



MEDIA RELEASE

Inquiry finds complaints processes in the insurance broking industry could be more client-friendly – and should be used not just to resolve issues, but to build better businesses and client trust

The independent committee that monitors compliance with the Insurance Brokers Code of Practice has released the findings from an [own motion inquiry into Internal Dispute Resolution \(IDR\) processes](#).

“Effective IDR is fundamental to the Code’s purpose of promoting professional competence and building trust in the insurance broking industry,” the report states. “This goal is particularly pertinent as the financial services industry faces tough scrutiny from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.”

The inquiry by the Insurance Brokers Code Compliance Committee investigated how successfully the Code’s subscribing insurance brokers had taken up recommendations made after a 2017 IDR inquiry. It found “little improvement”, with recommendations not widely implemented.

Many subscribers met basic Code standards but needed to work harder to achieve good practice, particularly regarding clients with special needs. A small number of organisations failed to meet even basic obligations and the Committee flagged tougher measures in these instances, including using its enforcement and sanctions power if necessary.

The report’s recommendations reflect a move towards encouraging organisations to meet the needs of all of its clients *and* to use its IDR process to raise standards and build consumer trust. 80% of organisations reported using complaint case studies as a tool for analysis and discussion internally, but only a quarter had used de-identified compliments or complaints to promote their business. The Committee recommended subscribers share case studies internally to improve training and within the wider industry.

The Inquiry’s other findings and recommendations include:

Receiving and handling complaints

Although most organisations provide information about complaints processes, 10% of subscribers provide none and only 40% use readily available resources such as translators to help clients with special needs make complaints.

The Committee advised that information about complaints be: written; prominent; comprehensive; and always accessible, rather than upon request. It also made a number of recommendations around making the complaints process more accessible to people with a wide variety of special needs.

Staff training and support

The inquiry found that although 73% of subscribers provide regular complaints handling training to all staff, only 44% train third parties in IDR processes. 67% of subscribers offer support to staff who deal with abusive or threatening behaviour, unchanged since 2017.

The Committee suggested many improvements aimed at boosting staff knowledge throughout organisations and among third parties. It called for greater clarity about the responsibilities third parties have regarding complaints, and the rights of clients complaining about third parties.

The report encouraged open discussion and feedback from staff and clients about handling complaints and suggested stronger frameworks for the support of staff.

Improving IDR processes

In the interests of continually improving complaints handling processes, the Committee recommended subscribers review these at least annually, using an external independent party where possible, and to regard all incidents as potential opportunities for improvement.

The report can be accessed at [here](#).

Further information:

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About the Insurance Brokers Code Compliance Committee

The Insurance Brokers Code Compliance Committee (the Committee) is an independent body responsible for monitoring Code subscribers' compliance with standards of good industry practice in the [Insurance Brokers Code of Practice](#). The 299 subscribing insurance brokers have agreed to follow these standards and committed to acting fairly, ethically and reasonably when providing services to current and prospective clients. The Committee supports insurance brokers to achieve good practice in service and advice to their clients.