

Who we are

The Banking Ombudsman Scheme resolves and prevents disputes between customers and their banks.

We are committed to contributing to

better banking

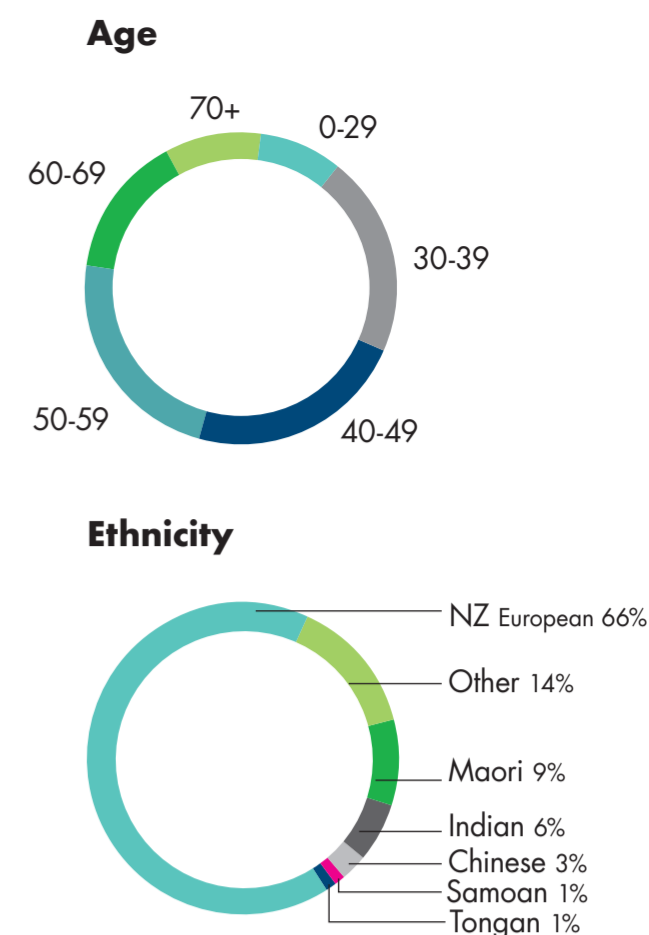
prevent

"We are working hard to make our services accessible to all and prevent disputes from happening in the first place."



Miriam Dean CNZM OC | Chair

Who uses us



Nicola Sladden | Banking Ombudsman

"We're sorting out more banking problems there and then and building trust and confidence in the banking sector."

What happened in 2016-17

↑ 144,228 Website users, up 26%

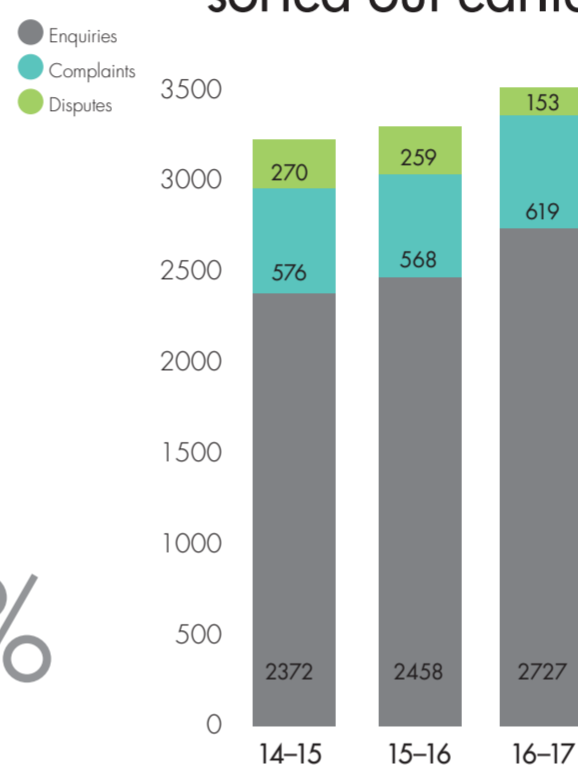
↓ 60 working days on average to resolve disputes

↑ 7% Queries from banks

✓ 57% of cases resolved by mutual agreement

↑ 12% Queries from customers

Our caseload is going up, but problems are getting sorted out earlier



Customer satisfaction, up from 78% to 82%

RESOLVE



We bring you and your bank together



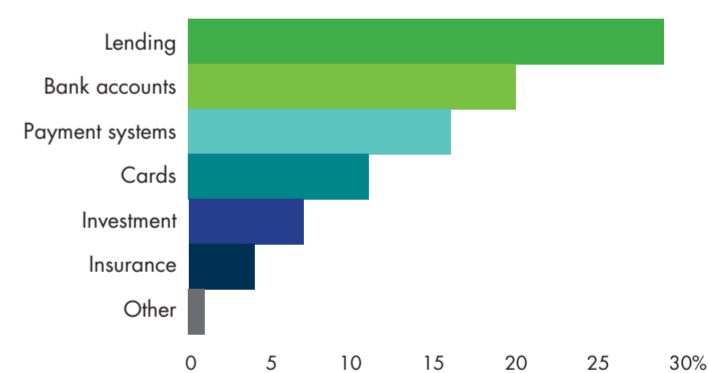
Did you know?
We have 45 searchable quick guides on our website: www.bankomb.org.nz

friendly
free fair

What are the issues

- Scams
- Fraud
- KiwiSaver
- Low interest rates
- Mistaken payments
- Early repayment charges
- Mortgage sales
- Insurance products
- Responsible lending
- Credit card chargebacks
- Anti-Money Laundering
- Costs incurred switching banks
- Bitcoin

Main issues 2016-17



How we get fair outcomes

- + Explanations
- + Apologies
- + Compensation
- + Debt reduction plans
- + Policies changed
- + Fees waived
- + Removal of credit listing

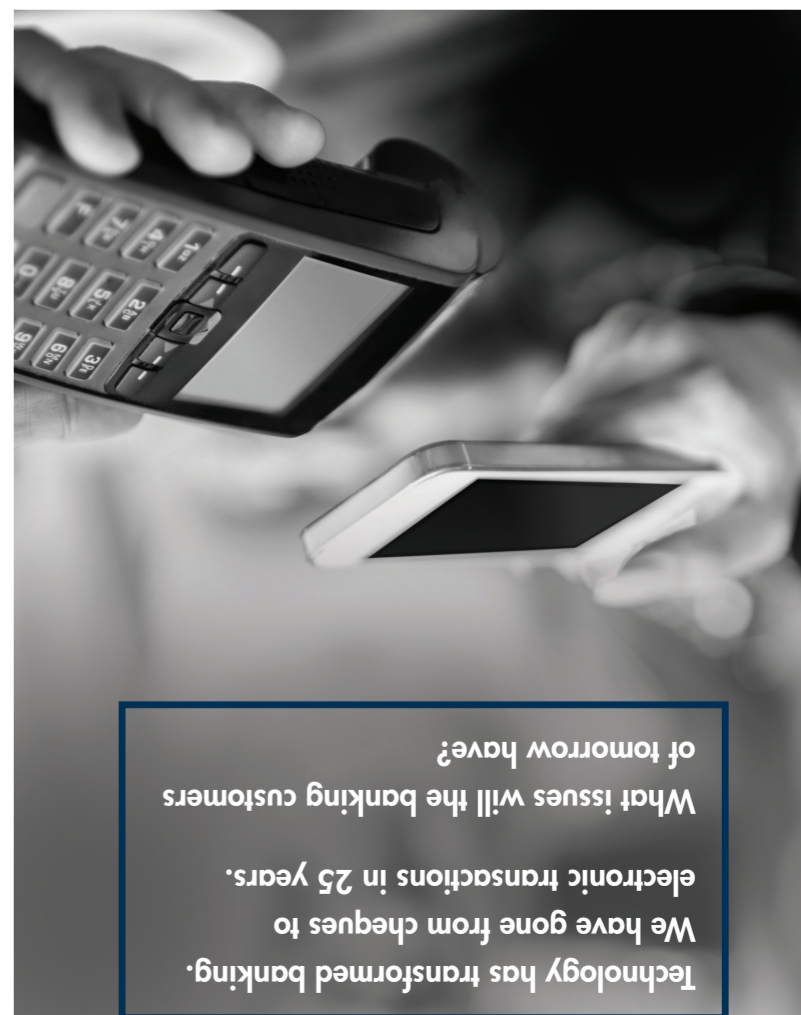
≡ Trust & confidence in banking

Completed disputes by bank

Scheme participant	Outside jurisdiction		Result for both parties		Result for customers		Result for banks*		Total by bank		% of total assets^
	15-16	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16	16-17	
Large^											
ANZ Bank NZ	9	9	26	13	14	3	43	23	92	48	32.5
ASB Bank	6	4	13	5	9	1	23	12	51	22	18.1
BNZ	3	2	24	4	7	3	38	12	72	21	18.7
Westpac NZ	13	4	9	3	2	3	27	27	51	37	19.6
Medium^											
Citi NZ	-	-	-	-	-	-	-	-	-	-	0.4
Hearland Bank	-	-	-	-	-	-	-	2	-	2	0.8
HSBC NZ	1	-	1	-	-	-	2	-	4	-	1.0
Kiwibank	2	2	3	3	2	4	6	13	13	22	4.0
Rabobank NZ	-	1	1	-	-	-	-	2	1	3	2.8
SBS Bank	1	1	1	1	-	2	-	-	2	4	0.7
The Co-operative Bank	-	-	2	3	-	-	3	3	5	6	0.5
TSB Bank	2	1	-	1	-	-	3	1	5	3	1.3
Small^											
Bank of Baroda NZ	-	-	1	-	-	-	-	-	1	-	<1
Bank of China NZ	-	-	-	-	-	-	-	-	-	-	<1
Bank of India NZ	-	-	-	-	-	-	-	-	-	-	<1
China Construction Bank NZ	-	-	-	-	-	-	-	-	-	-	<1
ICBC NZ	-	-	-	-	-	-	-	-	-	-	<1
Nelson Building Society	-	-	-	-	-	-	-	-	-	-	<1
NZCU Baywide	-	-	-	-	-	-	-	1	-	1	<1
Total	37	24	81	33	34	16	145	96	297	169	

"The issue was solved within a week, the processes have changed and the bank apologised. It wouldn't have happened without your help."

^ Participants are classified according to total assets at 31 December 2016 as verified by participants in June 2017.
* Includes abandoned and withdrawn disputes.
- Means no completed disputes.



Technology has transformed banking. We have gone from cheques to electronic transactions in 25 years. What issues will the banking customers of tomorrow have?



3285
cases received
297
disputes resolved

Nicola Sladden
Fourth Banking Ombudsman
August 2015–present



Website users
144,228

14 staff

19 scheme participants

3499 cases received
153 disputes resolved



25-year statistics
4 Ombudsmen

\$38.99 million
in compensation

78,000
Number of people helped

Enquiries increase
New terms of reference take effect – Jan 2016
19,000 people reached via Facebook page
NZBA consults on a principles-based Code of Banking Practice
Review of financial advisers and financial dispute resolution framework

Responsible Lending Code introduced
Office relocated after Wellington earthquake
Website users double to 71,000



3250 cases received
237 disputes resolved

Four-fifths of complaints lodged electronically
Loan-to-value restrictions were introduced by the Reserve Bank



14/15
13/14



Miriam Dean QC
Fourth Chair
June 2013–present

Revamp of website

1412 cases received
299 disputes resolved

Anti-money laundering legislation introduces stricter conditions on banks

Formally becomes a dispute resolution scheme with ministerial approval
Scheme opened to non-bank deposit takers
Inconvenience award rises to \$9,000
Facebook page created

1924 cases received
715 disputes resolved

21 staff

12 staff



Australia and New Zealand Ombudsman Association formed – July 2003

First website

*Telephone enquiries included in case statistics for the first time.

2592 cases received
296 disputes resolved

Last of 684 ING-related disputes resolved, bringing total compensation to almost \$26.5 million
First complaint via Facebook
Fifth edition of NZBA Code of Banking Practice – July 2012

1587 cases received
477 disputes resolved



Prof Ron Paterson
Third Chair
July 2010–May 2013

Information leaflet translated into five languages



Deborah Battell
Third Banking Ombudsman
August 2009–July 2015

08/09
07/08

The Financial Service Providers (Registration and Dispute Resolution) Act 2008 enacted

New website launched – bankomb.org.nz



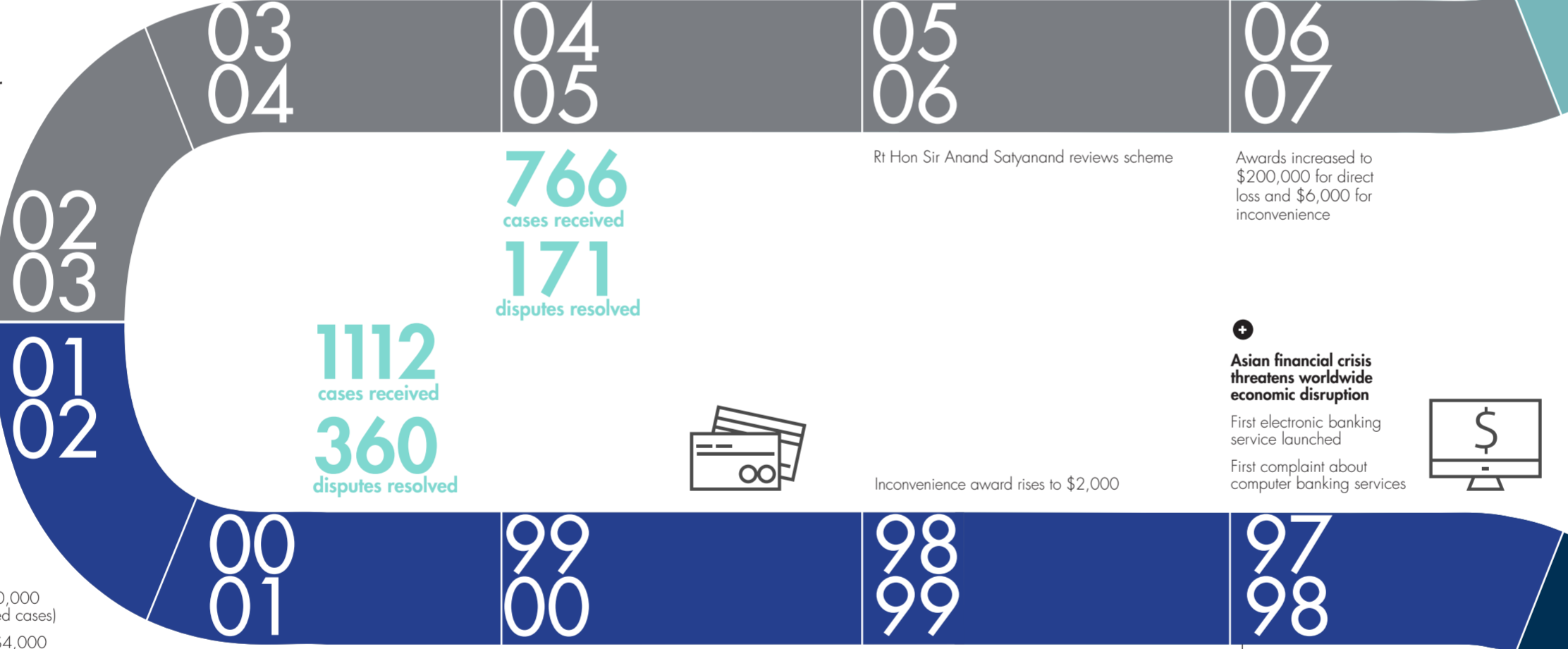
Global financial crisis

Banking Ombudsman Scheme Limited established in June 2007

Fourth edition of NZBA Code of Banking Practice – July 2007

Freezing of two ING investment funds leads to complaints spanning next five years

Credit Contracts and Consumer Finance Act 2003 enacted
Third edition of NZBA Code of Banking Practice – Dec 2002



02/03
01/02

1112 cases received
360 disputes resolved

766 cases received
171 disputes resolved

Rt Hon Sir Anand Satyanand reviews scheme

Awards increased to \$200,000 for direct loss and \$6,000 for inconvenience

Asian financial crisis threatens worldwide economic disruption

First electronic banking service launched
First complaint about computer banking services



Inconvenience award rises to \$2,000

Decline in cheque-related complaints begins
Direct loss award rises to \$120,000 (\$150,000 for insurance-related cases)
Inconvenience award rises to \$4,000



00/01

99/00

98/99

97/98

Complaints about early repayment charges up sharply after interest rate falls
Most of Code of Banking Practice extended to most farming customers – June 1999



Hon Sir Ian Barker QC
Second Chair
September 1997–June 2010

96/97
95/96

Financial Transactions Reporting Act 1996 enacted

Inconvenience award of \$1,000 introduced
Second edition of NZBA Code of Banking Practice – Nov 1996

705 cases received
160 disputes resolved

Rt Hon Sir Gordon Bisson
Inaugural Chair of the Banking Ombudsman Commission
July 1992–August 1997



Nadja Tollemache
First Banking Ombudsman
July 1992–June 1995



Power to award compensation of \$100,000 for direct loss
First dispute (use of cheques) resolved – 14 July 1992
First edition of Code of Banking Practice – January 1992

Consumer Guarantees Act 1993 enacted
Privacy Act 1993 enacted

Cheques most popular payment method (54%), and credit cards least popular (5%)



Liz Brown
Second Banking Ombudsman
July 1995–July 2009



Scheme established by the New Zealand banking industry on 1 July 1992.
Complainants have access to a free and independent resolution service.

6 staff



17 scheme participants

348 cases received

92 disputes resolved

94/95