

## Appendix A

# Definition of terms

**ASIC:** The Australian Securities and Investments Commission

**BFSO:** Banking and Financial Services Ombudsman Limited, formerly Australian Banking Industry Ombudsman 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 or senior staff member

**Customer:** An individual or small business user of the services of a financial services provider

**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:** Cases that do not proceed to resolution through BFSO, including disputes sent to BFSO for information without a request to investigate, and disputes subsequently withdrawn by the disputant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

**Early Resolution:** Where a dispute is resolved after referral to a member but prior to investigation by BFSO

**Enquiry:** A telephone enquiry from a person

**Financial Institution:** A member of the BFSO Scheme

**Financial Ombudsman Service:** Financial Ombudsman Service telephone referral service, a co-operative venture between BFSO, Financial Industry Complaints Service (FICS) and Insurance Ombudsman Service Limited (IOS)

**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

**Member:** A financial services provider 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 complaint 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 financial services providers

**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 member or disputant rejects 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

**Small 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

**Telephone Dispute:** Details of a dispute recorded by a case officer and referred directly to the member by BFSO

**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