

**Comments Template on EIOPA-CP 11/010a and EIOPA-CP 11/010b  
 Consultation Paper on the Proposal for Guidelines on Complaints-Handling by Insurance  
 Undertakings and Draft Report on Best Practices by Insurance Undertakings in handling  
 complaints**

**Deadline  
 31 January 2012  
 12:00 CET**

Company name:

ABI

Disclosure of  
 comments:

EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.

Public

*Please indicate if your comments on this CP should be treated as confidential, by deleting the word **Public** in the column to the right and by inserting the word **Confidential**.*

**Please follow the instructions for filling in the template:**

- ⇒ **Do not change the numbering in column "Reference", or any other formatting in the file.**
- ⇒ Please fill in your comment in the relevant row. If you have **no comment** on a paragraph, keep the row **empty**. Please do not delete rows in the table.
- ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below.
  - If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies.
  - If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment relating to the corresponding paragraph.

**Please send the completed template to [CP-010@eiopa.europa.eu](mailto:CP-010@eiopa.europa.eu), in MS Word Format, (our IT tool does not allow processing of any other formats).**

The paragraph numbers and questions below correspond to document no. EIOPA-CP-11/010a.  
 There is an additional section at the end of the table for general comments on the draft Best Practices Report (document no. EIOPA-CP-11/010b).

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<b>Reference</b>	<b>Comment</b>	
General Comment	<p>The ABI welcomes the opportunity to respond to EIOPA’s Proposal for Guidelines on Complaints Handling by Insurance Undertakings.</p> <p>The ABI is the voice of the UK’s insurance, investment and long-term savings industry. It has over 300 members, which together account for around 90% of premiums in the UK domestic market. The UK insurance industry is the third largest in the world and the largest in Europe. Employing more than 300,000 people in the UK alone, it is an important contributor to the UK economy and manages investments of £1.5 trillion, over 20% of the UK’s total net worth.</p> <p>The ABI supports efforts to improve customer service across the financial services industry and improving the way complaints are handled is an important part of this. As a trade body, the ABI has helped drive the development of good complaints handling within UK insurance firms through various initiatives including the production of a good practice guide, industry benchmarking and complaints management research.</p> <p>Notwithstanding our comments below, we believe that the majority of the EIOPA guidelines are already covered by the Financial Services Authority (FSA) dispute resolution (DISP) rules, which have been in force in the UK for over 10 years. Furthermore, we believe that UK insurance firms already meet the majority of the requirements set out for best practice.</p>	
3.1.		
3.2.		
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3.6.		

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3.7.	<p>We are concerned that the definition of complaint does not require the complainant to allege they have suffered, or believe they may suffer, any financial or material loss or inconvenience. As such, the definition is broader than that which is currently used in the UK and may include cases where the complainant is simply unhappy with the service or product. It may also create challenges vis-à-vis the rejection of complaints on the basis that the complainant did not suffer material loss etc.</p> <p>While we accept that the definitions are only intended to be indicative, the wording of the guidance states that they cannot override existing national law. For clarity, this should include rules developed by competent authorities such as the UK Financial Services Authority (FSA).</p>	
3.8.		
3.9.		
3.10.	<p>Rule 1.3 of the FSA's Dispute Resolution Handbook (DISP) requires that UK firms have in place effective and transparent procedures for the handling of complaints. This includes the requirement for a senior individual within the firm to have responsibility for the complaints handling function.</p> <p>We believe there needs to be a degree of flexibility with regards to compliance with Guideline 1. For example, we do not believe firms should be expected to produce a standalone "complaints management policy" document and would expect that written documents setting out firms various procedures for complaints handling (e.g. undertaking root cause analysis, responding to complainants etc.) would be sufficient.</p>	
3.11.	<p>Rule 1.4 of the DISP Handbook requires that UK firms investigate complaints competently, diligently and impartially. There is no specific requirement to identify and mitigate conflicts of interest. However, it is assumed that the requirement for complaints to be investigated impartially would comply with the guidelines.</p>	
3.12.	<p>Rule 1.9 of the DISP Handbook requires that UK firms keep a record of all complaints and their resolution and keep those records for at least 3 years (5 years for complaints about UCITS). However, UK firms are not required to either record or report complaints which are resolved by the close of the next business day.</p> <p>Greater clarity is needed around the reference to "national timing requirements" within Guideline 3. We assume that this aims to provide flexibility for home state regulators to continue to operate a</p>	

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	distinction between non-reportable complaints (those resolved by close of next business day) and all other complaints, however this is not explicitly clear.	
3.13.	Rule 1.10 of the DISP handbook requires that UK firms provide information, twice yearly, to the FSA. This includes information on the number of complaints opened and closed, differentiated by product/service.  As per the comments under 3.12, we do not believe there should be a requirement on firms to record or report <i>all</i> complaints and would like clarity that this rule does not apply to non-reportable complaints, as defined by the FSA.	
3.14.	Rule 1.3.3 of the DISP handbook already requires UK firms to meet these requirements.	
3.15.	UK firms are already under similar requirements under rules 1.2. and 1.6. of the DISP Handbook.	
3.16.	UK firms are already under similar requirements under rules 1.4 and 1.6. of the DISP Handbook.	
3.17.	Comments are not being sought on this paragraph at this stage	
3.18.	Comments are not being sought on this paragraph at this stage	
3.19.		
Q1.– on Impact Assessment		
Q2.– on Impact Assessment		
Q3.– on Impact Assessment		
Q4.– on Impact Assessment		
Best Practices Report Comments (EIOPA-CP-11/010b)	Notwithstanding our comments about the requirement for a “complaints management policy” set out above, we believe that UK insurance firms already meet the requirements set out for best practice. However, with regard to the section on reporting, it is worth noting that UK firms are not currently required to notify the FSA with the name of the senior individual responsible for complaints but would be expected to do so promptly on request.	

