Handling International Complaints at Lloyd’s: Guidance for managing agents and their representatives

This guidance note provides a practical process for handling international (non-UK) complaints received from Lloyd’s policyholders.

Where complaints arise policyholders should expect to have their complaint dealt with in a prompt and reasonable way. At the same time, different countries have different local rules for the handling of complaints. Lloyd’s arrangements for international complaints are intended to allow for the oversight of complaints handling outside of the UK, consistent with the regulatory expectations of the UK Financial Conduct Authority (FCA), whilst allowing flexibility for managing agents in the way they handle complaints in accordance with local rules.

It is therefore important that managing agents ensure they are able to comply with the local rules in territories outside the UK as well as Lloyd’s requirements for handling complaints in that territory. Any questions should be directed to the Complaints team.

Note: This note is only intended to provide summary guidance of Lloyd’s arrangements for international complaints handling. Managing agents should continue to refer to Crystal for the complaints regulations that apply in each territory. In addition, Lloyd’s has produced for each territory a summary sheet setting out the key local requirements. Note that in a few instances, the local requirements will mean that managing agents must follow a different process to that which is set out in this note. That is highlighted in the relevant summary sheet. In the event of any differences between the country specific summary sheets and this note, the country specific summary sheets should be followed.

For more information about international complaints handling at Lloyd’s please refer to www.lloyds.com/complaintshandling.

Process to be followed for handling international complaints

- Managing agents must have in place procedures that allow complaints to be made by any reasonable means, including orally. The definition of a complaint to be applied is that which is mandated by the relevant regulator in each territory. Where no definition exists, the following definition should be used:

  "any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service, which alleges that the
complainant has suffered (or may suffer) financial loss, material distress or material inconvenience."

- It is the responsibility of managing agents to handle all international complaints appropriately and ensure they are compliant with all relevant local rules. This includes any requirement to acknowledge complaints, provide information to the complainant and meet applicable time limits.

- Every two weeks (or more frequently if required to comply with the 14 day notification requirement) managing agents or their representative (which could be a coverholder or third party administrator) must complete the Lloyd’s International Complaint Notification template, providing details of all new complaints received where the complainant is eligible to have their complaint considered by the local External Dispute Resolution (EDR) scheme. Furthermore, there may be territories in which the relevant definition of a complainant includes persons whose cases are not eligible for consideration by the EDR scheme; those cases will also need to be notified to Lloyd’s.
  
  - There is no need to include complaints which were brought to the attention of the managing agent by Lloyd’s.
  - There is no requirement for a “nil return” where no new complaints have been received.
  - On policies or binding authorities where there is more than one syndicate participating, Lloyd’s expects the lead syndicate to notify the complaint.

- The International Complaint Notification Template should be downloaded from www.lloyds.com/complaintshandling and sent once completed via email to: internationalcomplaints@lloyds.com. Managing agents must use the template provided by Lloyd’s and should not create their own templates.

- Complaints must be notified to Lloyd’s within 14 days of receipt and those not notified to Lloyd’s with 21 days of receipt will incur an ‘Additional Administration Fee’ charge.

- The following table explains how to complete the International Complaint Notification template. Completion of all fields is mandatory, with the exception of the Address field. Managing agents should ensure that they provide the information in a way that is compliant with the applicable data protection laws.

<table>
<thead>
<tr>
<th>Field</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitting company</td>
<td>This is the name of the managing agent or its representative who is completing and submitting the template.</td>
</tr>
<tr>
<td>Coverholder</td>
<td>If the policy was bound by a coverholder, select the coverholder name from the drop down list.</td>
</tr>
<tr>
<td>Third Party Administrator (TPA)</td>
<td>If a TPA is involved, select the TPA name from the drop down list.</td>
</tr>
<tr>
<td>Policyholder Surname</td>
<td>This is the surname of the insured individual. Either the policyholder surname or Policyholder company name field must be completed.</td>
</tr>
</tbody>
</table>
Policyholder Company Name | This is the name of the insured entity. Either the policyholder surname or Policyholder Company Name field must be completed.
---|---
Address (Optional) | Insert a correspondence address for the complainant.
Post Code | The postcode, mailing code, zip code, etc. for the policyholder.
Policy Number | Please ensure that the Policy Number detailed on the spreadsheet is referenced on the complaint response.
Risk Location | The territory in which the insured is located. Select from drop down list.
Date Received | Insert the date the complaint was first received by the managing agent or its representative. For example where the complaint was initially received by a coverholder who subsequently notifies the managing agent of the matter the date the complaint was first received by the coverholder will be the operative date.
Complaint Code | Select from drop down list.
Class of Business | Select from drop down list.
Placement Type | Select from drop down list.
Syndicate Number | Lead syndicate on the coverage.
Root Cause | Select from drop down list.

- Complaints will be entered onto the complaints monitoring database by Lloyd’s to enable effective monitoring and regulatory reporting.

- Managing agents must also keep their own record of each complaint received and the measures taken for their resolution.

- Lloyd’s reserves the right to review and take over coordinating the response to individual complaints where, in the view of Lloyd’s, this is appropriate in all the circumstances, including to meet local regulatory expectations of Lloyd’s.

Response to complainant

- In all cases a written response must be sent to the complainant by the regulatory deadline. Where there is no local regulatory deadline, a response should be sent within eight weeks of the date of the complaint being received.

- Responses must notify the complainant of any right (where applicable) to refer their complaint to the relevant EDR service e.g. an Ombudsman or Regulator, OR the UK Financial Ombudsman Service, if no local EDR is available.

- The letter should set out details of any redress or remedial action being offered. Redress includes:
- Payments to put the complainant back into the position the complainant should have been in had the act or omission complained about not occurred, including any claim payments
- Amounts paid for distress and inconvenience
- Goodwill payments and goodwill gestures
- Interest on delayed settlements
- Waiver of any excess

- A copy of the response together with a copy of the original complaint must be emailed to internationalcomplaints@lloyds.com within two business days after the response is sent to the complainant. There is no requirement for these documents to be translated to English; this will be arranged by Lloyd’s. The covering email should confirm the root cause of the complaint, selecting the main reason from:
  - Claim – coverage / terms and conditions
  - Claim – delay
  - Claim – quantum
  - Claim – standard / duration / delay of repair
  - Claim – customer service
  - Cancellation / refund
  - Customer Service – non-claims related
  - Product suitability
  - Other (we would expect this option to be rarely used)

- Lloyd’s Complaints team will monitor each complaint against Key Performance Metrics to ensure:
  - the response to the complaint addresses all issues raised
  - regulatory deadlines are complied with
  - appropriate EDR rights are provided to the complainant

- Failure to (1) provide a copy of the original complaint, (2) issue a response within the required timeframe, (3) provide a copy of the response to the Complaints Team, (4) provide correct and complete EDR rights, or (5) confirm the root cause of the complaint will incur an ‘Additional Administration Fee’ charge.

- Where responses persistently fall below the standards expected of them, Lloyd’s will require copies of all proposed complaints responses in draft form for review before the response is sent to the policyholder and these complaints will incur an ‘Additional Administration Fee’ charge.

Referral to Regulator or Ombudsman Service

- Subject to applicable eligibility criteria, complainants may refer their complaint to their local EDR service (ombudsman or regulator), OR the UK Financial Ombudsman Service if no local EDR is available.

- Managing agents or their representatives must inform the Lloyd’s Complaints team as soon as they are aware that a complaint has been referred to any EDR scheme.
• When the EDR process has been concluded a copy of the EDR outcome must be provided to Lloyd’s Complaints team. Where the EDR scheme operates on a “non-binding” basis Lloyd’s will also require confirmation as to whether the EDR decision is being accepted or rejected.

FCA complaints return

• Every six months, Lloyd’s is required to submit a return to the FCA, detailing the number of complaints received, how quickly they were resolved, how many were upheld in the period and the amount of redress paid. A separate report will be submitted for UK and International complaints.

• Managing agents will be required to confirm on a quarterly basis that they (and anybody acting on their behalf) have notified Lloyd’s of all complaints received by them.