

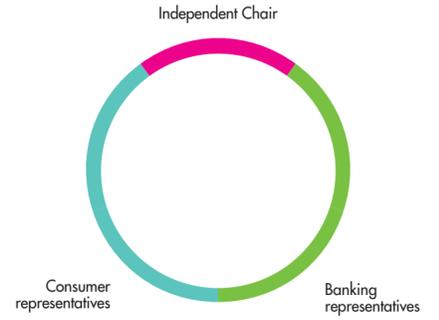


better banking



A strong credible dispute prevention and resolution system is vital to a healthy banking sector.

We're independent



We are free to consumers and levy a charge to banks.

Our work at a glance

Cases
3972

Enquiries **1263**
Complaints **2565**
Disputes **144**

14%
Increase in cases

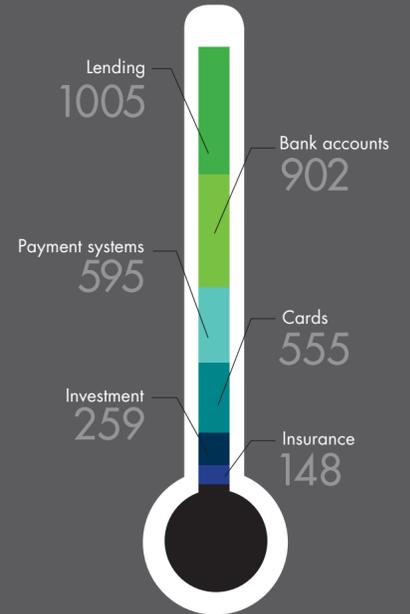
Faster resolution times

Complaints **97%** Resolved within 2 days

Disputes **11%** Faster resolution (53 days average)

We help thousands of New Zealanders with their banking problems each year - from requests for information, to helping resolve things with their bank, through to formal investigations.

Main problem areas



case study

Call should have raised doubts

Sarah got hold of her friend Ana's phone banking password. She called the bank and managed to get past security questions, using vague answers.

Despite this, and concern that Sarah sounded much younger than Ana's recorded age, the staff member agreed to Sarah's request to reset Ana's internet banking password. Sarah then accessed Ana's accounts and stole \$5,000. The bank said Ana caused the loss by failing to keep her password safe.

We looked into whether the nature of Sarah's phone calls to the bank should have raised sufficient doubt that Sarah was not who she said she was. We thought the bank should not have allowed her to change the password in those circumstances. We advised the bank to meet Ana's entire \$5,000 loss.

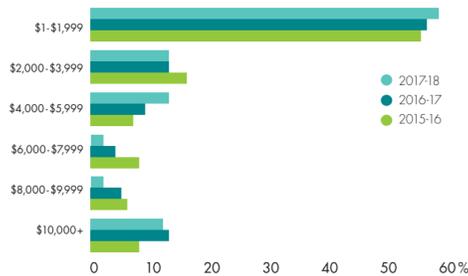
We got fair outcomes for customers and improved bank practices.

"I just wanted an apology from the bank. When it came, along with a gift basket, I was delighted."

Outcomes



Financial compensation



Trends

Bitcoin	70%
Binary options	50%
Fraud - scams	37%
Mistaken payments	32%
Credit card chargebacks	28%
Early repayment charges	-87%
Mortgage sale process	-14%
Loan to value ratio	-13%

More favourable outcomes for customers

8%
on last year

Scams

We saw a rise in scam cases this year, so acted quickly to protect other bank customers.

We shared insights with banks, government agencies and the telco sector, presented to consumers, and profiled our cases in news and social media.

Cases by bank

Scheme participant	Received Enquiries	Received Complaints	Received Disputes	Total	% of our cases	% of total assets ^A
Large^A						
ANZ Bank NZ	70	578	32	680	17	30.7
ASB Bank	73	378	21	472	12	18.7
BNZ	52	338	14	404	10	18.7
Westpac NZ	72	454	45	571	14	18.6
Medium^A						
Citi NZ	1	0	0	1	<1	0.4
Heartland Bank	96	75	3	174	4	0.8
HSBC NZ	11	6	0	17	<1	1.2
Kiwibank	108	443	18	569	14	3.9
Rabobank NZ	5	6	1	12	<1	2.9
SBS Bank	80	49	4	133	3	0.8
The Co-operative Bank	10	47	0	57	1	0.5
TSB	5	40	5	50	1	1.4
Small^A						
Bank of Baroda NZ	0	3	1	4	<1	-0.3
Bank of China NZ	2	0	0	2	<1	0.3
Bank of India NZ	1	0	0	1	<1	-0.3
China Construction Bank NZ	0	1	0	1	<1	0.3
ICBC NZ	0	1	0	1	<1	0.3
Nelson Building Society	6	5	0	11	<1	-0.3
NZCU Baywide	2	9	0	11	<1	-0.3
Bank not specified*	669	132	0	801		
Total	1263	2565	144	3972	100	

"The person we were dealing with was absolutely brilliant. After not having any response from our bank for months, to have it sorted within hours was the best response we could have asked for."

^A Participants are classified according to total assets at 31 December 2017 as verified by participants in May 2018.

* Includes calls about non-participants.



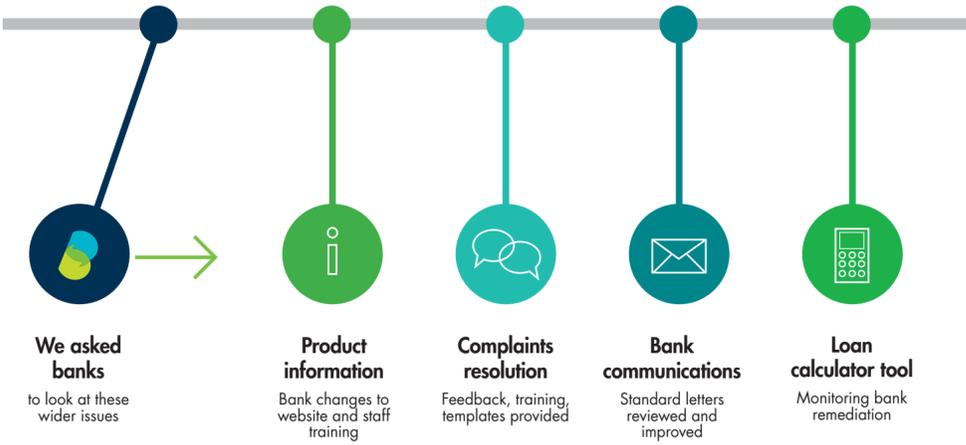
Making better banking

"At the end of the day for me, it's simple. We had an outside organisation look at the situation at hand, and deal with it professionally from start to finish. We were able to put the matter to rest. It was done and dusted. We were able to move on." - Graham

For more information
0800 805 950
bankomb.org.nz

Acting on wider issues

When we see an issue that could affect other bank customers, we act on it to improve the system for everyone.



Raising awareness in our community



- Social media followers up
- New Instagram @Ombuddies
- National Building Financial Capability Charitable Trust (10 hui around New Zealand for budgeting services)
- Ngāi Tahu Hui-ā-iwi
- Webinar for Citizens Advice Bureaux with other financial dispute resolution schemes
- News media engagement up
- Presentations around New Zealand

"Having the Ombudsman look at the issue completely objectively, from the outside, from the customer's point of view is an enormously valuable reality check."

accessible

Sharing our insights

Resolving banking problems is our core task, but we have a wider role to play in preventing problems by sharing our insights from our cases.

We do this in various forms

- Case notes and Quick Guides on our website
- Monthly insights to improve bank practices
- Alerting stakeholders to trends and developments in the sector

Quick Guide snapshot

Children's accounts

Parents have a crucial role in setting up and running their children's accounts, but their offspring have rights, too.

Children don't have unrestricted use of bank accounts. Nor are they free to open bank accounts on their own. To do that, they need an adult's involvement. The role of adults (usually the parents) is to decide what type of account would be best for the child. They also decide who can have access to the account.

The rules governing who can operate an account are set out in a document called an account mandate (also known as an account signing authority). An account mandate spells out who has access to an account and how that access will work. Parents may decide they alone will have access to the account. Or they may decide to operate the account jointly with the child. Or they may choose to give the child (depending on age) sole access.

We sometimes receive complaints from parents concerned that their child has been able to access an account without their knowledge or authority. We also receive complaints from one parent that the other (usually estranged) parent is operating their child's account in a way the first parent does not approve of. In such cases, we check the account mandate because it records the parent or parents' intentions at the time of the account's opening about how the account is to be used.

Read the full guide on our website



Banking problems?



We built a new website and visits went up

"I'd heard of the Banking Ombudsman through the radio maybe so I googled it, and you've got this cool website and you have case notes and I thought, let's ring!"

42 Quick Guides

39% of complaints received online

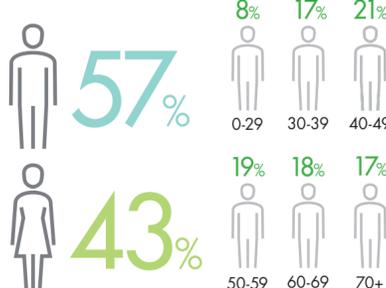
153,312 Website users ^{6%}

10 Languages

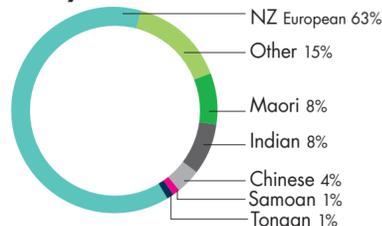
"I just felt listened to, I'd recommend the Ombudsman to anyone."

80% Customer satisfaction

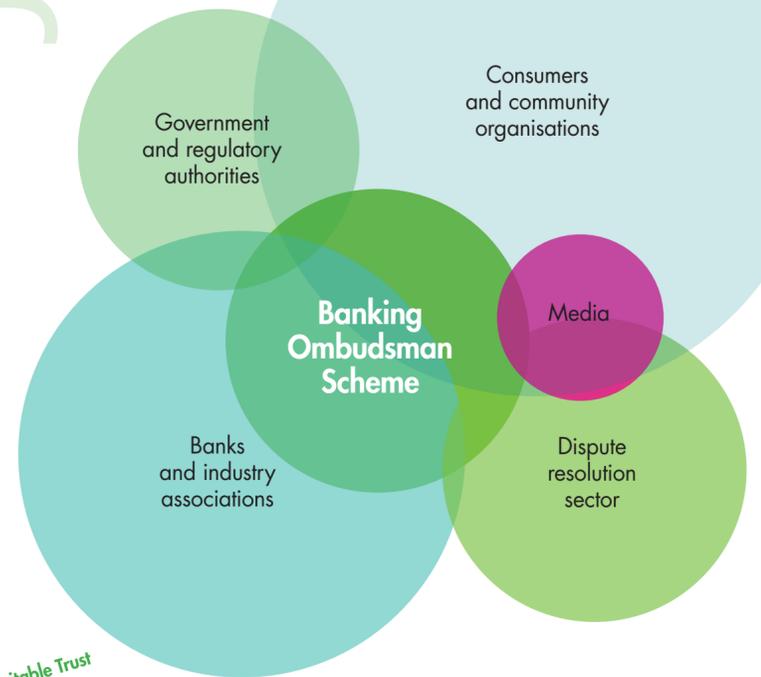
Who uses us



Ethnicity



Who we interact with



Promoting high standards of conduct

- consumers first
- robo advice
- simplifying terminology
- clear disclosures
- tailored advice
- select committee
- transparency
- financial services code
- misuse of register
- dispute resolution rights
- RBNZ dashboard
- Code of Banking Practice

Unfair for bank to hold money so long without interest

case study

Kate and her husband Kevin received funds from the Earthquake Commission while in the middle of separating. Each gave the bank conflicting instructions about what to do with the funds.

Kate wanted the funds used to reduce their loan, while Kevin wanted the funds invested in a term deposit. The bank kept the funds in a holding account until the separation was complete, which ultimately took 18 months.

Their separation agreement said Kevin would sign over his share of the property and insurance funds to Kate. Kate believed the bank should have acted on her instruction because she would eventually become the sole owner of the property.

We thought it was reasonable that the bank did not act on either person's instructions in a relationship dispute. However, there were other options the bank could have explored to ensure the funds were providing some benefit in the interim, but without taking sides.

For example, if the bank had put the funds into a savings account or used the funds to offset interest on the loan, Kate would have been better off. The bank agreed to compensate Kate as a result of our involvement. Given her difficult circumstances, the bank decided the more generous offset option was the fairer.

"Well done for your persistence on my behalf... it worked and I received a fair amount of compensation."