



EMBARGOED (TO BE RELEASED / PUBLISHED ONLY ON 26 NOVEMBER 2020)

FIDReC's claims go up by 18% as enquiries rise by 14%

SINGAPORE – 26 November 2020 – The Financial Industry Disputes Resolution Centre (“**FIDReC**” or the “**Centre**”) has released its Annual Report 2019/2020 for its financial period 1 July 2019 to 30 June 2020 (“**FY2019/2020**”). During this period, the number of claims received by the Centre increased by 18% to 1,227 while the number of enquiries rose by 14% to 7,049 as compared to 1,037 claims and 6,175 enquiries received in the previous financial year.

More than 49% of claims involved consumers aged 51 and older. The median claim amount was \$6,020 while the average claim amount was \$44,283. The largest claim amount was \$4 million.

In FY2019/2020, the Centre concluded 89% (or 1,092) of the claims within six months of receipt.¹ This high rate of closure was despite FIDReC's operations being curtailed by the outbreak of the COVID-19 virus and the resultant “Circuit Breaker” measures imposed by the Singapore Government in the second half of FY2019/2020 to curb the spread of the virus. During this time, FIDReC staff worked from home and in split teams, and continued to serve consumers via online platforms and over the telephone. Mediation and adjudication were moved online as far as possible.

FIDReC concluded 81% (or 822) of the claims received at mediation stage and 19% (or 196) after adjudication. This is the second consecutive year that FIDReC has concluded more than 75% of claims at the mediation stage. These figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020.

FIDReC Chief Executive Officer, Ms Eunice Chua, said: *“We are very encouraged to have achieved such a high rate of success in mediating claims especially during a challenging time when many were struggling financially and we had to adjust to working under new norms. As an independent and impartial alternative dispute resolution institution, a high rate of concluding cases at mediation stage reflects the value that FIDReC creates for both financial institutions and consumers as it brings closure without a combative adjudication process.”*

Of the cases that concluded at mediation stage, 52% were concluded with a settlement and in the remaining 48%, the complainant did not proceed to adjudication although there was no settlement. Of the cases completed at adjudication, 19% had an award made in favour of the consumer while 81% had no award made.

¹ The time between completion of mediation and commencement of adjudication is excluded as this is the time afforded to the complainant to decide whether to proceed with adjudication.



As with recent years, the top three types of financial institutions complained against in FY2019/2020 were banks and finance companies (45%), life insurers (27%), and general insurers (21%). For the claims against banks and finance companies, the most significant types of claims involved disputes on inappropriate advice, misrepresentation or disclosure issues (34%); and disputes relating to unauthorised transactions, frauds or scams (29%). For the claims against life insurers, the most significant types of claims involved disputes on inappropriate advice, misrepresentation or disclosure issues (47%); and disputes on liability (18%). For the claims against general insurers, a majority of claims (79%) related to disputes on liability. See table in Annex A for case breakdown.

As at 30 June 2020, there were 615 claims outstanding and brought forward to the current financial period from 1 July 2020 to 30 June 2021.

On 31 August 2020, the Centre entered its 15th anniversary year and has adopted “*Building on our Past, Shaping the Future*” as the theme for this milestone year. “*We want to build on the knowledge gained from past experiences, and leverage technology to pave the way forward. In this way, we strive to contribute to Singapore as a resilient financial centre. To further improve our efficiency and effectiveness in handling enquiries and cases, we intend to start developing a new digital portal management system in the financial period FY2020/2021,*” said **Ms Chua**.

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About FIDReC

Launched on 31 August 2005, the Financial Industry Disputes Resolution Centre Ltd (FIDReC) is an independent and impartial institution specialising in the resolution of consumer financial disputes through mediation and adjudication. We are a not-for-profit company limited by guarantee.

At present, FIDReC’s services are available to consumers who are individuals or sole proprietors. Consumers may seek FIDReC’s help when they cannot resolve their issues with financial institutions like banks, finance companies, life insurers, general insurers, capital markets services licensees, licensed financial advisers and insurance brokers.

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Breakdown by Nature of Claims (1 July 2019 to 30 June 2020)

Block*	No. of Claims Handled						No. of Claims Completed [#]			No. of Claims pending as at 30 June 2020
	Financial Institutions' Practice / Policies	Market Conduct	Service Standards	Others	Total	%	By Mediation	By Adjudication (awards made)	By Adjudication (no awards made)	
A	62	207	106	156	531	44.70	326	18	79	379
B	138	150	28	0	316	26.60	272	3	48	89
C	234	1	8	0	243	20.45	169	11	19	85
D	2	2	49	0	53	4.46	25	0	7	37
E	2	41	2	0	45	3.79	30	6	5	25
Total	438	401	193	156	1,188	100	822	38	158	615
%	36.87	33.75	16.25	13.13	100					

A further breakdown of the types of complaints for each category of financial institution can be found at pages 18 to 25 of the *FIDReC Annual Report 2019/2020*, which is available at www.fidrec.com.sg.

* Block:

A: Banks and finance companies

B: Life and composite insurers

C: General and composite insurers

D: Capital markets services licensees

E: Licensed financial advisors and insurance intermediaries

[#] Figures include claims lodged in the preceding periods which were completed in the period 1 July 2019 to 30 June 2020.