

Definition of Terms

ASIC

Australian Securities and Investments Commission.

BFSO

Banking and Financial Services Ombudsman Limited, formerly called Australian Banking Industry Ombudsman Limited.

BIIA

Banking Insurance and Investment Assist telephone referral centre, a co-operative venture between the Banking and Financial Services Ombudsman, Financial Industry Complaints Service Limited and Insurance Enquiries and Complaints Limited.

Case Manager

Investigates unresolved disputes.

Case Officer

Takes telephone calls from the public, processes new disputes and investigates some unresolved disputes.

Case Resolved

A dispute that is resolved after referral to the financial institution.

Conciliation Conference

A case conference conducted by the Ombudsman.

Customer

An individual or small business user of financial services.

Determination

A written decision issued by the Ombudsman if the member rejects a Recommendation. A determination is binding on the member.

Directors

The Directors of the BFSO Board.

Discontinued

Disputes sent to BFSO for our information without a request to investigate, and disputes subsequently withdrawn by the disputant.

Disputant

An individual or small business bringing a dispute before the Ombudsman.

Dispute

A written request for assistance to resolve a disagreement between a financial services provider and a customer.

Enquiry

A telephone enquiry from a person.

Financial Institution

A member bank or a related body corporate of a member bank.

Finding

A written assessment of the merits of a dispute after investigation of the dispute by BFSO staff.

Guidelines

A manual published by BFSO which explains the clauses of the Terms of Reference. New Guidelines were published on 11 March 2002 when the new Terms of Reference became effective.

Member

A bank that has agreed to participate in the Scheme (see Appendix B).

Negotiated Settlement

An investigation that is resolved by way of a settlement that is acceptable to both parties. Usually a case manager will facilitate the settlement.

OTR

(Outside Terms of Reference) A dispute that is outside the Ombudsman's jurisdiction.

Problem

The term used by BFSO to describe the nature or description of the dispute that the disputant has about a financial service.

Product

The term used by BFSO to categorise the various financial products, services, accounts or facilities available to customers from banks.

Provisionally Closed

The status of a case for the 30 day period between BFSO seeking confirmation of the resolution of the case and the date when the appeal period expires and the case is closed.

Recommendation

A decision made by the Ombudsman if either the bank or disputant reject a case manager's Finding, or where resolution cannot be reached at a Conciliation Conference.

Related Body Corporate

A company that belongs to the same group of companies as a member bank.

Scheme

Banking and Financial Services Ombudsman Limited.

Small Business

For events occurring prior to 6 July 1998:
An unincorporated business.

For events occurring between 6 July 1998 and 10 March 2002:

An incorporated or unincorporated business with less than 15 employees and a turnover of less than \$1 million, which is independently owned and managed.

For events occurring on or after 11 March 2002:

An incorporated or unincorporated business that employs less than 100 full time equivalent employees if the business is manufacturing, and less than 20 employees if the business is of another nature.

Serious Misconduct

A broad term that includes fraudulent conduct, grossly negligent or inefficient conduct, and wilful or flagrant breaches of relevant laws and codes of practice. BFSO is obliged to report cases of serious misconduct to ASIC.

Systemic Issue

An issue which has been raised in a dispute or several disputes to BFSO which will affect a class of people in addition to those who have complained to the Scheme. BFSO is obliged to report systemic issues to ASIC.

Terms of Reference

A written document setting out the powers, duties and obligations of BFSO.

The Board

The governing body of the Scheme comprising an independent chair, two consumer and one small business representative, and three bank representatives.

Members

As at 30 June 2003, the following banks were members of the BFSO Scheme:

- Adelaide Bank Limited
- AMP Bank Limited
- ANZ Banking Group Limited
- Arab Bank Australia Limited
- Bank of China
- Bank of Cyprus
- Bank of Melbourne, a division of Westpac Banking Corporation
- Bank of Queensland Limited
- BankSA, a division of St George Bank Limited
- Bank of Western Australia Limited
- Bendigo Bank Limited
- Challenge Bank, a division of Westpac Banking Corporation
- Citibank Pty Limited
- Commonwealth Bank of Australia
- Elders Rural Bank
- HSBC Bank Australia Limited
- ING Bank (Australia) Limited
- Macquarie Bank Limited
- Members Equity Pty Ltd
- National Australia Bank Limited
- Rabobank Australia Limited
- St George Bank Limited
- Suncorp-Metway Limited
- United Overseas Bank Limited
- Westpac Banking Corporation

The Scheme can also consider disputes about any related bodies corporate of the above members provided that the dispute relates to an act or omission that first occurred on or after 11 March 2002. During the year, the Scheme has considered disputes involving the following related bodies corporate:

- ANZ Funds Management
- Commonwealth Bank Finance Corporation Limited
- Commonwealth Securities (ComSec)
- Commonwealth Insurances
- Commonwealth Financial Services
- Esanda Finance Corporation Limited
- Homepath Pty Ltd
- HSBC Building Society
- Super Members Home Loans Ltd
- National Australia Funds Management
- Westpac Financial Services Limited