



**BANKING OMBUDSMAN SCHEME
INDEPENDENT REVIEW
ISSUES PAPER**

May 2024

**An invitation
Tell us what you think about the
Banking Ombudsman Scheme**

1. INTRODUCTION

As an approved scheme under the [Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#) (the Act), the Banking Ombudsman Scheme (BOS) is required to commission an independent review and provide a report to the Minister of Consumer Affairs. The BOS participation agreement also requires such a review.

2. THE REVIEWER

Deborah Hart of Deborah Hart Consulting will carry out the independent review.

Deborah Hart is a solicitor by training and the former executive director of the Arbitrators' and Mediators' Institute of New Zealand. She chaired Aotearoa New Zealand's independent electoral review and undertook the last independent review of the Banking Ombudsman Scheme. She is a member of the Human Rights Review Tribunal.

In 2021 Deborah Hart was appointed the inaugural chair of the Consumer Advocacy Council which advocates for residential and small business electricity consumers. She is also the independent chair of the Retirement Villages' Residents' Council and the chair of the Holocaust Centre of New Zealand.

The purpose of this issues paper is to invite anyone interested to provide submissions to the review.

3. HAVE YOUR SAY

We want to hear your views on the Banking Ombudsman Scheme. We will use your views to help develop recommendations on what might need to change.

We welcome submissions on a single issue, a few issues, or the whole review. We encourage you to share what matters most to you.

4. REVIEW TERMS OF REFERENCE

The review's main objective is to examine, and make recommendations about, how effectively and efficiently the scheme operates to achieve its strategic objectives, particularly to resolve and prevent complaints as set out in the strategic framework.

The review will also identify any improvements to help it achieve its aim of being a modern ombudsman scheme that makes a valued and credible contribution to a fair banking sector. The reviewer will not act as an appeal authority from the Banking Ombudsman's decisions.

5. ISSUES BEING REVIEWED

The review will examine the principles listed in section 52(2) of the Financial Service provider (Registration and Dispute Resolution) Act 2008. We seek your views.

Here's the six areas we will be reviewing.

Accessibility

Whether the scheme makes itself readily available to customers by promoting awareness of its services and by ensuring its services are easy to use. Is the scheme sufficiently accessible to those who may need its services? In particular:

- Are its outreach and awareness raising activities adequate and appropriate?
- Are its services easy for all consumers, including vulnerable consumers, to use?
- Does it take sufficient steps to ensure banks adequately inform customers about its services?

Independence

Whether the scheme's structure, systems and decision-making are independent of banks. In particular:

- Is its board composition appropriate to deliver its strategic objectives, and does that composition ensure both its independence and the public's perception of its independence?
- Are its operations appropriate to deliver its strategic objectives and ensure both its independence and the public's perception of its independence?

Fairness

Whether the scheme makes decisions that are fair and seen to be fair. In particular:

- Does it observe the principles of natural justice and adopt a rigorous, credible approach to reaching decisions?
- Does it make decisions having regard to the law, relevant codes of practice and the principles of good banking practice?
- Does it treat the parties to complaints and disputes with empathy?

Accountability

Whether the scheme gives a public account of itself by publishing adequate information about its operations. In particular:

- Does it provide adequate statistical and general reporting to the board, banks and public?
- Does it have appropriate processes for managing complaints about itself?
- Does it have a fair, transparent and appropriate process for setting fees and allocating costs?

Efficiency

Whether the scheme provides an efficient service? In particular:

- Is its case management process and decision-making efficient, especially given its more complex caseload and other commitments?
- Are its quality assurance processes adequate?
- Is its organisational design, including the composition of its leadership team, appropriate?

Effectiveness

Whether the scheme is effective? In particular:

- Are its rules clear and effective?
- Is it achieving its strategic objectives to resolve and prevent complaints?
- Is it adequately identifying root causes of complaints, sharing insights and collaborating with stakeholders?
- Is it successfully implementing its cultural capability programme?
- Do its roles reflect modern ombudsman practice?
- Is it adequately resourced to fulfill its dual functions of resolving and preventing complaints?
- Does it advise banks, the public, regulators and/or the government about how to improve banking for our communities?

6. HOW TO HAVE YOUR SAY

This issues paper outlines the scope of the review and what the review is most interested in finding out about. It is intended to prompt your thinking, but not to limit the scope of submissions or to prevent you raising matters you believe are relevant.

You can answer as many questions as you like, or just tell us your views without answering the questions. Your submissions need not be formal or lengthy.

You can have your say on the review in several ways:

- You can share your views online by completing the short survey available at: <https://www.surveymonkey.com/r/59XQV28>

- You can write your own submission and email it to: deb@debhart.co.nz; or post it to:

Deborah Hart
Independent Review of the Banking Ombudsman Scheme
P O Box 147125
Ponsonby
Auckland 1011

- If you need any assistance in making a submission or would prefer to make a submission in person, please contact the secretariat by emailing: deb@debhart.co.nz and stating your reasons for wanting to make an in-person submission or what assistance you need. Whilst we will be contacting a number of stakeholders to meet in person, either individually or in groups, there will be limited opportunities to submit in person.

It would be helpful if your submission is accompanied by the completed form titled "Submission Information". You will find it at the end of this document.

Closing date to share your views

The closing date for all submissions is **5pm, 21 June 2024**. Submissions received after this time may not be able to be considered. If this closing date might affect or prevent your, (or your organisation's) participation, please let us know.

Privacy

The independent review may choose to publish submissions that it receives or parts of those submissions. If you do not want your name or any other information that you provide in your submission to be released, please state this clearly when you send it to us and let us know why. For example, you may wish for some information to be kept confidential because it is sensitive personal information.

The Privacy Act 2020 governs how the independent review collects, holds, uses, and shares personal information about you and the information you provide. You have the right to access and correct this personal information.

6. WHO WE WILL BE CONSULTING

As well as receiving submissions, we will be consulting:

- The Banking Ombudsman Scheme – board members, the Banking Ombudsman and staff
- Representatives of participants
- Consumer organisations
- Government representatives / regulators
- Ombudsman of other dispute resolution schemes

- Complainants whose matters have been closed

An invitation will be extended to the Minister to provide views on the review.

7. REVIEW TIMETABLE

The timetable for the review is:

Issues Paper and call for submissions	By 17 May
Documents reviewed, research and preparation for interviews	By late May
Submissions received	By 5pm, 21 June
Interviews	In May / June
Draft report to Banking Ombudsman	By 2 August
Banking Ombudsman feedback received	By 16 August
Draft report to the Banking Ombudsman Scheme Board	By 30 August
Banking Ombudsman Scheme Board meeting presentation	By 17 September
Banking Ombudsman Scheme Board feedback	By 27 September
Final report delivered to the Minister	By 1 November
Publication of report	By 20 December

SUBMISSION INFORMATION

Contact details	
Name	
Postal Address	
Email Address	
Phone number	
Best contact time	<input type="radio"/> Morning <input type="radio"/> Afternoon <input type="radio"/> Evening
Prefer contact by	<input type="radio"/> Phone <input type="radio"/> Text <input type="radio"/> Email
About you	
Gender	
Age	
Ethnicity	
About your submission	
What are you submitting on?	<input type="radio"/> Accessibility <input type="radio"/> Independence <input type="radio"/> Fairness <input type="radio"/> Accountability <input type="radio"/> Efficiency <input type="radio"/> Effectiveness <input type="radio"/> Generally
If you are making the submission on behalf of someone else, who is that?	
Do you wish to meet with the reviewer if possible?	<input type="radio"/> Yes <input type="radio"/> No
Do you want your submission to be confidential?	<input type="radio"/> Yes <input type="radio"/> No
If you want your submission to be confidential, what parts of it should be confidential?	