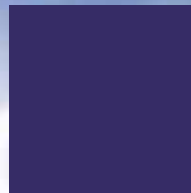


# Business Plan 2011-2012



Enhance. **Advance.**



## Who we are

The Financial Ombudsman Service (FOS) provides accessible, fair and independent dispute resolution for consumers and financial services providers (FSPs). It is a free, national service offering an alternative to going to court. We resolve disputes in the areas of banking, credit, loans, general insurance, life insurance, financial planning, investments, stockbroking, managed funds and pooled superannuation trusts.

FOS is constantly evolving to meet increasing demands with increasing efficiency. Our vision, mission statement, and corporate values provide the momentum and, year-by-year, our business plans provide the direction. This year's business plan outlines our approach to enhancing and advancing the organisation. We believe we have strategies in place for 2011-2012 that will help us deliver the best possible service.

# How we're working to achieve our goals



## Our stakeholders

- Consumers
- FSP members
- Consumer advocates
- Industry
- ASIC
- Government

## What we have done

### Key 2010-2011 achievements

2010-2011 was a productive period for FOS with the organisation making significant progress resolving disputes that were covered under our previous Terms of Reference (TOR).

Our Banking and Finance Team resolved 990 disputes.

Our Investments, Life Insurance and Superannuation Team resolved 600 disputes.

Our General Insurance Team resolved 334 disputes.

Here's an overview of each team's achievements, all of which helped FOS deliver on its mission.

## Dispute Resolution

### Early Resolution Team

- Commenced operations on 1 July 2010, marking the first integration of dispute handling teams.
- Over 30,000 new disputes were received and over 230,000 calls handled.
- More than 20,000 new TOR disputes were finalised.
- Conducted 330 conciliation conferences with a 75% resolution rate.
- Resolved 86% of disputes within 180 days, excluding finalised Registrations (above the 80% KPI).

### Banking and Finance Team

- Over 900 disputes were referred for decision.
- Conducted 348 telephone conciliation conferences and achieved a resolution rate of 70%.
- Further developed the methodology for allocating disputes according to specialisation, skills and expertise.

### Investments, Life Insurance and Superannuation Team

- Increased the resolution of disputes by 40% while working under two Terms of Reference.
- Issued 47 dispute Recommendations in complex financial advice and life insurance disputes.
- Introduced the Financial Planning and Quantum Loss chapters of the Financial Advice Disputes Manual for staff.

### General Insurance Team

- Issued 1,012 dispute Recommendations and 1,615 dispute Determinations, with 70% of Recommendations accepted by parties.
- Majority of disputes finalised within 60 days of being referred for decision.
- Implemented the Natural Disasters Plan to provide information and assistance to people affected by natural disasters in Queensland and Victoria.

### Systemic Issues Management Team

- Developed a consistent approach to systemic issue definitions.
- Developed the process and system for handling systemic issues investigations.
- Developed a consistent reporting framework for the Australian Securities and Investments Commission (ASIC) and FSP members.
- Identified 114 possible systemic issues and resolved 20 definite systemic issue investigations.

## Infrastructure

### Information Services Team

- Smoothly relocated the entire organisation to new premises.
- Expanded mailroom functions and services.
- Developed the software of online applications and integrated them with internal systems.
- Developed and implemented web reporting.

### Human Resources Team

- Developed FOS recruitment and selection process.
- Developed and implemented new performance planning and review processes.
- Developed sound health and safety practices.

### Communications Team

- Delivered the Annual Review and Comparative Tables.
- Executed brand development work including key messaging, values and visual identity.
- Produced the National Conference.
- Reached member and consumer audiences through a mix of events and publications, including *The Circular*.

### Company Secretariat

- Refined membership cessation process.
- Implemented the Occupational Health and Safety Policy.
- Introduced the Self Assessment Program for the Board.

### Finance Team

- Implemented the funding model and calculated base levy and user charge.
- Implemented an improved system for invoicing of case fees.
- Facilitated a successful audit review.
- Complied with all statutory requirements in regards to taxation and reporting.

### Business Planning & Assurance Team

- Implemented the FOS Complaints and Feedback Process in accordance with the ASIC Regulatory Guide 139 and the Australian Complaints Handling Standard (AS ISO 10002).
- Developed the organisation's Knowledge Management Strategy to enable the effective exchange of information and knowledge across the organisation.
- Developed a framework for the organisation's strategic planning.

## Where we're headed

We have six major objectives for 2011-2012:

- eliminate and prevent dispute backlogs
- strengthen the culture of the organisation
- build knowledge
- enhance relationships with stakeholders
- grow business intelligence as the organisation grows
- develop our people.

These objectives demonstrate how we are heading toward the following long term business goals:

- provide clear and reliable information
- build trust with all stakeholders including consumers and financial services providers
- make fair, consistent and clear decisions
- improve dispute resolution timeframes
- provide easy to understand and flexible processes
- be accessible to under-represented, disadvantaged and/or vulnerable people.

To help us achieve each objective we have proposed strategies and courses of action for various teams within the organisation. We have also included targets to provide tangible goals for staff and to enable us to measure how successful we are in achieving our objectives.

Following are the focus areas for each objective.

## Eliminate and prevent dispute backlogs

By eliminating the existing backlog of disputes and devising strategies to prevent future backlogs, we aim to resolve disputes quicker and be better able to deliver decisions that are fair, consistent and clear.

To help achieve this we have in place the following strategies:

- adopt a short-term dispute resolution surge capacity to improve timeframes
- refocus case managers' efforts to finalise previous Terms of Reference disputes
- implement an early resolution triage process
- identify causes of time delays through file audits and process analysis
- introduce greater flexibility within the financial hardship process
- implement strategy for dealing with natural disaster disputes and other significant events
- develop strategies to deal with FSP non-compliance with FOS timeframes and process
- investigate alternatives for dealing with professional negligence disputes
- enhance case workers' efficiency in specialist decisions teams.

## Strengthen the culture of the organisation

Organisations with a great culture produce great results. They are employers of choice, have good internal communication, and ultimately, provide more efficient and effective services.

We believe we can achieve these outcomes by implementing the following strategies:

- deliver FOS's long-term strategic direction
- diagnose the state of the culture at FOS
- communicate our corporate values at every opportunity
- facilitate organisational change where required
- bring together common functions for increased efficiency.

## Build knowledge

FOS has a range of highly talented and experienced people within the organisation, as well as invaluable resources. By sharing our skills and tools internally, we aim to increase the abilities of all staff and provide clear and consistent information.

Our strategies for building knowledge are:

- increase resource and knowledge sharing across teams
- develop resources to assist staff to deal with disputes
- increase accessibility of our Recommendations and Determinations.

## Enhance relationships with stakeholders

By building sustainable relationships we aim to demonstrate our trustworthiness to consumers, FSPs and all other stakeholders. We also aim to become more accessible to consumers who are under-represented, disadvantaged and/or vulnerable.

Our stakeholder strategies are:

- ensure equal engagement with industry and consumer groups
- develop our interaction with remote and Indigenous communities
- establish an agreed Stakeholder Engagement Plan
- develop a communications strategy to build FOS's reputation.

## Grow business intelligence as the organisation grows

FOS has grown rapidly into a medium/large organisation. Our aim now is to grow our business intelligence accordingly and allow for further development.

Our strategies to achieve this are:

- develop one system for all data requirements with an enhanced forecasting tool/model
- develop and enhance metrics and key performance indicators to monitor business performance
- develop an online real-time complaint tracking and reporting tool on a protected network
- review and enhance case allocation approach and process
- standardise quality assurance practices across FOS
- deliver a new process and system for managing disputes about trustee traditional services
- review the role of FOS in the monitoring of industry codes of conduct.

## Develop our people

Our people are our greatest asset. The quality of our service depends on their knowledge and abilities. By developing staff through internal programs we aim to enable FOS to function at the highest possible level.

Our development strategies include:

- establish and develop a Learning & Development Capability Framework
- review and enhance the level of staff adoption of organisational culture and values.

## Financial Ombudsman Service

Contact details are:

**[info@fos.org.au](mailto:info@fos.org.au)**

**GPO Box 3 Melbourne VIC 3001**

**[www.fos.org.au](http://www.fos.org.au)**

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