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Internal dispute resolution: Update to RG 165

Please find enclosed our submission in relation to the paper, Internal dispute resolution: Update to RG 165.

Should you require further information in relation to our submission, please do not hesitate to contact me on (02) 4948 3691 or [REDACTED]

Kind regards,

Adam Shultz
Executive Manager, Policy and Advocacy
Mine Super



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Submission by Mine Super

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About Mine Super

Mine Super is a profit to members, public offer superannuation fund dedicated to serving the mining and associated industries. Our shareholders are the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU), the NSW Minerals Council (NSWMC) and the Queensland Resources Council (QRC). Mine Super has been delivering exceptional retirement outcomes to members for over 75 years through a comprehensive range of superannuation and pension products, insurance and financial advice. Mine Super was awarded a Platinum rating by SuperRatings along with Chant West's Five Apples for both super and pension products in 2019. Mine Super employs approximately 200 staff and manages over \$11bn in assets for more than 60,000 members.

Executive summary

We welcome the opportunity to provide a submission to the Australian Securities and Investments Commission (ASIC) in relation to the paper, Internal dispute resolution (IDR): Update to RG 165. We hope that this submission (Submission) is afforded adequate consideration and assists in the development of sound internal dispute resolution arrangements.

The following is an outline of the key points contained within this Submission:

- we have some concerns around expanding the definition of a 'complaint' to capture social media interactions and request further guidance;
- we request guidance in relation to determining the difference between feedback, queries or enquiries and complaints;
- we believe that context needs to be provided with reported data (over and above raw data) prior to publication (this would enhance the useability of the information that is publicly released while enhancing transparency);
- generally, we agree with the proposal to reduce maximum IDR superannuation timeframes from 90 to 45 days for most complaints. A carveout, however, should be provided for complex death, total permanent disability (TPD) and income protection (IP) insurance complaints;
- reducing the maximum IDR timeframe for all other complaints to 30 days is unreasonable (complaints often involve multiple parties that are engaged in the process); and
- we would benefit from guidance in terms of defining and identifying 'systemic issues'.

Mine Super feedback on Internal dispute resolution: Update to RG 165

Definition of 'complaint'

B1: *Do you consider that complaints made through social media channels should be dealt with under IDR processes? If no, please provide reasons. Financial firms should explain: (a) how you currently deal with complaints made through social media channels; and (b) whether the treatment of social media complaints differs depending on whether the complainant uses your firm's own social media platform or an external platform.*

Mine Super have concerns around expanding the concept of a 'complaint' to include social media interactions. Greater guidance is required to address the following potential issues:

- Is this proposal restricted to a funds' own social media account / platform? For example, the Mine Super Facebook account, YouTube, or LinkedIn posts.
- What is regarded as reasonable in terms of conducting an investigation to identify a member?
- If controls exist in relation to the comments function of a social media account to restrict feedback or reviews, will this function be required to be enabled to facilitate complaints and comments?
- If a family member, or friend of a member complains on 'behalf' of a member, is it appropriate for a fund to contact the member? Does this represent a privacy breach?

Mine Super has a social media monitoring procedure for its own social media platforms (Facebook, YouTube and LinkedIn). We also utilise a media monitoring tool to scan for external related social media coverage, but this isn't exhaustive. If we become alert to a social media complaint on a non-owned platform, reasonable steps are taken, and the same procedure followed that we use for monitoring our own social media platforms.

B2: *Do you consider that the guidance in draft updated RG 165 on the definition of 'complaint' will assist financial firms to accurately identify complaints?*

Mine Super would appreciate guidance in terms of determining the difference between feedback, queries or enquiries and complaints. The definition of 'complaint' in AS / NZS 10002: 2014 is very broad and potentially subject to varying interpretations. Some funds may appear to have higher levels of complaints than others based on their internal interpretation if appropriate guidance is not provided.

Guiding principles for the publication of IDR data

B7: *What principles should guide ASIC's approach to the publication of IDR data at both aggregate and firm level?*

Mine Super acknowledges that the publication of IDR data has benefit on an aggregate and individual fund level. Notwithstanding this, we are of the view that the data should be able to be contextualised (raw data is more susceptible to poor interpretation). This would enhance the useability of the information that is publicly released and improve transparency across the industry.

Information that could provide greater context in relation to publicly published information could include (but would not be limited to):

- the number of complaints;
- the number of complaints resolved after the first point of contact;
- privacy considerations; and
- information on negotiated settlements / outcomes.

Minimum content requirements

B8: *Do you agree with our minimum content requirements for IDR responses? If not, why not?*

Mine Super agrees with the prescribed minimum content requirements.

Reduced maximum IDR timeframes

B11: *Do you agree with our proposals to reduce the maximum IDR timeframes? If not, please provide (a) reasons and any proposals for alternative maximum IDR timeframes; and (b) if you are a financial firm, data about your firm's current complaint resolution timeframe by product line.*

Broadly speaking, Mine Super agrees with the proposal to reduce maximum IDR superannuation timeframes from 90 to 45 days for most complaints. We note that this is consistent with the Voluntary Code of Practice for Insurance.

A carveout, however, should be provided for complex death, TPD and IP insurance complaints. These cases will often take longer than 45 days to resolve because they may require multiple inputs and then further clarification on matters from external parties. A faster resolution is not always in the interests of a member and may result in a poorer member outcome.

The following examples highlight the difficulties and necessity for a complex insurance carveout for some claims:

- A member has a pre-existing medical condition which predates the time of the injury. Further information will be required by a medical specialist to determine the exact cause of the ailment. Attaining medical information in a timely manner is often difficult and is likely to impact proposed maximum timeframes. The medical information may also be complex, require clarification and some additional medical information (for example, the member may need to be referred to a different medical or other specialist for further review).
- A member is severely injured and makes a claim for TPD. The medical specialist reports are not provided to the fund in a timely manner.
- A member passes away. There is no binding death nomination. The members' former defacto (who the deceased has young children with) and the deceased's partner both believe that they are the rightful beneficiaries to the members' life insurance policy. We may require further information from all parties to resolve the issue. The fund may also be required to advertise the claim as part of the claim staking process to ensure that potential beneficiaries can be identified.

All three examples highlight the complexities and issues that are outside of the control of the fund. This information should be taken into consideration. In practice, these issues are quite common and not what the fund would define as 'exceptional', given their regular occurrence. If a definition of 'exceptional' could be provided it would be of assistance. An investigation, when paying insurance

claims often requires an appropriate amount of time for it to be fair and reasonable to all parties involved.

Mine Super believes that reducing the maximum IDR timeframe for all other complaints to 30 days is unreasonable. In many complaints there are multiple parties that are engaged in the process. Adequate time to train and increase internal resources to enhance the capacity of the complaints handling function within funds is also required. If ASIC fail to amend and provide guidance as sought above, it is possible that there may be an increase in breach reporting.

Systemic issues

B13: *Do you consider that our proposals for strengthening the accountability framework and the identification, escalation and reporting of systemic issues by financial firms are appropriate? If not, why not? Please provide reasons.*

Mine Super would appreciate guidance in terms of defining and identifying systemic issues. Consideration should be provided on additional resource requirements, data integrity and remediation processes. We believe that two days is an appropriate timeframe to respond in writing to issues raised and is reasonable.

