

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FIFTH REPORT)

Westpac Banking Corporation

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Mr THISTLETHWAITE: That ASIC report showed that about 70 per cent of people in the banking sector had their complaints dealt with within, and concluded within, the required time frame of 45 days. But that compares with 97 per cent of life insurance claims being completed within the regulated time frame. Why the big discrepancy between the two? I would've thought that insurance claims would've taken longer than banking disputes.

Mr Hartzler: It's a good question, to which I don't have an immediate answer. I'm happy to take it on notice.

Answer:

The data on banking complaints referred to in the question was not correct. The report found that 84 per cent of banking complaints are resolved within 45 days compared with 97 per cent of life insurance complaints.

The data in this report is based on a quantitative survey of 595 consumers who had made a complaint in the previous 12 months and 699 consumers who had considered making a complaint. Compared to banking, life insurance complaint numbers are low, and the report notes that the 97 per cent figure should be considered indicative only given the small sample size (only 43 respondents reported making a life insurance complaint). The data is also based on customers' recollection of the process and not reported evidence on the length of time taken to resolve the complaint.

Westpac resolves 92 per cent of banking complaints within 45 days and 85 per cent of life insurance complaints.

The reason why a life insurance complaint may not be able to be resolved within the 45 days is predominantly due to the complexities of life claims and the requirement to make further and additional inquiries both internal and external to form a view. At times we are unable to receive this information in a timely manner. If we cannot

resolve the complaint within 45 days then a letter is sent to the customer outlining the status of the complaint and informing them of their right to raise their complaint to an external dispute resolution scheme.