

LIGHTHOUSE OF FAIRNESS

We want to provide a
culturally responsive service
and have developed a cultural
capability programme.



What happened

5,590
cases received

Working together



“
Very easy to work with.
Fast reply. Professional
and empathetic.”

CASES BY
BANK



WHISTLEBLOWING



Manaakitanga:
Respect



Sharing our experience



We exceeded our
timeliness measures
and maintained strong
levels of customer
satisfaction.

Nicola Sladden
BANKING OMBUDSMAN

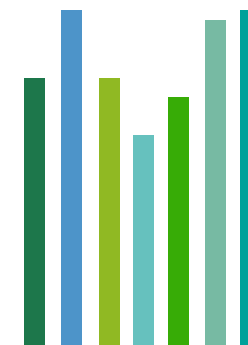
FINANCIAL
HARDSHIP



SCAMS 43%



YOU'VE BEEN
SCAMMED
BY NIGEL LATTA



Seeing the bigger picture

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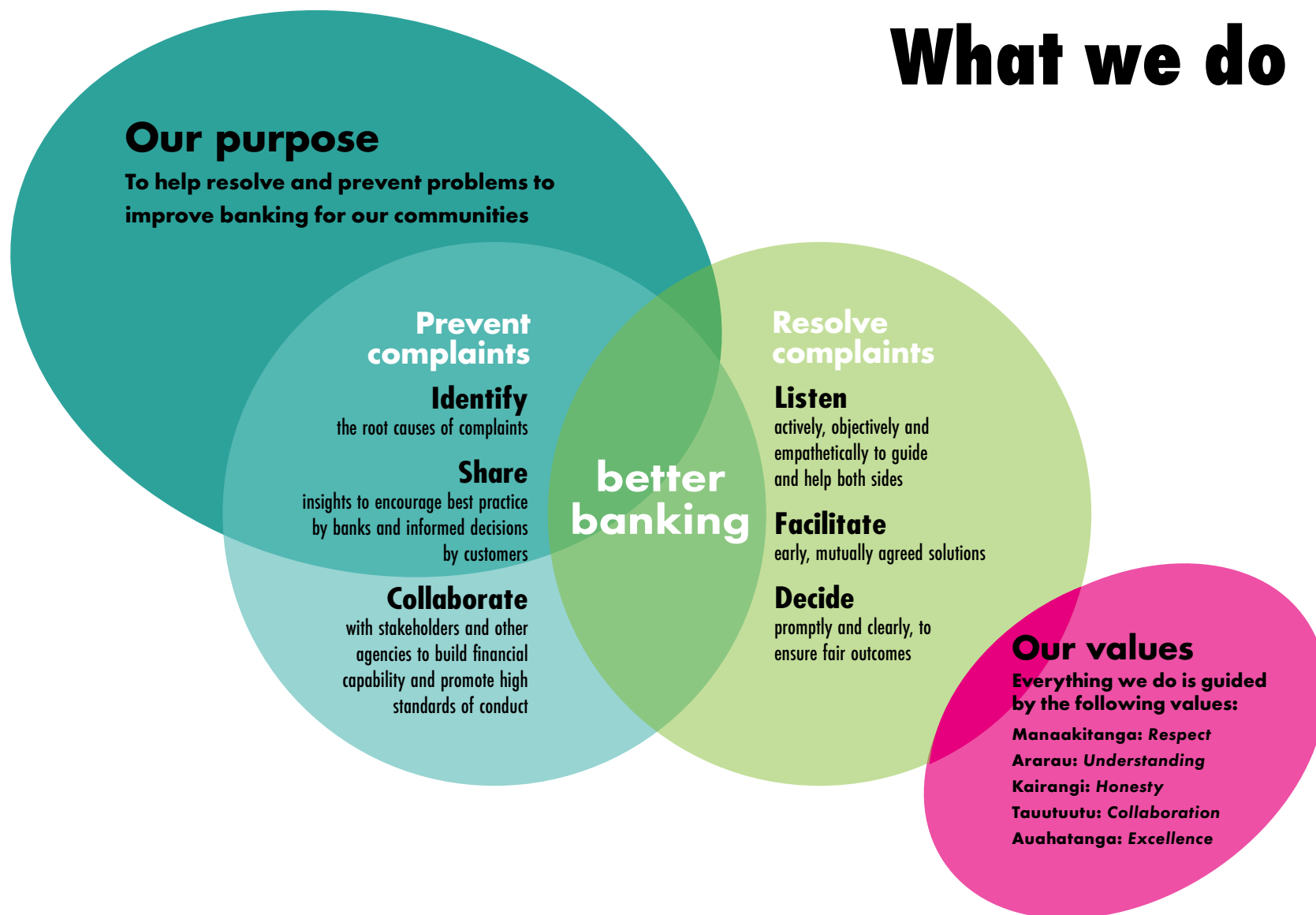
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[The financial statements are available on our website.](#)

What we do



What happened in 2022-23

Cases received

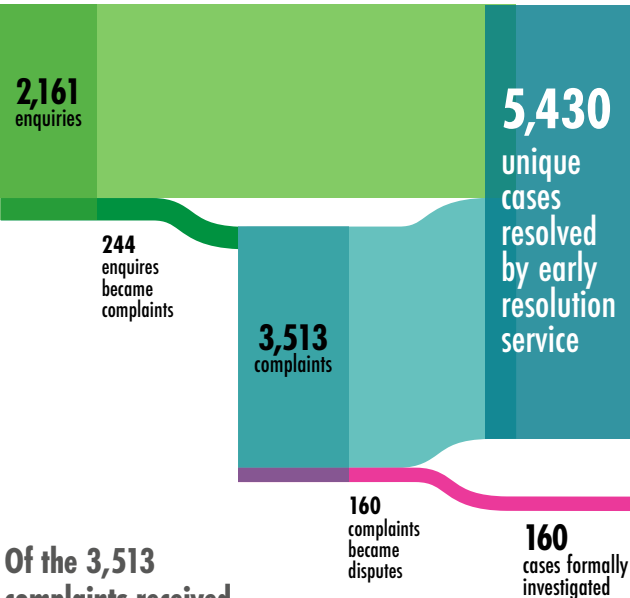
5,590

Overall caseload

19% ↑

Enquiries 40% ↑
Complaints 9% ↑
Disputes 36% ↑

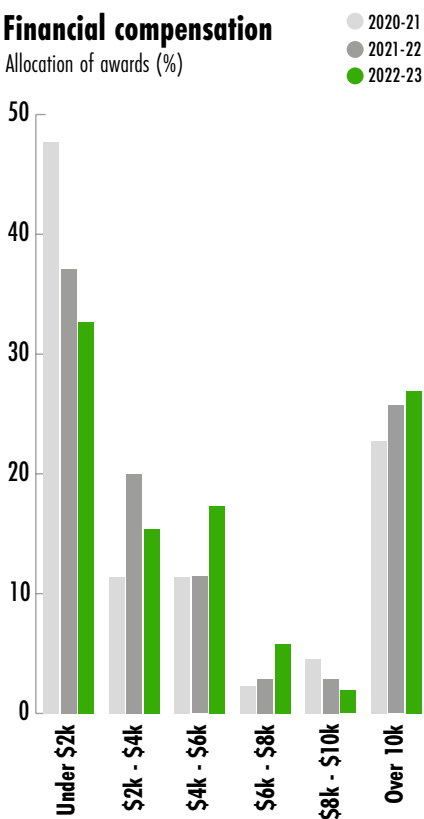
95%
of complaints were resolved through
our early resolution service.



Of the 3,513 complaints received, we needed to formally consider only 5%.

Financial compensation

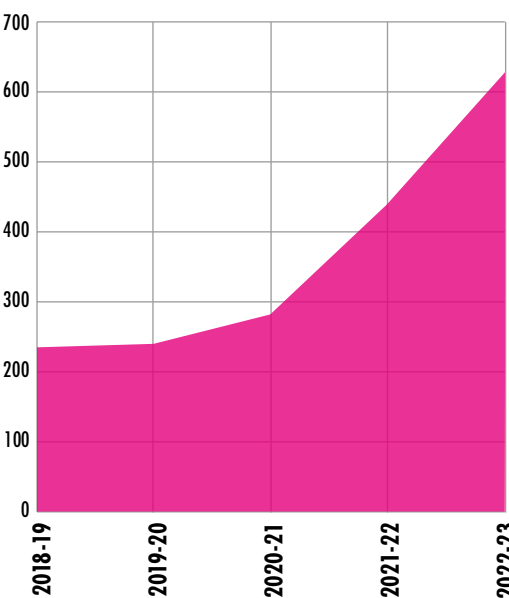
Allocation of awards (%)



\$679,000*
in compensation

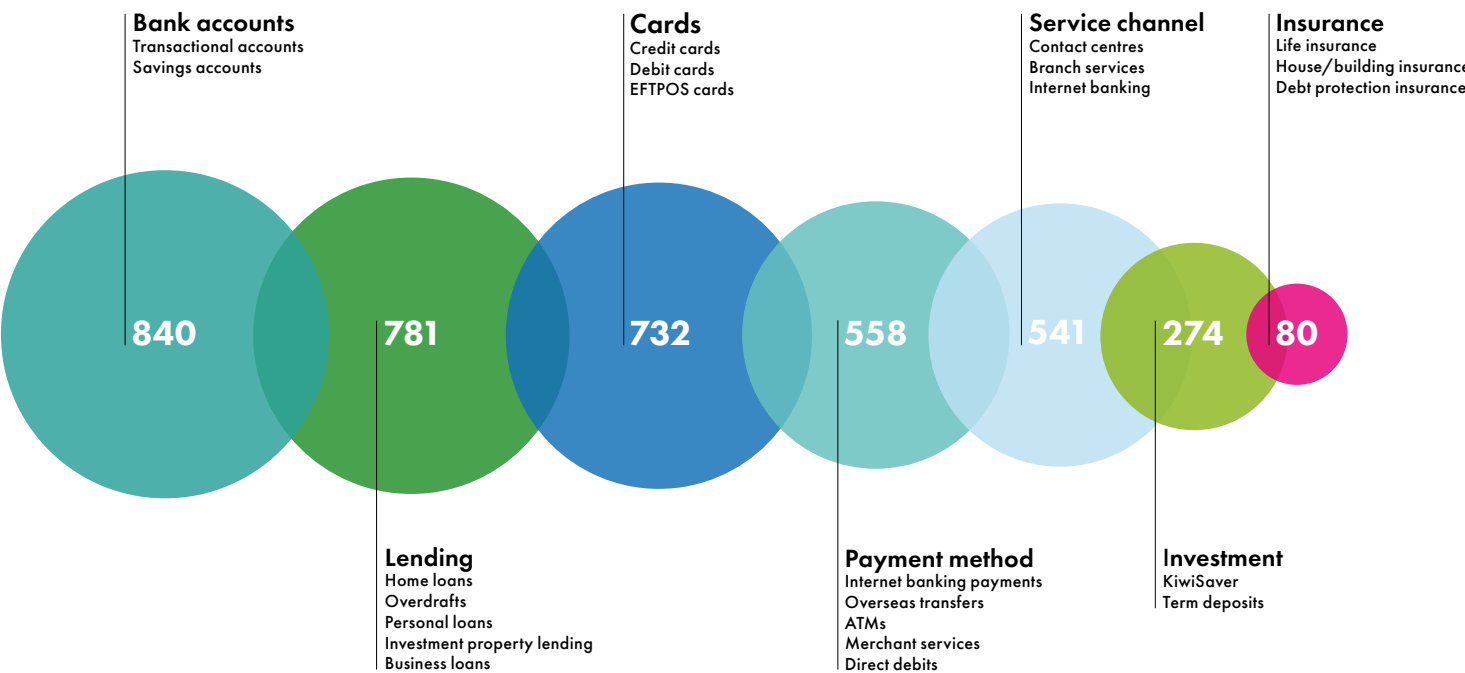
* This figure does not include compensation paid by banks through our early resolution service.

Scam complaints on the rise



28% of all scam complaints involved phishing.
32% of all investigations related to scams, with an average loss of \$57,000.

Top complaint areas



95% of complaints responded to within one working day.

81% customer satisfaction with our service.

89 complaints were fast-tracked because customers were in financial difficulty.

From the chair



This year was a busy and demanding one, but I am pleased to report we rose to the challenge and performed extremely well, particularly in light of the heavier caseload we faced and the stretched resources at our disposal.

Scams were a dominating feature of the year. The number of scam-related complaints has been steadily rising, and this year was no exception. The topic generated wide public and media interest, and we added a useful voice to public debate on the matter through a sector-funded documentary series about scams fronted by television personality and clinical psychologist Nigel Latta.

The series is just the beginning of what should be a more co-ordinated and unified approach by the banking industry to preventing scams and resolving scam complaints. I am proud that, with the support of banks, we are working on short-term and long-term initiatives to prevent scams.

One exciting possible initiative involves establishing an anti-scam centre along the lines of one set up in Singapore a few years ago. It comprises representatives from different stakeholders and acts as a nerve centre for investigating and

disrupting scams. In its short time up and running, the Singapore centre has proven its worth as a bold and practical way of clamping down on the scourge of scammers.

Another highlight of the year was the completion of a review of our strategic framework to ensure we are using our resources as effectively as possible to achieve our resolution and prevention goals. Part of this review included developing a te reo name and values framework. Our te reo name, Te Whare Rama Tōkeke, or lighthouse of fairness, refers to our shining a light to guide banks and customers to fair outcomes. And on the question of fairness, it was pleasing to see the results of an audit by consultant Steven Townsley from the United Kingdom, showing that, based on a sample of formal decisions, we were reaching fair outcomes for complainants and banks.

More generally, we made excellent progress during the year in all of our strategic priority areas. I want to thank board members and staff for all their efforts throughout the year, and I am confident we will see the same high levels of resilience and innovation in 2023-24.

Miriam Dean CNZM KC | Independent Chair

We developed a te reo name and values framework, Te Whare Rama Tōkeke, or lighthouse of fairness.



From the Banking Ombudsman



I am proud to say we have achieved a great deal this year in advancing our objectives of helping to resolve and prevent banking complaints. Our case load was up 19 per cent on last year, and scam-related complaints were up 43 per cent.

The growing sophistication of scams and the losses caused by them are matters of continuing concern to us. We are seeing scams resulting in significant losses in excess of our financial limit of \$350,000.

Phishing and investment scams predominated. An emerging feature was the use of cryptocurrency platforms to gain access to funds. To prevent scams, we collaborated with government agencies, banks, consumer groups, regulators and the media. We also commissioned a documentary series to raise awareness of scams. To help banks understand their obligations to scam victims, we provided training and guidance on our approach. The other notable feature of our caseload was the rise once more of property lending-related cases. Most were about interest rate increases and related bank service and communication.

Among the highlights of the year were the completion of a review of our strategic framework, including developing a new name and revised values framework; the realignment of our organisational structure and resources with our strategic priorities; and an independent audit of the quality of our casework. We also improved the way we collect demographic information and began using various tools and technology to extract more insights from our cases. Continuing work of note included our cultural capability programme and liaison with various agencies to raise awareness of our service and support vulnerable consumers. Throughout all this, we still managed to exceed our timeliness measures and maintain strong levels of customer satisfaction.

I am thankful to our chair and board members for their guidance and support. I also wish to thank all staff for their skilled efforts and dedication, without which we would not have made such significant progress this year.

Nicola Sladden | Banking Ombudsman

We aim to provide an innovative and responsive service, and are continually striving for excellence.



Our values

Everything we do is guided by the following values:

Manaakitanga: Respect

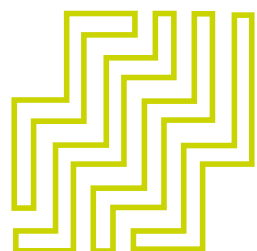
We work in a mana-enhancing way.



Kaokao symbolises the ribcage of warriors and the embrace of mother earth (Papatūānuku) and represents protection.

Ararau: Understanding

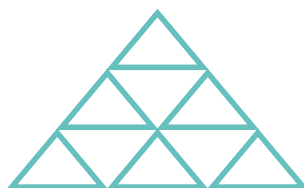
We strive to understand the perspective and circumstances of each person we work with.



Poutama symbolises the pursuit of knowledge, understanding and different levels of advancement and growth.

Kairangi: Honesty

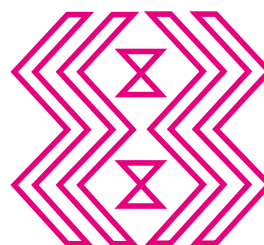
We are honest and fair and act with integrity.



Niho taniwha represents strength and stability. The repetitive pattern symbolises a chief's lineage, stories, histories and myths passed down over time.

Tauutuutu: Collaboration

We work in a collaborative way to ensure fair and timely results.



Waharua/Waharua kōpito represents bravery, collaboration and reciprocity.

Auahatanga: Excellence

We aim to provide an innovative and responsive service, and are continually striving for excellence.



Mangopare means hammerhead shark and symbolises strength, leadership, courage and tenacity. It is said all artistic pursuits come from the realm of Tangaroa.

These values were developed in partnership with Laidlaw Law and Consultancy.

Sharing our experience



Effective complaint handling

A payments glitch over Christmas affected thousands of customers, causing many accounts to go into unarranged overdraft.

More than half of all banking complaints in January (7,000+) were caused by this single issue.

We co-ordinated a response to the influx of customer complaints.

We held workshops for bank staff to share best-practice guidance for effective complaint handling.



Supporting those in financial difficulty

As the cost of living continued to rise, the number of customers experiencing financial difficulty kept growing.

Our fast-track process allows struggling customers to quickly resolve their complaint with the bank. We helped 89 customers in this way, and, for two-thirds of such customers, we provided help the same day they contacted us.

We provided banks with an up-to-date practice note setting out how to comply with their obligations when undertaking debt collection.



Promoting access to banking

We continued to hear from customers and advocates about the difficulty in accessing banking services.

We encouraged banks to review their policies for providing banking to vulnerable consumers and non-profit organisations.

We shared insights with government departments and regulators, and contributed to the development of the Te Ara Ahunga Ora Retirement Commission's [De-jargoning Money glossary](#).



Preventing scams


Scams made up nearly one in five of all complaints we received – a trend that is likely to continue as fraudsters use increasingly elaborate methods to trick consumers.

We engaged with the Minister for Commerce and Consumer Affairs, the New Zealand Bankers Association and bank CEOs to encourage an industry-wide response to scams.

We identified that scammers were exploiting poorly worded bank two-factor authentication messages. We recommended banks do more to prevent losses and protect customers by making their wording clearer.

100%

of surveyed banks reported that our insights, quick guides and case notes were useful.

17% 
increase in
media mentions

Customer acted reasonably when duped by fake bank website

Joyce received a text purportedly from the bank saying it had detected an unusual payment attempt on her new card and asked her to click on a link in the text if it wasn't her. She clicked on the link, which took her to what looked like the bank's log-in page where she entered her username and password. She then received a text and email from the bank containing codes. She was prompted to enter the codes into the bank website.

The next day, the bank contacted Joyce about unusual payments from the account linked to her card. A scammer had set up the bank's mobile app on another device and withdrawn \$28,505. The bank recovered only \$4,490. Joyce asked the bank for the difference, but it said she had breached the terms and conditions of her account by disclosing her username and password, and also the codes to allow the scammer to set up the mobile app.

Banks must reimburse unauthorised online transactions unless customers have been dishonest or negligent, breached the terms and conditions of their accounts or cards, or failed to take reasonable steps to protect their banking – something the bank said Joyce had done. However, Joyce did not know she had disclosed her username and password to the scammer, and nor did she intend to disclose them to anyone other than the bank on its website. She genuinely believed she was giving the authorisation codes to the bank, and there was nothing suspicious about the website that would have alerted a reasonable customer to the fact it was a fake.

We did not consider Joyce had acted negligently or breached the terms and conditions of her account by entering her details and the codes into the fake website. Also, the bank's text and email warnings against sharing the codes were not sufficiently explicit. The bank paid the remaining \$24,015.

[Read the whole case note](#)

Bank customers are entitled to a refund of unauthorised payments unless they have not taken reasonable care.



Documentary series tackles hot topic of scams

A steady rise in complaints about scams over the past few years prompted us to think hard about how we could help combat a problem that is conservatively costing New Zealanders at least \$200 million a year.

After consulting banks, we decided that raising public awareness of scams was the most effective immediate step we could take. And the best way to do that, we concluded, was to produce a television show on the topic. Fourteen scheme members agreed to help us finance a four-part series fronted by media personality and clinical psychologist Nigel Latta, entitled *You've Been Scammed By Nigel Latta*. Banks and other stakeholders provided a range of ideas about what scams could be explored in more detail, and they also passed on story leads for the show's producers at Ruckus Media. Nigel brought an informative and authoritative voice to the topic, showing how scammers exploit human psychology and modern technology to steal people's money. He also set up his own experiments to illustrate people's susceptibility to scams and offered plenty of tips on how to foil scammers. The series aired in July 2023 on TV1 reaching 1.1 million viewers and continues to reach more viewers on TVNZ+. We're confident the series will give many New Zealanders the skills to slow this modern-day scourge.

YOU'VE BEEN SCAMMED BY NIGEL LATTA

A portrait of Nigel Latta, a man with grey hair and a beard, wearing a dark shirt, looking slightly to the side.

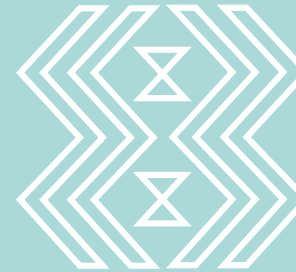
1 million⁺
views of the series

#2 rating
on debut episode

Working together

We worked with a wide range of stakeholders, community, industry and government agencies to improve banking and financial capability for all New Zealanders. The Ministry of Business, Innovation and Employment's Consumer Awareness survey showed that we continued to be the most well-known financial dispute resolution scheme. Awareness of our scheme was up to 46 per cent and we remain focused on strengthening that public awareness. To do that:

- We introduced and monitored a requirement for all banks to have information about our service and complaints procedures available through their websites and apps.
- We partnered with another dispute resolution scheme to hold focus groups in harder to reach communities to better understand how to connect with them.
- We met regularly with financial mentors to strengthen relationships and better understand the issues facing them and their clients.
- We worked with the other financial dispute resolution schemes and the Commerce Commission to provide training about responsible lending for financial mentors and lenders.
- We continued to work with our consumer advisory group to identify and address banking issues affecting vulnerable consumers.
- We supported Community Networks Aotearoa's research and report into improving banking for the non-profit sector.



We are working to improve our awareness in those communities that need us most.



Bank failed to disclose effect of default despite customer's rating concerns

Sawyer came to New Zealand in 2019 on a student visa and got a job and a personal loan. In 2022 he had to return overseas to deal with a family illness. Before leaving, he called the bank to ask whether it could extend the term of his loan, which would make repayments easier. He said – correctly – that he had been very conscientious about repayments, adding that he needed to maintain his credit rating for his permanent resident visa application and his finance sector work. The bank said his only option was to make a hardship application, but Sawyer pointed out this would affect his credit rating. The bank suggested he miss his next payment of \$280, so another team at the bank could look at his situation. He did as suggested and a member of the second team contacted him to agree to a repayment plan.

He immediately paid \$200 and agreed to repay the remaining \$80 over five months. He returned to New Zealand to learn his rating with credit agencies had fallen because the bank had reported his loan as overdue until he had repaid the \$80. He complained that it had not told him it would consider his loan as overdue while he repaid the \$80 or that it would report this fact to credit agencies.

The bank should have clearly told Sawyer the arrangement would mean his loan would show as overdue on credit reports until the \$80 was repaid. We found it had failed to do so, despite him being clear about his desire to keep a clean credit rating. The bank sent him a letter about the repayment arrangement, but this, too, made no mention of the impact of the arrangement. The bank corrected his credit rating and gave him \$3,000 for the stress and inconvenience it had caused.

[Read the whole case note](#)

He returned to New Zealand to learn his credit rating had fallen because the bank had reported his loan as in arrears.

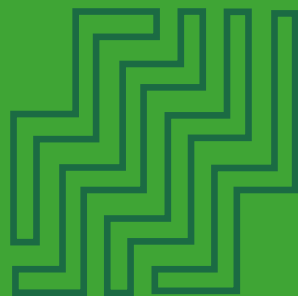


Seeing the bigger picture

Our industry-wide complaints dashboard provides insights into common banking problems. We use data from the dashboard to identify problem areas and highlight to banks how to improve banking for customers. This year, we welcomed two new members to the dashboard, the China Construction Bank and Unity Credit Union.

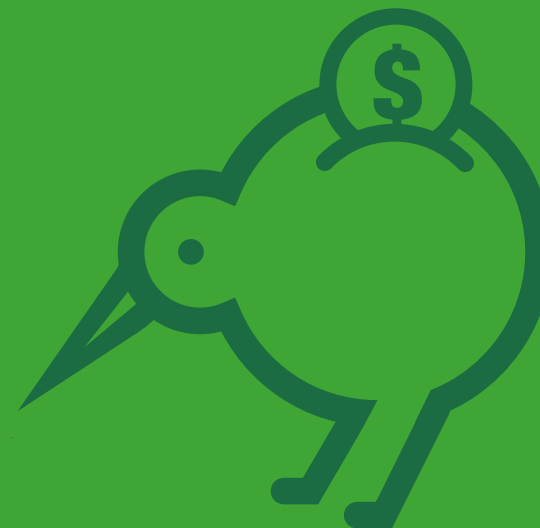
Key dashboard facts:

- Banks received 102,705 complaints in 2022-23. This was a 10% increase on the previous year.
- 22% of complaints were about lending.
- Banks received 4,828 complaints about unfair or excessive fees and interest rates.



Banks use complaints data to respond to emerging issues. One bank identified a pattern of complaints about call centre waiting times. It streamlined how it identified customers calling in, plus improved its self-service and callback options. Coupled with increasing staffing, these changes halved the bank's call centre complaints.

New Zealanders felt the pinch during the year as the cost-of-living crisis continued. We saw problems with KiwiSaver withdrawals grow as customers increasingly relied on these funds to get by. Complaints often stemmed from what complainants regarded as unfair guidelines governing KiwiSaver withdrawals, or from withdrawal applications taking too long. We believe this trend will continue as economic conditions worsen, and we have encouraged banks to streamline and simplify their KiwiSaver withdrawal processes.

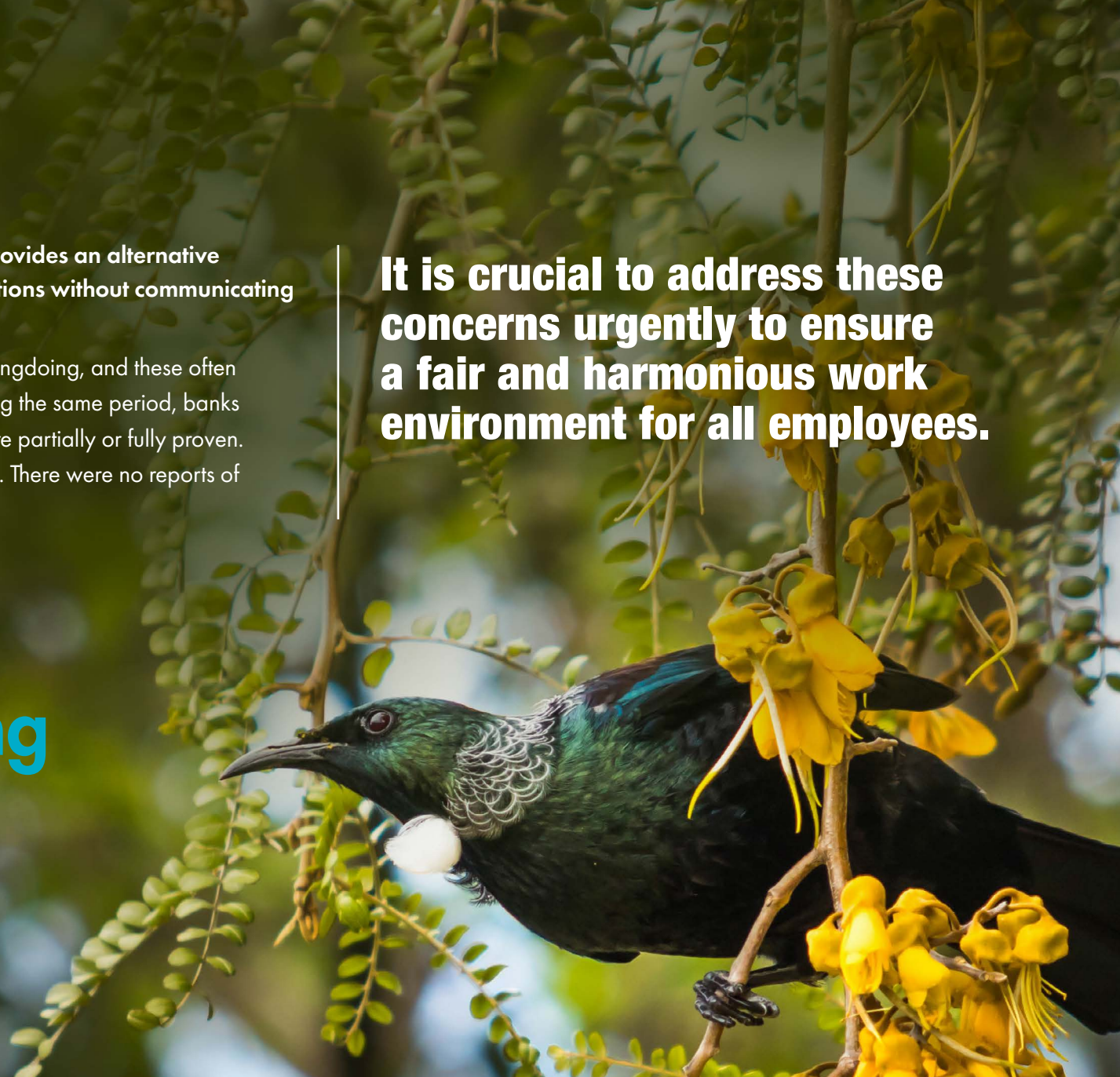


Whistleblowing

Established in 2021, our whistleblowing service provides an alternative method for bank staff to raise wrongdoing allegations without communicating with their bank directly.

During the year, we received six reports of alleged wrongdoing, and these often involved bullying, harassment and discrimination. During the same period, banks looked into 90 reports of wrongdoing, 17 of which were partially or fully proven. A fifth of allegations were about policies or procedures. There were no reports of victimisation or reprisals against whistleblowers.

It is crucial to address these concerns urgently to ensure a fair and harmonious work environment for all employees.



Cases by bank

	Enquiries received	Complaints received	Disputes received	Total	% of our cases	Adjusted market share [^]
Large[^]						
ANZ	193	898	54	1065	19.1	27.2
ASB	282	598	24	864	15.5	17.3
BNZ	116	554	25	660	11.8	18.1
Kiwibank	114	509	16	612	10.9	9.0
Westpac	134	600	18	725	13.0	18.7
Medium[^]						
Heartland	77	105	5	178	3.2	0.8
HSBC	7	23	4	29	0.5	1.1
Rabobank	9	14	-	23	0.4	2.9
SBS	24	38	8	60	1.1	0.8
The Co-operative Bank	14	48	3	61	1.1	0.5
TSB	44	67	-	108	1.9	1.3
Small[^]						
Bank of Baroda	1	13	-	13	0.2	<0.5
Bank of China	4	1	-	5	0.1	0.5
Bank of India	-	1	-	1	0.0	<0.5
China Construction Bank	1	1	-	2	0.0	0.7
Citibank	2	5	1	7	0.1	<0.5
ICBC	5	1	-	6	0.1	<0.5
Nelson Building Society	5	3	-	8	0.1	<0.5
Unity	34	34	2	68	1.2	<0.5
Bank not specified*	1095	-	-	1095	19.5	<0.5
Overall total	2161	3513	160	5590		

[^] Banks are classified according to total assets at 31 December 2022 as verified by banks in May 2023. A bank's share of total assets is not the same as its share of customer numbers. Kiwibank's market share has been increased because, uniquely, Kiwibank has so many customers, relative to its assets.

* Includes calls about organisations that do not belong to the scheme.

"I was listened to and the problem discussed until it was understood. The advice given was very helpful and professional."

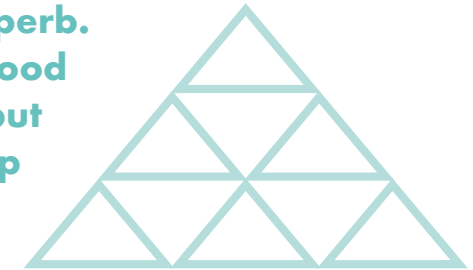
"Outstanding service, compassion and support."

"...just so excellent it was unbelievable ... gave me excellent advice and was so efficient it was such a positive experience."

Disputes outcomes

	Outside jurisdiction		Result for both parties		Result for customers		Result for banks*		Total by bank	
	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23
Large^										
ANZ	12	6	7	9	-	1	25	30	44	46
ASB	4	2	4	4	-	4	14	12	22	22
BNZ	1	2	-	1	1	10	9	6	11	19
Kiwibank	-	2	3	3	-	4	5	5	8	14
Westpac	4	3	2	3	-	-	7	13	13	19
Medium^										
Heartland	-	1	1	1	-	1	6	2	7	5
HSBC	1	-	-	-	-	-	1	-	2	0
Rabobank	-	-	-	-	-	-	1	-	1	0
SBS	-	-	-	2	1	3	-	2	1	7
The Co-operative Bank	-	-	2	-	-	-	1	2	3	2
TSB	1	-	3	1	-	-	2	-	6	1
Small^										
Bank of Baroda	-	-	-	-	-	-	-	-	0	0
Bank of China	-	-	-	-	-	-	-	-	0	0
Bank of India	-	-	-	-	-	-	-	-	0	0
China Construction Bank	-	-	-	-	-	-	1	-	1	0
Citibank	-	-	-	-	-	-	-	-	0	0
ICBC	-	-	-	-	-	-	-	-	0	0
Nelson Building Society	-	-	-	-	-	-	1	-	1	0
Unity	-	-	-	-	1	-	1	1	2	1
Total	23	16	22	24	3	23	74	73	122	136

“Empathetic and superb. Completely understood our complaint and put in huge effort to help successfully resolve our complaint.”



“The response was fast, friendly and informative.”

“Your response times were prompt and I felt listened to and understood. I appreciated that there was one point of contact so I didn’t have to deal with lots of different people. My concerns were followed up in an appropriate timeframe and I was provided with contact information so I knew I could make contact if needed.”

^ Banks are classified according to total assets at 31 December 2022 as verified by banks in May 2023. A bank’s share of total assets is not the same as its share of customer numbers.

* Includes abandoned and withdrawn disputes.