



OMBUDSMAN FOR FINANCIAL SERVICES

OMBUDSMAN PERKHIDMATAN KEWANGAN

PRESS RELEASE

Operationalisation of the Financial Ombudsman Scheme with effect from 1 October 2016 and appointment of the Ombudsman for Financial Services as the operator for the Financial Ombudsman Scheme

1. The Ombudsman for Financial Services (formerly known as the Financial Mediation Bureau) wishes to announce that it has been appointed the operator of the financial ombudsman scheme by Bank Negara Malaysia pursuant to the Financial Services Act 2013 and Islamic Financial Services Act 2013 to provide effective and fair handling of disputes between financial consumers and the financial service providers licensed and approved by Bank Negara Malaysia.

2. The operationalisation of the financial ombudsman scheme on 1 October 2016 is timely. It further solidifies the financial system stability especially from the perspective of a strengthened financial consumer protection framework. Looking ahead, as the operator of the new scheme and premised on its experience as an alternative dispute resolution body for financial consumers and financial industry over the last 10 years, the Ombudsman for Financial Services wishes to assure the general public that it will continue to resolve all disputes that fall under its jurisdiction independently and impartially. In resolving disputes, the Ombudsman for Financial Services is guided by six internationally recognised principles, namely, the principles of independence; fairness and impartiality; accessibility; accountability; transparency; and effectiveness.

3. With effect from **1 October 2016**, the monetary limit that may be awarded by an Ombudsman for a dispute that falls within the terms and reference of the Ombudsman for Financial Services are as follows:-

No.	Type of Dispute	Monetary Limit
(i)	A dispute involving financial services or products or Islamic financial services or products, developed, offered or marketed by financial service providers, or by financial service providers for or on behalf of another person, other than a dispute under paragraphs (ii) and (iii) below.	RM250,000.00
(ii)	A dispute on motor third party property damage insurance/takaful claims.	RM10,000.00
(iii)	<p>A dispute on –</p> <p>(a) an unauthorised transaction through the use of a designated payment instrument or a Islamic designated payment instrument or a payment channel such as internet banking, mobile banking, telephone banking or automated teller machine (ATM); or</p> <p>(b) an unauthorised use of a cheque as defined in section 73 of the Bills of Exchange Act 1949 [Act 204].</p>	<p>RM25,000.00</p> <p>RM25,000.00</p>

Note:

Items (ii) and (iii)(b) does not apply to a financial service provider which is a prescribed development financial institution.

4. Members of the public may also wish to take note that disputes arising from or relating to capital market products and services offered by banks, Islamic banks and relevant prescribed development financial institutions has been excluded from the scope of the financial ombudsman scheme. Such disputes are now being handled by the Securities Industry Dispute Resolution Center (SIDREC).

5. In line with the international principle of accessibility, the Ombudsman for Financial Services continues to offer its services free of charge for financial consumers.

6. The Ombudsman for Financial Services looks forward to working collaboratively with all stakeholders, including Bank Negara Malaysia, the financial service providers and SIDREC in resolving financial disputes independently and impartially.

7. Further information on the scope of the financial ombudsman scheme and the terms of reference of the Ombudsman for Financial Services (OFS) can be obtained from OFS' website at www.ofs.org.my. Members of the public may also wish to submit their enquiries to OFS at enquiry@ofs.org.my or contact OFS at 03-22722811 during office hours (8.30 am to 5.30 pm, Monday to Friday).

Ombudsman for Financial Services
28 September 2016