

**GUIDELINES TO ASSIST WITH THE
INTERNAL DISPUTES RESOLUTION PROCESS**

1. Definitions

Complaint An expression of dissatisfaction made to an organisation, related to its products or services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.

Resolution should be attempted in the first instance by the Lloyd's intermediary responsible for the administration of the policy or the handling of the claim.

Dispute An unresolved complaint.

Review of the dispute should be completed by Lloyd's Compliance Manager.

2. Time frames involved

Complaint Should be resolved within 15 working days of receipt.

If the complaint is not resolved to the customer's satisfaction, reference to the availability of the Lloyd's Internal Dispute Resolution (IDR) process should be made.

Dispute Should be resolved within 15 working days of receipt.

If the issues cannot be resolved within these time frames due to special circumstances, the customer should be kept informed of the progress of the dispute at all times, and reasonable alternative time frames agreed with the customer if these time frames are not sufficient.

If the dispute remains unresolved to the customer's satisfaction, reference should be made to the availability of the Financial Ombudsman Service Limited (FOS) for disputes which are appropriate to be investigated/handled them.

For disputes that fall outside the jurisdiction of the FOS, the insured will be offered other avenues for resolution as appropriate.

3. Availability of the IDR process

It is the responsibility of all managers/team leaders to ensure that their staff are aware of the Complaint/Dispute Resolution procedures.

It is the responsibility of all staff of Lloyd's and its coverholders and their agents to ensure that all policyholders are aware of the existence of the process, and how they can access same.

It is vital that this information is made available to the customer, as soon as it becomes clear that the customer is not satisfied with the initial response received (or lack thereof). Details are contained in the relevant policy booklet, and more comprehensively in the Lloyd's leaflet "**What to do if you have a complaint**".

4. Dispute format

In some cases the customer will be asked by Lloyd's to submit their dispute in writing, accompanied by any documentation that may be relevant to their case. A copy of this will be provided to the coverholder responsible for the complaint during the dispute process, to ensure that all parties to the dispute are clear on the nature and effect of the issues at hand. Where the dispute is oral, the coverholder will be provided with details of the dispute.

5. Administration procedures

When a dispute is received by Lloyd's, it is important to first ensure that the coverholder involved has been given the opportunity to resolve the complaint. Where the complaint has not yet been through the coverholder's own internal review process, the following is to occur:

- (a) the letter (or notes of the telephone call if oral) received from the insured (or their representative) should be forwarded to the appropriate person in the agency concerned with a brief covering note explaining the complaint's origin.
- (b) a short reply is to be sent to the complainant from Lloyd's explaining the IDR procedure of both Lloyd's and it's agents, and advising that the complaint will be dealt with by the coverholder under their internal review procedure.
- (c) The coverholder should review the file and respond to the insured, making reference to all issues raised by the insured. If the insured and the coverholder remain in disagreement, Lloyd's leaflet "**What to do if you have a complaint**" should be provided, and reference to it made in the response letter.

Where a complaint has been unsuccessfully dealt with through the coverholder's internal review process, the following procedures should be adopted by Lloyd's:

- (a) The customer will be sent a holding reply, advising that the matter will be investigated, and that the customer will be advised of a resolution within an appropriate time frame.
- (b) A copy of the dispute is then sent to the coverholder with a covering letter requesting a copy of all relevant documents, along with a summary of the file and the coverholder's position on the complaint.
- (c) When the relevant notes are obtained from the coverholder, Lloyd's shall complete a review of the file (similar to that carried out previously by the coverholder) to ensure that all aspects of the file are in order, and no breaches of the Code or the Privacy Principles are evident. If the dispute relates to a claim, this review ensures that the position in respect of the claim is correct.
- (d) The customer is responded to accordingly, and where the insured remains dissatisfied, information on how to refer the matter further is provided. The leaflet provided to the insured at this stage outlines how to approach the FOS for a further review, and explains that the insured has the right to refer any matters relating to:

Disputes - Financial Ombudsman Service Limited (FOS)

Privacy breaches - Privacy Commissioner's Office (PCO)

Code breaches - Financial Ombudsman Service Limited (FOS)

There will be exceptions as to who can be referred, as all three external bodies limit what can be referred, either by quantum, class of contract or type of insured.

A copy of the response from Lloyd's to the insured will be forwarded to the coverholder to complete their file.

6. And if a breach of privacy or the Code has occurred?

The coverholder must take all reasonable steps to ensure that any individual staff members or agents involved are aware of the breach, the actions that led to the breach, and the steps that should be taken to avoid a similar situation in the future. Where appropriate a general reminder to all staff or agents acting in a similar capacity may be issued regarding appropriate behaviours in these types of situations.

Where a privacy breach has been established by the Privacy Commissioner's Office, they may recommend that the insurance company involved take remedial steps, which may include:

- An apology
- Action in relation to the individual case
- Where appropriate, compensation

Where these recommendations are not fulfilled, sanctions/fines may be imposed.

Where a Code breach has been identified by the Code Compliance Committee, the Committee may recommend that specific steps be taken to prevent the breach from reoccurring.

If the Committee forms the view that Lloyd's and/or it's agents/coverholders have not take reasonable steps to ensure that procedures are implemented to prevent the breach from recurring, it may take action to impose sanctions on Lloyd's.

7. If an unfavourable decision is received on a claim?

If a dispute is heard under the FOS Scheme, and a decision is made in favour of the insured the claim is paid promptly in accordance with the determination set down by the FOS.