

INSURANCE
& SAVINGS
OMBUDSMAN

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The Insurance & Savings Ombudsman ("ISO") Scheme Inc.



www.iombudsman.org.nz

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Dispute Resolution

**The new financial sector legislation is here.
Are you ready?**

Financial advisers must belong to an approved dispute resolution scheme by 1 April 2011.

Take the first step and join the ISO Scheme now.

The ISO Scheme is an independent, approved dispute resolution scheme with over 15 years experience resolving disputes between insurance and savings organisations and their customers. The ISO Scheme can now provide the same dispute resolution service to customers of other financial service providers.

If you belong to the ISO Scheme, your business will be taking the first step towards becoming compliant with the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

Discounts made available for members of some industry/professional bodies.

Please contact membership@iombudsman.org.nz for details.



TEN REASONS TO JOIN THE ISO SCHEME

As an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (the Act), the ISO Scheme offers:

1. **Over 15 years experience in financial sector dispute resolution**

The ISO Scheme has been resolving disputes in New Zealand's financial sector for over 15 years for about 50 participating insurance and savings organisations.

2. **Strong governance, independence and credibility**

The ISO Scheme is an independent, well-established and reputable dispute resolution scheme. We are one of only two industry schemes in New Zealand able to use the term "Ombudsman" under the Ombudsmen Act 1975. That means we must provide independent, accessible and impartial complaints handling to the customers of our Participants.

3. **An experienced Ombudsman and staff**

The ISO, Karen Stevens, and her staff have many years of combined experience and expertise in the financial sector, law and dispute resolution. The ISO and a number of the Case Managers are lawyers, LEADR trained mediators and/or hold other relevant qualifications. Complaints are handled professionally and effectively.

4. **Compliance with the new financial adviser regulation**

Under the Act, entities and individuals providing financial services are required to register on the Financial Service Providers Register www.fspr.govt.nz. For entities, the date was **1 December 2010** and for financial advisers, the date is **1 April 2011**. Prior to registration, you or your organisation must become a member of an approved dispute resolution scheme. The ISO Scheme was approved to provide dispute

resolution services by the Minister of Consumer Affairs in May 2010.

5. The ISO Scheme is an excellent alternative to court action

The ISO Scheme has been set up to resolve disputes, without having to go to court.

Litigation is expensive and in the public domain and can take a long time to resolve issues – there is always a winner and a loser. The ISO Scheme offers a confidential without prejudice settlement process to your customers for free and to Participants at extremely competitive rates. We are looking for an agreed win/win outcome, which will preserve an existing business relationship within about 90 days from the date we are provided with all of the relevant information.

6. A successful track record in early dispute resolution

Research shows that if disputes are resolved quickly and handled well, organisations can save costs and improve relationships with their customers. Our goal is to resolve complaints at the earliest possible opportunity. In most cases, complaints should be resolved by agreement between the parties. The ISO have dealt with over 35,000 complaints enquiries and 4,000 complaints investigations – many of which have been resolved by agreement.

7. No joining fee, competitive annual fee and a simple price structure

The ISO Scheme is free for your customers to use. Participants pay an annual fee and only pay a complaint fee of \$1,000 when a complaint is accepted for investigation. There is no escalation in cost if the complaint has to be investigated because it cannot be resolved by agreement between the parties.

8. Access to quality training resources

The ISO Scheme actively encourages Participants to establish their own internal dispute resolution processes and promotes the skills and training necessary to manage complaints at the front line.

- The ISO Complaints Manual is available for new Participants as part of the registration process. Existing Participants can also request copies.
- Online complaints handling training designed by international expert, Nina Harding, is available at a discount to members, together with ongoing assistance from the help desk at the ISO Office.
- Participants have access to discounted rates for workshops.

9. Processes that work to inform and educate Participants

We have invested significantly in our case management system, which produces reliable and consistent information to inform and educate Participants. We have published all of the investigated complaints from 2000 to 2009 on our website www.iombudsman.org.nz. Participants find these a really useful training tool.

10. A great track record of communication

Here's what a consumer thought who used our service recently: "Excellent response and advice whenever contacted. Always made efforts to understand my concerns". A broker also provided us with this feedback: "It has restored my faith in the industry. I honestly would have questioned my career as a broker if the complaint wasn't upheld". The ISO seeks feedback from Participants and their customers. Our Annual Report is an excellent record of work achieved and examples of the feedback we have received over the year. This can be viewed on our website www.iombudsman.org.nz. A hard copy is available by phoning 0800 888 202.

ISO SCHEME FEES

The ISO Scheme is free to consumers. Participants only pay a complaint fee of **\$1,000 + GST** per complaint when a complaint is accepted for resolution. There is no escalation in cost if the complaint has to be investigated because it cannot be resolved by agreement between the parties.

Participants also pay an annual fee in July of each year, based on the type of services provided and, in effect, the size of the business.

Member category	Base fee*
Individual financial advisers and nominated representatives of a qualifying entity ("QFE")	\$400
Financial adviser business – per financial adviser	\$400
(Maximum cost for 35 or more financial advisers)	\$14,000
Non-financial adviser business - per person	\$400
(Maximum cost for 35 or more full-time equivalent staff)	\$14,000
Insurer (plus levy based on size of business)	\$1,500
Savings organisation	\$7,500
Employment related group superannuation schemes and corporate trustees	\$3,500
Individual trustees of a superannuation scheme	\$400

* All prices exclude GST

Sign up to the ISO Scheme now

If you join the ISO Scheme, you will be one step closer to ensuring you comply with the new financial adviser legislation.

Register online at <http://register.iombudsman.org.nz/> or telephone **0800 888 202** for assistance.

HOW THE COMPLAINTS PROCESS WORKS:

C = Consumer

P = Participant

1. Deadlock

reached by C and P through P's internal complaints process

Yes

2. Submissions

made to ISO by C and P (written and oral)

Yes

3. Check

by ISO Office, to ensure within ISO's jurisdiction

No

File closed

Yes

4. Negotiation and/or Conciliation

resolution reached between the parties by agreement

Yes

File closed

No

5. Investigation

of complaint by Case Manager, including independent enquiries

6. Assessment

written by Case Manager, in consultation with ISO, accepted by C and P

Yes

File closed

7. Recommendation

made by ISO, after review of any relevant new information and further submissions, accepted by C and P

Yes

File closed

Not accepted by P

Not accepted by C

No

8. Award

made by ISO if complaint upheld, accepted by C, but not accepted by P within 1 month of Recommendation

Free to pursue elsewhere

Contact us

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