

CENTRAL BANK OF SOLOMON ISLANDS
Financial Market Supervision Department

Prudential Guideline No. 9
On Complaints Management

This Guideline is necessary as required under the Central Bank of Solomon Islands Act 2012 (the Act) section 9 (m): to ensure that financial institutions establish consumer complaints units within their organisation.

Applicability

1. The Prudential Guideline is applicable to financial institutions namely, the commercial banks and credit institutions licensed by the Central Bank of Solomon Islands (CBSI) and is applicable to all complaints received after the issuance of this Prudential Guideline.

Background

2. Safeguarding of customers' interests is a fundamental requirement in the financial system. Without an appropriate feedback mechanism to channel customer complaints, these interests could be undermined. Furthermore, unresolved complaints that are not handled with proper procedures may result in losses for customers or financial institutions, the reputational damage of financial institutions, and erosion of public confidence in the financial system.
3. One of the functions of the CBSI is to "promote sound financial structure". Therefore, the CBSI deems it necessary to establish minimum guidelines for customer complaints management that must be implemented by financial institutions. This would assist customers of financial institutions to develop a positive attitude knowing that there are procedures that would adequately address their cause, should the need arise.

Purpose of Prudential Guideline

4. The objective of this guideline is to provide financial institutions with a minimum framework for complaints management, to ensure that customer complaints are promptly investigated and resolved in a satisfactory manner.
5. This guideline applies to financial institutions who may be recipient of complaints, whether verbal or written, lodged by individual customers, about the financial institutions provision, and/or failure to provide a service, or product, including the unfair treatment of customers by management, and/or staff of the financial institutions.

Definitions

6. As used in this Prudential Guideline the following terms, unless otherwise clearly indicated by the context, have the meanings specified below.

“Head Office” – For domestic financial institutions, it refers to the head office established in the Solomon Islands. For foreign financial institutions, it refers to the main office branch established in Solomon Islands.

“Branch” – any established banking facility or financial center where a bank or other financial institution offers a wide range of banking products and services to its customers in the Solomon Islands.

“Branch Manager” – the officer in charge of the branch office of a bank or financial institutions in Solomon Islands.

“Complaints Management Unit” – refers to the main unit/department to be established within the head office in the Solomon Islands that will be the single contact point for communications with branches, customers, and CBSI.

Complaints Management Guideline Requirements

7. The Prudential Guideline governing complaints management requires procedures to be established, which must include, but not be limited to the following:
- a. A clear mandate for complaints management and resolution within each financial institution;
 - b. Roles and responsibilities;
 - c. Delegation of complaints authority;
 - d. Display requirements;
 - e. Resources and training;
 - f. Confidentiality;
 - g. Conflict of interest;
 - h. Record keeping; and
 - i. Review of complaints management policy.

Roles and Responsibilities

8. The Board of Directors or its proxy¹ must approve the complaints management policy. A complete governance structure in relation to complaints management, compliance of policies, and procedures must be put in place. The complaints management function must be subject to internal review.
9. The role of Head Office must include, but not be limited to the following:
- a. implement the policy and procedures approved by the Board of Directors or its proxy;

¹ Refers to the delegated senior management body/executive responsible for complaints management policy for Solomon Islands.

