

## Complaints: Dispute Resolution (Internal)

### Description:

Licensees are required to have in place an internal dispute resolution (IDR) procedure that meets the standards or requirements made or approved by ASIC. Such IDR procedures must cover complaints and disputes relating to its representatives.

### Licensee Policy:

BLSSA is committed to the effective handling of complaints and resolution of disputes and sees this as a key means of ensuring that the services offered by BLSSA and its Credit Representatives are provided efficiently, honestly and fairly.

Our complaints and disputes resolution procedures have been created to meet key principles and the requirements of ASIC *Regulatory Guide 271: Internal dispute resolution* effective from 5 October 2021.

Credit Representatives must remain cognisant of the Key Principles outlined below. You must adopt and follow our documented IDR procedures (See Template ~ TT03.1 **Complaints: Dispute Resolution Procedures**), provide a copy to your staff, and ensure your staff understand their role in dealing with complaints and disputes.

BLSSA expects the majority of complaints to be dealt with under these IDR procedures.

The procedures are also published on each Credit Representative's Aggregator's website for customer reference.

### Key Principles:

#### 1. Requirement to have an IDR system

Licensees are required to have in place a dispute resolution system to assist their representatives and staff, consisting of:

- a) IDR procedures that meet the standards or requirements made or approved by ASIC; and
- b) membership of the Australian Financial Complaints Authority (AFCA).

Persons licensed or authorised to engage in credit activities are also required to be separate members of AFCA (see Standard – S03.2 **Complaints: Dispute Resolution (External)**).

These IDR procedures cover disputes relating to the credit activities of Credit Representatives, including privacy complaints operating under the BLSSA ACL.

Broadly, the purpose of an IDR process is to resolve disputes between the parties themselves.

The key requirements for IDR procedures are:

- (a) to adopt the definition of 'complaint' as per ASIC Regulatory Guide 271 (refer (3) Definition of a complaint below));

(b) to comply with the Guidelines set out in ASIC Regulatory Guide 271 (refer (4) Australian Standard/Guiding principles below); and

(c) to ensure a system for informing complainants or disputants about the availability and accessibility of the relevant EDR scheme is in place.

## **2. Benefits of IDR**

The benefits of effective IDR procedures with broad coverage include:

(a) the opportunity to resolve complaints or disputes efficiently, honestly and fairly;

(b) the ability to identify and address recurring or systemic problems (which can then lead to product or service improvements);

(c) the capacity to provide solutions to problems rather than have remedies imposed by an external body; and

(d) the chance to improve levels of client confidence and satisfaction.

Wherever possible, complaints or disputes should be resolved directly with clients through our IDR procedures. It is better for all parties if a complaint or dispute is dealt with at the earliest possible stage because it:

(a) prevents complaints or disputes from becoming entrenched;

(b) preserves client relationships;

(c) is often the most efficient and cost-effective way to deal with complaints or disputes; and

(d) may improve client satisfaction.

## **3. Definition of a complaint**

Under the Regulations we are required to adopt the following definition of 'complaint', detailed in ASIC Regulatory Guide 271, when handling 'complaints':-

***An expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.***

This definition of complaint will promote consistent treatment of complaints and disputes. It will also help in the identification of complaints and disputes earlier in the complaints/disputes handling process.

*Important: Although ASIC recognises that applying this definition may result in increased administrative burdens and compliance costs, it is still necessary to record the complaint. Use the Complaint Capture*

*webform to do this for EVERY complaint.*

#### **4. Ensuring ease of access to IDR Process**

Making it easy for consumers to express their dissatisfaction is key to ensuring prompt response and resolution. It is expected that Credit Representatives, on any website, social media platform or any other channel that promotes your business, include details for how to provide feedback or complain. The following template is to be used:

***What to do if you have a dispute or complaint?***

*We hope you are delighted with our services, but if you have a complaint please let us know so we can work towards resolving it promptly and fairly.*

*Making a complaint to us is free.*

*You can make a complaint verbally or in writing by contacting your broker directly or by using any of the following:*

*Email: [resolutions@blssa.com.au](mailto:resolutions@blssa.com.au)*

*Phone: 03 9320 1082 or 1800 763 486 (toll free) Monday to Friday 9am to 5pm (AEST)*

*Mail: BLSSA Advice Complaints, Level 15, 360 Elizabeth Street, Melbourne VIC 3000*

***Accessing our policy***

*You can access our policy here [\[link\]](#)*

*If you require accessibility assistance (including language and translations), please use the details above so we can help.*

***External Dispute Resolution Scheme***

*If we do not reach an agreement on your complaint, you may refer the complaint to an ASIC Approved External Dispute Resolution (EDR) Scheme. Our external dispute resolution provider is the Australian Financial Complaints Authority (AFCA).*

*You can contact AFCA using any of the following: Online: [www.afca.org.au](http://www.afca.org.au)*

*Email: [info@afca.org.au](mailto:info@afca.org.au)*

*Telephone: 1800 931 678 (toll free)*

*Mail: GPO Box 3, Melbourne Vic 3001*

*External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. You may refer the matter to AFCA at any time, but if our internal process is still in progress, they may request that our internal processes be completed before considering the matter further.*

*You can obtain further details about our dispute resolution procedures and obtain details of our privacy policy on request.*

The “link” referenced in the template above, refers to TT03.1.

#### **5. Australian Standard/Guiding Principles**

The Australian Standard AS/NZS 10002:2014 provides the

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guidelines/basis for an IDR procedure that ASIC considers suitable for our industry.

The basic principles are summarised below.

*Section 5: Guiding Principles*

Visibility	Reasonable steps should be taken to ensure that clients and other interested parties (that is, client representatives) know about the existence of your IDR procedures and how to make a complaint or dispute or apply for a hardship variation or request a postponement of enforcement proceedings.
Accessibility	There should be simple and accessible arrangements for making complaints or lodging disputes. The IDR procedure should enable complainants or disputants to make a complaint or dispute by any reasonable means—for example, by letter, telephone, email or in person.
Responsiveness	IDR procedures should include clear response times for dealing with a complaint or dispute and the complainant or disputant should be made aware of these response times. Complaints or disputes should be acknowledged immediately.
Objectivity	Each complaint or dispute should be addressed in an equitable, objective and unbiased manner through the complaints or disputes handling process.
Charges	It is considered that: *material explaining IDR procedures should be provided free of charge to complainants or disputants; and *complainants or disputants should not have to pay to access the complaints or disputes handling process.
Confidentiality	Personally identifiable information concerning the complaint or dispute should not be disclosed, unless it is needed for the purposes of addressing the complaint or dispute. This type of information should be actively protected from disclosure. Disclosure can only otherwise be made if the customer, complainant or disputant expressly gives their consent.
Customer-focused approach	The organisation should adopt a customer-focused approach (including being helpful, user-friendly and communicating in plain English), be open to feedback and show commitment to resolving complaints or disputes by its actions.
Accountability	Reports about complaints or disputes should be prepared for the top management of the organisation. These reports should also include the actions taken and decisions made in respect of complaints or disputes.

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Continual improvement	The continual improvement of the complaints or disputes handling process and the quality of products and services should be an ongoing objective of the organisation. This involves conducting regular reviews of IDR procedures to identify areas for improvement.
Commitment	Complaints or dispute handling should be handled effectively and efficiently and this should be reflected in the definition, adoption and dissemination of complaints handling policies and procedures.
Resources	The need for resources should be assessed and monitored so as to ensure effective and efficient complaints or disputes handling. Sufficient resourcing should also enable assistance to complainants or disputants to make their complaint or dispute if needed.
Collection of Information	A recording system for managing complaints or disputes should be established, while protecting personal information and ensuring complainant or disputant confidentiality. The system should specify the steps for identifying, gathering, storing and disposing of records.
Analysis & Evaluation of Complaints	All complaints or disputes should be classified and then analysed to identify systemic, recurring and single incident problems and trends. This will help eliminate the underlying causes of complaints or disputes.  To do this, it will be important to be able to analyse complaints or disputes according to categories, such as type of complainant, subject of complaint, outcome of complaint, and timeliness of response.

## 6. Documenting IDR procedures

IDR procedures need to be documented to:

- (a) enable relevant staff and representatives to understand and follow the procedures;
- (b) promote accountability and transparency of the procedures;
- (c) facilitate the ease of understanding and accessibility of the procedures for clients (that is, via the production of user-friendly guides); and
- (d) satisfy the requirements of the NCCP Act and, for privacy complaints, the Privacy Act.

The need to document IDR procedures and the process for doing so also ensures that effective procedures are properly thought out and established. The requirement to document IDR procedures includes setting out in writing:

(a) the procedures and policies for:

- (i) receiving complaints or disputes;
- (ii) investigating complaints or disputes;
- (iii) responding to complaints or disputes within appropriate time limits;
- (iv) referring unresolved complaints or disputes to an EDR scheme;
- (v) recording information about complaints or disputes; and
- (vi) identifying and recording systemic issues;

(b) the types of remedies available for resolving complaints or disputes; and

(c) the internal structures and reporting requirements for complaint or dispute handling.

### *Staff Awareness and Training*

A copy of the procedures should be provided to all relevant staff and representatives.

Any staff whose role is to help manage complaints should also be provided the following

- guidance on how to deal with unreasonable or challenging complainants;
- your workplace Health and Safety policy;
- clear job description that articulates the required skills, knowledge and attributes to perform the role
- training to meet the requirements of the role

## **7. Timeframes for responding to complaints**

Timeliness in responding to complaints and disputes is a key element of successful internal complaints handling. We expect our Credit Representatives to:

(1) acknowledge the complaint within 24 hours (or one business day) of receiving it, or as soon as practicable. This is in accordance with the Guiding Principle of 'responsiveness' in AS/NZS 10002:2014 and ASIC's expectations documented in Regulatory Guide 271.

(2) capture and record the details of the complaint on the licensee's Complaint Capture webform;

(3) address the complaint promptly in accordance with its degree of urgency;

(4) resolve the complaint and provide a final response to a client within a maximum of 21 or 30 calendar days depending on the type of complaint or dispute.

### Final response

A 'final response' requires correspondence in writing to the client within 21 or 30 calendar days, depending on the type of complaint or dispute..

If BLSSA Pty Ltd is unable to deal with the complaint as it relates to a third party (for example, a lender), BLSSA may ask the client to contact the relevant third party.

Final responses involving “default notices” or urgent disputes such as “applications for hardship” must be provided within 21 days.

Final responses for complaints not involving “default notices” or financial hardship should be received by the client within 30 days.

The correspondence should inform the client of:

(a) the final outcome of their complaint or dispute at IDR including reasons for that outcome;

(b) their right to take their complaint or dispute to the AFCA if they are not satisfied with the IDR response; or the Australian Information Commissioner; and

(c) the contact details of AFCA or, for privacy complaints, the Australian Information Commissioner to which they can take their complaint or dispute.

The level of detail in the IDR response should reflect the complexity of the complaint and the nature and extent of any investigation conducted.

If unable to respond to a complaint or dispute within relevant timeframes, as detailed above, then before the end of the relevant period we must:

(a) inform the client of the reasons for the delay;

(b) advise the client of their right to complain to AFCA if they are not satisfied with the IDR response or, for privacy complaints, the Australian Information Commissioner; and

(c) the contact details for AFCA or, for privacy complaints, the Australian Information Commissioner to which they can complain.

The timeframes for providing a final response:

(a) does not recommence where new information is provided in respect of the complaint or dispute. We consider that this will encourage financial service providers, credit providers and credit service providers to ensure they have sufficient facts and information to handle the complaint or dispute at an early stage of the IDR process;

(b) does not affect shorter timeframes for IDR required under applicable industry codes of conduct or practice.

## **8. External dispute resolution**

For a dispute resolution system to be fully effective, appropriate links must be established between individual IDR procedures and the relevant EDR scheme for those complaints or disputes that cannot be resolved directly.

Our IDR procedures must therefore provide that, if a complaint or dispute has been through the IDR process but remains unresolved, or

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is not resolved within the appropriate time limits, the relevant complaints or disputes handling staff will:

(a) inform the client that they have a right to pursue their complaint or dispute with AFCA or, for privacy complaints, the Australian Information Commissioner; and

(b) provide details about how to access or, for privacy complaints, the Australian Information Commissioner.

<b>Related Licensee Standards:</b>	Complaints: Dispute Resolution (External) (S03.2)
<b>Related Forms &amp; Templates:</b>	Complaints: Dispute Resolution Procedures (TT03.1)
<b>Further Information:</b>	Australian Standard AS/NZS 10002-2014 Regulatory Guide 271: Internal Dispute Resolution
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