

Notice of Determination

by the Life Code Compliance Committee (Life CCC) on alleged non-compliance with the Life Insurance Code of Practice by a subscriber

Reference:	CX4899	Date:	22 June 2020
Code sections:	9.12 ¹		
Investigation:	A consumer-reported alleged Code breach		

The alleged Code breach:

The Consumer purchased an Income Protection (IP) life insurance policy issued by the Subscriber. The Consumer lodged three complaints on 10 July 2018, 17 August 2018 and 2 October 2018 respectively. On 21 December 2018, the Consumer's Legal Representative (CLR) lodged a section 9.12 Code breach allegation against the Subscriber.

The Consumer's section 9.12 Code breach allegation related to the Subscriber's obligation to respond to the complaint within 45 calendar days, as well as the Subscriber's obligation to include the information required under section 9.12(a) to (d) of the Code within its complaint response letter.

Findings in accordance with Charter clause 7.4(b)(iii)²:

The Life CCC determined that the Subscriber breached section 9.12 of the Code and that the allegation was proven in whole.

The Life CCC findings and conclusion:

Definition of Complaint

The term 'complaint' is defined under Chapter 15 of the Code to be an expression of dissatisfaction made to the Subscriber regarding the Subscriber's products or services, or the Subscriber's Complaints handling process itself, where a response or resolution is explicitly or implicitly expected.

Section 9.12

Section 9.12 creates two separate obligations for Subscribers. The first obligation is for the Subscriber to provide its final response to the complaint in writing within 45 calendar days.

¹ The Code sections are provided in full in the last section of the Determination.

² The Life CCC is bound by its Charter to use the terminology 'the reported allegation was proven in whole or in part or was unfounded.' This in essence requires the Life CCC to state if it determined there was a breach or not. The Life CCC will explain its determination in plain language in the body of the Determination.

The second obligation is for the Subscriber to provide the information required under section 9.12(a) to (d) within its final response letter.

First Complaint

The Subscriber provided its final response to the first complaint within 45 calendar days of the complaint. However, the Subscriber conceded that its response to the Consumer's first complaint did not include the information required under section 9.12(a) to (d) of the Code and was not compliant with section 9.12 of the Code.

Second Complaint

The Subscriber responded to the second complaint within 45 calendar days and its response included the information required under section 9.12(a) to (d) of the Code.

Third Complaint

The Subscriber did not consider the Consumer's third complaint to be a 'complaint'. Rather, the Subscriber considered it to be one of the multiple correspondences from the Consumer in relation to the first complaint.

As a result, the Subscriber did not provide its final response within 45 calendar days. In addition, the Subscriber's response did not include the information required under section 9.12(b) of the Code.

As a result, the Life CCC determined that the Subscriber was in breach of section 9.12 of the Code as the Subscriber did not provide:

- the information required under section 9.12(a) to (d) for the first complaint,
- a response within 45 calendar days for the third complaint, and
- the information required under section 9.12(b) for the third complaint.

Systemic non-compliance

The Life CCC further determined in accordance with Charter clause 7.4(b)(iv)³ that the Subscriber's breach of section 9.12 of the Code amounted to systemic non-compliance with the Code.

This was because the Subscriber's breach of section 9.12 of the Code in relation to the first and third complaint indicated that this was not an isolated issue.

As a result of this investigation, the Subscriber reviewed its overall processes in relation to this section and self-reported a significant breach confirming that prior to September 2018, its processes were not fully compliant with all the requirements of section 9.12 of the Code.

This indicated that the breach of section 9.12 of the Code was not limited to the Consumer in this matter and would have affected other Consumers as well.

Key Learnings

Subscribers are encouraged to refer to Chapter 15 of the Code and RG165 for the definition of a 'complaint' when in doubt. This will help ensure that Subscribers are able to correctly

³ The Life CCC is bound by its Charter to state, where applicable, whether it finds that a subscriber is responsible for serious and/or systemic non-compliance with the Code.

identify, classify and respond to a complaint in compliance with the timeframes stipulated under Chapter 9 of the Code, specifically section 9.12 in this matter.

Relevant Code Section

Section 9.12:

Where possible, **we** will provide a final response to **your Complaint in writing** within 45 calendar days. **We** will tell **you**:

- a) **Our** final decision in relation to **your Complaint** and the reasons for that decision;
- b) that **you** have the right to copies of the documents and information we relied on in assessing **your Complaint**, and if **you** request **we** will provide **you** (or **your** doctor, where appropriate) with copies within ten **business days**, in accordance with the Access to Information section of the **Code**;
- c) **your** right to take **your** Complaint to the Financial Ombudsman Service (**FOS**) if **you** are not satisfied with **our** decision, and the timeframe within which **you** must take **your** Complaint to **FOS**; and
- d) contact details for **FOS**.

The Life CCC is the independent body responsible for the administration and enforcement of the Life Insurance Code of Practice (the Code). It acts in accordance with the Life CCC Charter, which sets out the powers, duties, functions and responsibilities of the Committee, subject to any provisions in the Code. This Determination is issued in accordance with clause 7.4 of the Life CCC's Charter in order to facilitate agreement between the Life CCC and the Subscriber on corrective measures and the relevant timeframes for their implementation.