

Submission template

Review of the Approved Financial Dispute Resolution Scheme Rules

Your name and organisation

Name	Privacy of natural persons
Email	Privacy of natural persons
Organisation/Iwi	Public Trust

[Double click on check boxes, then select 'checked' if you wish to select any of the following.]

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I would like my submission (or identified parts of my submission) to be kept confidential because...
[Insert text]

1	What is your feedback on the proposed objective and criteria for the review? What is your feedback on the proposed weighting of the criteria?
	<i>No comment</i>
	Financial cap
2	Are you aware of any instances of consumer harm due to the issues outlined?
	<i>No comment</i>
3	Do you have any feedback on the problems outlined?
	<i>No comment</i>
	Option one: set the primary jurisdictional and redress cap at \$350,000
4	Do you have any feedback on this option?
	<i>No comment</i>
5	Are there any other costs or benefits of this option?
	<i>No comment</i>
	Option two: introduce a weekly alternative to a lump sum cap
6	Do you have any feedback on this option?
	<i>We favour an approach where all schemes are consistent.</i>
7	Do you agree that a weekly payment alternative should be introduced for all schemes? Why/why not?
	<i>No comment</i>
8	Is \$1,500 an appropriate weekly payment alternative? Why/why not?
	<i>No comment</i>
9	Are there any other costs or benefits of this option?
	<i>No comment</i>
	Other potential issues with inconsistent awards
10	Do you have any feedback on the problems outlined?
	<i>No comment</i>
11	If a consistent special inconvenience award was to be introduced, in what circumstances should it be awarded? Should this be discretionary, or strictly prescribed?

We consider that any special inconvenience award should be discretionary and can be set at any amount up to \$10,000, provided there is sufficient prescribed criteria upon which the discretion is exercised. This will ensure that the individual circumstances of each complaint and the dispute resolution process undertaken is considered, and recognises that there are varying degrees of non-financial harm.

12 If an interest award was to be introduced how should it be calculated?

No comment

13 What are the benefits and costs of the options?

We support improvements that encourage good conduct in resolving complaints. We would however encourage MBIE to consider the impact of special inconvenience awards on both smaller and larger providers, particularly its effectiveness as an incentive for good conduct.

Timing of membership & jurisdiction

14 Are you aware of any specific situations where providers have switched between schemes resulting in the situation described above? If so, what happened?

We are not aware of any such situations.

15 Do you agree with the potential problems that may occur as a result of inconsistent scheme rules about the timing of membership/jurisdiction?

We agree that such inconsistent rules could potentially be problematic.

Option one: require all schemes to consider claims about current claims about current members, even if the issue arose prior to membership

16 Do you have any feedback on this option?

This is our preferred approach as it would ensure consistency with other complaints being considered and assist with efficiency.

17 Are there any other costs or benefits of this option?

No comment

Option two: require schemes to consider complaints where the issue occurred when the provider was a member of the scheme, even if they are no longer a current member

18 Do you have any feedback on this option?

We consider that this approach would be confusing for consumers and inefficient for the provider to manage dealing with two schemes.

19 Are there any other costs or benefits of this option?

No comment.

Applicable time periods (limits) for bringing a claim

20 Do you any feedback on the problems outlined?

No comment

21 Are you aware of instances of consumer harm from the problems outlined?

No comment

Option one: limit time period I to a maximum of two months

22 Do you have any feedback on the option?

We are in favour of consistency between the different schemes.

23 Are there any other costs or benefits of this option?

No comment.

Option two: create a consistent time period II of three months after deadlock

24 Do you have any feedback on this option?

We agree that a consistent timeframe is preferable, however we recommend that a more appropriate timeframe would be two months after a deadlock notice is granted, with an option to extend the timeframe in exceptional circumstances, for example vulnerable clients. Three months seems to be a long time for providers to have uncertainty as to whether a complaint will be referred to their DRS and could have implications for provisioning and financial reporting.

25 Are there any other costs or benefits of this option?

No comment.

Option three: introduce discretion to hear a complaint after time period II

26 Do you have any feedback on the option?

Please see our comment at question 24 above.

27 Are there any other costs or benefits of this option?

No comment.

Option four: consistent limit for time period III

28 Of the four schemes, which way of outlining time period III is preferable? Why/why not?

No comment.

29 Are there any other costs or benefits of this option?

No comment.

Other Comments

No comment.