



30 YEARS

- 30 years of the scheme
- What happened in 2021-22
- What we do
- How we help
- From the chair
- From the Banking Ombudsman
- What we noticed
- We collaborate

The financial statements are available on our website.

- Case study: loans
- Case study: scams
- Whistleblowing
- Seeing the full picture
- Cases by bank
- Disputes by bank
- Looking to the future

contents



I couldn't be prouder of what the team has achieved in these uncertain times.

Nicola Sladden
BANKING OMBUDSMAN

what we do

We help resolve and prevent banking problems. Our service is free and independent.

scams

63%[↑]

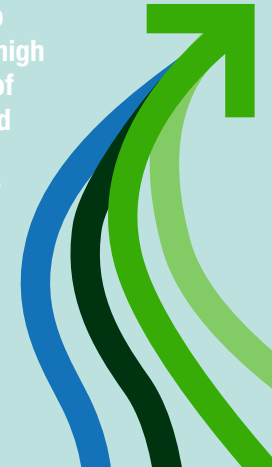
Our dashboard holds the banking sector to account for the way it deals with customer complaints.



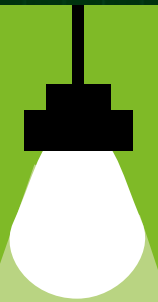
Miriam Dean
INDEPENDENT CHAIR, CIVIZI.KC

“**Fantastic communication.** Your staff were lovely, kind, patient, and willing to help.”

Collaboration is crucial to promoting high standards of conduct and improving banking for customers.



what we noticed



We see the full picture



Looking to the future

CASES BY BANK



Many complaints were about home lending



Whistleblowing

what happened

4,732 cases received



We look forward to our future with an awareness of our past



Nadja Tollemache



Sir Gordon Bisson

92

- Scheme established by the banking industry to give complainants access to a free and independent resolution service.
- Nadja Tollemache appointed first Banking Ombudsman, and Sir Gordon Bisson appointed first chair.
- First dispute about the use of cheques, the most popular payment method of the time.
- Power to award compensation of \$100,000 for direct loss.



Liz Brown

- Liz Brown appointed second Banking Ombudsman in July 1995.
- Use of ATMs and EFTPOS increased sharply: New Zealand had an EFTPOS terminal for every 122 people – the highest rate in the world.

95



Sir Ian Barker KC

- Sir Ian Barker appointed second chair.
- First electronic banking service launched.

97



Deborah Battell

09

- Deborah Battell appointed third Banking Ombudsman.
- Global financial crisis (and failure of ING investment funds) led to record number of complaints and disputes.

10

- Professor Ron Paterson appointed third chair.
- The scheme became an approved dispute resolution scheme under new legislation.



Prof Ron Paterson

13

- Miriam Dean KC appointed fourth chair.
- First complaint received through social media.



Miriam Dean KC

15

- Nicola Sladden appointed fourth Banking Ombudsman.
- Updated terms of reference introduced.



Nicola Sladden

22

- Power to award compensation of \$350,000 for direct loss and \$9,000 for inconvenience.
- Complaints and disputes about scams rise.

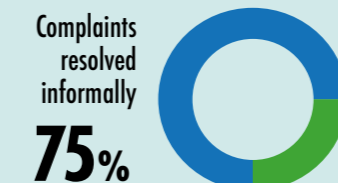
then

1992

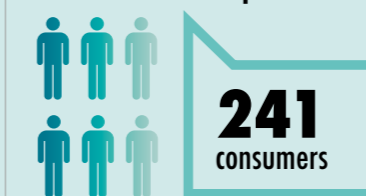
The biggest issue was cheques.

We could award up to **\$100,000** for direct loss.

Banks promoted the scheme through brochures in branches.



6 full-time staff helped



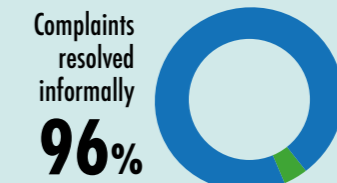
now

2022

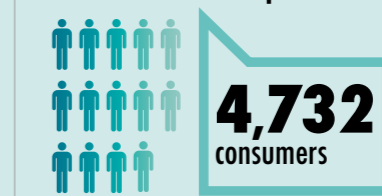
The biggest issue is home lending.

We can award up to **\$350,000** for direct loss + **\$9,000** for inconvenience.

Banks promote the scheme online and through apps.



14 full-time staff helped



30-year statistics

\$39.44 million in compensation

72,743 people helped

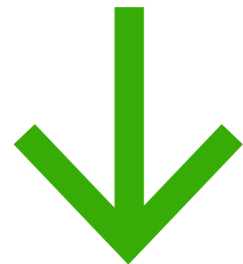
What happened in 2021-22

Cases received

4,732

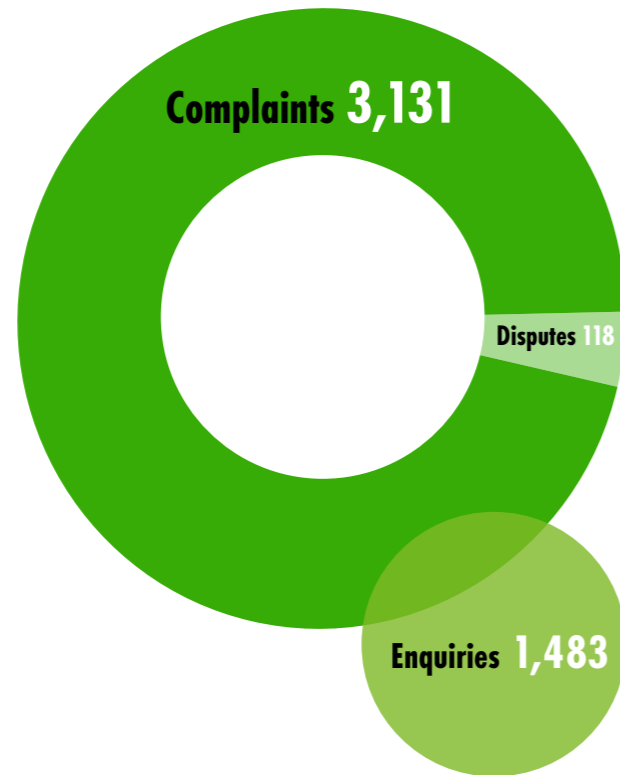
Overall caseload

1.7%

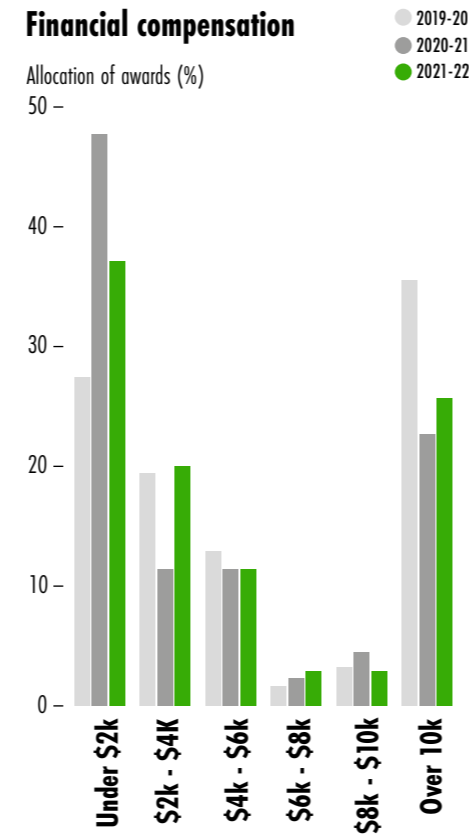


Enquiries **2.7%** ↓
 Complaints **0.6%** ↓
 Disputes **15.7%** ↓

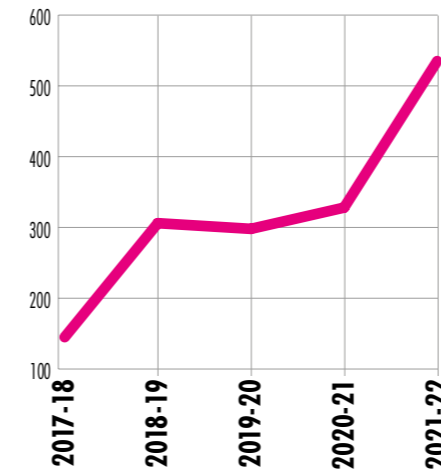
96% of complaints were resolved through our early resolution service.



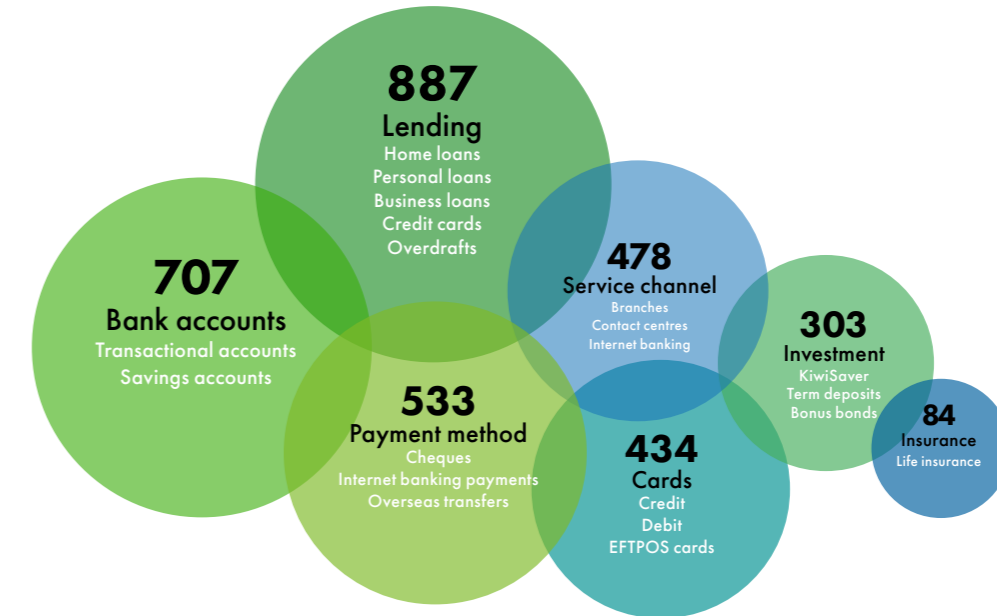
Over **\$400k** in compensation



Increase in scams



80% customer satisfaction with our service



Complaints about lending continue to dominate, half of which involve home loans.

99% of complaints responded to within one working day.

98 complaints were fast-tracked because customers were in financial difficulty.

38% of our investigations were highly complex (up from 32% last year).

What we do

Our purpose

To help resolve and prevent problems to improve banking for our communities

Our values

To provide a service that is accessible, independent, fair and efficient

We recognise the importance of providing a culturally responsive service and have developed a cultural capability programme, focussed on te ao Māori and the Aotearoa best-practice dispute resolution standards.

Our contribution

To help ensure a fair banking sector, we:

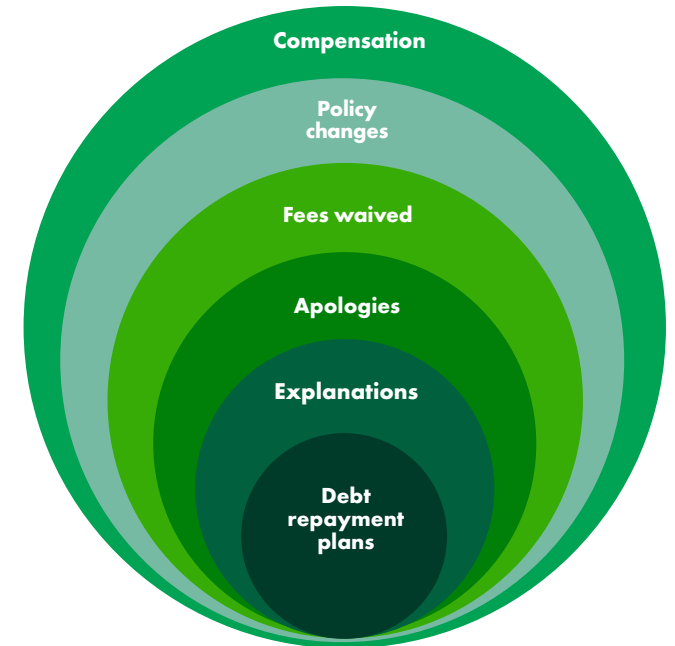
- Offer a credible, independent ombudsman service
- Offer advice to customers and banks
- Deliver fair outcomes
- Communicate the underlying causes of problems to banks
- Help improve bank practices and policies

Our impact

Our activities result in:

- Fewer disputes
- Better bank-customer relationships
- More informed customers
- More satisfied customers
- More outcomes reached by mutual agreement
- Greater trust and confidence in banking

How we facilitate fair outcomes



How we help

Prevent

Share

Share insights to encourage best practice by banks and informed decisions by customers

Collaborate

Collaborate with stakeholders and other agencies to build financial capability and promote high standards of conduct

Identify

Identify root causes of complaints

Listen

Listen actively, objectively and empathetically to guide and help both sides

Decide

Decide promptly and clearly to ensure fair outcomes

Facilitate

Facilitate early, mutually agreed solutions

Resolve

“With the scheme’s assistance we managed to achieve a much fairer and satisfactory outcome.”

“The Banking Ombudsman Scheme proactively shares insights and points of concern specific to our bank.”

From the chair

This year marks 30 years since the Banking Ombudsman Scheme began operating. Since 1992, we have helped more than 72,000 people who contact us about every conceivable aspect of banking services. I am proud of our recent work to support consumers in vulnerable circumstances, particularly a new fast-track process for those in financial difficulty.

As a dispute resolution service, we are uniquely placed to gain insights into the causes of complaints, and we have been working hard to ensure the insights we pass on to banks are as actionable as possible so we can help prevent complaints and unfair practices in the sector.

Thanks to our dedicated staff, we are in an excellent position to meet the challenges of the current economic climate, which make it more important than ever that consumers have an independent ombudsman service to turn to. Such a service is essential to maintaining public confidence in the banking system.



Miriam Dean | Independent Chair CNZM KC

By providing quarterly updates on the types of complaints received by each bank, our dashboard holds the banking sector to account for the way it treats customers and deals with their complaints.

Our board

Clockwise from top left:

Burcu Senel
Banking representative

Kenina Court
Consumer representative

Antonia Watson
Banking representative

Jon Duffy
Consumer representative



From the Banking Ombudsman

As I reflect, I couldn't be prouder of what the team has achieved in these uncertain times. We continued to receive a high number of enquiries and complaints, but also fewer disputes.

Service-related complaints figured prominently this year. They were most frequently about banks' slow service, delays in getting through to contact centres, and the length of time to process home loan applications.

Lending-related complaints accounted for about a quarter of all cases. Most common were those about banks refusing to lend or changing their lending criteria, typically when customers follow up on an initial enquiry or seek refinancing. However, we also received complaints about delays, interest rates and the ways banks responded to people experiencing financial difficulty.

Highlights of the year included:

- maintaining productivity during COVID-19 outbreaks
- exceeding our timeliness measures
- ensuring information about our service is available on widely used bank channels, including bank apps
- changing our levy to ensure a fair allocation of costs
- briefing the Finance and Expenditure Select Committee on consumer protections from scams.

It has been a privilege working with board members, staff and stakeholders during such a dynamic time.

Nicola Sladden | Banking Ombudsman





Lending complaints increased due to credit law changes
– we shared our complaints data to help the Government’s review of the changes

Direct debit cancellation practices required improvement
– we asked banks to review their policies and we audited their websites and terms and conditions

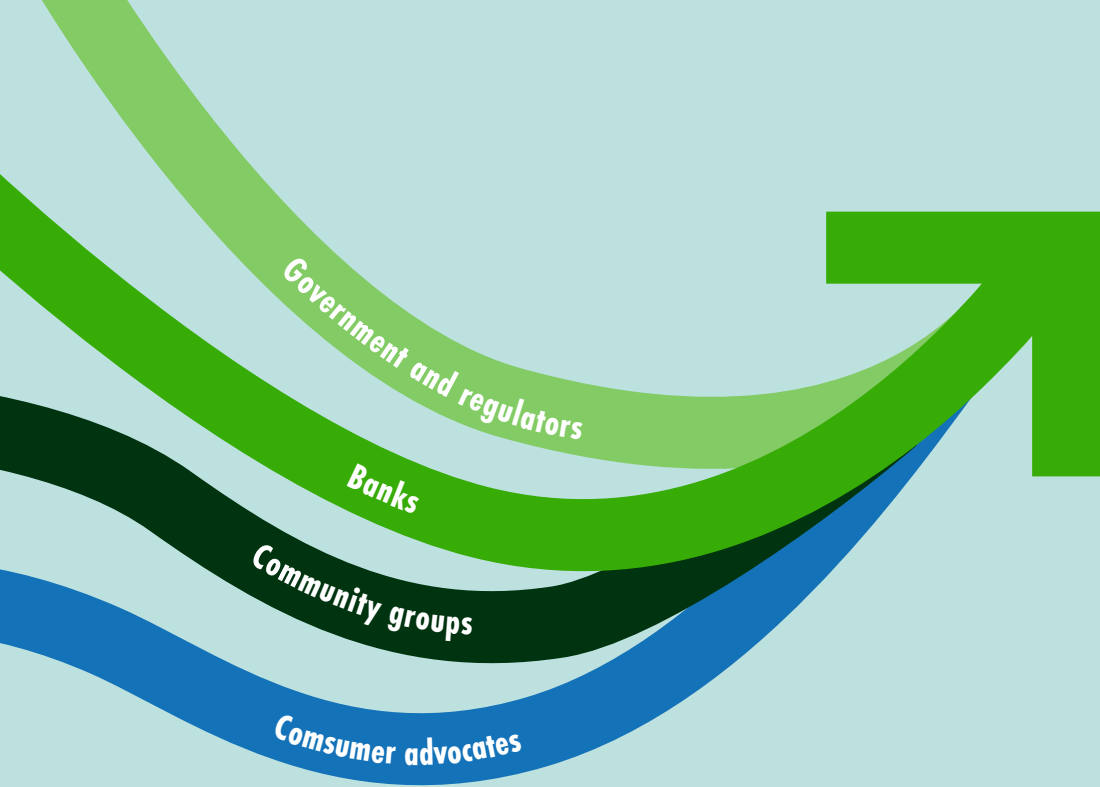
Anti-money laundering compliance requirements caused inconvenience
– we shared customer experiences with the Ministry of Justice to help its review of the legislation

Fraud and scam complaints were up 63 per cent from last year
– we updated our scams Quick Guide and briefed a select committee on consumer protections

Digitisation of banking leaves some customers behind
– we published a media release promoting bank support to protect against financial abuse

What we noticed

We have updated our systemic issues protocol and created a new regulator reporting protocol to strengthen our frameworks for responding to wider issues affecting bank customers.



We collaborate

We collaborate to raise awareness of our service and improve banking for customers. We share insights through engagement with consumer and community groups, at industry and consumer forums, via the news and social media, and through submissions to government agencies on policy matters. We work with consumer advocates to identify and address banking issues affecting vulnerable customers. We publish cases and guidance on our website, and send monthly prevention insights to banks so they can improve their systems and services.

We share our insights in the media to help consumers avoid banking problems – and to raise awareness of our service so they know who to contact if they do have a problem.

1,489
social media followers
↑67%

216
social media posts
↑242%

209
media mentions
↑77%



Clear communication is vital in pre-approvals, which typically involve large sums of money and have far-reaching implications for customers.

Bank not clear couple's income factored into loan application

George wanted \$300,000 to help his brother buy a home in a new housing development. His brother had good income but was nearing retirement age. George wanted to pass the money to his brother, who would repay him in instalments, and he would then make the repayments due to the bank.

George was on national superannuation and his wife was a teacher. They were debt-free and had shares, bonds and cash totalling \$500,000. The bank pre-approved a \$300,000 loan, valid for four months. George's brother signed a contract with the developer, but there were building delays and the pre-approval expired. The bank told George to get in touch once the code compliance certificate was issued. It was issued 10 months later, allowing just 10 days to pay the developer or lose the deposit of \$50,000. George contacted the bank. It reassessed the lending application because the pre-approval had expired and discovered George's wife now only worked casually. The bank declined the application because of this, and George frantically sold shares and bonds to raise the necessary funds to pay the developer. George complained the bank never said his wife's income was critical to the lending and said he would not have proceeded with the loan if the bank had made this clear, noting they had been forced to sell assets quickly, disrupting their financial plans.

Outcome

We found the bank had sought information from George and his wife about their income, which was an important consideration — despite the size of the couple's assets — but failed to make clear that the pre-approval was dependent on that income. We recommended the bank pay George \$6,000 for stress and anxiety, and for the disruption caused by the loss of much of the couple's income-generating assets.

Loans

We have called for urgent collaboration among a range of stakeholders to work together to keep ahead of these very sophisticated scams and frauds.

Bank gave sufficient warning of cryptocurrency risks

Malia had \$340,000 in her savings account and wanted to invest in cryptocurrency in the hope of getting a better return on her money. She sent the \$340,000 in three international money transfers to a cryptocurrency trader via a United States bank. Her bank stopped the transfers because the amounts were so large and messaged her, asking her to call to confirm it was her sending the money. Malia called and confirmed it was and explained she was making the payments to a cryptocurrency trader. The bank then released the payments. Some weeks later, Malia tried to withdraw her money and discovered she had been scammed. The cryptocurrency “trader” had tricked her into depositing the money into his or her account. Malia contacted the bank but it couldn’t retrieve the money. She complained the bank hadn’t sufficiently warned her about the risks of cryptocurrency investments when she called the bank about the payments. The bank did not accept this, and Malia came to us.

Outcome

We listened to the phone call and were satisfied the bank staff member sufficiently warned her about the risks of cryptocurrency trading. The staff member told her some cryptocurrency traders were genuine but many were not, and that the bank could not say whether this particular trader was genuine or fake. The onus was on her to research whether she was dealing with a legitimate trader – the bank could not give her that assurance. The staff member warned her the risk was hers once the bank released her funds and reiterated that there were fraudulent as well as genuine cryptocurrency trading platforms. We did not uphold Malia’s complaint.

We received 535 complaints about scams or fraud.

SCAMS

Whistleblowing

We have received nine reports of wrongdoing since our independent whistleblowing service began in February 2021.

In four of the nine cases, whistleblowers alleged poor workplace behaviour such as bullying, harassment or discrimination.

Banks must now give us statistical information about all cases (even reports made directly to banks). Next year, we will have a full picture of what whistleblowers are concerned about in the banking industry.



“I’ve decided to use this service instead of my bank’s internal process as this lets me remain completely anonymous. I don’t feel I can raise this any other way, and I cannot afford to lose my job.”

Seeing the full picture

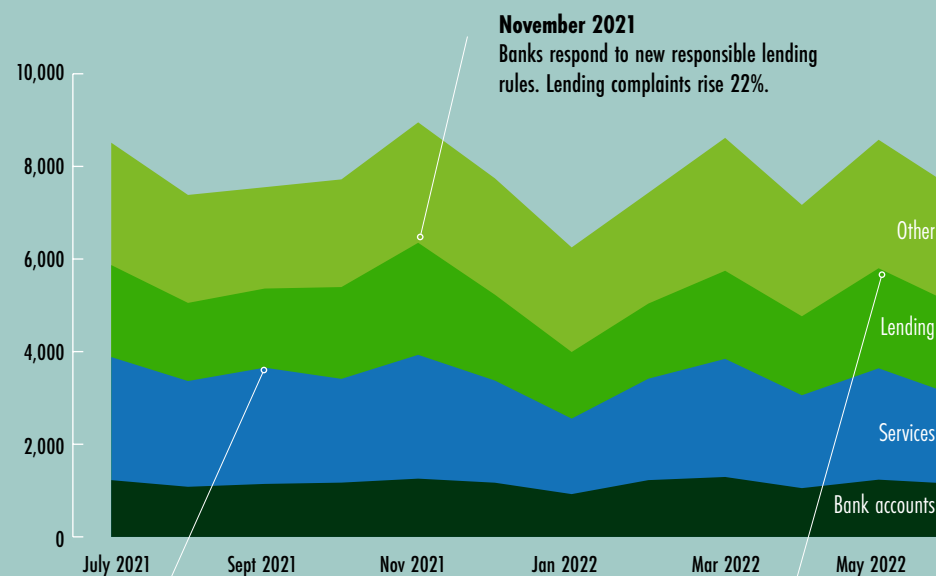
The complaints dashboard is a powerful tool for bringing transparency and accountability to the banking industry.

Our industry-wide **complaints dashboard** highlights themes in banking complaints. A recently added feature allows us to see what causes customers the most frustration with each bank, and how banks address these problems.

Key dashboard facts:

- Banks received 93,394 complaints in 2021-22 – an 11% drop on the previous year.
- 10,402 complaints were about fees or interest rates.
- 9,774 complaints were about delays or waiting times.
- 60% of all complaints were made by phone.

Complaints 2021-22



September 2021
Cyber attacks cause systems outages, leading to a 31% spike in internet banking complaints.

November 2021
Banks respond to new responsible lending rules. Lending complaints rise 22%.

May 2022
Home loan rates continue to climb, but complaints about interest rates do not increase.

Cases by bank

	Enquiries received	Complaints received	Disputes received	Total	% of our cases	% of total assets [^]
Large[^]						
ANZ Bank NZ	160	870	40	1,070	22.6	30.2
ASB Bank	103	542	23	668	14.1	19.1
BNZ	76	415	9	500	10.6	19.0
Kiwibank	65	505	8	578	12.2	4.4
Westpac NZ	93	507	14	614	13.0	19.0
Medium[^]						
Heartland	28	70	8	106	2.2	0.7
HSBC	1	13	2	16	0.3	1.1
Rabobank	5	10	-	15	0.3	2.8
SBS	3	21	2	26	0.5	0.8
The Co-operative Bank	14	50	2	66	1.4	0.5
TSB	16	67	6	89	1.9	1.4
Small[^]						
Bank of Baroda	1	14	-	15	0.32	<0.5
Bank of China	3	2	-	5	0.11	0.8
Bank of India	1	1	-	2	0.04	<0.5
China Construction Bank	2	1	-	3	0.06	0.5
Citibank	-	-	-	-	-	<0.5
ICBC	1	1	-	2	0.04	<0.5
Nelson Building Society	4	5	1	10	0.21	<0.5
Unity	14	37	3	54	1.1	<0.5
Bank not specified*	893	0	0	893		
Overall total	1,483	3,131	118	4,732		

[^]Banks are classified according to total assets at 31 December 2021 as verified by banks in May 2022. A bank's share of total assets is not the same as its share of customer numbers.

* Includes calls about organisations that do not belong to the scheme.

“I spoke to a wonderful person at the Ombudsman’s office – I had lost a lot of my self-confidence and was so grateful for the help I got.”

“The scheme empowered me to find my voice and ensured it was heard and really helped me understand what was fair and reasonable. My regret is I did not seek their advice sooner. I totally recommend this team for their free, frank and transparent advice.”



Disputes by bank

	Outside jurisdiction		Result for both parties		Result for customers		Result for banks*		Total by bank	
	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22
Large[^]										
ANZ Bank NZ	6	12	12	7	-	-	22	25	40	44
ASB Bank	6	4	6	4	2	-	10	14	24	22
BNZ	2	1	3	-	-	1	6	9	11	11
Kiwibank	2	-	8	3	7	-	6	5	23	8
Westpac NZ	6	4	7	2	1	-	7	7	21	13
Medium[^]										
Heartland Bank	1	-	-	1	-	-	2	6	3	7
HSBC NZ	1	1	-	-	-	-	1	1	2	2
Rabobank NZ	1	-	-	-	-	-	2	1	3	1
SBS Bank	2	-	1	-	1	1	2	-	6	1
The Co-operative Bank	1	-	-	2	-	-	1	1	2	3
TSB Bank	1	1	2	3	1	-	4	2	8	6
Small[^]										
Bank of Baroda NZ	-	-	-	-	-	-	-	-	0	0
Bank of China NZ	-	-	-	-	-	-	-	-	0	0
Bank of India NZ	-	-	-	-	-	-	-	-	0	0
China Construction Bank NZ	-	-	-	-	-	-	-	1	0	1
Citi NZ	-	-	-	-	-	-	-	-	0	0
ICBC NZ	-	-	-	-	-	-	-	-	0	0
Nelson Building Society	-	-	-	-	-	-	1	1	1	1
Unity	-	-	-	-	-	1	1	1	1	2
Total	29	23	39	22	12	3	65	74	145	122

* Includes abandoned and withdrawn disputes.

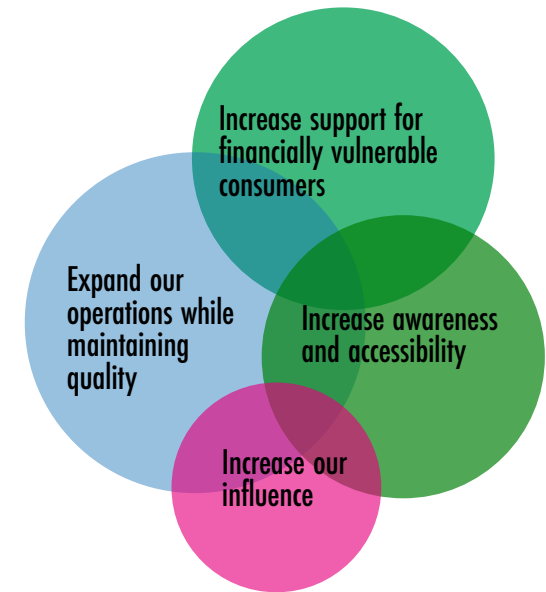
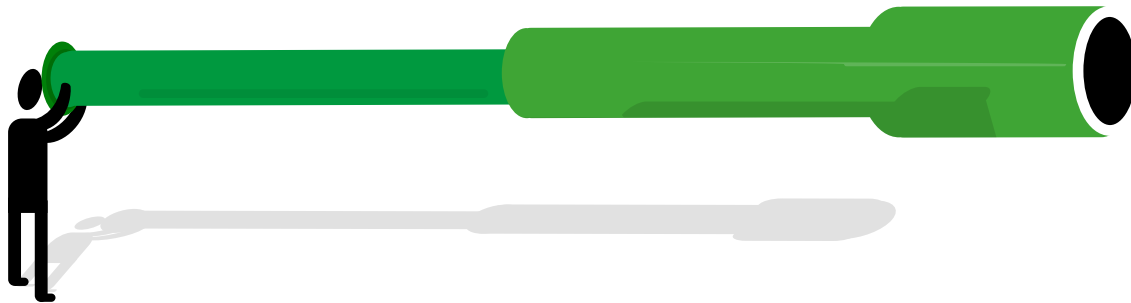
“I was contacted really promptly and guided through the process well. The scheme was kind, supportive and very friendly.”



“Fantastic communication.
Your staff were lovely and kind, patient and willing to help. Excellent service!”

Looking to the future

The banking sector is complex and fast-moving. To ensure our service meets changing customer needs, we reviewed our strategic priorities and determined four priorities to guide our actions.



Underpinning these priorities is a commitment to provide a high-quality service to everyone who contacts us. We will focus more on offering culturally responsive services to ensure customers feel we respect them and preserve their mana.

We will ensure banks promote our service to their customers, and we will work on wider awareness initiatives. We will collaborate with stakeholders to find better ways to ensure consumers have access to information about us when they have a problem.

We will maximise our impact by using our complaint data more effectively to improve the banking experience so it is fairer for all.