



FINANCIAL SERVICES
COMMISSION

GUIDELINE No. 4

SUPERVISORY COMMITTEE: COMPLAINTS PROCEDURE

This Guideline is issued by the Financial Services Commission (“the Commission”) pursuant to section 53 of the Financial Services Commission Act 2010-21 (“Act”) and comes into effect March 1, 2013.

This Guideline establishes the standards of the Commission with respect to the duty of the Supervisory Committee of a credit union to receive and investigate any complaints¹ made by members of the credit union about the management of the credit union, before unresolved complaints are referred to the Commission. Reference should be made to sections 211 to 217 of the Co-operative Societies Act (CSA) and to Regulation 17, and in particular, paragraph (c) of Regulation 17 of the Co-operative Societies Regulations, 2008 (“Regulations”)

1. The Supervisory Committee of each credit union must establish and implement a complaints procedure that addresses the following items:
 - 1.1 The Supervisory Committee shall establish and adhere to procedures for the handling of complaints from members and other customers of the credit union about the management of the credit union that are designed to encourage the resolution of such complaints.
 - 1.2 The Supervisory Committee may hear and resolve complaints from members or customers of the credit union.
 - 1.3 The Supervisory Committee shall maintain a record of written complaints received and the proportion of those complaints the Supervisory Committee believes have been resolved to the reasonable satisfaction of the member or customer.
 - 1.4 A copy of the record referred to in section 1.3 above shall be submitted to the board of directors of the credit union on a regular basis and shall be submitted annually to the Commission.

¹ “Complaint” means a complaint made by complainant or a dispute arising between a complainant and the society, its Board or any officer of the society.

- 1.5 A complaint from a member or other customer about a business practice of a credit union must first be directed by the complainant², in written form, to the credit union in question, addressed to the Supervisory Committee, before it can be directed to the Commission.
- 1.6 If a complaint directed to the credit union cannot be resolved by the Supervisory Committee or the officer designated by the Supervisory Committee to hear complaints pursuant to section 1.2 above within 45 days of receipt of the written complaint, the Supervisory Committee shall advise the complainant in writing of this fact and of the right of the complainant to direct his complaint in writing to the Commission pursuant to section 171 of the (CSA), with a copy to the credit union against which the complaint has been made.

2. Complaints Directed to the Commission

- 2.1 If a complaint is directed to the Commission, as contemplated by section 1.6 above, the Commission shall hear the complaint or appoint an arbitrator to hear the complaint pursuant to subsection 171(3) of the (CSA), and the credit union against which the complaint is made shall be given the opportunity to respond to that complaint.
- 2.2 As part of the process of evaluating the response of the credit union, whether the complaint is heard by the Commission or an arbitrator, the Commission, may inquire into the adequacy of the complaint handling procedures of the Supervisory Committee of the credit union adopted pursuant to section 1.1 above.
- 2.3 The Commission may require the credit union, by order, to improve its complaint handling procedures, referred to in section 1.1 above, whether the Commission or the arbitrator is successful in its attempt to resolve the complaint or not.
- 2.4 The costs of hearing the complaint, including the costs of any arbitrator, may be assessed to complainant.

² “Complainant” means a member, a former member, person claiming through a member of a deceased member or a customer of a society making a complaint against or having a dispute with the society, its Board or an officer of the society, or having a dispute with the society arising out of a contract made under Section 108 of the Act.