

Improving how insurance brokers handle complaints

Follow up review of insurance brokers' compliance with Service Standard 10 of the Insurance Brokers Code of Practice: 'We will ensure that we have an internal complaints and disputes handling process that meets the Code Complaints and Dispute process standards'.

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Contents

EXECUTIVE SUMMARY	3
THE COMMITTEE'S FINDINGS AND RECOMMENDATIONS	3
CONCLUSIONS	6
INTRODUCTION.....	7
THE CODE OBLIGATIONS.....	7
THE INQUIRY.....	7
BREACHES AND COMPLAINTS	8
RECEIVING AND HANDLING COMPLAINTS	9
PROVIDING WRITTEN GUIDANCE FOR CLIENTS	9
ASSISTING CLIENTS WITH SPECIAL NEEDS	10
REVIEWING SERIOUS COMPLAINTS INDEPENDENTLY.....	11
MEDIATION AND ADJUDICATION	12
RESPONDING IN WRITING	13
STAFF TRAINING AND SUPPORT	15
ESTABLISHING WRITTEN IDR PROCEDURES	15
TRAINING STAFF AND AUTHORISED REPRESENTATIVES	16
PROVIDING SPECIALISED SUPPORT FOR COMPLAINT HANDLING STAFF.....	18
LEARNING FROM COMPLAINTS	20
ANALYSING AND DISCUSSING CASE STUDIES	20
PROMOTING THE BUSINESS.....	21
IMPROVING IDR PROCESSES	22
MEASURING PERFORMANCE.....	22
DRAWING ON FEEDBACK.....	23
ENCOURAGING WHISTLEBLOWING	23
REVIEWING IDR PROCESSES	25
CONCLUSIONS.....	27
ADDRESSING NON-COMPLIANCE AND RISK.....	27
STRIVING FOR BEST PRACTICE	27
THE FUTURE ROLE OF THE CODE.....	28
APPENDIX 1. ABOUT THE CODE.....	29
THE CODE	29
THE COMMITTEE	29
DEFINITIONS	29
CONTRIBUTIONS.....	29
APPENDIX 2. SANCTIONS FOR NON-COMPLIANCE	30
APPENDIX 3. ONLINE QUESTIONNAIRE.....	31
APPENDIX 4: 2017 RECOMMENDATIONS	33
APPENDIX 5. QUESTIONNAIRE RESULTS	35
APPENDIX 6. REFERRAL AGENCIES FOR CLIENTS NEEDING ASSISTANCE. 39	

Executive summary

Service Standard 10 of the Insurance Brokers Code of Practice ([the Code](#)) requires organisations to establish an internal complaints and disputes handling process that meets the Code Complaints and Dispute Resolution Process standards.

In February 2017, the Insurance Brokers Code Compliance Committee (the Committee) conducted an own motion inquiry to develop a better understanding of how organisations manage their obligations under Service Standard 10. The Committee's report on this inquiry set out several recommendations for improvements to the complaint handling process.

This report details the findings of a 2018 follow-up inquiry revisiting these internal dispute resolution (IDR) issues to assess whether organisations had adopted the Committee's recommendations from the previous year.

The Committee's findings and recommendations

Overall, the Committee found that there has been little improvement since the 2017 inquiry, and the Committee's previous recommendations have not been widely implemented.

Receiving and handling complaints

Organisations' complaint processes should be simple to use and accessible to all clients. The Committee found that:

- Most organisations provide information about the complaints process to clients verbally and/or in writing through websites, dedicated brochures and factsheets and other key documents.
- Around 10% of organisations, however, do not provide information about the complaints process, with no improvement since the previous inquiry.
- Only around 40% of organisations use readily available resources to assist clients with special needs to make a complaint.
- All organisations reported that they have a process for escalating serious complaints for independent review or guidance.
- Only a minority of organisations include adjudication or mediation in their IDR process.
- 81% of organisations provide a written response to all complaints; the remainder respond in writing only to some complaints.

Based on these findings, the Committee recommended the following actions to Code subscribers:

- Provide written complaint handling guidance for clients, ensuring that it is:
 - **readily available** at any time, not provided only on request or when the need arises
 - **prominent**, included on the organisation's website or in a brochure or fact sheet

- **comprehensive**, including timeframes and information about the client's right to refer their complaint to an external dispute resolution (EDR) scheme
- expressed in **plain English**.
- Acknowledge all complaints in writing, even complaints that are lodged verbally and/or resolved on-the-spot.
- Have a written procedure for how special assistance needs will be addressed.
- Consider establishing a link with service providers such as the National Relay Service and the Translating and Interpreter Service so that their services are readily available.
- Develop a help sheet for staff listing the available resources (see Appendix 5).
- Consider not only language and physical disability, but also mental health, brain injury, dementia, cognitive issues, elder abuse, family violence, hearing or speech impairment, sight and vision impairment and working with Indigenous clients.

Staff training and support

To receive and handle complaints effectively, staff must be trained and supported with a written IDR procedure. The Committee found that:

- While most organisations have written IDR procedures, seven organisations have not yet documented their IDR process.
- 73% of organisations provide regular formal and/or on-the-job complaints training to all staff.
- Only 44% of organisations train third parties such as contractors, loss assessors and authorised representatives in IDR procedures.
- 67% of organisations provide support to staff on dealing with abusive or threatening behaviour when handling complaints – the same proportion as reported providing assistance in 2017.

Based on these findings, the Committee recommended the following actions to Code subscribers:

- Even where no major complaint has been received previously, include in IDR procedures a process for major complaints. This process should:
 - define a 'major' incident or complaint (for example, a complaint that is not resolved in 20 days)
 - involve senior staff
 - cross-reference HR procedures and detail guidelines for the review and training of any staff involved in a major incident.
- Boost staff knowledge of complaint handling with regular complaint handling tips and informal sharing of experience.
- Include non-client-facing staff in discussions about complaint handling as part of their professional development.
- Encourage open discussion and feedback from staff and clients.
- Establish a consistent system to address complaints handling issues.

- Include a staff mentoring system.
- Include authorised representatives in the IDR training provided to employees.
- Engage only reputable third parties who demonstrate a basic understanding of IDR procedures and make them aware that they should alert you to any complaint that arises.
- Develop a process for handling complaints concerning third parties. Identify consequences such as regular audits to measure their effectiveness and service quality.
- Ensure that clients are fully made aware when third parties are involved and if they fall within your responsibility – ensure that the clients know to come to you with any complaint if there is a complaint against the third party involved.
- Even if there have been no past instances of abusive or threatening behaviour, develop a procedure that:
 - clearly states such behaviour is not acceptable
 - directs staff to refer such complaints to senior management
 - includes clear guidelines for any threats, including bomb threats
 - is readily accessible to all staff.
- If possible, establish a link to external support that staff can access confidentially.

Learning from complaints

Complaints are a valuable source of feedback that can be used to drive service improvements and establish better relationships with clients generally. The Committee found that:

- 80% of organisations reported using complaint case studies as a tool for analysis and discussion internally.
- Only 25% of organisations had, within the previous 12 months, used deidentified compliments or complaints to promote the business.

Based on these findings, the Committee recommended the following actions to Code subscribers:

- Share case studies of complaints, unusual events and outcomes:
 - internally, in team meetings, induction training and ongoing training
 - externally with industry.
- Look for opportunities to use feedback and testimonials as a marketing tool.
- Consider and manage any issues and risks, such as privacy issues, associated with social media or other sharing of client feedback.

Improving IDR processes

IDR procedures should not be considered as static. Instead, like any area of the business, they should be continually improved. The Committee found that:

- Around 50% of organisations measure IDR performance using additional metrics, not just complaint resolution timeframes.
- Most organisations have used client or staff feedback to improve IDR processes; only 22% reported that they had not.
- Only a minority of organisations have documented whistleblower provisions.
- One-quarter of organisations reported that they had not reviewed their IDR procedures against best practice standards.

Based on these findings, the Committee recommended the following actions to Code subscribers:

- Review IDR processes at least annually. Where possible and practical, review should be undertaken by an external independent party. Any incidents should be considered as potential opportunities for improvement.
- Have IDR processes reviewed:
 - by an independent consultant at least every two years (medium and large organisations)
 - by independent senior staff or as part of general audit every two years (micro and small organisations).

Conclusions

Effective IDR is fundamental to the Code's purpose of promoting professional competence and building trust in the insurance broking industry. This goal is particularly pertinent as the financial services faces tough scrutiny from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Unfortunately, however, a small number of Code subscribers are continuing to fall short of basic IDR standards. The Committee intends to follow up with these organisations to ensure that non-compliance is rectified. The Committee may consider using its enforcement and sanctions power should this become necessary.

Many Code subscribers are meeting basic Code standards, but could nevertheless do more to strive for best practice complaint handling. We encourage these subscribers to carefully consider the Committee's recommendations and to build continuous improvement efforts into their IDR processes.

Introduction

Service Standard 10 of the Insurance Brokers Code of Practice (**the Code**) requires organisations to establish an internal complaints and disputes handling process that meets the Code Complaints and Dispute Resolution Process standards. These important obligations were the focus of a 2017 own motion inquiry, as well as a 2018 follow-up inquiry, which is the subject of this report.

The Code obligations

The Code's obligations regarding IDR are set out in Service Standard 10, which states 'We will ensure that we have an internal complaints and disputes handling process that meets the Code Complaints and Dispute process standards.'

The Complaints and Dispute Resolution process¹ requires an insurance broker to:

- conduct the process free of charge
- conduct the process in a fair, transparent and timely manner
- immediately acknowledge the receipt of a complaint or dispute
- only ask for and take account of relevant information in considering a complaint or dispute
- immediately initiate action to correct any identified error or mistake
- allow the client to seek access to information being relied on in assessing a complaint or dispute and provide reasons when this access is being denied
- handle complaints and disputes caused by authorised representatives.

The usual process for resolving a complaint requires an insurance broker, in particular, to:

- advise the client within 21 days how the complaint is proposed to be resolved
- refer the complaint to an IDR manager if it remains unresolved after 21 days
- advise the client of the final decision, in writing, within 21 days
- provide the client with information about the Financial Ombudsman Service (FOS) Australia (now the Australian Financial Complaints Authority (AFCA)) if the complaint is unresolved.

NIBA Code guidance notes² also state that insurance brokers' IDR procedures must comply with standards and requirements made or approved by the Australian Securities and Investments Commission (ASIC) (see ASIC Regulatory Guide RG 165³). Insurance brokers must also ensure that for retail clients they meet any specific ASIC requirements that are applicable, especially regarding time limits.

The inquiry

In February 2017, the Insurance Brokers Code Compliance Committee (the Committee) conducted an own motion inquiry to develop a better understanding of how organisations

¹ See the Insurance Brokers Code of Practice, p. 14.

² See <https://www.niba.com.au/codeofpractice/c3-complaints-and-disputes-resolution-1.cfm>.

³ See <http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/#rg165>

manage their obligations under Service Standard 10. The findings were also intended to benchmark existing industry practice for organisations of different sizes.

In publishing the results of its 2017 inquiry⁴, the Committee made recommendations⁵ for good industry practice and improvements to the client complaint handling process. The Committee provided guidance for Code subscribers on how to inform clients about complaint processes; respond to complaints; learn from complaints; and demonstrate accountability.

This report details the findings of a 2018 follow-up inquiry revisiting these IDR issues. The aim of this second inquiry is to assess whether organisations have adopted the Committee's 2017 recommendations and whether compliance has improved.

To do this, the Committee included a section⁶ in the 2017 Annual Compliance Statement (ACS) about organisations' IDR processes. This section comprised 17 questions about the recommendations issued by the Committee in its 2017 report. All 300 Code subscribers completed the questionnaire, commenting on whether and how they had implemented the recommendations.

Breaches and complaints

As part of the 2017 ACS program, Code subscribers self-reported five breaches of Service Standard 10. These breaches were reported by micro and large organisations.

Code subscribers reported 1,047 complaints via their IDR processes, one quarter involving general service issues and one third claims service issues. Some 39% were not resolved within 21 days, which, disappointingly, represents an increase from 22% in 2016.

⁴ See <http://www.fos.org.au/custom/files/docs/insurance-brokers-code-compliance-committee-own-motion-inquiry-internal-dispute-resolution-process.pdf>

⁵ See [Appendix 3: Recommendations](#).

⁶ See [Appendix 2: Online questionnaire](#).

Receiving and handling complaints

Following its 2017 inquiry, the Committee made a number of recommendations related to how organisations receive and handle complaints. For clients, it is important that the process of making a complaint is clear and simple and accessible to all, including clients with special needs. Once a complaint is received, it should be handled fairly and independently, and clients should receive a written response to any complaint.

Providing written guidance for clients

Clear written information for clients is a crucial part of a simple and accessible complaints process. Any client who has had a problem with the service received needs to know how to make a complaint, and to whom. This information should be readily available.

Although most organisations provide clients with written information about the complaints process, a minority do not, with no apparent improvement over the past year. Responding to the Committee's 2017 inquiry, around 90% of organisations stated that they consistently provide written guidance on complaints handling to the public.⁷ The Committee recommended that this practice should be adopted by all organisations. Disappointingly, however, responses to the 2018 follow-up inquiry indicate little change, with a similar proportion of organisations reporting that they do not provide clients with written guidance on the complaints process.

This lack of information fundamentally undermines the IDR process and is unacceptable. If clients are not made aware of the complaints process and how to access it, their concerns are likely to go unreported and therefore unaddressed. The Committee will be following up with those organisations that are still failing to provide adequate complaints guidance, even after the Committee's previous recommendation. The Committee may also consider enforcement action should this become necessary.

Organisations that provide complaints information do so in a range of ways. Some explain their complaints processes on their websites and/or in brochures, which are made available at reception. Complaint information can also be provided in other documents such as a Financial Services Guide (FSG), a privacy policy, on the back of an invoice, or in a summary of insurances provided to clients. Information about the complaints process may also be given verbally.

Complaint information should be readily available to clients at any time. However, some organisations indicated that they only provide written information about complaint handling at certain points, such as where requested by a client. Some organisations reported that

Good practice example

'We provide our FSG which includes details of our complaints handling approach to clients upon our acknowledgement of the complaint. Our FSG is reviewed on a regular basis to ensure all information, including complaints handling, remains relevant and accurate. We also provide clients a fact sheet of FOS's complaints handling process.'

⁷ IBCCC (2017) *Own Motion Inquiry 'Internal Dispute Resolution Process'*, p. 17.

they provide this information when a complaint is lodged – for instance, with a standard complaint receipt letter – or when a complaint is not resolved.

In addition to making complaints information generally available, organisations should ensure that all complaints, regardless of their nature or outcome, receive some form of written acknowledgment. This is a good business practice that creates a clear record and makes clients feel that they have been heard, improving the client relationship.

Recommendations

- Provide written complaint handling guidance for clients, ensuring that it is:
 - **readily available** at any time, not provided only on request or when the need arises
 - **prominent**, included on the organisation’s website or in a brochure or fact sheet
 - **comprehensive**, including timeframes and information about the client’s right to refer their complaint to an EDR scheme
 - expressed in **plain English**.
- Acknowledge all complaints in writing, even complaints that are lodged verbally and/or resolved on-the-spot.

Assisting clients with special needs

If an organisation’s complaints process is to be accessible, clients should find it easy to lodge a complaint, whatever the circumstances. To make this possible, organisations will sometimes need to provide extra assistance to clients with special needs.

The Committee’s initial IDR inquiry found that organisations differ in their readiness to assist clients with special needs. Some organisations reported that such arrangements were unnecessary or that they were unprepared or unable to accommodate a client’s special needs stemming from disability or a language barrier.

Similarly, in 2018, only 40% of organisations – including 10 of the 17 large organisations – reported that they use readily available resources to assist clients with special needs due to disability or language barriers. One organisation noted that one authorised representative deals exclusively with clients with disabilities, and therefore had resources available to assist this client

group. Assistance is typically understood to mean overcoming language barriers or enabling physical access to premises, however, clients may also have a range of other special needs. Organisations often rely on staff members’ language skills or on support from a client’s family or community. Others referred to FOS (now AFCA) or industry resources, such as NIBA’s cluster support group.

Good practice examples

‘Any enquiries or requests from customers with special circumstances and/or needs regarding the making of a complaint are referred to the organisation’s Customer Care, which will assess the circumstances of the customer and arrange for necessary assistance to be provided to them.’

‘[There have been] no instances this reporting period. However, we have interpreter services identified in our IDR procedures flowchart.’

Organisations should have a written procedure outlining how special needs will be addressed, even if such needs have not arisen previously. Positively, some organisations said that they have resources available even though they have not been required to date. Conversely, among the 60% of organisations that do not utilise available resources, many stated that this was because there had been no need for them in the past. Two micro organisations reported that they did not know where to find these resources.

Again, this ongoing lack of preparedness to assist clients with special needs is concerning. The Committee notes that providing assistance need not be complex or resource-intensive. Organisations should make their staff aware of simple steps that can be taken, which include referring the client to support services, engaging an interpreter or making simple accommodations such as printing communications in a larger font. Examples are listed at **Appendix 5**.

Recommendations

- Have a **written procedure** for how special assistance needs will be addressed.
- Consider establishing a **link with service providers** such as the National Relay Service and the Translating and Interpreter Service so that their services are readily available.
- Develop a **help sheet for staff** listing the available resources (see Appendix 5).
- **Consider not only** language and physical disability, but also mental health, brain injury, dementia, cognitive issues, elder abuse, family violence, hearing or speech impairment, sight and vision impairment and working with Indigenous clients.

Reviewing serious complaints independently

Where a serious complaint concerns the conduct of a staff member, IDR procedures should allow for independent review of the complaint within the organisation. Positively, in 2018, all organisations reported that they have some form of process for escalating complaints to a complaints manager, senior management or the CEO. Some organisations also noted that they may seek external industry guidance from their cluster group helpline, a lawyer or a HR specialist.

Often, organisations have parallel HR processes for discussing matters with individual staff members, arranging remedial training and monitoring future performance. Most also appear to have systems for recording such matters on employee files. At the most serious end, one organisation noted that in the past, three individual staff members had been reported to ASIC and subsequently banned from the financial services industry.

Good practice examples

‘Being a very small office, complaints are usually obvious to all team members. Every day we are able to directly monitor the services provided by team members to clients. Where an issue is identified with an individual team member, an individual discussion and where appropriate additional training is provided.’

‘If a complaint is severe enough to warrant inclusion in an HR file and subsequently performance management, our IDR management process includes provisions for noting this.’

Some organisations reported that they do not have a process in place to deal with serious incident, as no such complaints have been received. This is not good enough. Rather than waiting for a major incident, however, organisations should have a process in place to reflect best practice.

Recommendations

Even where no major complaint has been received previously, include in IDR procedures a process for major complaints. This process should:

- define a ‘major’ incident or complaint (for example, a complaint that is not resolved in 20 days)
- involve senior staff
- cross-reference HR procedures and detail guidelines for the review and training of any staff involved in a major incident.

Mediation and adjudication

The Committee’s 2017 inquiry found that most organisations did not incorporate mediation or adjudication into their IDR processes, instead seeing FOS, now AFCA, as performing this function where complaints cannot be resolved internally. The Committee recommended that where resources allow, organisations should consider using adjudication and mediation techniques within the IDR process, maximising the opportunity to resolve complaints internally⁸ while preserving client relationships.

Overall, in 2018 only a minority of organisations reported that they include adjudication or mediation in their IDR process. Organisations that utilise adjudication or mediation typically referred to a particular member of staff – such as a complaints officer, compliance officer or internal legal counsel – who performs a mediation-like function or has specialist mediation skills. HR may also play a role, for example, where an employee is facing termination. Large organisations are much more likely to incorporate adjudication or mediation into their IDR process, with 11 reporting that they have done so.

Micro, medium and small organisations more often reported that they did not use adjudication or mediation. Some noted that this had not been necessary because complaints were infrequent, uncomplicated and/or promptly and successfully resolved with existing processes. Where extra assistance is needed, some commented that they would refer to their cluster group manual or consult a group helpline. Again, some noted that clients with unresolved IDR complaints are referred to FOS, now AFCA, for third party assistance.

Good practice examples

‘We are a small brokerage. If we reached a point in a matter where mediation or adjudication techniques were required, and we could not provide them, we would seek the services of those who could i.e. our external HR providers or our legal advisors, depending on the circumstances at hand.’

‘We are in favor of mediating on behalf of the AR during the IDR process to see if we can settle the matter with the client. Consideration would be given to using an external agency for this if we feel it would help.’

⁸ IBCCC (2017) *Own Motion Inquiry ‘Internal Dispute Resolution Process’*, p. 18.

Recommendations

Consider how adjudication and mediation processes and techniques can be incorporated into IDR processes within resource constraints. For micro and small organisations, consider referencing mediation and adjudication resources in complaints policy and procedures and related documentation. For larger organisations, consider:

- developing benchmarks for when mediation and adjudication should be used (e.g. where complaints are unresolved after 45 days)
 - train relevant staff in basic mediation and adjudication techniques to improve initial complaint handling
 - provide senior staff with more advanced mediation and adjudication training.
-

Responding in writing

The Committee's 2017 IDR inquiry found that while organisations usually ensure that complaints receive a response, this is not always done in writing. The Committee recommended that organisations ensure that all complaints receive a written response that clearly sets out that the matter has been considered, what the outcome was and what options there are if the clients remain unsatisfied.

Responding to the 2018 follow-up inquiry, 81% of organisations said that their IDR process requires that all complaints receive such a written response. Organisations noted that this requirement is set out in documents such as the complaints policy and procedure or operating procedure manuals. Some referred to a template letter that is used for this purpose.

The remaining organisations, including a larger proportion of small organisations, reported that some complaints do not receive a written response.

Typically, these organisations said that complaints received and resolved over the phone do not receive a written response. Similarly, several organisations do not respond in writing to complaints resolved on the spot or within five business days.

Under ASIC Regulatory Guide 165, organisations can bypass their full IDR process for certain complaints that are resolved 'to the customer's complete satisfaction by the end of the fifth business day after the complaint or dispute was received'. Importantly, this guideline requires not that organisations themselves assess that the matter has been resolved, but that they ensure the **customer** is completely satisfied with the response. At the same time, the guideline does not imply that complaints resolved in this way do not require a written response.

Good practice examples

'Our response always sets out the problem, the steps we have taken to investigate the matter, the supporting evidence we have (either in our favour or the client's) and our suggested outcome. We also provide details of the next step via FOS if they continue to be unsatisfied with our response.'

In the Committee's view, it is best practice to respond in writing to all complaints, even those that are resolved verbally and within a very short timeframe. This does not preclude organisations from first contacting the client to discuss this issue verbally – in fact, this is encouraged. Written follow-up then closes off the matter and provides a record of the outcome for both parties.

Recommendation

Provide a written response to all complaints, even those resolved verbally in a very short timeframe. In the response, clearly explain the outcome, invite the client to inquire about any further issues, and describe the client's options should they remain dissatisfied.

Staff training and support

To handle complaints effectively, staff must be trained and supported. Regardless of organisation size and whether complaints have been received in the past, all organisations need clear written IDR procedures. Basic complaint handling information and training should be extended to all staff, including authorised representatives and other third parties, and there should be support for staff who may encounter abusive or threatening behaviour when handling complaints.

Establishing written IDR procedures

Organisations should handle complaints according to clearly established written procedures. In 2017, the Committee found that while written IDR procedures are widely available to staff, a fraction of small organisations had not established written IDR procedures.⁹ The Committee noted that even small organisations could benefit from simple written procedures.¹⁰

Once again, in 2018 most organisations (97%) reported that they have written complaint handling guidelines and procedures, often based on wider industry guidelines. These procedures and guidelines are available to all staff.

However, six micro organisations and one medium organisation said that they still do not have written IDR procedures. Two of these micro organisations reported that complaints are instead handled on an ad hoc basis due to the small size of the business. The medium organisation was in the process of developing written procedures.

The Committee is very concerned that despite its 2017 guidance, some organisations continue to operate without a written IDR procedure – a necessary starting point for effective and consistent complaint handling. In the absence of a written procedure, an organisation is also unable to demonstrate to the Committee’s satisfaction that its complaints process meets the Code’s standards.

Regardless of size and whether any complaints have been received in the past, it is important that all organisations are prepared and proactive, with written IDR procedures in place. The Committee will be following up with those organisations that have yet to document an IDR procedure to ensure that this is rectified.

Good practice examples

‘The organisation has a Complaints and Disputes Policy available to all employees on the intranet. This policy contains a procedure at branch level of what employees should do on receipt of a complaint and a guide to dealing with complaints. These procedures are a reference and benchmark of good industry practice and contain an easy-to-follow workflow map.’

‘The organisation has a written policy on Complaints and Dispute handling that provides a step-by-step process for staff. This document also provides hints on dealing with abusive clients.’

⁹ IBCCC (2017) *Own Motion Inquiry ‘Internal Dispute Resolution Process’*, p. 17–18.

¹⁰ IBCCC (2017) *Own Motion Inquiry ‘Internal Dispute Resolution Process’*, p. 19.

Recommendation

Ensure the organisation has a written IDR procedure that:

- **guides staff** in how to handle various complaint situations
 - **includes specific benchmarks** (such as response timeframes and escalation trigger points)
 - **is visible and easily accessible** to staff and clients.
-

Training staff and authorised representatives

Written procedures, while important, are not enough alone to ensure good complaint handling practice; training is also crucial. This training should be provided to all staff – including less senior staff, authorised representatives and other third parties.

In 2017, the Committee recommended that all organisations should provide all staff (including those not directly involved in complaint handling) with regular training in basic complaint handling skills. For junior staff this training may address how to refer complaints to senior staff or management.

Responding to the 2018 inquiry, 73% of organisations reported that such training is provided, referring to both formal complaints training and ongoing discussion as part of staff and quality assurance meetings and continued personal development. Micro organisations, in which more staff are likely to contribute to complaint handling, were most likely to report (79%) that all staff regularly receive basic complaint handling training.

Organisations that reported they do not provide this regular training to all staff typically commented that such training is provided, but is either informal; once-off rather than regular; or limited to certain staff. For instance, one micro organisation reported that this training is only provided to senior staff while one large organisation commented that administrative staff do not receive complaint handling training. Some organisations noted the complaint handling information is still available to staff in operational procedure manuals.

Good practice example

'The first introduction is given during the induction with the Insurance Brokers Code of Practice assessment, then 2 quizzes are given yearly with a section based on the complaints handling and the Code. Regular emails are sent out to remind staff of the process and were to locate the Compliance and Complaints folder, which has all guidelines gazetted.'

Recommendations

- Boost staff knowledge of complaint handling with regular complaint handling tips and informal sharing of experience.
 - Include non-client-facing staff in discussions about complaint handling as part of their professional development.
-

When asked to outline how they deliver ongoing staff training in complaints handling, organisations described a wide range of approaches, including:

- regular training seminars
- external compliance training
- discussion at regular workflow and sales meetings
- monthly team or branch meetings
- open discussion and role-playing exercises
- coverage at seminars, conventions and town hall meetings
- bimonthly compliance consultant visit
- mentoring by senior staff
- compliance quizzes.

Subscribers also described providing information and updates to staff in the form of copies of the Code, intranet information and email 'news-shot' and YouTube videos.

Good practice example

'Details of all complaints received by our office are passed along to the relevant team manager so that training and or feedback can be given to the staff involved. These examples are also often shared with all other employees so that they can be used as a learning opportunity to improve service standards across the organisation. We also welcome clients to provide feedback at our professional development sessions to demonstrate and reiterate why it is important for our staff to follow the complaint handling procedure.'

Recommendations

- Encourage open discussion and feedback from staff and clients.
- Establish a consistent system to address complaints handling issues.
- Include a staff mentoring system.

The Committee previously recommended that organisations ensure that all third parties (such as contractors, loss assessors, loss adjusters and authorised representatives) are, like employees, aware of and trained in IDR procedures.

Close to half of all organisations (44%), including 15 of the large organisations, reported that third parties are aware of and trained in IDR procedures. Often, this is addressed partly with contractual arrangements that may stipulate, for example, that the third party must review the complaints handling procedure. Several organisations commented that this complaint handling training is provided at induction; one noted that it advises third parties of its IDR procedures when a claim arises.

Some organisations that do not provide IDR training to all third parties did refer to other mechanisms for making third parties aware of IDR procedures. For instance, these may be communicated in outsourcing agreements and operating procedures.

Organisations' responses suggested that authorised representatives are often treated differently to other types of third party, such as loss assessors and loss adjusters. Authorised representatives, which are bound to the organisation with an additional contractual agreement, are often included in IDR training and, in many cases, treated in the same way as employees. In contrast, other third parties are typically used on a consultancy basis, and there appears to be a feeling among some organisations that either the organisation cannot

Good practice example

'All staff including third parties such as contractors and authorised representatives are required to complete complaints and breaches training.'

be held responsible for any complaints against these third parties, or that these third parties are the responsibility of the insurer that appointed them. This approach could be problematic and may be raised in the upcoming Code review.

Recommendations

- Include authorised representatives in the IDR training provided to employees.
 - Engage only reputable third parties who demonstrate a basic understanding of IDR procedures and make them aware that they should alert you to any complaint that arises.
 - Develop a process for handling complaints concerning third parties. Identify consequences such as regular audits to measure their effectiveness and service quality.
 - Ensure that clients are fully made aware when third parties are involved and if they fall within your responsibility – ensure that the clients know to come to you with any complaint if there is a complaint against the third party involved.
-

Providing specialised support for complaint handling staff

Staff (including authorised representatives) directly involved in complaint handling are likely to have to deal with a wide range of complaint types, and to sometimes experience abusive or threatening behaviour from clients. In 2017, around two-thirds of organisations said that staff received training in skills to deal with such behaviour. The Committee recommended that complaint handling staff be provided with support to handle all types of complaints and to deal with abusive and threatening behaviour, such as opportunities for debriefing and follow-up counselling.

Again, in 2018, around two-thirds of organisations (67%) reported that they do provide support. Such support encompasses things such as training and information on the intranet, and extends to one-on-one support from senior management, HR or external counsellors (sometimes via a confidential employee assistance program. Large organisations were most likely to report that they offered these types of support.

Organisations that reported such support was not offered said that it was not needed, either because no complaints – or no challenging complaints – were received, or because staff had not raised a need for support. One organisation reported that as complaints are only handled by senior staff, support is not needed. However, even organisations that have not experienced challenging complaints in the past can take simple steps to prepare for potential future issues.

Good practice examples

‘Staff have been advised that any threatening or abusive behaviour by a client is unacceptable and should be immediately escalated to the compliance manager to be dealt with. Additionally, any staff on the receiving end of an abuse or threat are also counselled, (internally or externally, as required), to ensure wellbeing of the staff member.’

‘We have employed a staff wellbeing advocate who has developed relationships with staff to assist with any support they require after dealing with threatening behaviour. Staff are very well aware that they have the full backing of the company for the decisions they make in the moment when these circumstances occur, as long as they are in line with company values.’

Recommendations

- Even if there have been no past instances of abusive or threatening behaviour, develop a procedure that:
 - clearly states such behaviour is not acceptable
 - directs staff to refer such complaints to senior management
 - includes clear guidelines for any threats, including bomb threats
 - makes support readily available to all staff.
 - If possible, establish a link to external support that staff can access confidentially.
-

Learning from complaints

Complaints can be a positive form of feedback and a means of establishing better customer relations. An effective IDR process will ensure that complaints are recorded and that this information is then used to stimulate organisational improvements.

Analysing and discussing case studies

Organisations can use both complaints and compliments to improve services and educate staff. By using complaint feedback constructively to improve the customer experience, management can demonstrate to staff that receiving complaints need not be negative.

For this follow-up inquiry, organisations were asked whether they use complaint case studies as a tool for analysis and discussion within the organisation. Only around 20% of organisations – mostly micro, small or medium – reported that they do not use complaints in this way.

Organisations described a range of ways in which they use case studies, as well as external material such as case studies from FOS, now AFCA, and NIBA magazine articles. This material can be circulated in writing; used in training, particularly at induction; or discussed with staff in meetings. The aim is to educate staff with real-life examples, sharing the lessons learned from complaints and identifying any need for improvement to policies, procedures or processes.

Good practice example

‘Previously reported complaints are used as examples in face-to-face training sessions – [we] used a real-life example to determine what is an actual complaint (apply the definition, discuss, etc.) and then discuss how it should be resolved and reported.’

Recommendation

Share case studies of complaints, unusual events and outcomes:

- internally, in team meetings, induction training and ongoing training
 - externally with industry.
-

Promoting the business

Communicating positive outcomes or service improvements resulting from complaints may boost public confidence in insurance brokers' services and programs in the long term. Sharing this information also sends the message that the organisation values what clients have to say, good or bad. It is therefore important to publicly report on complaints analysis and to show where this has led to improvements.

However, it appears that only a minority of organisations publicly share information about complaints and compliments, with little apparent change over the past 12 months. In 2017, half of the organisations responding to the initial inquiry reported that they seldom publish information about complaints and their outcomes. Similarly, in 2018 around 75% of organisations stated that over the past 12 months, they had **not** used deidentified complaints or compliments to promote the business. Again, at times this simply reflected the low number of complaints received.

Around 20% of organisations reported that they have shared compliments and complaints on their websites and via social media. It appeared that some organisations share only positive feedback such as compliments and client testimonials. However, complaints can also be success stories depending on how the complaint is addressed, what is learned, and whether it is used to prompt positive change.

Good practice examples

'We have used compliments on our social media and have asked clients to provide written and video testimonials.'

'We have used this information to identify where we are improving our processes, if additional training is required and promote positive feedback from both our Clients and Insurers to our staff.'

Recommendations

- Look for opportunities to use feedback and testimonials as a marketing tool.
 - Consider and manage any issues and risks, such as privacy issues, associated with social media or other sharing of client feedback.
-

Improving IDR processes

While most organisations' IDR processes appear to fulfil basic standards, the Code is about doing more than the minimum and aiming for best practice. IDR processes, therefore, should not be considered as fixed, but as an area for ongoing improvement. For this follow-up inquiry, the Committee asked organisations about how they measure their IDR performance, draw on feedback to drive improvement, encourage whistleblowing, and subject IDR processes to testing and review.

Measuring performance

The 2017 inquiry found that staff performance standards for complaint handling were typically limited to timeframe requirements. The Committee recommended that organisations broaden their performance standards to include other measures.¹¹ For this inquiry, insurance brokers were asked whether criteria other than timelines were being used to benchmark performance or set performance targets.

Around half of organisations reported that they also measure IDR performance in other ways. Some organisations reported that they appraise staff attitude or behaviours, looking at, for example, the timeliness of communication, file note accuracy, how staff manage clients' expectations, and any errors that staff disclose. Organisations also pointed to other outcome measures such as the cost of handling the complaint or the proportion of complaints resolved in favour of clients and the organisation. Finally, organisations also referred to client-centred measures such as feedback from clients after the complaint and client retention.

Some organisations also referred to more general performance criteria, such as honesty, courtesy and professionalism, and objectives, such as client satisfaction, client understanding and the maintenance of the client relationship – an important business goal that support profitability in the long term.

Good practice examples

'[We consider] quantity and type. Staff are asked to see complaints as opportunities. Information on handling client complaints, such as politeness, courtesy, listening and saying thank you are included in our policy and procedures manual.

'Attitude, honesty and courtesy are also essential. As well as attention to detail and accurate notes lodged in the client file.'

Recommendation

Develop benchmarks or performance targets other than timelines, focusing on things that are important to the organisation and support its culture, such as professionalism. Include these in marketing and in performance review.

¹¹ [IBCCC \(2017\) Own Motion Inquiry 'Internal Dispute Resolution Process', p 38–9.](#)

Drawing on feedback

In 2017 the Committee recommended that larger organisations consider drawing on feedback from staff and clients to improve IDR procedures. Pleasingly, 78% of organisations reported that they have incorporated staff or client feedback into IDR procedures, either during their initial development or on an ongoing or ad hoc basis. Positively, some organisations described a very open organisational culture in which staff comments and feedback are encouraged and routinely sought from staff at different levels, for example, in meetings of staff or authorised representatives.

Although 22% of organisations had not incorporated staff or client feedback, around half of these indicated that they were open to doing so. The Committee will follow up with these organisations to assist them to put this into practice. For organisations that have never received a complaint, on the other hand, procedures have yet to be tested in practice, meaning that there has been little opportunity for feedback.

Good practice examples

'Staff are actively encouraged to provide the benefit of their experience and learning that may enhance our IDR procedures. This opportunity is both structured (monthly meetings) as well as ad hoc.'

'We regularly conduct team feedback sessions, and whenever a complaint is received we seek feedback from the client as to how it was handled so that we can continuously improve our processes. I also discuss our procedures with my peer group, gaining valuable knowledge on what they are doing to improve their processes and can take some of this to our own.'

Recommendations

- Look for opportunities to improve the organisations' IDR procedures using feedback from staff at all levels, authorised representatives and clients
- Consider including a feedback form on the organisation's website.

Encouraging whistleblowing

Whistleblower policies are critical tools for protecting individuals who report activities believed to be illegal, dishonest, unethical, or otherwise improper. A whistleblower is a person working within an organisation who reports that organisation's misconduct. The person can be a current or past employee, and the misconduct can be planned, ongoing, or a past act.

There are two types of whistleblowing. The first is internal whistleblowing. This means that the whistleblower reports misconduct to another person within the organisation. The second type is external whistleblowing. This means that the whistleblower reports misconduct to a person outside the organisation, such as law enforcement or the media.

Whistleblowing research suggests that to effectively manage whistleblowing, organisations should make sure that employees:

- are informed about how to appropriately communicate ethical concerns internally
- believe that their concerns will be taken seriously and will be investigated

- feel confident that they will not suffer personal reprisals for using internal channels to report perceived wrongdoing.

Organisations were asked how they encourage whistleblowing from staff and authorised representatives, promoting a culture of compliance, honesty and ethical behaviour.

Some organisations said that whistleblower provisions are included in staff policy and procedures or discussed in staff training or meetings. Others reported that although they do not have a formal whistleblower policy, the organisation's culture is one that encourages leadership, transparency and open communication with management. Some organisations also have processes for staff to report breaches or raise issues.

Some smaller organisations commented that a whistleblower policy was not relevant to their context. These organisations suggested that their small teams have strong cultures of trust and best practice, while managers and staff also have detailed knowledge of what occurs across the organisation. Some organisations suggested that compliance processes such as peer file checks or external review were sufficient to identify non-compliance.

Nevertheless, the Committee's view is that all organisations, regardless of size, could benefit from establishing a formal whistleblower policy, not to be confused with mechanisms for staff supervision or monitoring. Such a policy must have the commitment of senior management and be adequately communicated to employees.

Good practice examples

'We have a formal whistleblower policy [...] which enables staff access to an independent resource to action any incident. However, we also encourage staff in the first instance to engage with an appropriate member of staff in relation to any concerns, as we should be ensuring that [...] staff are comfortable in discussing anything.'

'This is something discussed at regular staff meetings, we have whistleblower posters and staff have access to an industry whistleblower call line.'

'Our small office culture is to encourage all team members to play an active part in all clients being totally satisfied with our services. Our open-door policy for our small team ensures that all team members are comfortable with discussing any concerns with management.'

Recommendations

Regardless of the size of the organisation, develop a formal whistleblower policy that:

- includes a clear statement that employees who are aware of possible wrongdoing within the organisation have a responsibility to disclose that information to appropriate parties inside the organisation
 - designates specific individuals or groups outside the chain of command as complaint recipients
 - guarantees that employees who in good faith disclose perceived wrongdoing to the designated parties inside the organisation will be protected from adverse employment consequences
 - establishes a fair and impartial investigative process.
-

Reviewing IDR processes

Like any other part of the business, IDR processes should be part of continuous improvement. Independent reviews are another important mechanism for testing and improving IDR processes. In 2017, the Committee recommended that organisations review their IDR processing standards with a view to achieving best practice, not just compliance with Australian Standard AS ISO10002-2006.

In 2018, 75% of all organisations reported that they had reviewed their IDR process. While most of this group said that reviews are conducted annually, others undertook reviews only on an ad hoc or needs basis.

The remaining 25% of organisations stated that they had not reviewed their IDR processes for best practice. Some organisations suggested that they do not receive enough complaints to necessitate review of IDR processes.

In other cases, organisations had not reviewed their IDR processes because they believe that the organisation's IDR is effective and aligned with industry guidelines or Australian standards, and therefore does not require review. Among this group, one organisation reported that it aims to meet the Australian standard rather than best practice. This approach is not in keeping with the spirit of the Code, which is about doing more than the minimum and engaging in an ongoing process of improvement.

Good practice example

'The compliance framework is benchmarked on best practices and industry peers to ensure that the framework remains relevant to the licensee's overall business strategy.'

Recommendations

Review IDR processes at least annually. Where possible and practical, review should be undertaken by an external independent party. Any incidents should be considered as potential opportunities for improvement.

More specifically, organisations were asked whether they had considered arranging an **independent** review of their IDR processes. Just under half (44%) reported that they had. Such reviews may be undertaken by senior manager or an external auditor, sometimes as part of a general audit. One organisation noted that as its complaints and back-up manager are not client-facing, they were considered independent.

Good practice example

'We are audited (voluntarily) by an external consultant every two years; our IDR processes are reviewed as part of this compliance audit. We also seek external legal advice as required.'

Again, other organisations said that independent review was unnecessary due to a low number of complaints, the size of the organisation, or because existing processes were adequate.

Recommendations

Have IDR processes reviewed:

- by an independent consultant at least every two years (medium and large organisations)
 - by independent senior staff or as part of general audit every two years (micro and small organisations).
-

Conclusions

The Code exists to promote professional competence and a high standard of service among insurance brokers, thereby increasing consumer confidence in the industry. An effective IDR process is fundamental to these goals. By handling complaints and disputes effectively and fairly, insurance brokers can demonstrate that they are accountable to clients. At the same time, organisations can draw on the feedback from complaints to drive improvements to their service.

Addressing non-compliance and risk

Unfortunately, however, the findings of this inquiry show that some insurance brokers' IDR processes fall well short of even basic expectations. In particular, the Committee is concerned that a small number of Code subscribers still lack a documented IDR procedure and do not make complaints information generally available to clients. These organisations are letting down clients and NIBA, while jeopardising the industry's professional reputation. This is unacceptable, particularly given that Committee previously raised these issues in its report on the original 2017 inquiry.

The Committee acknowledges that many small and micro organisations have not yet received serious complaints or faced other major issues. This can breed complacency. However, by delaying action until a major incident occurs, these organisations are exposing themselves and clients to unnecessary risk. This is not good enough.

The Committee will be contacting organisations that are not meeting basic IDR standards to ask how they plan to address their non-compliance. We will also follow up to ensure that change is implemented. The Committee has powers to require corrective action and to impose sanctions, such as ordering an audit and publishing details of the breach, including identifying the organisation.¹² The Committee may consider using these powers if non-compliance is ongoing.

Striving for best practice

Other organisations are meeting their regulatory and Code obligations, but could nevertheless do more to strive for best practice in complaint handling. For instance, most organisations could do more to make the complaints process accessible by ensuring they are prepared to assist clients with special needs. Acknowledging and responding to all complaints in writing is another practice that, while not strictly required, would improve transparency and effectiveness of organisations' IDR.

More broadly, a substantial minority of organisations appear to view IDR processes as 'set and forget', rather than working towards continuous improvement. By adopting broader measures of IDR performance, seeking feedback, and subjecting IDR processes to regular review, organisations can progress towards best practice IDR.

¹² The Committee's enforcement and sanctions powers are set out in Appendix 2.

The future role of the Code

The Committee notes that this inquiry comes at a time of intense scrutiny of the financial services industry. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry recently released its interim report. This detailed report shines a bright light on poor behaviour in the financial services while questioning whether existing industry regulation, including codes of conduct, are adequate 'to identify, regulate and address misconduct and conduct falling short of community expectations' or to provide redress for consumers.¹³

The Committee believes that industry codes do have value. As ASIC Chair, James Shipton, has noted, the financial services regulatory system 'goes beyond formal rules to include norms, industry practice and community expectations'. Codes of practice, when they are effective, encourage and guide best practice, rather than mere compliance with the law. As such, they can play a role in restoring consumers' confidence and trust in the financial services industry.

To achieve this, however, codes of practice must also be subject to review, feedback and improvement. To that end, the Committee will pay close attention to the next phase of the Royal Commission, considering how its findings and recommendations can be applied to the Code. With NIBA having commenced the review of the Code, the Committee will also advocate for the Code to include more powerful enforcement and sanction options where there is a clear failure to improve compliance despite repeated follow-up.

¹³ <https://financialservices.royalcommission.gov.au/Documents/interim-report/interim-report-volume-1.pdf>, September 2018, p. 2.

Appendix 1. About the Code

The Code

The 2014 Insurance Brokers Code of Practice ([the Code](#)) sets standards of good industry practice for the insurance brokers that have agreed to follow its standards when dealing with current and prospective individual and small business clients. The Code is owned and published by the National Insurance Brokers Association ([NIBA](#)) and forms an important part of the broader national consumer protection framework and financial services regulatory system.

The Code contains 12 key service standards that apply to all insurance broking services delivered to individuals and small businesses by Code subscribers across Australia.

By subscribing to the Code, insurance brokers have committed to continuously improving their standards of practice and service in their sector; promoting informed decision-making about their services; and acting fairly and reasonably in delivering those services.

The Committee

The Insurance Brokers Code Compliance Committee (the Committee) is an independent compliance monitoring body established under the Code and the Code Compliance Committee Charter (the Charter). It comprises an independent chair, a person representing the interests of the insurance broking sector and a person representing the interests of consumers (including small businesses). The Code and Charter entrusts the Committee with several functions and responsibilities, including to:

- conduct Own Motion Inquiries into compliance with aspects of the Code
- provide advice to NIBA on training and other activities necessary to assist subscribers to meet their Code requirements.

Definitions

For ease of reference when reading this report:

- 'the Code' means the 2014 Code unless otherwise stated.
- 'consumers' or 'clients' includes individuals or small businesses that are current and prospective customers of Code subscribers.
- 'Code subscribers' means insurance brokers that subscribe to the Code.

Contributions

The Committee would like to thank each organisation that participated in the survey and the Code team who contributed to the publication of this report.

Appendix 2. Sanctions for non-compliance

Remedies of the Insurance Brokers Code Compliance Committee to deal with non-compliance of Code obligations:

Code Compliance Committee Charter

Section 9.2 Reporting to ASIC

The Code Compliance Committee is authorised to report systemic breaches of the Code and instances of serious misconduct by a Code Member to ASIC, with a copy of any such notification also being provided to AFCA and NIBA.

Section 9.3 Determinations by the Code Compliance Committee

The Code Compliance Committee may investigate alleged breaches of the Code by a Code Member and issue determinations and sanctions in accordance with the Code Procedures.[...]

Insurance Brokers Code of Practice Procedures

6. BINDING ORDERS AND SANCTIONS MADE OR IMPOSED BY THE CODE COMPLIANCE COMMITTEE

6.1 The Code Compliance Committee has the power in respect of a breach of the Code (including non-compliance by a Member with a Code Review), to:

- (a) order rectification of the problem procedures;
- (b) order a Code Member to comply with the provisions of the Code or a specified provision of the Code;
- (c) order a Code Member to comply with the provisions of these Code Procedures or a specified provision of these Code Procedures;
- (d) order a Code Member to undertake through an independent and appropriately qualified person an audit of its compliance procedures;
- (e) order a Code Member to publish corrective advertising;
- (f) order a Code Member to undertake, or require their employees or agents to undertake, professional education of a specific type;
- (g) impose a timetable for compliance with the above orders by a Code Member;
- (h) publish details of any non-compliance by a Code Member, including their name and the name of the Company they represent; and
- (i) recommend to NIBA that the Code Member be removed or suspended as a member of the Code and NIBA.

Appendix 3. Online questionnaire

Questions under section 9 of the 2017 ACS dealing with question relating to the IDR process, as follows:

IDR Process

In February 2017 the Committee published its findings following an own motion inquiry into compliance service standard 10 of the Code to establish an IDR process that meets the Code Complaints and Dispute Resolution Process standards. A copy of the reports can be found here <http://www.fos.org.au/custom/files/docs/insurance-brokers-code-compliance-committee-own-motion-inquiry-internal-dispute-resolution-process.pdf>

9. The following questions relate to the recommendations issued by the Committee.

Each question requested to select one response and provide comment. Response options included yes, no and other.

Accessibility

- 9.1 Do you utilise readily available resources to deal with clients who need assistance due to a disability or language barrier?
- 9.2 Have you reviewed your IDR processing standards to achieve best business practice not just compliance with Australian Standard AS ISO10002-2006?
- 9.3 How do you ensure ongoing staff training (including authorised representatives) in complaints handling, such as using team meetings to embed best business practice and a culture of effective complaints handling?

Simplicity

- 9.4 Do you have simple written guidelines and procedures on complaints handling, which can be used as a reference point and benchmark of good industry practice?
- 9.5 Have you considered incorporating feedback from staff (including authorised representatives) and clients to improve your IDR procedures?
- 9.6 Do you provide complaints handling guidance to clients in writing?

Responsiveness

- 9.7 Does all your staff (including authorised representatives) receive regular training in basic complaints handling skills, even if they are not directly involved in the complaints handling area?

- 9.8 How do you provide staff (including authorised representatives) involved in the complaints handling area with support to deal with all different kind of complaints, such as processes to deal with abusive and threatening behaviour, debrief support and follow-up counselling?

Fairness

- 9.9 Have you considered an independent review of IDR processes?
- 9.10 How to you ensure that your IDR processes include a monitoring and reporting process if a major complaint involves an individual employee/authorised representative (such as involvement of the HR department)?
- 9.11 Have you considered including mediation and adjudication techniques in your IDR processes?

Confidentiality

- 9.12 How do you encourage a 'whistleblower policy' amongst staff (including authorised representatives) to promote a culture of compliance, honesty and ethical behaviour?

Complaint outcomes

- 9.13 Does your IDR process require that all complaints receive a response in writing which clearly sets out that the matter has been considered, what the outcome was and what options there are if the clients remain unsatisfied, even if the complaint is resolved?

Recording

- 9.14 How do you ensure that all third parties (such as contractors, loss assessors, loss adjusters, authorised representatives) are aware of and trained in IDR procedures?
- 9.15 What criteria other than timelines are included in your IDR process to set benchmark or performance targets?

Feedback

- 9.16 Over the past 12 months, have you used complaints and compliments on a de-identified and de-sensitised basis to promote your business?
- 9.17 How do you use case studies as a tool for analysis and discussion?

Appendix 4: 2017 recommendations

The following are recommendations published in the Committee's own motion inquiry report 'Internal Dispute Resolution Process'¹⁴, February 2017.

Accessibility

- Utilise readily available resources to deal with clients who need assistance due to a disability or language barrier.
- Use IDR processing standards to achieve best business practice not just compliance with Australian Standard AS ISO10002-2006.
- Ensure ongoing staff training in complaints handling, using team meetings to embed best business practice and a culture of effective complaints handling.

Simplicity

- Even small organisations benefit from simple written guidelines and procedures on complaints handling, which can be used as a reference point and benchmark of good industry practice.
- Big and large organisations should consider incorporating feedback from staff and clients to improve their IDR procedures. Any feedback should be reviewed for potential improvement of the existing IDR procedures.
- Complaints handling guidance should be provided to clients in writing, even if it uses existing resources and templates from other providers (see <http://www.accc.gov.au/consumers/complaints-problems>)

Responsiveness

- Regardless of the size of the organisation, ensure that all staff receive regular training in basic complaints handling skills, even if they are not directly involved in the complaints handling area.
- Provide staff involved in the complaints handling area with support to deal with all different kind of complaints. This should include processes to deal with abusive and threatening behaviour with debrief support and follow-up counselling.

¹⁴ See <http://www.fos.org.au/custom/files/docs/insurance-brokers-code-compliance-committee-own-motion-inquiry-internal-dispute-resolution-process.pdf>

Fairness

- Consider an independent review of IDR processes.
- Ensure that IDR processes include a monitoring and reporting process if a major complaint involves an individual employee (e.g. perhaps involve the HR department).
- Depending on the resources available, give your organisation every opportunity to resolve the complaint through your IDR process by including mediation and adjudication techniques.

Confidentiality

- Encourage a 'whistleblower policy' amongst staff to promote a culture of compliance, honesty and ethical behaviour.

Complaint outcomes

- All complaints should receive a response in writing which clearly sets out that the matter has been considered, what the outcome was and what options there are if the clients remain unsatisfied. This should be done even if the complaint is resolved on the spot to avoid future misunderstanding and to keep a clear record of actions taken.

Recording

- Ensure that all third parties (such as contractors, loss assessors, loss adjusters, Authorised Representatives) are aware of and trained in IDR procedures.
- Include criteria other than timelines in IDR process benchmarks or performance targets (e.g. How many clients remain with the same insurance broker following a complaint).

Feedback

- Use complaints and compliments on a de-identified and de-sensitised basis to promote your business.
- Use case studies as a tool for analysis and discussion.

Appendix 5. Questionnaire results

Responses under section 9 of the 2017 ACS dealing with question relating to the IDR Process.

Total number of responses by organisation category

Category	Micro org	Small org	Medium org	Large org	Grand Total
Definition	Up to 20 full time equivalent staff	21 to 30 full time equivalent staff	31 to 100 full time equivalent staff	Over 100 full time equivalent staff	
Number	194	30	45	17	286 ¹⁵

Accessibility

1. Do you utilise readily available resources to deal with clients who need assistance due to a disability or language barrier?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	76	10	19	10	115
No	60	13	10	4	87
Other	58	7	16	3	84

2. Have you reviewed your IDR processing standards to achieve best business practice not just compliance with Australian Standard AS ISO10002-2006?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	141	22	34	13	210
No	41	7	9	2	59
Other	12	1	2	2	17

3. How do you ensure ongoing staff training (including authorised representatives) in complaints handling, such as using team meetings to embed best business practice and a culture of effective complaints handling?

Text response only

¹⁵ [Some companies included all their associated organisations in their response.](#)

Simplicity

4. Do you have simple written guidelines and procedures on complaints handling, which can be used as a reference point and benchmark of good industry practice?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	188	29	42	17	276
No	6	0	1	0	7
Other	0	1	2	0	3

5. Have you considered incorporating feedback from staff (including authorised representatives) and clients to improve your IDR procedures?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	154	24	31	15	224
No	28	5	10	2	45
Other	12	1	4	0	17

6. Do you provide complaints handling guidance to clients in writing?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	174	27	34	16	251
No	13	3	4	1	21
Other	7	0	7	0	14

Responsiveness

7. Does all your staff (including authorised representatives) receive regular training in basic complaints handling skills, even if they are not directly involved in the complaints handling area?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	153	20	25	11	209
No	30	9	14	2	55
Other	11	1	6	4	22

8. How do you provide staff (including authorised representatives) involved in the complaints handling area with support to deal with all different kind of complaints, such as processes to deal with abusive and threatening behaviour, debrief support and follow-up counselling?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	133	18	28	14	193
No	14	1	3	1	19
Other	47	11	14	2	74

Fairness

9. Have you considered an independent review of IDR processes?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	89	11	16	9	125
No	97	14	26	6	143
Other	8	5	3	2	18

10. How do you ensure that your IDR processes include a monitoring and reporting process if a major complaint involves an individual employee/authorised representative (such as involvement of the HR department)? *Text response only.*

11. Have you considered including mediation and adjudication techniques in your IDR processes?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	62	10	6	11	89
No	113	16	33	6	168
Other	19	4	6	0	29

Confidentiality

12. How do you encourage a 'whistleblower policy' amongst staff (including authorised representatives) to promote a culture of compliance, honesty and ethical behaviour? *Text response only.*

Complaint outcomes

13. Does your IDR process require that all complaints receive a response in writing which clearly sets out that the matter has been considered, what the outcome was and what options there are if the clients remain unsatisfied, even if the complaint is resolved?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	159	24	36	14	233
No	23	6	8	2	39
Other	12	0	1	1	14

Recording

14. How do you ensure that all third parties (such as contractors, loss assessors, loss adjusters, authorised representatives) are aware of and trained in IDR procedures?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	72	16	24	15	127
No	38	4	4	0	46
Other	84	10	17	2	113

15. What criteria other than timelines are included in your IDR process to set benchmark or performance targets?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	96	14	20	10	140
No	44	8	13	3	68
Other	54	8	12	4	78

Feedback

16. Over the past 12 months, have you used complaints and compliments on a de-identified and de-sensitised basis to promote your business?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	34	8	7	4	53
No	152	20	36	12	220
Other	8	2	2	1	13

17. How do you use case studies as a tool for analysis and discussion?

	Micro org	Small org	Medium org	Large org	Grand Total
Yes	117	18	30	13	178
No	35	6	9	1	51
Other	42	6	6	3	57

Appendix 6. Referral agencies for clients needing assistance

	Organisation	What they do	Contact information	Hours
Police, fire, ambulance	Police, fire, ambulance	Emergency response, welfare checks (police)	000	24hrs
Threats of self-harm	Lifeline	Provides access to crisis support, suicide prevention and mental health support services	13 11 14	24hrs
	SuicideLine	Provides suicide prevention – counselling and support, crisis intervention, information for people concerned about suicidal risk in others, and facilitated referrals to services across Victoria	1300 651 251	24hrs
Mental health	SANE Helpline	Provides information about symptoms, treatments, medication, where to go for support and help for carers	1800 187 263	9am - 5pm Monday to Friday
	Beyond Blue	Trained mental health professionals talk to callers about their concerns	1300 22 4636	24hrs
	Griefline	Telephone counselling service provides support to people who are suffering due to the loss of someone or something.	(03) 9935 7400	Noon - 3am 7 days
	Men's Helpline	Professional telephone support, information and referral service, helping men to deal with relationship problems.	1300 78 99 78	24hrs
	Kid's Helpline	Telephone and online counselling service specifically for young people aged between 5 and 25.	1800 55 1800	24hrs

	Organisation	What they do	Contact information	Hours
	Anxiety Recovery Centre Victoria	Provides support, information and referral to mental health care providers, people with anxiety disorders and their families and carers.	1300 269 438	10.00am-4.00pm Monday to Friday
Brain injury, dementia, cognitive issues	National Dementia Helpline and Referral Services	Assistance for people with dementia and their families, referral to other services	1800 100 500	Noon - 3am 7 days
	Brain Injury Association of NSW	Assistance for those with a brain injury and referral for other services.	1800 802 840	24hrs
	Synapse	Acquired Brain Injury support service	07 3137 7400	9am -5pm Monday to Friday
Elder abuse	Seniors Rights Victoria		1300 368 821	
	Elder Abuse Helpline and Referral Unit (NSW)		1800 628 221	
	Elder Abuse Prevention Unit (QLD)		1300 651 192	
	Elder Abuse Information Line (NT)		1800 037 072	
	Advocare (WA)		(08) 9479 7566	
	Aged Rights Advocacy Service (SA)		1800 700 600	
	Elder Abuse Helpline (TAS)		1800 441 169	
Hearing or speech impairment	TTY/Voice	A TTY is a text phone with a keyboard and screen. A person with a TTY can communicate via text (or a mix of text and voice) with an NRS officer, who will	133 677 (local rate)	For more information about National Relay Services, visit

	Organisation	What they do	Contact information	Hours
		communicate verbally with the other organisation.		relayservice.com.au
	Speak and listen	A person with a hearing/speech impairment can talk directly to an organisation, with an NRS officer listening and repeating anything that is not clear. This option might suit a person who can use their own voice or voice output device but can be difficult to understand on the phone.	1300 555 727 (local rate)	
	Internet Relay	An NRS officer can translate a conversation into text via the internet. This option might suit a person who is deaf, cannot hear well or has difficulty using their voice – but they must have an internet connection.	https://internet-relay.nrscall.gov.au/	
Sight and vision impairment		<ul style="list-style-type: none"> • Print communications in font size 16 point or larger. • Mail our dispute form in a larger font. • Lodge the dispute over the phone. 		
Languages	Translating and Interpreter Service (TIS)	The Translating and Interpreting Service (TIS National) is an interpreting service provided by the Department of Home Affairs for people who do not speak English and for agencies and businesses that need to communicate with their non-English speaking clients.	131 450	For more information about TIS visit https://www.tisnational.gov.au/en/Non-English-speakers