

GUIDELINES AND PROCEDURES GOVERNING THE CONSUMER ASSISTANCE MANAGEMENT SYSTEM (CAMS) OF BANGKO SENTRAL-SUPERVISED FINANCIAL INSTITUTIONS

(Appendix to Sec. 1002)

I. Statement of Policy. The Bangko Sentral acknowledges the indispensable role of financial consumers in bringing about a strong and stable financial system, their right to be protected in all stages of their transactions with Bangko Sentral – Supervised Financial Institutions (BSFIs), and be given and be given an avenue to air out their grievances in the products and services of BSFIs. Consumer protection is regarded as a core function complementary to Bangko Sentral’s prudential regulation and supervision, financial stability financial inclusion, and financial education agenda. Towards this end, the Bangko Sentral hereby issues the following minimum guidelines institutionalizing consumer assistance mechanism of BSFIs.

II. Applicability and Scope. The cam requirement and minimum guidelines on receiving, recording, evaluating, resolving, monitoring, reporting, and giving feedback to consumers shall apply to a BSFI and its branches/other offices. The provisions of these guidelines shall, as far as practicable, also apply to inquiries and requests received from clients and potential clients.

III. Definition of Terms

- a. *Complaint* – is an expression of dissatisfaction relative to a financial product or service in which a response or resolution is expected.
- b. *Simple complaint/request* – complaint/request where frontline staff solution or immediate explanation or action can be rendered. A resolution is immediate if it can be resolved without the need of third-party intervention, such as outsource service providers, external auditors, or other banks. Resolution thereof must be achieved within a 7-day period.
- c. *Complex complaint/request* complaint/request which needs assessment, verification, or investigation with third-party intervention. Resolution thereof may ideally be achieved within a 45-day period.
- d. *BSFIs* – include banks, quasi-banks, pawnshops, foreign exchange dealers, money changers, remittance agents, electronic money issuers, non-stock savings and loan associations and other Bangko Sentral-Supervised Financial Institutions.
- e. *Consumer* – refers to a natural or juridical person who has a complaint, inquiry or request relative to the BSFI’s products and services.

IV. Role of the Board and Senior Management

The board of BSFIs shall be responsible for the delivery of effective recourse to its consumers. Pursuant thereto, the board shall:

- a. Approve the consumer assistance policies and procedures;
- b. Approve risk assessment strategies relating to effective recourse by the consumer;
- c. Ensure compliance with consumer assistance policies and procedures;
- d. Provide adequate resources devoted to consumer assistance; and
- e. Review the consumer assistance policies at least annually.

The BSFI's senior management shall be responsible for the implementation of the consumer assistance policies and procedures.

V. Minimum Requirements

A. Manual of Consumer Assistance Policies and Procedures

A BSFI must have a manual of policies and procedures (Manual) in handling consumer complaints, inquiries, and requests from financial consumers. The Manual, as a minimum, provide for the following:

- (1) Corporate structure of the group on consumer assistance with specified roles and responsibilities/tasks;
- (2) Capability building for customer assistance team;
- (3) Consumer assistance process and timeline;
- (4) Complaint recording/data management system;
- (5) Risk assessment strategies;
- (6) Reporting of complaints data to BSFI's board and senior management and Banko Sentral;
- (7) System for evaluating effectiveness of the CAMS; and
- (8) Glossary of technical components in the Manual.

B. Corporate Structure

A BSFI shall have a consumer assistance officer/independent business unit or group with defined roles and responsibilities in handling consumer concerns. The corporate structure shall depend on the BSFI's asset size, as follows:

Consumer Assistance Group	BSFIs with total assets Group of at least P1.0 billion
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Dedicated Head Consumer Assistance Office	BSFIs with total assets of less than P1.0 billion but more than 100 million
Head Consumer Assistance Officer	BSFIs with total assets of less than 100 million

At least one (1) consumer assistance officer per branch, branch-lite unit/s or branch-lite unit/s must be designated to handle consumer concerns.

(1) Consumer assistance officer. The consumer assistance officer shall have the following responsibilities:

- (a) Receive and acknowledge consumer concerns;
- (b) Record concerns in a Register/ Database;
- (c) Make an initial review and investigation of concerns;
- (d) Process concerns;
- (e) Provide official reply to consumer;
- (f) Request client feedback; and
- (g) Prepare and submit report to the head consumer assistance officer or consumer assistance group.

(2) Consumer assistance group/head consumer assistance officer. The consumer assistance group/head consumer assistance officer shall, as a minimum, perform the following:

- (a) Monitor consumer assistance process;
- (b) Keep track, identify, and analyze the nature of complaints and recommend solutions to avoid recurrence;
- (c) Report to senior management the complaints received on a monthly basis including reasons for such complaints, the recommended solutions to avoid recurrence, and the suggestions for process or personnel competency needing improvement; and
- (d) Ensure immediate escalation of any significant complaint to concerned unit of the BSFI.

C. Capacity building

All consumer assistance personnel must be equipped with knowledge on the structure and implementation of the BSFI's consumer assistance mechanism. As a minimum, they shall be provided with periodic trainings on the following:

- (1) Solid interpersonal skills/customer service;
- (2) Basic and advanced listening skills;
- (3) Written and verbal communication skills;
- (4) Handling financial consumer feedback;
- (5) Dealing with difficult people;
- (6) Problem solving and conflict resolution; and
- (7) BSFI's corporate structure and products and services.

D. Publication of Consumer Assistance Management System

- (1) BSFI's shall publish details of their CAMS in a clear and plain language.
- (2) Publication shall be made through any two of the following means:
 - (a) Posting of summary details of the CAMS in conspicuous places within the premises of BSFIs and their branches/other offices;
 - (b) A leaflet or primer given to all consumers who sign up for new banking service.
 - (c) Terms and Conditions of a BSFI's product or service;
 - (d) Posting in the BSFI's website; and
 - (e) Any analogous manner.

E. Consumer Assistance Channels

- (1) Consumers may lodge their concerns through any reasonable means, such as, a centralized web-portal, walk-in or personal visit, letter, e-mail, telephone, and facsimile.
- (2) A BSFI must maintain a consumer assistance helpdesk or hotline dedicated for customer concerns and service and manned by a consumer assistance group.
- (3) A BSFI shall ensure that consumers know how and where to lodge their concerns.
- (4) A BSFI is encouraged to provide alternative modes of resolution, such as conciliation, mediation and arbitration, in order to achieve settlement of the issues at the BSFI level.

F. Consumer Assistance Process and Timelines

- (1) *Complaint/Request*

	SIMPLE¹	COMPLEX²
Acknowledgment	<i>Within 2 days</i>	<i>Within 2 days</i>
Processing and resolution (assess, investigate, and resolve)	<i>Within 7 days</i>	<i>Within 45 days</i>
<i>Communication of Resolution</i>	<i>Within 9 days</i>	<i>Within 47 days</i>

(a) Receiving and acknowledging complaints/requests

(i) A BSFI shall obtain and record the following data from the consumer:

- (1) Full name and contact details,
- (2) Nature of complaint or request and its details;
- (3) Resolution requested;
- (4) Signature of the complainant/requester; and
- (5) Name of BSFI personnel directly handling/in-charge of the complaint.

(ii) The consumer assistance officer must be able to explain the consumer assistance process and timelines.

(iii) The acknowledgment shall provide an assurance that the BSFI is dealing with the complaint, request additional documents, if necessary, and that the complainant shall be kept informed of the progress of the measures being taken for the complaint's resolution

(b) Investigating and resolving complaints

(i) A BSFI must establish an institutional approach in assessing and investigating complaints/requests and options in resolving them, considering the peculiarities of the complaints/requests and the desired remedies of the party.

(ii) If assessment and investigation on complex complaints/requests cannot be completed within the timeframe stated above, complainants shall be informed of the: (aa) reason thereof; (bb) need for extended timeframe; and (cc) date on which the complainant may expect the outcome of the BSFI assessment and/or investigation; Provided, however, That the additional period shall not exceed forty-five (45) days. This will afford the complainants opportunity to seek other means to resolve their complaints.

(iii) Result of assessment, investigation, and BSFI's final response shall be communicated to the complainant in writing in simple and clear language. The BSFI shall likewise inform the complainant of the possible remedies available to the party, including resort to Bangko Sentral consumer assistance mechanism and the courts.

(2) *Inquiries*. A BFSI must respond to inquiries received, at the latest, by the next business

day.

G. Confidentiality

A BSFI shall not disclose to a third party information acquired from the consumer in all stages of the complaint, except as may be required by the conduct of the BSFI's investigation.

H. Conflict of interest

A BSFI shall ensure that complaints are investigated by a consumer assistance officer who is neither directly nor indirectly involved in the matter which is the subject of the complaint.

I. Consumer Feedback

- (1) Subject to the willingness of the consumer, BSFIs shall ask for feedback on the following matters:
 - (a) Overall satisfaction (whether satisfied, somewhat satisfied, or dissatisfied);
 - (b) Processes needing improvement;
 - (c) Personnel needing improvement; and
 - (d) Any suggestions for improvement.
- (2) Consumer feedback may be obtained through a feedback form/ customer satisfaction survey available for walk-in complainants, in the website, or through a voice logger system.
- (3) Customer feedbacks shall be recorded and analyzed to improve the system and to enhance personnel capabilities in handling complaints.

J. Complaints Recording/Data Management

- (1) A BSFI and its branches/other offices shall maintain copies of the complaints/requests received, including supporting and other relevant documents. There to, within a period of two (2) years from date of resolution. Microfilms/digital copies of original documents may be maintained by a BSFI in accordance with its management information systems for record keeping.
- (2) A BSFI and its branches/other offices shall maintain complaints/requests register which

contains the following information:

- (a) Name of the complainant;
- (b) Subject/nature of the complaint; The subject/nature of complain may be indicated by classification, such as those related to credit cards, deposits, administrative, foreign exchange, remittances, investments, others;
- (c) Name of the personnel directly handling/in-charge of the complaint and officer supervising the resolution of the complaint;
- (d) Date of receipt of complaint by the BSFI;
- (e) Actions taken on the complaint or request;
- (f) Resolution provided;
- (g) Date of resolution³; and
- (h) Other information such as, log and details of phone calls made or received.

(3) The Consumer assistance group/head consumer assistance officer shall maintain:

- (a) A master register of all complaints received by the BSFIs and its branches/ other offices; and
- (b) A complaint database to identify the trend of complaints received, potential problems, and risks.

K. Risk Assessment Strategies

Pursuant to the BSFI's consumer protection risk management system, the BSFI shall put in place appropriate management controls and take reasonable steps to ensure that in handling complaints/requests, it:

- (1) Identifies and remedies any recurring or systemic problems; and (ii) identifies weaknesses in the BSFI's internal control procedure or process. This may be done by:
 - (a) Analyzing complaints/requests data;
 - (b) Analyzing causes for complaints/ requests;
 - (c) Considering whether such identified weaknesses may also affect other processes or products, including those not directly complained of/requested; and
 - (d) Correcting, whether reasonable to do so, such causes taking into consideration the concomitant costs and other resources.

L. Complaint Reporting

(1) Internal Reporting

- (a) The consumer assistance officers in the branches, branch-lite unit/s and other offices of the BSFI shall submit a complaints report to the consumer assistance group / head consumer assistance officer on a monthly basis.
 - (b) Complaints report shall be submitted on a monthly basis by the consumer assistance group/head consumer assistance officer to the board and senior management.
 - (c) The report shall include, as a minimum:
 - (i) General category of complaints received;
 - (ii) Statistics/frequency of said complaints;
 - (iii) Aging of complaints or requests;
 - (iv) Explanations on deviations, if any, from required resolution period; and
 - (iv) General description of resolutions and actions taken to resolve complaints/requests;
 - (d) The report shall include recommendation on how to avoid recurring complaints and suggestions for process/ personnel competency improvement, as needed.
 - (e) The report of the BSFI's compliance and internal audit departments concerning the independent review conducted on the complaints report, policy recommendations, and consumer protection compliance, shall be elevated to board every quarter.
 - (f) The BSFI shall include complaints/ requests statistics in its Annual Report.
- (2) Reporting to the Bangko Sentral A BSFI shall submit a consolidated Complaints Report to the Supervisory Data Center (SDC) of the Supervision and Examination Sector on a quarterly basis. Such report shall be submitted in the format required by Bangko Sentral. Submission of the report to the SDC shall not be later than one (1) month after the end of every quarter. A Complaints Report is a Category B Report for purposes of applying the appropriate monetary penalty.

M. Interface with Bangko Sentral

- (1) Pursuant to Bangko Sentral's Consumer Protection Framework, a BSFI shall exhaust all internal remedies available to address the issues raised by the consumers in their complaints/ requests.
- (2) Consumers dissatisfied with BSFI's response or action may seek assistance with Bangko Sentral -FCPD in accordance with Bangko Sentral Consumer Assistance Mechanism.

- (3) Allegations of consumers that the BSFI has not properly and efficiently handled, processed, and responded to their concerns shall be validated, and where appropriate, considered in FCPD's assessment of the BSFI's compliance with Bangko Sentral Consumer Protection regulations. This is without prejudice to the imposition of appropriate enforcement actions. It is presumed that the higher number of complaints received by the Bangko Sentral reflects the non-effectiveness of the BSFI's CAMS.

N. Outsourcing of Handling Consumer Concerns

In outsourcing handling of consumer concerns, a BSFI shall:

- (1) Conduct due diligence in the selection of the outsourced entity/person;
- (2) Be responsible for the performance thereof in the same manner and to the same extent as if performed by itself;
- (3) Comply with all laws and regulations governing the consumer assistance activities/services performed by the outsource entity/ person in its behalf; and
- (4) Manage, monitor, and review on an ongoing basis the performance by the outsource entity/person of the outsourced consumer assistance activities/services.

O. Accountability and Rewards

In order to ensure fair treatment and responsible business conduct of personnel engaged in consumer relations, a performance appraisal system which considers the performance of the personnel assigned to manage/handle complaints shall be put in place. The performance appraisal of the personnel shall be linked to their efficiency in handling consumer complaints. This could be done through rewards/ remuneration for excellent behavior.

P. Consumer Assistance to Persons with Disabilities (PWDs) and non-English Speakers

As far as practicable, a BSFI shall take into account the needs of PWDs, such as, but not limited to those with learning difficulties, people who are deaf or hard of hearing, the visually impaired, and the non- English speakers, in ensuring that they understand the CAMS.

(Circular Nos. 890 dated 02 November 2015 and 857 dated 21 November 2014)

Footnotes

1. all periods are reckoned from receipt of complaint
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3. The complaint register must reveal the reason in case the date of resolution falls outside the regulatory deadline.