

Business Plan 2010-11

Business plan 2010-2011

The year 2010-2011 provides FOS with the opportunity to build on the platform created by the amalgamation of the predecessor schemes and their operations under a single terms of reference.

While the impact of the global financial crisis is waning, FOS's expanded jurisdiction in relation to financial difficulty means significant volumes of cases continue to be received. Our strategies are focussed on aligning our business to deliver the efficiency and effectiveness offered by a unified approach.

We must maintain our standing as an accessible, independent, fair, efficient and effective organisation and find process improvements to help deal with the considerable volume of work.

Where we are now

FOS has implemented a number of strategies to address the case load carried forward from previous terms of reference and predecessor schemes. These strategies are steadily reducing the number of open cases under the old terms of reference.

Ongoing strategies which are creating success include:

- increased offering of telephone conciliation
- training all of our disputes staff in conciliation
- restructuring teams and recruiting new case workers
- dedicated financial difficulty team and
- tighter time frames.

Objectives and strategies for 2010-2011

Resolve disputes in a timely manner

Register and refer complaints to financial service providers within 2 business days

Progress disputes to case management within 7-14 business days

Resolve 50% of disputes by agreement

Finalise 80% of disputes within 6 months

Provide processes that are easy to understand and flexible

Deliver additional online applications and tools to assist access

Reduce the lodgement of disputes which are outside FOS terms of reference

Deliver a range of communication materials about FOS processes

Be trusted by consumers, financial service providers and other stakeholders

Deliver timely reports on emerging issues

Increase participation of stakeholders in FOS education programs

Increase user satisfaction rating on fairness and independence

Make decisions that are consistent and clear

Deliver an all of FOS knowledge management system

Maintain acceptance of Recommendations by both parties at 40%

Deliver an all of FOS quality assurance framework

Be accessible to consumers who are disadvantaged, underrepresented and/or vulnerable

Increase consumer awareness of FOS nationally by 10%

Increase number of users of FOS in under-represented groups

Be professional in all our dealings with stakeholders

Maintain call abandonment rate at less than 3.5%

Maintain and enhance satisfaction of attendees with FOS education

Maintain voice monitoring recording at highly compliant with service standards

Provide information that is clear and consistent

Maintain up to date operational guidelines

Engaging with the community

FOS aims to partner with those who assist consumers who may be in need. Our surveys of the community and of recent users confirm the critical need is to be clearer about who are members of FOS and what disputes we can consider.

Regulatory requirements

ASIC monitors FOS's compliance with RG 139.

RG 139 imposes significant requirements especially in relation to:

- the dispute resolution process
- data capture and reporting and
- expanded jurisdiction for financial hardship

FOS is industry funded but independent from industry.

The principles of fair, accessible, efficient, effective and independent dispute resolution are well supported and well understood by FOS's stakeholders.

Balancing needs

FOS has responsibilities to both parties to a dispute to be fair and independent. The Board has external accountabilities regarding the corporate governance of FOS as a company. ASIC has regulatory oversight of the activities of FOS under RG 139. FOS staff is critical to the execution of our strategy. Balancing the various requirements of FOS stakeholders is critical to achieving FOS objectives.



Engaging with members

FOS's approach to meeting membership needs is built around member feedback through surveys, focus groups and forums. The emphasis of members is on timely reporting; information delivered on line and faster resolutions. FOS has therefore moved to e-learning modules provided free of charge; the design of a secure members' portal for dispute information and increased opportunity for telephone conciliation.

Systemic issues and serious misconduct

FOS is obliged to identify, resolve and report on systemic issues and serious misconduct.

For a small proportion of the 58 systemic issues we resolved last year, the FSP was able to tell FOS how many customers were affected by the issue and how much money was paid to the affected customers. In total, for these cases, 36,544 customers were affected and over \$17.7 million was paid to customers. The number of affected customers and the amount paid out for all 58 issues are likely to be much higher.

We reported one case of serious misconduct to ASIC this year. It involved a member that had repeatedly and wilfully breached its membership obligations.

Delivering our services

Effective delivery of dispute resolution in accordance with the regulatory requirements of RG 139 requires a team to support dispute resolution to ensure it is well understood, processes reviewed, learning applied and systems optimised.

