



Areas	Recommendations by Independent Reviewer	OFS Board's Response
	<p>c. An escalating scale of case fees based on the effort required in handling complaints at different stages.</p> <p>Provide appropriate and reasonable incentives for FSPs at each stage of the process.</p> <p>2. The OFS should consult with BNM and its stakeholders. The implementation of this model should be done gradually, and refine the model periodically in light of experience. For a start, it is recommended that:</p> <ul style="list-style-type: none"> <li>a. Approved members should contribute a small annual levy of approximately RM500</li> <li>b. The case fees for licensed members should move to a three tier escalating scale of: <ul style="list-style-type: none"> <li>i. RM350 - initial registration of a complaint</li> <li>ii. RM900 - Case Manager level</li> <li>iii. RM1650 - an adjudication by the Ombudsman</li> </ul> </li> <li>c. These fees should be cumulative</li> <li>d. If fast-track process is introduced the fee should be lower than the proposed Case Manager level</li> <li>e. Case fees for approved members to remain and revisited once there is more experience of complaints in this category.</li> </ul>	<ul style="list-style-type: none"> <li>ii. an incentive to members to resolve complaints effectively and expeditiously; and</li> <li>iii. to provide a reasonable degree of certainty in covering the overhead and administrative costs of operating OFS.</li> </ul> <p>Member institutions and the Regulator will be consulted.</p>

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<i>(iii) Processes</i>	<p>1. The OFS should consult its stakeholders and BNM with a view to amending its TOR:</p> <ol style="list-style-type: none"> <li>a. to permit award on interest from the date of financial loss as part of a monetary award if it considers this necessary.</li> <li>b. to provide compensation (limited to RM1,000) for unusual degree of inconvenience or distress incurred by complainant.</li> </ol> <p>2. To streamline OFS resolution of simpler and low value complaints:</p> <ol style="list-style-type: none"> <li>a. By identifying types of commonly occurring simpler complaints and develop tools (e.g. standardised questions) to be used to streamline the investigation process.</li> <li>b. Where the factual and legal issues are reasonably clear, in low value disputes. <ul style="list-style-type: none"> <li>• An early oral view as to the merits of a complaint should be provided by Case Managers to enable parties to make an informed decision as to whether to settle or continue with the dispute.</li> <li>• To ensure soundness of the oral views given, a supervisory process and accurate record keeping of the views expressed should be established and maintained, respectively.</li> </ul> </li> </ol>	<p>The award of interest from the date of financial loss and compensation for non-financial loss will be assessed.</p> <p>OFS has generally put in place a streamlined process to ensure expeditious dispute resolution including having an expert to handle specific type of dispute. OFS will take into consideration the recommendations put forth and will be reviewing the process to see the best possible approach to resolve complaints of low value expeditiously.</p>
<b>2. Dispute resolution process, standard operating</b>	<p>1. To make OFS application processes more accessible for complainants:</p> <ol style="list-style-type: none"> <li>a. By encouraging but not requiring a complainant to use the OFS's standard form.</li> </ol>	<p>OFS has streamlined its process to expedite registration of complaints. OFS will be implementing a portal to expedite the dispute resolution process.</p>

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<p><i>procedures and documents relating to dispute resolution.</i></p>	<p>b. As for the requirement to provide supporting documents prior to registration, concurrent request should instead be made from both parties as the first step in the dispute resolution process.</p> <p>2. To revise its standard Terms and Procedures of Mediation document to be in a more consumer-friendly, less formal manner.</p> <p>3. The OFS and its Board should monitor complainant drop-out trends occurring at :</p> <ul style="list-style-type: none"> <li>• pre-Recommendation; and</li> <li>• post Recommendation (rejection or non-response to the Recommendation without referral to an Ombudsman).</li> </ul> <p>The aim should be to see these reduce over time.</p> <p>4. OFS' management and its Board should regularly assess whether the OFS's jurisdiction gives the scheme sufficient reach and whether the exclusion categories are being appropriately applied.</p> <p>5. During mediation sessions attended by both parties (Complainant and FSP's representative), the Case Manager should not engage with the FSP representative in a way that might create a perception of bias.</p>	<p>OFS is reviewing the standard Terms and Procedures of Dispute Resolution form with a view to making it more consumer-friendly and less formal.</p> <p>OFS has embarked on improving the process to reduce drop-out cases.</p> <p>A Standard Operating Procedure is in place to ensure proper processes for excluding disputes.</p> <p>Such practices will be prohibited as it is part of OFS' Standard Operating Procedure.</p>

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	<p>6. The OFS should strengthen its information collection procedures:</p> <ul style="list-style-type: none"> <li>a) OFS should always seek the information in the form that has most probity – eg a telephone call recording rather than a transcript.</li> <li>b) Where a member fails to meet an OFS information request on time without good reason, the OFS should exercise its right under the TOR to proceed to decide the dispute, drawing a negative inference from the FSP's failure to do so; and Where a member repeatedly fails to meet the information request, this non-compliance should be reported to BNM</li> <li>c) The OFS should consult with stakeholders including its members and BNM with a view to amending OFS's TOR to permit sharing of information provided by one party to a dispute with the other party, subject to the information being kept confidential and used only for the purposes of the dispute resolution process.</li> </ul> <p>This would make it easier for OFS to share all relevant information with the parties and provide them with enough time to respond to this information.</p> <p>7. The OFS should communicate to members that it is OFS policy that any proposal by Case Managers to an FSP to make an ex gratia payment to a complainant should not be done in front of the complainant.</p>	<p>OFS has strengthened its process by ensuring all evidence and information obtained for purposes of case investigation are accurate and precise.</p> <p>OFS is practicing this requirement as per the Terms of Reference.</p> <p>An in-depth study will be undertaken to deliberate on the sharing of information as recommended and to comply with the existing laws on disclosure of documents. Member institutions and the Regulator will be consulted on this issue.</p> <p>Case Managers has been cautioned not to practice such an approach.</p>

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	<p>8. If a complainant fails to respond to a Case Manager's contact, a call should be made to the complainant to caution that failure to respond will result in the complaint being closed. This step should be in addition to the two reminder letters as per existing OFS practice.</p> <p>9. When sending a Recommendation to a complainant, the OFS's covering letter should clearly state the complainant's right to ask the Ombudsman to decide the complaint if the complainant disagrees with the Recommendation. As per recently instituted practice, if the OFS does not receive a response from the complainant, the OFS should telephone the complainant and ensure that they understand that an Ombudsman decision would involve a fresh look at the complaint.</p> <p>10. The OFS's organisational structure should include two Senior Case Managers with high order skills in deciding disputes and writing decisions.</p> <p>Their responsibilities should include assisting and developing other Case Managers, including undertaking a review of their Recommendations prior to finalisation.</p>	<p>OFS had taken steps to improve this process.</p> <p>OFS had taken steps in instituting this practice and will enhance its efforts in this area with a view to making this information clearer to the Complainant.</p> <p>The second level peer review process was implemented in January 2020 and it is reflected in OFS' Standard Operating Procedure. The review is conducted by a Senior Case Manager.</p>
<b>3.Accountability</b>	<p>1. The Board should continue to seek out opportunities to build Director's knowledge of ombudsman scheme practice of other jurisdiction.</p>	<p>The Board's role is to provide strategic directions and oversee the overall operations of OFS. Some members of the Board participated in training/ knowledge sharing sessions conducted by the ombudsman schemes from other</p>

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	<p>2. Unless exceptional circumstances apply, OFS directors should retire at the conclusion of their third term of 3 years (a total of 9 years) on OFS' Board</p> <p>3. OFS should publish statistical information on the time taken to register complaints in each Annual Report.</p> <p>4. a) The OFS should try to contact by telephone a sample of complainants who do not respond to the written survey opportunity to obtain their oral response.</p> <p>b) When publishing complainant survey results in its Annual Reports, the OFS should present the results by category of complainant outcome.</p>	<p>jurisdiction. It is agreed that this should be continued as part of enhancing Board's knowledge.</p> <p>OFS had complied with this requirement. Three of the long serving Independent Directors retired in August 2020.</p> <p>The information on the time taken to register complaints will be published in the Annual Report.</p> <p>OFS had taken steps to improve the data collection of surveys from complainants.</p>
<p><b>3. Awareness &amp; Stakeholder Engagement</b></p>	<p>1. The OFS's next stage of awareness building should focus on the demographic groups that currently under-utilise the OFS.</p> <p>To measure the success of its efforts, the OFS should undertake targeted awareness testing and monitor complainant demographic trends.</p> <p>2. The OFS should develop and publish in-depth guidelines on its approach in dealing with disputes such as in commonly</p>	<p>A three-year strategic plan has been drawn up to enhance visibility of OFS through greater public awareness and accessibility to OFS' services.</p> <p>Articles relating to issues occurring on the types of disputes and the approach in dealing with the disputes are published at OFS' website.</p>

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	<p>occurring types of disputes or particular requirements for provision of information or evidence.</p> <p>3. All Ombudsman Adjudication decisions should be published on its website with the information of the parties to the dispute being anonymised.</p>	<p>The decisions of the Ombudsmen are published at OFS' the website with the names of parties to the dispute anonymised.</p>
<p><b>4. Information Technology Development</b></p>	<p>The OFS should continue its direction in Information Technology development, in particular:</p> <ul style="list-style-type: none"> <li>a) Investing in improving staff skills in using modern office automation;</li> <li>b) Moving to externally hosted capability for internet services such as the website, mail and customer portals; and</li> <li>c) Investing in a replacement, modern and integrated case management system.</li> </ul>	<p>OFS has embarked in enhancing the Information Technology infrastructure. A portal and an enhanced complaint management system is being developed. The portal and the enhanced complaint management system is targeted to be operational in the second quarter of 2021.</p>