

FACT SHEET

Dispute Resolution Schemes

Financial Dispute Resolution

If you have a dispute with a financial services advice or product provider and you have not been able to resolve the issue to your satisfaction with their Internal Dispute Resolution (IDR) scheme, you have several options to have your case heard. It is mandatory for all holders of Australian Financial Services (AFS) Licences and their authorised representatives to have an Internal Dispute Resolution scheme. They are also required to be a member of an External Dispute Resolution (EDR) scheme approved by the Australian Securities and Investment Commission (ASIC).

Dispute Resolution Procedure

Resolving a dispute with a Financial Services Provider (FSP) can take some time. In all cases initially raise the matter through the FSP's relevant IDR service in writing – keeping copies of all correspondence and associated documents.

Explain your complaint or concerns and state how you would like it to be resolved. Depending on the nature of the dispute you should allow up to 45 days for a response. You may choose to negotiate with them further prior to seeking intervention. Should you not receive a response or if you are not satisfied with their response, contact the relevant EDR.

Details of your AFS Licensees dispute resolution schemes can be found in their Financial Services Guide and/or Product Disclosure Statement (PDS).

Registering your dispute

If you have already dealt with the FSP's IDR and are not satisfied with the outcome, request the relevant EDR to deal

with the dispute. They will confirm their contact with the FSP and the FSP's response. The EDR will then assess if they can deal with the matter under their terms of reference and/or rules for example monetary limits.

Handling and resolving your dispute

The EDR will seek to resolve the dispute by mutual agreement using conciliation or negotiation as appropriate. Should this not work they will do a detailed investigation and give their views if this is likely to assist the parties to resolve the matter. Usually they would make a recommendation. If this is not accepted by either of the parties a determination may be made.

If you are still not satisfied with the outcome it is possible to take the matter to the courts.

EDR Schemes

Financial Ombudsman Service (FOS)

Contact Number: **1800 367 287**

E-mail: **info@fos.org.au**

Website: **www.fos.org.au**

The FOS provides a dispute resolution service for consumers and the Australian banking, insurance and investment industries. It seeks to resolve disputes through negotiation, conciliation or determination as fairly and quickly as possible. The service is provided free to consumers and is approved by ASIC.

This publication is intended as a guide only and is not in any way an endorsement of any product mentioned. Readers should not rely on this information alone as a basis for making an investment decision. The Financial Information Desk is an independent organisation funded by National Seniors Australia (NSA) Limited that provides a free independent source of investment information for consumers and works at arm's length from Government and the financial services industry. © This material remains the sole copyright of the National Seniors Australia and may not be reproduced wholly or in part without prior consent. The information contained in this fact sheet is current as of 03/06/15 and is subject to change.

3/26 Bougainville Street
Manuka ACT 2603

Phone 1300 020 110

fid@nationalseniors.com.au

fid.org.au



The disputes FOS covers include banking and finance, general insurance, life insurance, financial planning/advice, stockbroking, investments, managed funds, pooled superannuation trusts, credit, timeshare, estate management and trustee services.

In addition to the Chief Ombudsman there are a number of ombudsmen covering other areas including Banking and Finance, General Insurance, and Investments and Advice. FOS has two panels, the General Insurance Panel and the Investments, Life Insurance and Superannuation Panel. Membership of service providers, the Terms of Reference and information on their dispute resolution process can be obtained from their website.

The Credit & Investment Ombudsman (CIO) Limited

Contact number: **1800 138 422**

Email: www.cio.org.au/contact

Website: www.cio.org.au

CIO also provides an External Dispute Resolution (EDR) service that is approved by ASIC. CIO covers disputes with participating members who operate in a variety of financial service sectors. Members include credit unions, building societies, non-bank lenders, mortgage and financial brokers, financial planners, investment managers, debt services and a wide range of other financial services and product providers.

The aim of the service is to provide consumers with a free and impartial dispute resolution service as an alternative to legal proceedings for resolving complaints with their financial service and product providers.

CIO seeks to facilitate a resolution to disputes between consumers and CIO members who may have breached a law, may not have met the standards of good practice in

the finance industry, may have breached a relevant 'Code of Practice' and/or acted unfairly towards the consumer.

For details of the types of complaints covered by the Credit & Investment Ombudsman service and the process involved, refer to the CIO website.

Superannuation Complaints Tribunal (SCT)

Contact Number: **1300 884 114**

Email: info@sct.gov.au

Website: www.sct.gov.au

The SCT is an independent dispute resolution body which deals with disputes relating to decisions and conduct of trustees, insurers and other decision makers of regulated superannuation funds, approved deposit funds, annuities, life policy funds and Retirement Savings Accounts. It offers a free, 'user-friendly' alternative to the court system.

The SCT has limited jurisdiction when dealing with superannuation related matters. Typical matters include errors in statements, incorrect payments of death benefits, unreasonable delays in payments, miscalculation of payments, misrepresentations of Terms and Conditions of policies, refusal to approve a claim for a disability benefit, conduct in respect of administering the splitting of benefits as a result of a binding agreement or Family Court Order.

The SCT cannot deal with matters relating to management of a fund, employers not making contributions, matters before the courts or matters outside the prescribed time-limits.

Matters relating to a death benefit must be lodged within 28 days. Most other matters must be lodged within a year.

The process is similar to other EDR's however time frame limits for lodging and reviewing complaints can vary. For more information visit the SCT website.

Australian Securities and Investment Commission (ASIC) Infoline

Contact Number: **1300 300 630**

Website: www.moneysmart.gov.au

ASIC's Infoline will provide information about dispute handling schemes which include dishonesty, fraud, unfairness or incompetence by people advising on or selling investments, superannuation, insurance, credit and banking products.

ASIC can investigate and take the necessary steps to prevent illegal actions and ensure consumers' interests in the financial services industry are protected.

The Australian Courts

It may be possible to make a claim through a small claims court or tribunal in your State or Territory although claim limits vary depending on the jurisdiction. Most small claims forums restrict the use of lawyers in order to improve access and reduce formality, costs and time.

If your claim is not satisfactorily dealt with through one of the schemes mentioned in this leaflet or if it falls outside their guidelines, the right to seek legal advice and pursue the matter through the courts is still available. This may of course, be costly.

