



**NOTICE FOR THE ESTABLISHMENT OF A COMPLAINTS HANDLING FUNCTION  
WITHIN FINANCIAL INSTITUTIONS**

**NOTICE NO. FCIU/N1/2017/1**

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**1. INTRODUCTION**

- 1.1 This Notice is issued pursuant to section 54 of the Autoriti Monetari Brunei Darussalam Order, 2010 and applies to all Financial Institutions in Brunei Darussalam.
- 1.2 This Notice shall have effect from 1<sup>st</sup> January 2018.
- 1.3 This Notice is issued for Financial Institutions to establish a Complaints Handling function.

**2. DEFINITIONS**

- 2.1 For the purposes of this Notice –

“Complaint” means any oral or written expression of dissatisfaction, whether justified or not from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination, which: -

- i. Alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- ii. Relates to an activity of that Financial Institution, or of any other Financial Institution with whom that respondent has some connection in marketing or providing financial services or products;

“Complaints Handling Officer” means an officer whose duty includes ensuring the Financial Institution’s compliance with this Notice;



“Complaints Handling Unit” means a unit whose duty includes ensuring the Financial Institution’s compliance with this Notice;

“Financial Institution” has the same meaning as Section 2 (1) of the AMBD Order, 2010.

### **3. ESTABLISHMENT OF A COMPLAINT HANDLING FUNCTION**

#### **3.1 Principles behind the establishment of a Complaints Handling Function**

Financial consumers shall be provided with accessible, independent, fair, accountable, timely and efficient means for resolving complaints with regard their financial transactions. Financial institutions shall have in place procedures for complaints handling and redress. This is so financial consumers can have effective recourse to complaints on their financial products and services.

#### **3.2 The Complaints Handling Function**

3.2.1 All Financial Institutions who have more than 30 staff shall establish a Complaints Handling Unit. Financial Institutions who have 30 staff or less shall appoint a Complaint Handling Officer. The Complaints Handling function will be the first stop for customer(s) to lodge complaints against the Financial Institution. If complaints are not able to be resolved by the Financial Institution within six (6) months of first receiving the complaint, only then shall the complainants escalate their complaints to the Autoriti Monetari Brunei Darussalam (“AMBD”), who may direct that the complaint be finally settled through mediation at the Brunei Darussalam Arbitration Centre, if applicable.

3.2.2 All Financial Institutions shall allow complainants to make a complaint by any reasonable means (for example, letter, telephone, e-mail or in-person).



- 3.2.3 All Financial Institutions shall have an Information page which is an accessible summary of information that illustrates how a complaint is handled. The Information page shall be simple and transparent for the customers to understand and utilize.
- 3.2.4 All Financial Institutions shall ensure that there is proper and clear signage that is visible to all of its customers when entering any of its branches, directing them to the Complaints Handling Unit/Officer.
- 3.2.5 All Financial Institutions shall ensure that information on how to make a complaint or feedback is clearly visible: -
- in the Financial Institution’s premises, for example in the form of leaflet; and
  - on their websites, mobile applications or social media platforms.

### **3.3 Process of handling and resolving complaints**

- 3.3.1 The Complaint Handling Unit/Officer shall develop internal policies and practices. The Complaints Handling Unit/Officer shall set a reasonable time frame for handling and resolving complaints, and put in place procedures for –
- Sending an acknowledgement to the complainant within 3 business days from the date of receipt of the complainant’s complaint;
  - Interviewing the client and reviewing the complainant’s complaint;
  - Completing the review of the complainant’s complaint and sending a final response to the complainant



- Sending an interim response to inform the complainant that the complaint is being reviewed, if a final response has not been sent within 14 business days after the date of receipt of the complainant's complaint;
  - Sending to the complainant within 30 working days after the date of receipt of the complainant's complaint –
    - (A) A final response; or
    - (B) A written response informing the complainant of the reasons for the delay in the final response from the Financial Institution, and the client's right to refer the complaint to AMBD;
- 3.3.2 A Complaints Handling Unit/Officer shall establish a process for handling and resolving complaints independently from the unit which the complaint is made.
- 3.3.3 The Complaints Handling Unit/Officer shall establish a process for assessing the merits of each complaint, including criteria for determining when a complaint would be referred to its senior management for assessment and decision-making in relation to the Financial Institution's response to the complaint.
- 3.3.4 The Complaints Handling Unit/Officer shall take appropriate steps to handle anonymous complaints. Even if a complaint is anonymous, as with other complaints, any problem alleged by the complainant and substantiated by evidence shall be rectified as soon as practicable. Section 3.3.1 does not apply where the complainant is anonymous.
- 3.3.5 The Complaints Handling Unit/Officer shall be prepared to deal with complaints lodged by a third party on behalf of the customer, if the latter so chooses. A letter from the customer to the Financial



Institutions authorizing the third party to make a complaint on his behalf shall suffice under normal circumstances.

3.3.6 A Complaints Handling Unit/Officer shall provide to every complainant who has lodged complaint with the Financial Institution, whether in written or electronic form, information on its process for complaints handling and resolution together with its acknowledgement of receipt of the complainant's complaint.

3.3.7 In the event there is an unresolved complaint where the customer(s) want to escalate to AMBD, the Financial Institution shall advise the complainant that he/she may escalate the complaint to AMBD. Upon request from AMBD, the Financial Institution should, submit in writing to AMBD a brief background of the complaint and other related information within 14 working days.

### **3.4 Management system for complaints alternatively "Record keeping of complaints"**

3.4.1 All Financial Institutions shall have in place a standard operating procedure to track and manage complaints received from its clients.

3.4.2 For the purposes of paragraph 3.4.1, all Financial Institutions shall keep documentation of every complaint received, including records of –

- the details of the complaint;
- all correspondence in relation to the complaint;
- all materials and information reviewed by the Complaints Handling Officer in relation to the complaint; and
- the latest outcome of the complaint.



3.4.3 All Financial Institutions shall retain the documentation referred to in paragraph 3.4.2 for a period of not less than 7 years after the date on which the final response is sent to the client who made the complaint.

### **3.5 Monitoring of Complaints**

3.5.1 Financial Institutions shall set up effective procedures to monitor complaints. This includes: -

- maintaining an up-to-date log and records of all complaints subject to the complaints procedure;
- undertaking an analysis of the patterns of complaints from customers on a quarterly basis including investigating whether complaints indicate an isolated or a more widespread issue. This analysis of complaints shall be escalated to the Financial Institution's compliance / risk management function and senior management.

3.5.2 All Financial Institutions shall put in place appropriate management controls and take responsible steps to ensure that they handle complaints fairly, consistently and promptly and that they identify and remedy any recurring, as well as any specific, problem identified by the complaints received.

### **3.6 Half-yearly reports**

3.6.1 A Complaints Handling Unit/Officer shall prepare a half-yearly report setting out –

- A list of complaints received by the Financial Institution during the reporting period;



- A list of complaints which remain outstanding more than 30 business days after the date on which the complaint was received;
- A list of complaints referred to the Authority and forwarded by the Authority to the Complaints Handling Unit/Officer of a Financial Institution; and
- The actions undertaken by the Complaints Handling Unit/Officer to resolve these complaints.

3.6.2 The report referred to in paragraph 3.6.1 shall be signed the Chief Operation Officer or equivalent and lodged with the Authority no later than 30 days after the end of each quarter of each calendar year respectively.

3.6.3 The report referred to in paragraph 3.6.1 shall be lodged with the Authority together with Form [1] as set out at the Authority's Internet website at [www.ambd.gov.bn](http://www.ambd.gov.bn) and any reference to Form [1] shall be construed as a reference to the current version of the Form which is displayed at the website.

3.6.4 Form [1] shall be completed in accordance with such directions as may be specified in the form or by the Authority.

3.6.5 The Authority may refuse to accept Form [1] if it is not completed or lodged in accordance with these Notices.



- 3.6.6 Where strict compliance with Form [1] is not possible, the Authority may allow for the necessary modifications to be made to the Form, or for the requirements of that Form to be complied with in such manner as the Authority thinks fit.

**MANAGING DIRECTOR  
AUTORITI MONETARI BRUNEI DARUSSALAM**

Issue Date: 08 Zulhijjah 1438 / 30 August 2017



**APPENDIX 1**

**FORM 1**

**SUBMISSION OF HALF YEARLY COMPLAINTS STATISTICS UNDER NOTICE NO. FCIU/2017/N1**

Name of Financial Institution:

Reporting period: \_\_\_\_\_ to \_\_\_\_\_

S/No	Description	Statistics
1.	No. of complaints received during reporting period <sup>1</sup>	
2.	Total monetary amount disputed <sup>2</sup> in complaints received (B\$)	
3.	No. of complaints from [1] where a final response was: 1. Sent within 15 business days 2. Sent between 15-30 business days 3. Sent after 30 business days	
4.	No. of complaints from [1] where the complaint was: 1. Resolved <sup>3</sup> within 15 business day 2. Resolved between 15 – 30 business days 3. Resolved after 30 business days 4. Remain Unresolved	
5.	No of complaints from [1] upheld <sup>4</sup>	
6.	Number of complaints referred to the FI/ by AMBD.	
7.	Total monetary amount disputed in complaints upheld in [5] <sup>5</sup>	
8.	Total compensation amount paid out for complaints in [5] <sup>6</sup>	
9.	No. of retail customers as at (dd/mm/20yy)	

<sup>1</sup> The number of complaints is to be tabulated on a “per transaction basis”. For example, where a complainant complains about three different products transacted in a single interaction with a Financial Institution, this shall be lodged as three complaints. This number shall exclude complaints that have been resolved by the close of the next business day following its receipt. For the avoidance of doubt, this number shall include complaints in relation to an interaction with a Financial Institution which did not result in a transaction, or which do not involve monetary disputes.

<sup>2</sup> This refers to the total monetary value of the original principal amounts involved.

<sup>3</sup> A complaint is resolved if the complainant has indicated acceptance of the response to his complaint.

<sup>4</sup> This refers to complaints in which compensation was offered to complainant and accepted by complainant

<sup>5</sup> This refers to the total monetary value of the original principal amounts for complaints upheld.

<sup>6</sup> This refers to amount paid, or cost borne by the financial Institution, and includes amounts paid for distress and inconveniences, goodwill payments and gestures, interest on delayed settlements, and waiver of an excess on an insurance policy.