



ANNUAL REPORT

2024

FOR THE FINANCIAL YEAR
01 JULY 2023 TO 30 JUNE 2024



02	Letter of Transmittal
03	Statement from Ombudsperson
04	Our Team
05	Our Organisational Structure
06	Our Mission, Vision and Values
07	Nature of Complaints
09	Complaints Resolution Process
13	Statistics
16	Human Resources
17	Financial Resources
19	Achievements During the Financial Year 2023/2024
20	Our Challenges
25	Case Studies

Ref: OFS/AREP/1 V4

25 November 2024

The Honourable Minister of Financial Services and Good Governance
Ministry of Financial Services and Good Governance
SICOM Tower
Ebene

Honourable Minister,

Annual Report for the Financial Year 01 July 2023 - 30 June 2024

In accordance with the provision of section 17(2) of the Ombudsman for Financial Services Act (the "Act"), I am pleased to submit the Annual Report of the Office of Ombudsman for Financial Services for the financial year ended 30 June 2024. The same outlines our accomplishments, complaints resolution process, activities, and challenges.

A copy of the Annual Report is to be laid before the National Assembly by virtue of section 17(3) of the Act.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Maraye', followed by a period.

Dr M. D. Maraye FCCA
Ombudsman for Financial Services



“Temples are built on the invisible foundation of integrity”

Since my appointment as Ombudsman for Financial Services on 26 February 2021, my Office has submitted to the relevant authorities, the annual reports for the periods ended 30 June 2021, 30 June 2022 and 30 June 2023. These annual reports have been tabled in the National Assembly as required by Law and are available on our website ofsmauritius.govmu.org.

This fourth annual report focusses on the activities for the period 01 July 2023 to 30 June 2024. We started with 696 complaints which were awaiting to be processed, and an additional 684 new complaints were received during the year. By the end of the year, we managed to close 985 cases, leaving 395 complaints outstanding as at 30 June 2024. The details of these statistics are available on page 13.

In November 2023, we moved to new offices on the ground floor of SICOM Tower in Ebene. The appointment of four Investigations Officers in January 2024 instilled the required level of professionalism in the technical section of the Office. The contribution of the Investigations Officers has significantly reduced the backlog of complaints, especially during the month of May 2024 when 270 complaints had been dealt with successfully.

Furthermore, in July 2024, a new Secretary and a Head of Legal and Investigations assumed duty in their respective roles. The new Secretary has been highly instrumental in the preparation of this annual report successfully.

To conclude, I would like to thank Staff members of the Office, at all levels, from whom I learned a lot through their contribution towards the advancement of our common objective as stated in our vision and mission statements.

In our Office, the concept of 'subordinate' does not exist, and all team members are treated equally while ensuring respect and upholding our values. Surely, enlightened team members, driven by integrity, shall overcome the hurdles in achieving our organisational goals.

Dr M. D. Maraye FCCA

The Legal and Investigations Team

The Legal and Investigations section ensures that fairness is central in carrying out investigations and making recommendations. The Investigations Officers play a crucial role in the fulfilment of our mandate.

With a sound understanding of our complex regulatory landscape, our team investigates complaints related to the insurance, banking, pensions, and the broader financial services segments.

The team is made up of four Investigation Officers who have been appointed since January 2024 along with a Head of Legal and Investigations, appointed since July 2024. The investigations are principally carried out by the Investigations Officers. They function diligently and with professionalism to ensure that consumers of financial services and operators of the financial services sector falling under our purview are treated fairly.

With a strong base of law, enforcement, regulatory compliance, and finance, our team is well positioned to navigate the complexities of the financial services sector. Enthusiastic about upholding the integrity of the financial industry, our robust team remains in the cutting edge of regulatory improvements to guarantee that our work aligns with the changing financial ecosystem.

The Administration Team

The members of our administration team, comprising of a Secretary and staffs of the General Services Cadre (Management Support Officers, Receptionist and Office Auxiliaries), work tirelessly to ensure the efficient operation of our organisation.

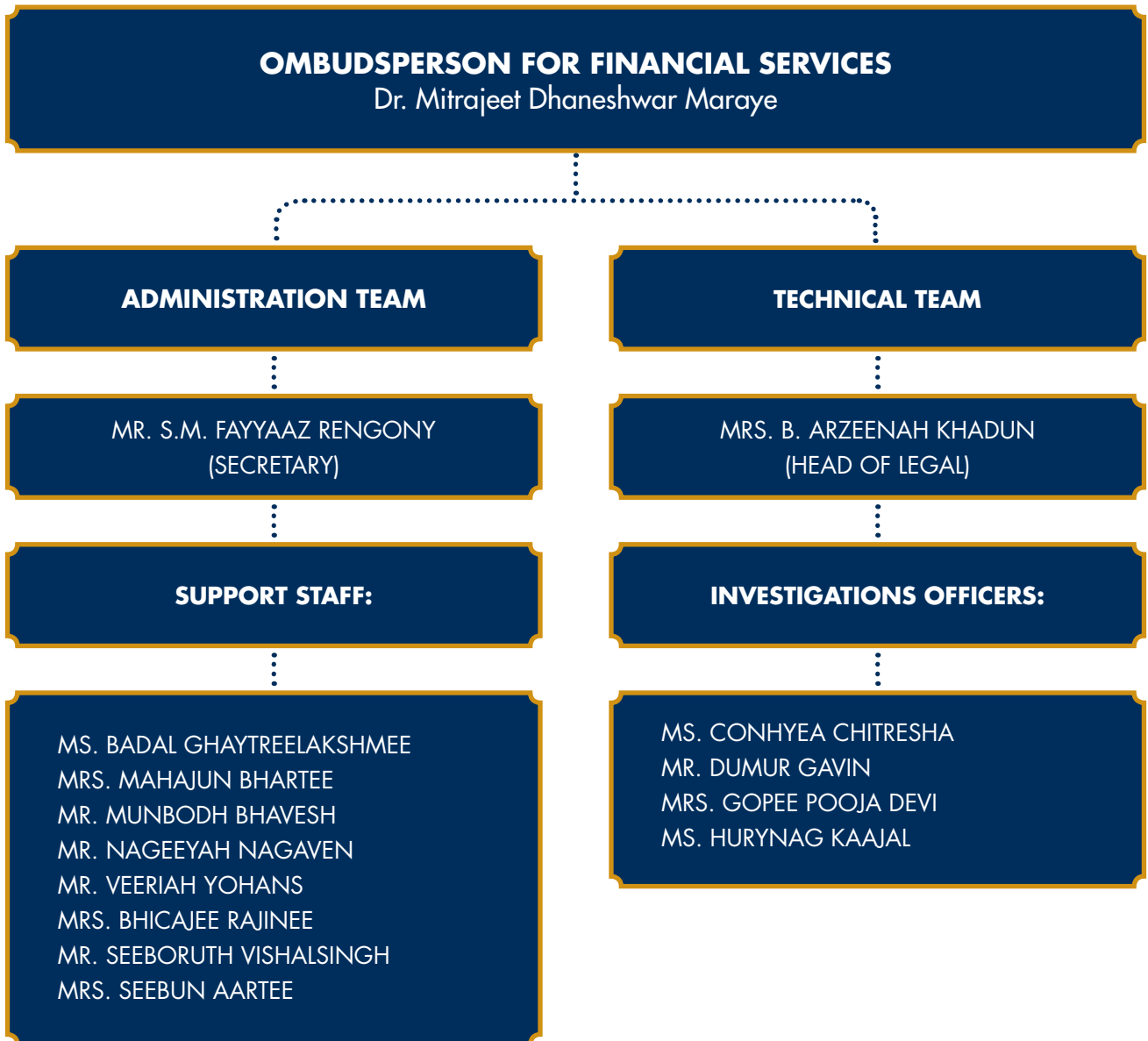
They perform a wide range of important tasks that play a crucial role in our overall achievements.

The team operates under the leadership of the Secretary, who was appointed in July 2024 and are responsible for maintaining effective communication, both within the organisation and with external stakeholders. They manage a significant amount of communication and ensure that letters, inquiries, and grievances are responded to promptly and accurately. Moreover, they are crucial in developing and sustaining strong connections with other government entities and departments.

The Secretary, who reports directly to the Ombudsman, plays a preponderant role in ensuring the smooth running of the Office with due regard to legal parameters.



OUR ORGANISATIONAL STRUCTURE





MISSION

Our Mission is to ensure that consumers and providers of regulated financial services are being treated fairly in terms of quality of service both pecuniary and without undue delay whilst contributing towards the enhancement of the reputation of the Mauritius International Financial Centre.



VISION

The Office of Ombudsman for Financial Services is a dedicated independent institution driven by integrity and transparency while giving due consideration to the views and opinions of stakeholders so as to ensure fairness in the financial services sector within the parameters of regulations, issued guidance and statutory objectives.



VALUES

Integrity

we show a consistent and uncompromising adherence to moral and ethical principles.

Transparency

we do what we say and what is right, and we explain the reasons for our actions.

Independence

we act without favour, and we are not subject to the directions or control of any person or Authority.

Fairness

we make fair and balanced decisions after duly considering the information provided by all parties.

Complaints that are received at our Office are categorised into Banking and Non-Banking. An illustration of the nature of complaints for the two categories are provided in Figures 1 and 2 below.

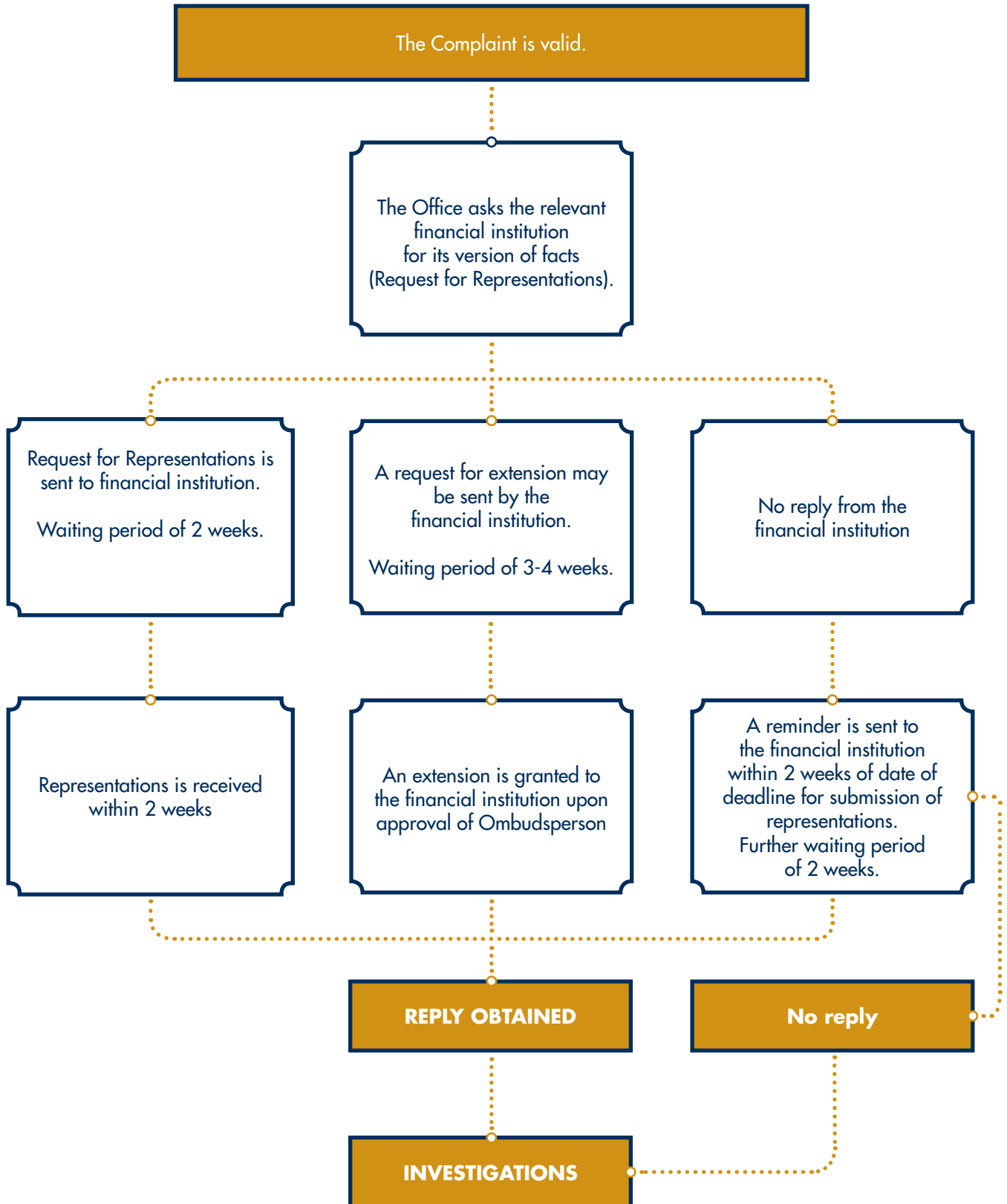


Figure 1 : Breakdown of the Nature of Complaints received for Banking Sector

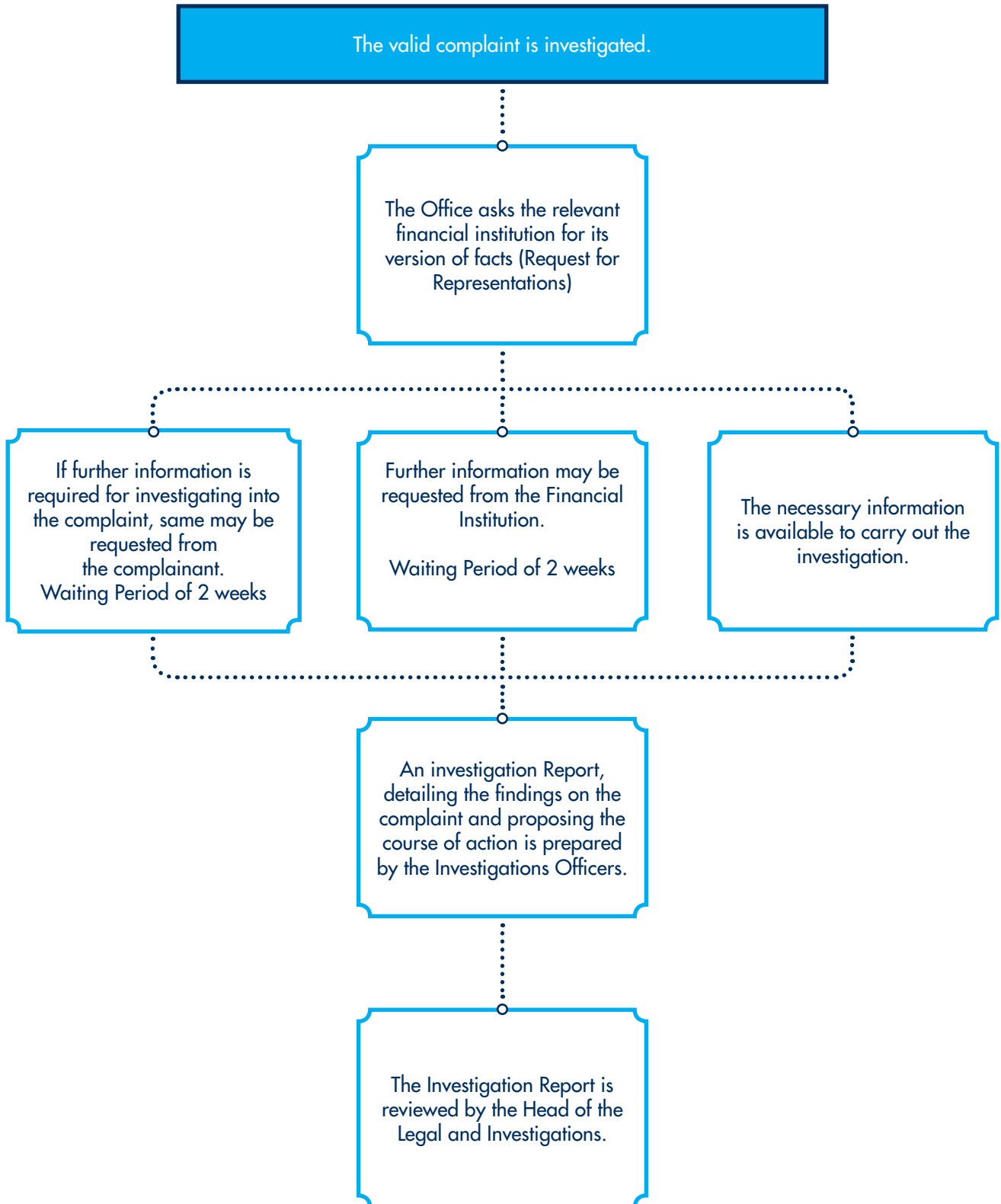
NON - BANKING	
LIFE INSURANCE	Maturity Payment Amount No bonus
MOTOR VEHICLE INSURANCE	Insurance Claim, Unsatisfied Repairs, Delay in Payment Defective Spare Parts, Expert not provided, Loss of Use, Replacement Car No Settlement despite Police Report/Judgement Medical expenses following accident, Payment of Excess
MEDICAL INSURANCE	Waiting period Inpatient/Outpatient Limit Pre-existing Conditions
TRAVEL INSURANCE	Medical Expenses Cancelled Flights Missed Flights Flight Delays
LEASING	Early Termination Penalty Fee Charges
INSURANCE ON LOANS	Disability Claims Death Claims Cover in Case of Incidents
PRIVATE PENSION PLANS	Lump Sum Amount Pension Amount Cancellation of Pension Plan
CUSTOMER SERVICE	Delay Unfair Practice, Increase in Price No Communication , Lack of Due Diligence

Figure 2 : Breakdown of the Nature of Complaints received for Non-Banking Sector

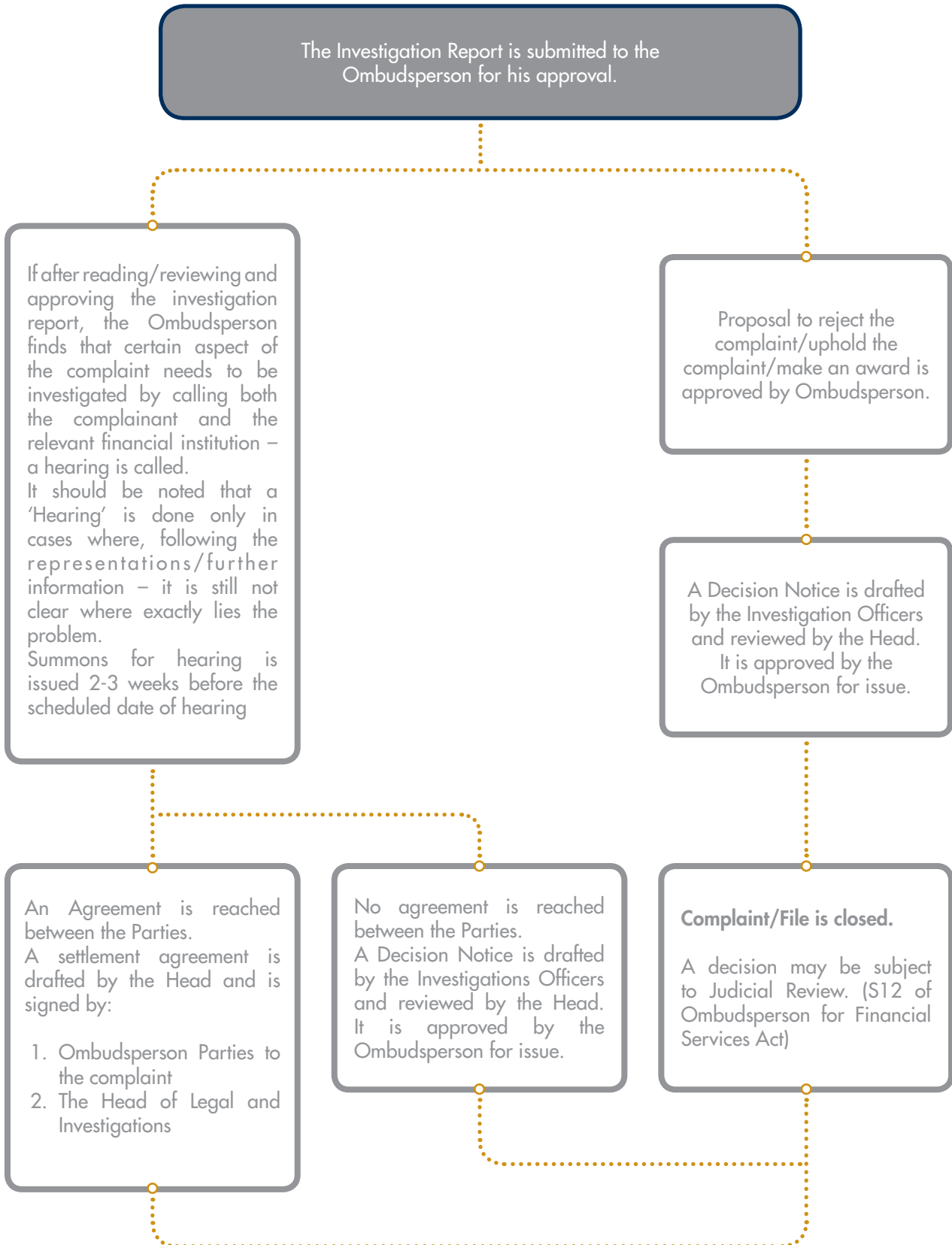
STEP 2 : VALID COMPLAINTS



STEP 3: INVESTIGATION



STEP 4: HEARING/DECISION NOTICE



At the start of the financial year, the Office was investigating 696 complaints, consisting of 213 against banking institutions and 483 against non-banking institutions.

During the financial year ended 30 June 2024, 684 new complaints were received, comprising of 129 against banking institutions and 555 against non-banking institutions.

Our Office successfully concluded 71.38% of cases during the financial year. This was achieved through detailed analysis and investigation which led to the resolution of 985 complaints, of which 260 are banking and 725 are non-banking.

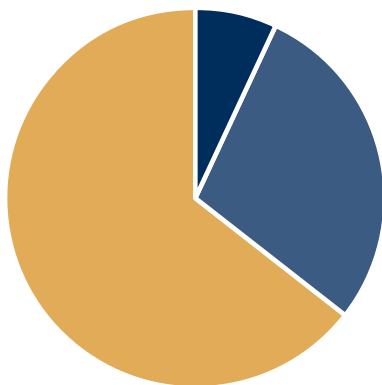
At the end of the financial year (30 June 2024), there were 395 outstanding complaints which were being processed, comprising of 97 against banking institutions and 298 against non-banking institutions.

A summarised table on the number of complaints dealt by our Office is detailed hereunder:

Statistics for the period of 01 July 2023 to 30 June 2024

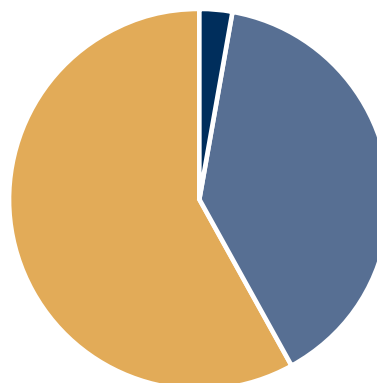
	Bank	Non-Banks	Total
Outstanding complaints as at 01.07.2023	213	483	696
Number of complaints received during the year ended 30.06.2024	129	555	684
Total number of cases which were under process	342	1038	1380
Cases closed during the financial year ended 30.06.2024	(260)	(725)	(985)
Outstanding complaints as at 01.07.2024	97	298	395

PERCENTAGE OF COMPLAINTS RESOLVED FROM JULY 2023 TO JUNE 2024



RESOLVED - 7% PENDING - 29% CLOSED - 64%

OUTCOME OF RESOLVED COMPLAINTS



RESOLVED IN FAVOUR OF CONSUMERS - 3%

RESOLVED IN FAVOUR OF FINANCIAL INSTITUTIONS - 39%

SETTLED BETWEEN CONSUMERS & FINANCIAL INSTITUTIONS - 58%

BANKS	Number of complaints
The Mauritius Commercial Bank Limited	68
SBM BANK (MAURITIUS) LTD	24
Bank One Ltd	7
MauBank Ltd	7
Bank of Baroda	6
ABC Banking Corporation	6
Afrasia Bank	3
Barclays Bank- ABSA Bank	2
Development Bank of Mauritius	2
Hong Kong Shanghai Banking Corporation (HSBC)	2
Silver Bank	1
Bank of Mauritius	1
TOTAL	129

INSURANCE COMPANIES	Number of complaints
Phoenix Insurance (Mauritius) Ltd	56
Mauritius Union Assurance Company Ltd (MUA)	49
Lamco International Insurance Ltd	47
Swan General Ltd	32
Jubilee Insurance (Mauritius Ltd)	28
National Insurance Company (NIC) General Insurance Co Ltd	27
The New India Assurance Company Ltd	20
G.F.A Insurance Ltd	13
State Insurance Company of Mauritius Ltd / SICOM General Insurance Ltd	13
Eagle Insurance	12
Sun Insurance Co Ltd/ Sanlam General Insurance Ltd	9
Quantum Insurance Ltd	5
IOGA Insurance	5
Afrilife Insurance	2
Life Insurance Corporation of India (LIC)	1
Island life Insurance	1
TOTAL	320

OTHER COMPLAINTS	Number of complaints
Other Financial Institutions and Non-Financial Institutions	235

Ratio of the number of complaints received against licensees of the Bank of Mauritius compared with the Number of Customers per licensee of the Bank of Mauritius

BANKS	Number of complaints	Number of customers¹	Ratio (%)²
The Mauritius Commercial Bank Limited	68	1 634 818	0.00416
SBM BANK (MAURITIUS) LTD	24	691 482	0.00347
Bank One Limited	7	52 205	0.0134
MauBank Ltd	7	314 255	0.00223
Bank of Baroda	6	23 966 ³	0.0250
ABC Banking Corporation Ltd	6	18 161	0.0330
Afrasia Bank Limited	3	33 652	0.00891
ABSA Bank (Mauritius) Limited [ex Barclays Bank]	2	148 484	0.00135
The Hong Kong and Shanghai Banking Corporation Limited and HSBC Bank (Mauritius) Limited (HSBC)	2	49 304	0.00406
Silver Bank	1	626	0.160
SBI (Mauritius) Limited	Nil	70 466	Nil
Standard Bank (Mauritius) Limited	Nil	744	Nil
BCP Bank (Mauritius) Ltd	Nil	11 710	Nil
Warwyck Private Bank Ltd	Nil	241	Nil
Bank of China (Mauritius) Ltd	Nil	147	Nil
Standard Chartered Bank (Mauritius) Limited	Nil	1028	Nil
Investec Bank (Mauritius) Limited	Nil	3113	Nil
TOTAL	126	3 054 402	0.00413

1. Holding Fixed Deposit accounts, Savings accounts, Loan accounts, and Current accounts
2. Ratio (in percentage) of the number of complaints received against licensees of the Bank of Mauritius compared with the Number of Customers per licensee of the Bank of Mauritius
3. Bank of Baroda also provided the number of customers holding overdraft accounts, which have been excluded

Table 1 below shows the effective availability of Human Resources for the year ended 30 June 2024.

Working Hours Per Day : 6 Hours 45 Minutes													
No. of Working Days per Month : 20													
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
Workforce	10	11	11	12	14	13	15	15	15	16	15	12	
Total No. of Working Days	200	220	220	240	280	260	300	300	300	320	300	240	3180
Total No. of Working Hours	1350	1485	1485	1620	1890	1755	2025	2025	2025	2160	2025	1620	21465
Total Absences (days)	61.25	19	16.5	13	37.5	62.5	20	16	22	16.25	39.75	19.25	343
Total Absences (Hours)	413.44	128.25	111.38	87.75	253.13	421.88	135.00	108.00	148.50	109.69	268.31	129.94	2,315.27
Effective Working Hours	936.56	1356.75	1373.62	1532.25	1636.87	1333.12	1890.00	1917.00	1876.50	2050.31	1756.69	1490.06	19149.73

Table 1

	FY 2023/2024
Total Effective Working Hours	19 149.73
Number of Complaints closed	985
Effective Working hours per Complaint $(19\ 149.73 \div 985)$	19.44
Resolution time frame [approximate, in weeks] $[(19.44 \times 6.75) \div 7]$	18

Table 2

As shown in Table 2, the Staff of the Office allocated an average of 19.44 effective working hours from the start to the completion of a complaint. These 19.44 effective working hours are spread over an average period of 18 weeks, based upon such factors as the promptness and relevance of the responses provided by the Financial Institutions and the related parties to a complaint, which are beyond our control. However, the actual time taken to close a complaint depends on the work schedule of the Investigations Officers and other staff members



FINANCIAL SUMMARY FOR FINANCIAL YEAR 2023 / 2024

Items	Approved Budget 2023-2024 (Rs)	Actual Expenditure 2023-2024 (Rs)	Amount Unspent (Rs)
Basic Salary	6,032,000	4,255,767	1,776,233
Salary Compensation	283,000	266,842	16,158
Allowances	500,000	370,018	129,982
Extra Assistance	900,000	-	900,000
Cash in lieu of Leave	200,000	114,509	85,491
End-of-year Bonus	395,000	300,884	94,116
Travelling	600,000	468,190	131,810
Overtime	60,000	35,681	24,319
Staff Welfare	30,000	30,000	-
Membership Fees	120,000	52,685	67,315
Electricity and Gas	200,000	139,918	60,082
Telephone	250,000	224,959	25,041
Water Charges	25,000	6,885	18,115
Fuel and Oil	100,000	-	100,000
Rental of Building	2,900,000	2,392,113	507,887
Rental of Parking	160,000	-	160,000
Office Equipment	180,000	67,990	112,010
Office Furniture	430,000	394,679	35,321
Postage	40,000	27,286	12,714
Cleaning Materials	15,000	1,342	13,658
Office Sundries	42,500	42,323	177
Maintenance - Plant	25,000	-	25,000
Maintenance - IT Equip	175,000	81,865	93,135
Cleaning Services	60,000	-	60,000
Paper and Materials	75,000	16,330	58,670
Printing and Stationery	120,000	119,253	747
Books and Periodicals	30,000	9,000	21,000
Public Notices	70,000	-	70,000
Publications	50,000	14,810	35,190
Fees to Chairperson	200,000	36,805	163,195
Fees for Training	40,000	8,000	32,000
Uniforms	25,000	15,885	9,115
Catering	15,000	-	15,000
Hospitality and Ceremonies	17,500	9,650	7,850

FINANCIAL SUMMARY FOR FINANCIAL YEAR 2023 / 2024

Items	Approved Budget 2023-2024 (Rs)	Actual Expenditure 2023-2024 (Rs)	Amount Unspent (Rs)
Awareness Campaign	25,000	-	25,000
Conferences/Seminar	70,000	-	70,000
Membership to International Organisations	40,000	33,505	6,495
Upgrading of Office	3,000,000	-	3,000,000
Acquisition of Vehicle	1,500,000	-	1,500,000
Acquisition of IT Equipment	1,000,000	572,010	427,990
Acquisition of Software	500,000	144,383	355,618
Total	20,500,000	10,253,566	10,246,434

The Office has recorded an unspent amount of around Rs 10.2 million from the approved budget of Rs 20.5 million for the financial year 2023-24.

The most significant savings were associated with the item 'Upgrading of Office', for which no expenditure was incurred from the allocated budget of Rs 3 million. This situation arose mainly due to the Office's relocation to a facility that did not necessitate any infrastructure upgrades, in contrast to the previous location that required substantial renovations before the Office could commence operations. Savings of some Rs 508,000 were also made under Rental of Building as the Office moved to the new office location from November 2023. Since rent for parking space was also included under the monthly rental incurred for renting of the Office Space, no expenditure was made with regards to item Rental of Parking Space to the tune of Rs 160,000.

Additionally, Rs 1.5 million remained unspent under the item 'Acquisition of a Vehicle', as the process could not be finalized by June 2024. Consequently, amounts of Rs 100,000 and Rs 163,195 were not utilized for items 'Fuel and Oil – Vehicle' and 'Fees to Chairperson' of the Procurement Committee, respectively.

A sum of about Rs 1.8 million also remained unutilised under the item 'Basic Salary'. The situation arose primarily because the four Investigations Officers assumed duty in January 2024 and hence started drawing their salaries only halfway through the financial year. Further, as of June 2024, the positions of Secretary in the Office of the Ombudsman for Financial Services and Head of Legal and Investigations had not yet been filled. Subsequently, unexpended amounts of about Rs 458,000 were noted under the categories of Allowances, Salary Compensation, End-of-year Bonus, and Travelling and Transport. Furthermore, Rs 900,000 was not spent as no Extra Assistance was required during the year.

Significant unutilised funds were further recorded under items IT Equipment and Software acquisition and maintenance, with a total of about Rs 876,700 remaining as of June 2024. Moreover, the budgeted amount for Office Equipment was not fully expended, with some Rs 112,000 unspent. The latter unspent amounts are attributable mainly to the late timing of relocation of our Office and delay in recruitment of Staff. A budgeted amount of Rs 95,000 for Awareness Campaigns and Conferences/Seminars was not utilised due to numerous constraints.

Additional unutilised funds amounting to approximately Rs 709,000 were noted from the remaining items in the budget.



ACHIEVEMENTS DURING THE FINANCIAL YEAR 2023/2024

From its humble beginnings in 2019, our office has undergone a remarkable journey. We started with the very foundation – the creation of the office itself, establishing its purpose and direction. Overcoming the initial challenges of setting up infrastructure and protocols, we navigated a relocation to new premises to better serve the needs of the sector.

Human Resources

In a strategic move to bolster operational efficiency, this financial year saw the successful recruitment of key personnel across all departments. We welcomed the filling of the post of Secretary, aimed at providing exceptional administrative and managerial support. Additionally, we strengthened our investigative capabilities through the appointment of Investigations Officers in January 2024.

Relocation

The Office is pleased to announce the successful relocation to its new office space since December 2023 at Ground Floor, SICOM Tower in Ebene. This move signifies a positive step forward in enhancing the efficiency and accessibility of the office's services.

Complaint Forms

This year marked a significant improvement in our ability to serve consumers with the design and issuance of a new complaint form. This standardised format empowers consumers by providing a clear and concise framework for outlining their grievances.

The benefits extend beyond consumers. For our Staff, the new form eliminates the need to decipher lengthy and often ambiguous complaints. The precise wordings ensure a consistent and efficient processing system, allowing staff to focus on the core issues and expedite resolutions. This not only streamlines the process but also fosters a clearer understanding of consumer concerns, ultimately leading to a more effective approach to complaint resolution.

Public Sector Anti Corruption Framework

In the year 2023, we made a significant step towards fostering a culture of integrity within the office with the establishment of a Public Sector Anti-Corruption Framework. This framework outlines comprehensive policies and procedures designed to prevent, detect, and address corruption risks. By implementing robust internal controls, promoting transparency, and strengthening accountability mechanisms, we are committed to upholding the highest ethical standards and ensuring the public's trust in our operations.

“ *The greatest challenge to any thinker is stating the problem in a way that will allow a solution.* ”

Bertrand Russel

Unrealistic Expectations of Complainants

Our Office is mandated under the Ombudsman for Financial Services Act to give better protection to consumers of financial services or financial business activities which are licensed or regulated by the Financial Services Commission or the Bank of Mauritius.

Our decisions are based on the prevailing laws, regulations, and guidelines. In its deliberations, our Office also gives due consideration to the existing agreements between the complainant and the financial services provider.

However, it has been noted that complainants sometimes harbour unrealistic expectations when they approach the Office, which is one of the significant challenges that we face. As a result, we have tried to moderate those unreasonable expectations while also looking for ways to better advise complainants. However, the truth remains that the Ombudsman's decisions shall be exclusively based on the laws and the intent of those laws.

Approaches adopted

Our Office employs an active listening policy to thoroughly understand complainants' concerns and expectations at the outset. This approach helps to manage unrealistic expectations and ensures that complainants comprehend the applicable procedures. Nevertheless, it's important to note that a significant proportion of complaints involve requests that may not be substantiated or justified by the facts of the case.

Unacceptable behaviour of complainants

Our Office is dedicated to delivering high-quality service to all consumers of financial services. We expect reciprocal respect from those who interact with our staff. While most complainants appreciate our services and understand the necessary processes and timelines, a minority has expressed excessive dissatisfaction with legal and procedural requirements and the time taken to process their complaints. We understand that complainants may express themselves in anger when facing difficulties or distress. However, there have been instances where complainants have exhibited unacceptable behaviour despite our best efforts to assist them. It is unfortunate that our Officers have had to deal with verbal violence from complainants both through phone calls and in person when they are visiting the Office. It is brought to the attention of the Public that this Office adopted an '**Unacceptable Behaviour Policy**'.



OUR CHALLENGES (CONT'D)

The Policy applies to all persons who contact us in relation to our services and covers all methods of communication - telephone, face-to-face, letters, and e-mails.

The four common forms of unacceptable behaviour are:

1. Aggressive behaviour

Aggressive behaviour includes threats, violence and abusive conduct.

We have zero tolerance for the following behaviour:

- (a) Use of offensive language (verbal and written), to insult or degrade or to make comments on the individual's professional ability or capability that would reasonably cause that individual to feel offended, afraid or threatened;
- (b) Threat of physical violence.

Example:

Mrs. N called this Office with regards to her complaint and queried about the status of the complaint. She was attended to by an Investigations Officer, and she was informed that her complaint was under investigation. She fervently disagreed with the explanation given and demanded to know the name and surname of the Officer. In light of our policy, Mrs. N. was only provided with first name of the Officer. Mrs. N. started to shout at the Officer and questioned the integrity and transparency of the Office. Considering the verbal violence of Mrs. N., the Officer had to end the call after informing Mrs. N. of this Office's 'Unacceptable Behaviour Policy'.

2. Unreasonable demands

The Office has to process a large number of complaints with limited resources. In this regard, there are complainants who constantly request for updates by phone or by email. If our staff members dedicate time to providing updates, a complaint will take longer to reach the decision stage. As we focus on priorities and dedicate time to resolve matters, a demand becomes unacceptable when it starts to (or when complying with the demand would) impact substantially on the performance of the Office.

A demand will not be considered if it takes an excessive amount of human capital and prevents us from working on other files. Unreasonable demands include the following:

- (a) repeatedly asking for responses or updates;
- (b) insisting on speaking to or seeing a particular staff member; and
- (c) insisting on raising unrelated concerns.

2. Unreasonable demands (Cont'd)

Example:

Mrs. K.B.S submitted a complaint to this Office with regards to the time taken by her insurance company to process her claim. Once she followed the procedures, the complaint was validated and sent for investigation. Mrs. K.B.S had been repeatedly emailing this Office asking for updates and at some point, she started accusing this Office of slackness and unaccountability. In view of the workload and limited resources, it is impractical and inefficient for the office to dedicate time towards replying to numerous requests for updates, instead of dedicating resources to investigating complaints.

3. Harassment

Harassment of staff, whether accompanied or not by violence or abusive comments, is not acceptable. Harassment includes:

- (a) repeatedly contacting or continuing to contact individual staff members when previously asked not to;
- (b) repeated and long telephone calls to inundate the staff with information that has already been provided or that is irrelevant to the complaint;
- (c) contacting staff outside of the office to seek to influence them; and
- (d) targeting and naming staff members on public or other social media or threatening to use their names on public or social media;

Complainants should bear in mind that constantly requesting for updates, whether by email, phone calls, letters or in person, impacts the performance of this Office in relation to the time taken to resolve a complaint.

Example:

Mrs Z. B. submitted a complaint against her insurance company on 17 May 2024. Following her complaint, the complainant started requesting for updates every week, both by email and by phone. The Officers provided her with the information that could be provided, bearing in mind the confidential aspect of the work of this Office while investigating complaints. Nonetheless, Mrs Z. B. kept on insisting for updates. At some point, Mrs. Z.B gave an ultimatum for this Office to conclude her complaint, and even threatened to go to higher authorities and to the Media. The Officers reiterated the information that could be provided to her, and further informed her that it was at her discretion, should she wish to go to the Media.

4. Refusal to cooperate

The procedures for making a valid complaint to our Office are set out under the Ombudsman for Financial Services Act. When these procedures are not complied with, we will write to the complainant and advise on the correct procedure so that we provide the complainant with an opportunity to make a valid complaint. However, we often face resistance to comply with the procedures from complainants. In such cases, we have no other option than to close the file in accordance with the Ombudsman for Financial Services Act.



4. Refusal to cooperate (Cont'd)

During investigations, this Office depends heavily on the cooperation of the financial institutions and complainants. In compliance with due process, the office offers an opportunity to financial institutions to submit written representations.

However, it has been noted that when the Office requests for further information from complainants, some of them would not reply at all, some would reply with incomplete information while some refuse to submit the requested information. In such cases, the office will provide a determination based on material available on record.

Example:

Mr. M. Submitted his complaint to this Office but after verification, the Officer noted that he did not comply with the procedures. He was informed by letter of the procedures established and requested to follow those procedures in order for this Office to process his complaint. He visited this Office and expressed his disagreement with the procedures explained and argued about the wrong interpretation of the law by the Officers of this Office. Despite several attempts, the Complainant still refused to consider the procedures explained. He went further and started making offensive comments about the way this Office was handling complaints. To note that on his two visits to the Office, he spent nearly one hour arguing with the Officers.

Frivolous Complaints

A frivolous complaint is essentially one that lacks serious merit or substance. It is often trivial, unreasonable, or made without a genuine basis. It often indicates a lack of understanding of the situation or an attempt to cause inconvenience.

Example:

Mrs. B made a complaint against her insurer for delay in repairs of her motor vehicle. However, when this Office investigated her complaint, we were informed that her motor vehicle had already been repaired prior to her complaint to this Office and that the repairs were to her satisfaction. When this Office contacted the complainant to confirm the repairs, she confirmed the completion of the repairs but disagreed with the time taken by the Insurance company and was seeking financial compensation for the time taken to repair the motor vehicle. This Office cannot entertain baseless complaints. The main contention of the complaint was that the insurance company did not conduct the repairs on the motor vehicle. However, the repairs had already been conducted before the lodging of the complaint. Therefore, the complaint was rejected.



Pre-conceived Notions of Complainants

Our Office conducts comprehensive investigations that are based on critical reasoning and factual analysis, thereby assisting the Ombudsperson in making an informed decision. However, we have identified certain misconceptions among some complainants. Such false beliefs include:

- Our Office will directly intervene on their behalf by contacting the financial institution and demanding compliance with their requests.
- We have to side with them regardless of the circumstances.
- The financial institution is inherently at fault.



Pursuant to its mandate to promote consumer education, our Office is providing case studies based on actual complaints received. The case studies chosen are indicative of the nature of complaints that we address, and the outcome reached. They also illustrate the prevalent issues faced by consumers of financial services. To ensure the anonymity of the persons and the financial institutions involved, all names and identifying information have been anonymised.

Case Study 1 – Availability of Foreign Currency

Vimala (the “Complainant”) wished to effect a transfer of funds from her bank accounts at New Edge Financial Bank (the “Bank”) to her United Kingdom’s (“UK”) bank account for the purchase of a property. The Complainant requested the bank for the day’s exchange rate on a particular day. Following the Bank’s quotation, she requested two transfers of MUR 5 million to her bank account in the UK.

The requests were made after 15:00, which is the cut-off time of the Bank for processing requests on the same day. As such, the requests would be processed on the next working day.

The requests could not be effected due to the unavailability of foreign currency and the Complainant was informed accordingly. She requested the Bank to inform her when the relevant foreign currency would be available, and she would inform the latter whether to proceed with the transfers.

After several unsuccessful attempts, the Complainant instructed the Bank to transfer the funds on a certain date. The transfers were executed on a preferential rate instead of that day’s published rate and the Bank even waived the telegraphic transfer fees and applied the same day value as a gesture of good will.

Decision

Two requests to transfer funds were made:

1. From her MUR bank account to her UK bank account;
2. From her GBP bank account to her UK bank account.

The second transfer need not be considered in as much as it was a same currency transfer and thus the exchange rate was not applicable.

The issue which was considered was whether the exchange rate provided by the Bank to the Complainant was indicative or binding. The exchange rate provided to the Complainant was indicative only and did not constitute any commitment on behalf of the Bank to provide the exchange rate quoted on that particular day to the Complainant. The forex market is volatile and constantly changing. The rate that is material is the one prevailing on the very day and time a transaction takes place. In light of the fact of there being no agreed rate of exchange between the Bank and the Complainant, it was found that there was no obligation on the Bank to provide the exchange rate quoted to the Complainant when she requested the transfer to be effected on that particular day.

The complaint was rejected under section 10(1)(b) of the Ombudsperson for Financial Services Act 2018.

Case Study 2 – Medical Insurance

Mr. Hander (the “Complainant”) was insured under a group policy (Molasse Provident Fund) with Mo Lasurans Company Ltd (“Mo Lasurans”). The Complainant was admitted to Clinic Beckham on 14 September 2022 where he underwent a surgery for “drainage of right psoas abscess” and “dismounting of TPF and wound revision, sanitation and debridement of infected post operation wound”. He was discharged on 22 September 2022 and paid the amount of Rs 511 042.47 to Clinic Beckham.

On the same day, he sent his claim of Rs 511 042.47 to Mo Lasurans and the latter rejected his claim. He was informed by Mo Lasurans on 2 February 2023 that his claim was rejected because his “limit for inpatient and outpatient relating to treatments of spine had been reached” following a previous treatment in 2019.

Decision

In their medical reports, the treating doctors made no mention of any potential connection between the two surgeries.

Mo Lasurans stated that the medical reports of the treating doctors were submitted to its medical advisor who concluded that there was a correlation between the two surgeries, and he based his opinion on the absence of any other cause.

We understand that it is common practice for insurance companies to ask their own medical advisers for their opinions on the medical claims they receive, before deciding on whether to honour the claim. However, unlike insurance companies, we cannot disregard the medical reports of the treating doctors who have first-hand knowledge of the medical conditions of the client to the favour of medical opinions from medical advisers who have not treated the client when determining a complaint.

The complaint was upheld on the ground that Mo Lasurans failed to prove the connection between the surgery done in 2019 and that of 2022 because of the lack of certainty from its medical adviser.

An award in the amount of three hundred thousand Mauritian rupees (Rs 300 000) representing the financial loss incurred by the Complainant was made under section 11 of the Ombudsperson for Financial Services Act.

Case Study 3 – Loan

Mrs. Jasmine (the “Complainant”) and her husband, Mr. Jackson jointly contracted a housing loan of Rs 3 million from Watson Bank Ltd (“Watson”) in or about 2008. Following divorce proceedings in October 2019, the Complainant agreed to purchase the rights of her husband in the matrimonial home for the amount of Rs 3 million and a settlement agreement was signed between her husband and herself. She also claimed that she had paid off all the housing and business arrears related to the business loan wherein the matrimonial house was mortgaged.

The Complainant averred that:

1. She informed Watson of financial difficulties in October 2020;
2. Watson stopped debiting her bank account in March 2023;
3. She had no access to ATM services and her attempt to make a repayment through a Watson branch was denied which worsened her ability to repay the loan;
4. Watson blocked the account of Mr. Jackson, resulting in her not receiving the alimony payment for her son.

Following a hearing where mediation was attempted, Watson agreed to make a fresh proposal for the loan structuring to the Complainant, which the latter subsequently refused.

Decision

Regarding the alimony:

- (1) We have no jurisdiction to intervene in the issue in as much as the Mr. Jackson is not a party to this complaint and the non-payment of alimony relate to contempt of court;
- (2) We were apprised that Watson made arrangements for the Complainant to collect the alimony.

Regarding the loan:

1. In any agreement, any party affixing his/her signature on the agreement, agree to comply with the obligations contained in the agreement. Regardless of the personal situation of the Complainant, once she signed the agreement, she agreed to comply with the terms of the loan agreement. As such, she is bound to repay the loan in the way stipulated in the agreement and if Watson finds that she is not repaying her loan, it may resort to legal proceedings in order to recover the loan amount;
2. Watson has, on several occasions, made proposals to the Complainant regarding the restructuring of the loan, which to our knowledge, was refused by the Complainant;
3. We understand that the Complainant did not provide documents which were requested by Watson in the performance of its KYC requirements – a compliant bank will not be able to derogate from its Anti Money Laundering/Combating the Financing of Terrorism obligations in order to accommodate an unreasonable request from one of its customers.

The complaint was therefore rejected under section 10(1)(b) of the Ombudsperson for Financial Services Act (the “Act”).

Case Study 4 – Investment

Mr. Dominic (the “Complainant”) invested the sum of Rs 750,000 in the Scheme ‘Worldful Global Infrastructure MUR 240’ proposed by the Marlborough Solutions Ltd (MSL) for a term of five (5) years from 15 April 2015 to 23 April 2020. On 07 May 2020, after the maturity of the investment, MSL returned the initial capital of Rs 750,000 to the Complainant, without any interest. The Complainant was not satisfied with the returns as he expected interests.

The product that was sold to the Complainant carried 4 options. The Complainant opted for a version with no guaranteed returns however the other options carried guaranteed returns. It was not clear whether the Complainant properly understood the options presented to him and it was not clear whether the MSL provided explanations on the option selected by the Complainant. However, it is clear that the options were properly disclosed in the offering documents.

Any investment involves uncertainty and risks are inherent. It remains crucial for any investor to understand the possible risks associated and to take informed decisions. The Complainant therefore had a duty to understand the implications of the chosen investment or to seek professional advice before investing. According to MSL, the performance of the Reference Index was negative and therefore there were no returns. The Dow Jones Brookfield Global Infrastructure Daily Risk Control as submitted by MSL in its reply to the Complainant tallied with the Dow Jones Brookfield Global Infrastructure Index Website Data. Given the negative performance of the Market, the non-generation of interest is feasible.

The offering document clearly provides for risk factors and that the interest would be calculated upon the positive performance of the Reference Index. The Complainant had a degree of responsibility into reading, understanding, and seeking advice before investing.

Decision

The complaint was rejected under section 10(1)(b) of the Ombudsman for Financial Services Act (the “Act”).

Case Study 5 – Life Insurance

Mr Akbar (the “Complainant”) submitted a complaint against NUV Life Ltd (“NUV”) to the Office of Ombudsperson for Financial Services. He subscribed to a life insurance policy for a term of 16 years. At the time of subscription, he was presented with estimations of future returns on the policy. He does not agree to the figures proposed to him at maturity as he was expecting to receive the amount estimated. A Hearing was held with the Complainant and representatives of NUV. No settlement was reached after mediation.

It was noted that deductions were made from premiums for other purposes, but no disclosures were made in the policy documents. The Complainant confirmed that he became aware of this only after maturity of the policy. When selling a product, a financial institution must explain all the components involved in a premium clearly to a client for him to take an informed decision.

A life insurance policy entitles the beneficiary to payment of a sum assured or a higher amount upon the occurrence of an unfortunate event described in the policy, irrespective of the amount contributed. In case of survival and non-occurrence of the mentioned events, the insured is entitled to the accumulated policy fund, after deduction of relevant charges at maturity. Such a policy guarantees risks, in this case, the risk of death. These aspects were not clear to the complainant.

A life insurance product is not akin to a savings account. Prior to signing any contract, all parties concerned have a duty to read and understand their respective obligations. All material information and details must be communicated to a client at the time of conclusion of the contract.

The projection provided by NUV created expectations in the mind of the Complainant. While the insurer regularly updates its clients on the performance of the investments, it is sometimes difficult for consumers to understand complex actuarial calculations.

Decision

The complaint was rejected under section 10(1)(b) of the Ombudsperson for Financial Services Act (the “Act”) for the reasons explained above.

However, it is highly recommended that an insurer integrates the following steps:

- (a) when providing projections or estimates to clients, the financial institution should be able to provide different scenarios to the client, reflecting an outcome which is most likely and one which is less likely;
- (b) when selling a product, a financial institution should be able to explain in clear lay terms about the differences and the structure of the product.

Words to reflect upon...

If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting too;
If you can wait and not be tired by waiting,
Or, being lied about, don't deal in lies,
Or, being hated, don't give way to hating,
And yet don't look too good, nor talk too wise;
If you can dream - and not make dreams your master;
If you can think - and not make thoughts your aim;
If you can meet with triumph and disaster
And treat those two impostors just the same;
If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to broken,
And stoop and build 'em up with worn-out tools;
If you can make one heap of all your winnings
And risk it on one turn of pitch-and-toss,
And lose, and start again at your beginnings
And never breathe a word about your loss;
If you can force your heart and nerve and sinew
To serve your turn long after they are gone,
And so hold on when there is nothing in you
Except the Will which says to them: "Hold on";
If you can talk with crowds and keep your virtue,
Or walk with kings - nor lose the common touch;
If neither foes nor loving friends can hurt you;
If all men count with you, but none too much;
If you can fill the unforgiving minute
With sixty seconds' worth of distance run -
Yours is the Earth and everything that's in it,
And - which is more - you'll be a Man, my son!

Rudyard Kipling
1865 – 1936



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