

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS FINANCIAL ADVICE SECTOR

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IOOFF02QON	<p>Dr MULINO: ... How many cases are there of active disputes in relation to this or cases that have arisen since the royal commission, in terms of either internal dispute resolution or with AFCA?</p> <p>Mr Mota: I can't be specific on how it relates to the mediation, but, in terms of internal dispute resolution and external complaints, we've had 47 cases go to AFCA in the last 12 months and about 200 internal dispute resolution claims have come through in the last 12 months.</p> <p>Dr MULINO: Could you provide us with some summary data on the 200 internal ones?</p> <p>Mr Mota: Yes.</p>
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Response:

Internal Dispute Resolution (IDR) and External Dispute Resolution (EDR) 1 July 2019 to 30 June 2020

IDR received	214	EDR received	47
IDR complaint allegation	<u>Top 3</u> Service delivery – 39% Fees/disclosure – 23% Inappropriate advice – 21%	EDR complaint allegation	<u>Top 3</u> Quality of advice – 36% Service delivery – 32% Fees/disclosure – 13%
Resolved in favour	<u>Based on 172 of 214 finalised</u> Business – 94 Client – 75 Negotiation – 3	Resolved in favour	<u>Based on 25 of 47 finalised</u> Business – 5 Client – 15 Outside Terms of Reference – 1 Withdrawn – 4

- Note generally, an IDR is the first step, followed by an EDR if escalated, so most of the EDR numbers in the table below will be a sub-set of the IDR numbers.
- However, in the last nine to 12 months, customers have had the ability to complain directly to AFCA, so not all EDRs will be an IDR anymore.