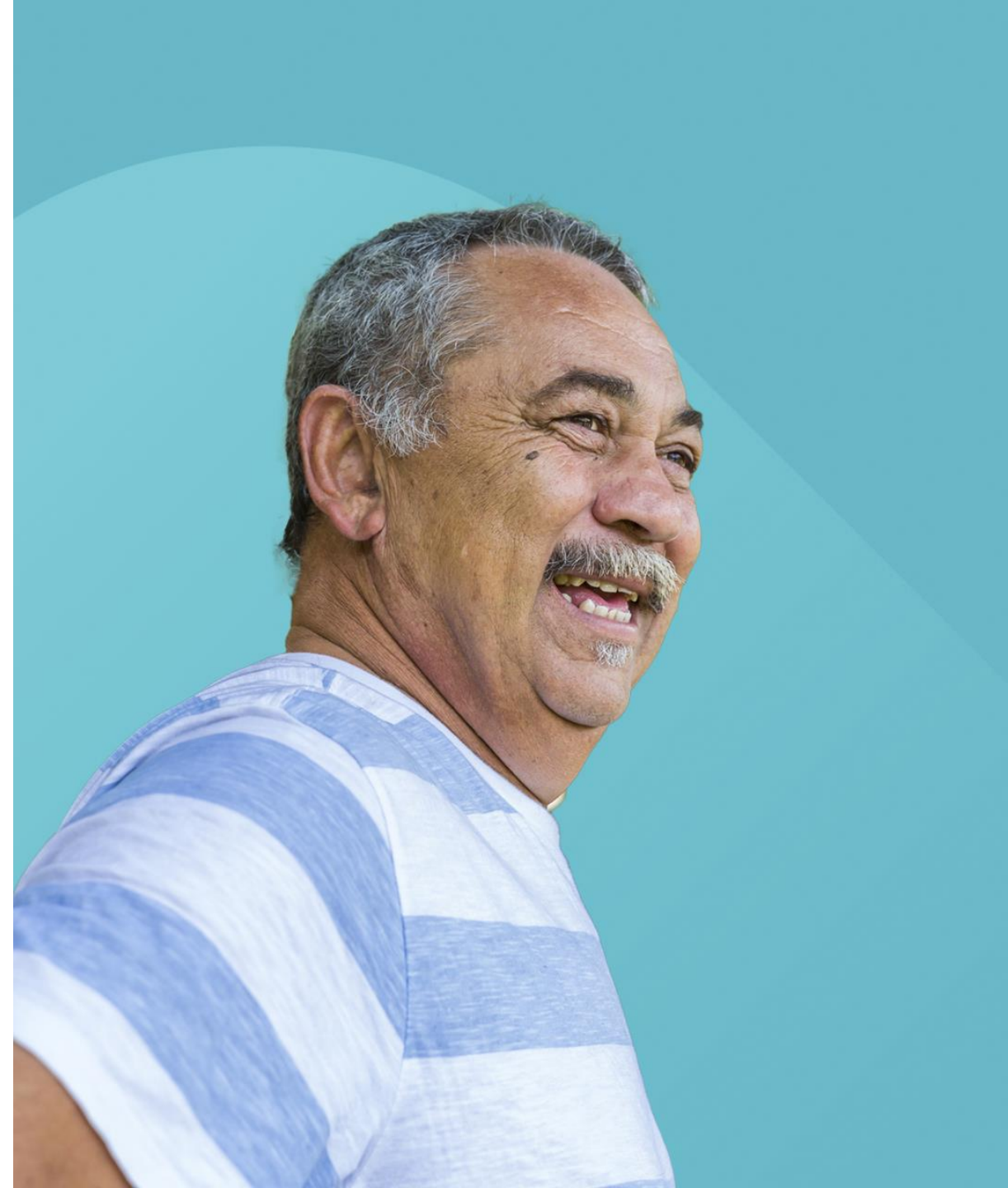
Member forums

Plenary Session
16 November

Justin Untersteiner
Acting Chief Executive Officer

Today's agenda

- > Welcome
- > First Two Years of AFCA
- > COVID-19 Statistics and Trends
- > The Next 12 Months
- > Membership Improvements
- > Q&A



AFCA completes two years

Between 1 November 2018 and 31 October 2020

Complaints received



153,246
complaints received



143,723
complaints closed
60% resolved within
60 days



76% of
complaints
lodged online



8,910 complaints
from small
businesses



1 in 10 complaints involved
financial difficulty

Number of complaints received by product line



65,576
Credit



36,475
General Insurance



14,389
Deposit Taking



13,741
Superannuation



10,071
Payment Systems



8,494
Investments



3,523
Life Insurance

Year at a glance

Between 1 July 2019 and 30 June 2020

Complaints received

80,546

complaints received



14%

increase in monthly complaints compared to 2018–19



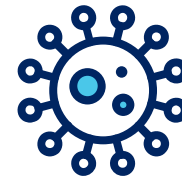
75%

of complaints lodged online



4,172

complaints from small businesses



4,769

complaints related to COVID-19



1 in 10

complaints involved financial difficulty

Products complained about



46,820

Banking and finance



19,103

General insurance



7,557

Superannuation



4,615

Investments and advice

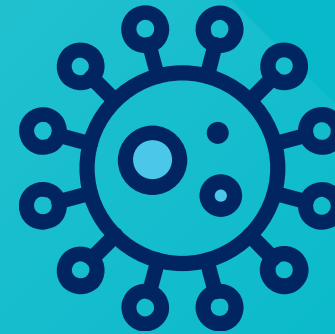


1,778

Life insurance



COVID-19 statistics and trends



COVID-19 complaints

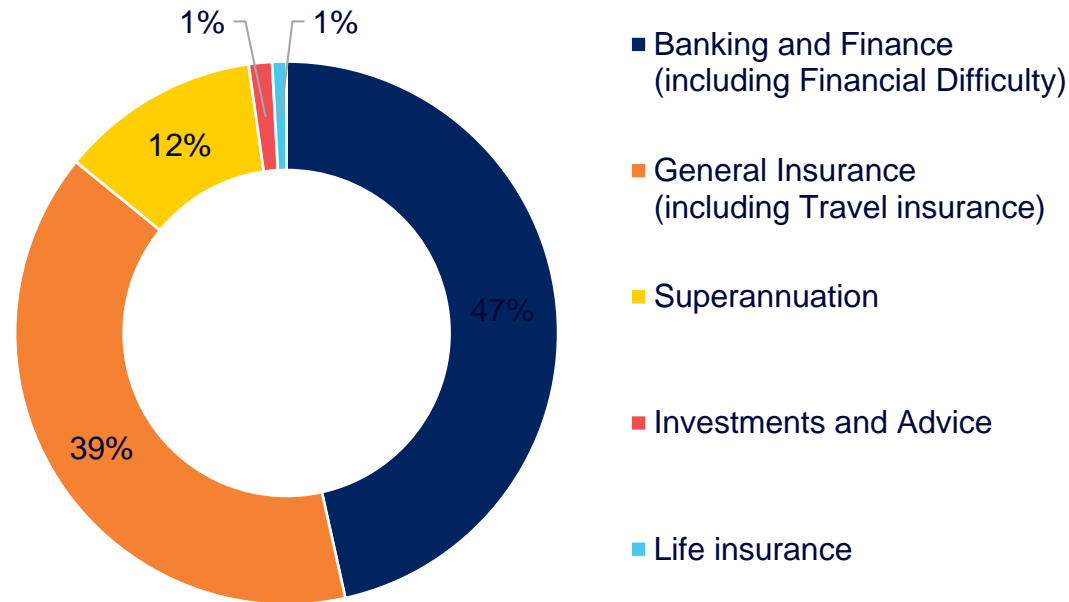
Between 5 March 2020 and 31 October 2020

9,386 complaints received

1,846 COVID-19 complaints involved financial difficulty

3,122 COVID-19 complaints involved travel insurance

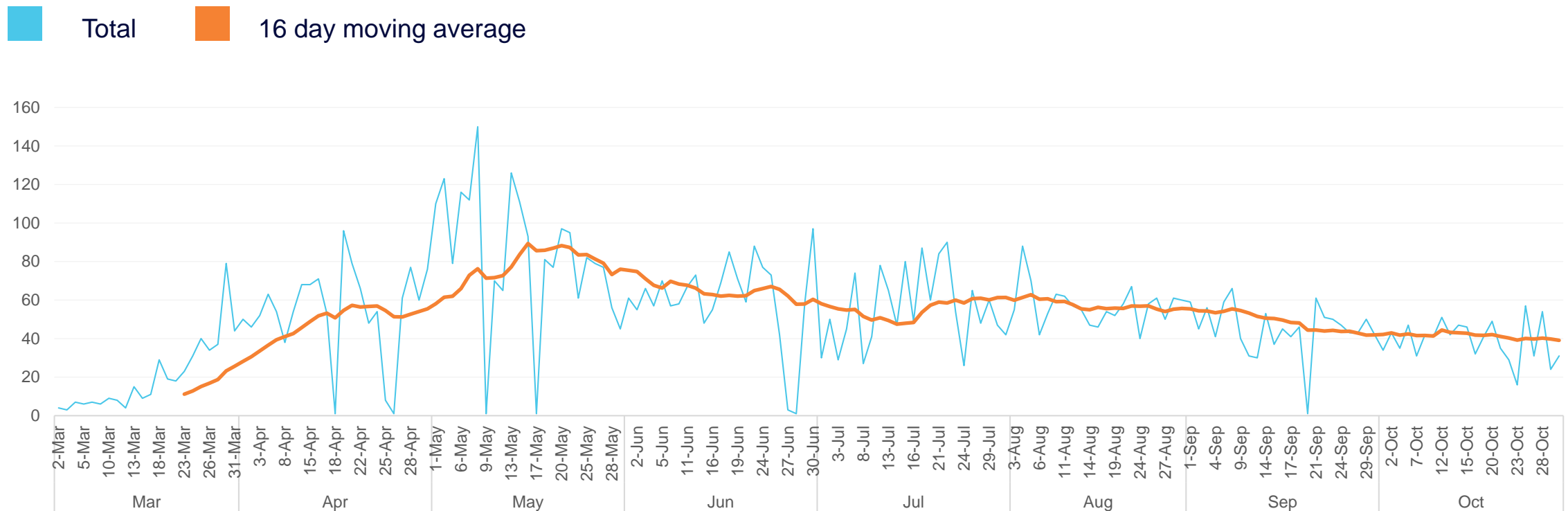
COVID-19 complaints received by product



COVID-19 complaints

Between 3 March 2020 and 31 October 2020

Daily inflow of COVID-19 complaints based on complaints received



Our COVID-19 approach

- > We have developed fact sheets on COVID hot topics access via our Pandemic Support Hub here: afca.org.au/coronavirus-covid-19-pandemic-support-hub
- > AFCA is working closely with the Government, regulators, peak bodies, consumer groups and our members to respond proactively to the challenges of COVID-19
- > Where appropriate, we will modify our existing approaches and outcomes
- > We extended some of our timeframes during the initial COVID-19 period

COVID-19 common themes and future trends

Superannuation

- > We received a large number of complaints about Superannuation, primarily related to timeliness of the processing of early release applications. We worked closely with the industry and have seen complaint numbers about this drop, and overall a lot lower in the second round.



Travel Insurance

- > Travel insurance complaints significantly increased, particularly between March and June. Initially complaints related to claim declines but have moved towards policy exclusions. Overall, we are now seeing travel insurance complaint volumes decline.



Break Costs

- > Early in the period we saw a number of complaints relating to loan break disputes as consumers with financial difficulties were looking to switch to variable interest loans while interest rates were low.



COVID-19 common themes and future trends

Unauthorised Transaction

- > We have seen a spike in complaints about unauthorised transactions. We are seeing vulnerable consumers targeted. To assist consumers and members resolve disputes and minimise complaints, we have published information on our website on how to avoid scams.



Financial Difficulty

- > We haven't seen a huge rise in complaints relating to financial difficulty, or hardship. This is a positive sign considering the challenging environment that the community is facing right now. We are seeing volumes of financial difficulty complaints progressing to case management remain low and high resolution rates in Internal Dispute Resolution (IDR)





The Next 12 Months

The Next 12 Months

Financial Difficulty

- > As government support packages start to roll off, we anticipate we will see a rise in complaints from vulnerable consumers, people struggling to pay mortgages or other debts when banks reassess loan deferrals.



Unauthorised Transaction

- > Continuing on from the spike observed in vulnerable consumers targeted by scams, we will likely see continued complaints about unauthorised transactions.



The Next 12 Months

Superannuation

- > We know that there are a number of superannuation members who have exhausted their super balances throughout the COVID-19 period. This is likely to result in their total and permanent disability (TPD) and income protection insurance which is provided under their super policy, coming to an end and we expect to see increased activity in complaints related to this.



Insurance

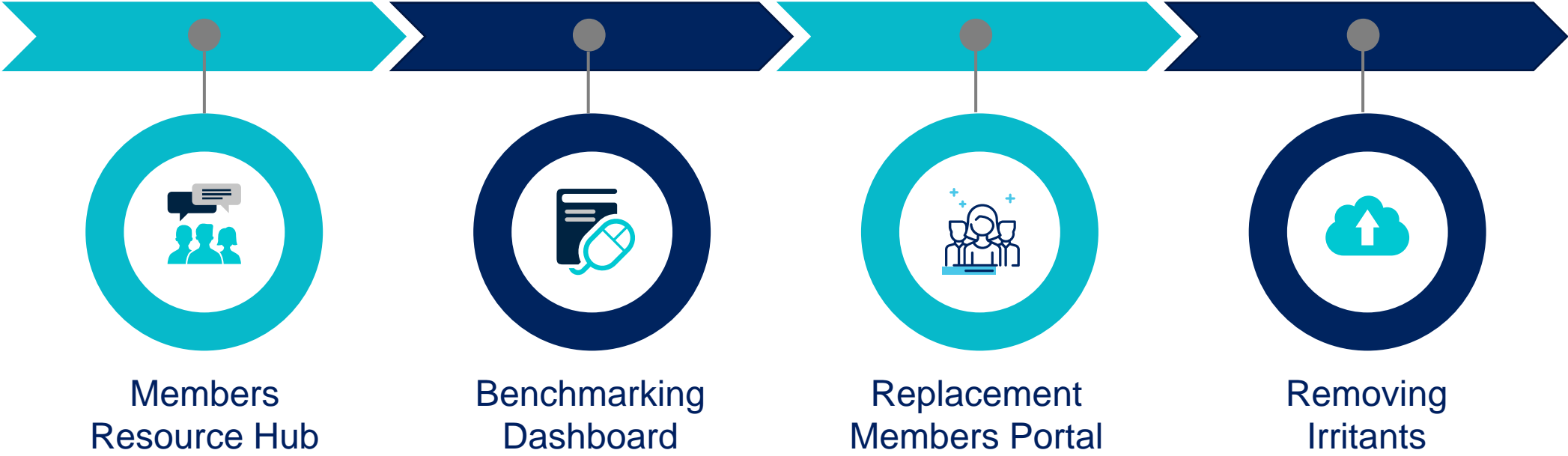
- > As Government support packages roll off, we anticipate there will be an increase in complaints related to insurance policies as consumers and small businesses look for alternative vehicles for income.





Member Experience

Improving the Members Experience



Thank you

