

Closed Cases

A total of 7,493 cases were closed during the year, a decrease of 7.8 per cent from the previous year. 2,419 cases were either discontinued or classified as outside BFSO's jurisdiction, and 5,074 cases were within jurisdiction.

The lower number of closed cases reflects the decreased number of new cases lodged with the Ombudsman.

Of the 5,074 cases that were considered to be within Terms of Reference, 87.0 per cent were resolved promptly after referral to the bank without significant involvement by BFSO. This was comparable to the last reporting period where 88.8 per cent of cases within jurisdiction were resolved after referral to the bank.

Despite the overall reduction in the number of cases closed this year, the number of closed investigations was 733, only six fewer than last year. Of these, 71 cases were determined to be outside the Terms of Reference or discontinued by the consumer.

For cases within Terms of Reference, there are various options for resolving disputes after an investigation has taken place, and the method chosen will depend largely on the complexity of the issues raised, the expectations of the parties and their willingness to negotiate.

This year, 168 cases were resolved after BFSO facilitated a settlement between the parties and 37 cases were resolved after a conciliation conference was conducted by the Ombudsman. This represents an increase in negotiated outcomes for the

parties on the previous year, where 140 cases were resolved through a facilitated settlement and 14 cases were resolved after a conciliation conference. This year, 353 cases were closed after the parties were provided with a Finding, which is a written assessment of the merits of the dispute by a case manager.

Where the consumer or member rejects a Finding, the dispute is referred to the Ombudsman for his consideration. The Ombudsman then issues a Recommendation about how the dispute should be resolved. This year, 104 cases were closed after a Recommendation.

Where a Recommendation is not accepted by a member, the Ombudsman has the power to bind the member by issuing a Determination. However, this year, as with previous years, all disputes were resolved without the need for a Determination.

The Case Studies section of this report provides examples of these various methods of dispute resolution being applied to disputes.

Outcome of Closed Cases

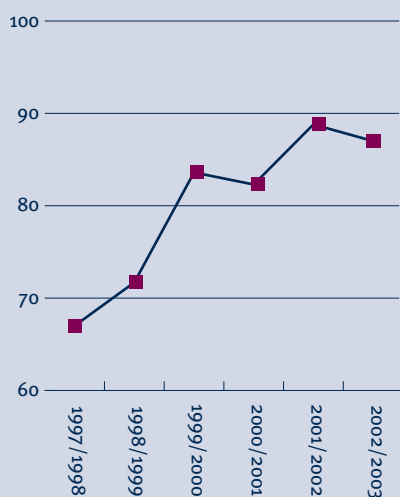
The outcome of the 662 cases within Terms of Reference that were closed after an investigation by BFSO, was as follows:

- The member's actions were considered correct in 41.1 per cent of cases;
- The consumer's claim was upheld in 28.1 per cent of cases; and
- In 30.8 per cent of cases, the outcome was a compromise benefiting both parties.

Cases Closed ('000)



Early Resolution Rate (%)



Case Resolution Time

The resolution time is the period of time between the date the dispute is referred to the member and the date it is closed. This includes the 30 day appeal period during which the case is said to be provisionally closed. Of the cases referred to members this year, 44.3 per cent were closed within 60 days, a slight improvement on the previous year's figure of 40.9 per cent. 77.5 per cent of cases were closed within 120 days. Most of these were those that were resolved after referral to members without significant involvement by BFSO.

13.9 per cent of cases, however, took over 181 days to close. These cases were unresolved disputes which required investigation by BFSO. These cases continue to be increasingly complex and

considerable work is required by BFSO to gather and assess information, analyse legal and banking practice issues and formulate appropriate recommendations for the resolution of disputes.

Whilst our commitment to thorough investigation of disputes and high quality dispute resolution is unwavering, we were able to improve our timeliness in the investigation of unresolved disputes this year. Of the cases requiring investigation during the year, the median number of days before cases were allocated to case managers was 22. This was a significant decrease in the median waiting time from the previous reporting period which was 59 days. There is continued emphasis on achieving improved efficiency in the investigation process.

Case Resolution Times for Cases Within Terms of Reference

	2001	2002	2003
0 to 60 days	42.0%	40.9%	44.3%
61 to 90 days	22.8%	27.8%	24.0%
91 to 120 days	10.3%	10.9%	9.2%
121 to 150 days	4.6%	5.0%	4.8%
151 to 180 days	2.7%	2.8%	3.8%
181 days & over	17.6%	12.6%	13.9%
Total Cases	4487	5512	5074
Median Days - All Cases Sent to Bank	69	68	65

Member Bank Statistics

The table on the right sets out dispute resolution statistics for each member for the year in review. The provision of this information reflects BFSO's ongoing commitment to independence and transparency.

Readers should keep the following very important points in mind to avoid forming inaccurate views about the dispute resolution performance of any member:

- Members have vastly different market shares. A large number of disputes lodged against a particular member may reflect these differences in customer base size rather than the member's performance; and
- Some figures will include disputes lodged against a member's related bodies corporate, which have fallen within the jurisdiction of the Scheme since 11 March 2002. Some members, however, have few or no related bodies corporate.

The table on the right has two columns which show:

- The number of written disputes received by BFSO for each member, closed during the year in review; and
- The percentage of disputes resolved by each member after referral from BFSO. These disputes did not require significant intervention by BFSO.

The table lists members in alphabetical order.

Cases Closed – By Bank

Bank	Total Cases Closed*	% Resolved Without Investigation by BFSO
Adelaide Bank Limited	47	83.0
AMP Bank Limited	32	93.8
ANZ Banking Group Limited	887	89.3
Arab Bank Australia Ltd	1	100.0
Bank of China	0	0.0
Bank of Queensland Limited	48	83.3
BankSA, a division of St George Bank Limited	36	88.9
Bank of Western Australia Limited	103	79.6
Bendigo Bank Limited	59	91.5
Citibank Pty Limited	142	83.8
Commonwealth Bank of Australia	1,390	89.6
HSBC Bank Australia Limited	32	100.0
ING Bank (Australia) Limited	31	87.1
Macquarie Bank Limited	9	88.9
Members Equity Pty Ltd	4	75.0
National Australia Bank Limited	794	85.5
St George Bank Limited	246	86.6
Suncorp-Metway Limited	170	84.1
Westpac Banking Corporation	1,043	83.7
	5,074	87.0

*Within Terms of Reference