

PRESS RELEASE

OJK FORMULATES STANDARDS FOR FINANCIAL CONSUMER COMPLAINT MANAGEMENT

Good Complaint Handling Will Improve Financial Industry Development

Jakarta, December 3, 2015 - Financial Services Authority (OJK) held a seminar in Jakarta, Thursday (Dec. 3, 2015), themed Moment of Truth: Complaint Management for Financial Services Sector in Indonesia. The seminar has marked OJK's effort with financial industry to formulate standards for complaint management in financial services sector.

OJK believes that through better and standardized complaint handling, consumers and society will give more trust to financial products and/or services offered by financial services institutions, thus it will improve financial sector in Indonesia.

The process of formulating standards for complaint management had gone through a series of discussions, visits (to financial services institutions) and benchmarking that involved OJK and representatives of financial industry from banking, insurance, finance companies sectors, all affiliated in the Working Group for Complaint Management (WG-IDR).

"There are five important aspects required for complaint management standards in financial services institutions, namely complaint identification, complaint documentation/database, internal reporting on complaint, handling and fixing, and another matter which is not less important is that financial services institutions can perform root and cause analysis," Member of OJK Board of Commissioners for Education and Consumer Protection Kusumaningtuti S. Soetiono said.

The seminar presented legal experts, financial services institutions and communication experts, with an aim that complaint management in financial services institutions will become better considering that financial industry is based on trust, by which relationship between financial services institutions and their consumers will create customer judgement or experience.

"Financial services institutions must express a serious concern about consumer perception," Kusumaningtuti added.

According to her, good and effective complaint handing by financial services institutions will create consumer trust and confidence. The trust and confidence are actualized in consumer satisfaction and consumer commitment to continue relationship with financial services institutions.

Satisfactory complaint management can become a tool of risk management and brings in important feedback regarding products and/or services offered by financial services institutions. Thereby, corrections can be taken immediately in order to avoid bigger costs due to potential problems related to financial products and/or services.

“The theme Moment of Truth: Complaint Management for Financial Services Sector is perfect, because consumer complaint should not only be viewed as the aspect that brings concerns to financial services institutions, but also as an opportunity to improve quality of products and/or services from financial services institutions,” Kusumaningtuti said.

Complaint handling system in financial services sector prioritizes the concept in which complaints have to be handled first by financial services institutions by establishing satisfactory complaint unit or **Internal Dispute Resolution (IDR)** in term of international best practices. This has been regulated in OJK Circular Letter Number: 2/SEOJK.07/2014 on services and handling of consumer complaints by financial services institutions.

On the other hand, if consumers are not satisfied with complaint handling by financial services institutions, they can report to **Alternative Dispute Resolution (ADR)**. OJK has announced two Indonesian Alternative Agency for Dispute Resolution (LAPS), which have operated since December 1, 2015, namely BMAAI and BAPMI. Each of them conducts mediation, adjudication and arbitration for insurance industry and capital market sectors.

As for alternative agency for dispute resolution in banking, pawn shop, collateral provider, finance company and pension fund sectors, it is expected to operate in January 2016. In the mean time, financial consumers can propose facilitation to OJK under specific conditions.

The seminar was participated by 400 persons in charge who work as OJK’s partners in complaint handing. It was a form of recycling program, a program financed through levy payments that OJK has received from the financial industry and are given back afterward to the industry in the form of capacity building activities.

OJK invited three speakers as panelists, namely Ninik Lidya Arlini from BCA Finance who presented a subject on consumer complaint management, David. M.L. Tobing from National Consumer Protection Agency (BPKN) who presented a topic about complaint handling in legal perspective and case study on clauses in standard agreement, and Aqua Dwipayana who discussed about the relation between consumers and corporate communication aspect.

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