

2017

Annual Report



財團法人金融消費評議中心
Financial Ombudsman Institution



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Message from the Chairperson



The Financial Ombudsman Institution (FOI) is an alternative dispute resolution scheme established in accordance with the Financial Consumer Protection Act (FCPA). From its establishment on 2 January 2012 to today, 6 years later, its key missions have been as follows: 1. Handle financial consumer disputes and achieve quick resolutions to these disputes; and 2. Implement financial education and awareness programs to prevent disputes from arising by using diverse methods to protect financial consumers at large.

Thanks to the hard work and dedication of the FOI's entire staff, it has assisted with processing approximately 27,000 complaints and handling around 12,000 ombudsman cases, with a resolution rate of over 60 percent. It has also organized around 500 awareness events for the financial services enterprises and financial consumers, with total attendance at these events exceeding 60,000 people. Such efforts have demonstrated the FOI's effectiveness in alternative dispute resolution and in providing a publicly accountable scheme that specifically serves to resolve financial consumer disputes so as to protect the rights and interests of financial consumers.

Based on the strong foundation it has already laid, the FOI will continue to fulfill the duties assigned by the FCPA. Key tasks going forward include:

Improving services for financial consumers: Through one-stop service and integration of resources, the FOI will enhance its financial consumer advisory services and expand its advisory services to new locations, stationing colleagues in southern Taiwan. This will allow the broader public to directly experience the FOI's excellent and comprehensive service, as well as its enthusiastic protection of the rights and interests of financial consumers. **Enhancing mediation functions:** From March 2018, the FOI will arrange on a trial basis for its Ombudsman Committee members to attend the mediation proceedings of ombudsman cases in various locations throughout Taiwan, which will in turn strengthen financial consumers' trust in these proceedings and improve the services provided to financial consumers in central and southern Taiwan. **Diverse education and awareness programs:** In addition to utilizing traditional media such as newspapers, magazines, radio, and other channels to increase exposure, the FOI is increasingly turning to internet marketing, micro movies, and other diverse methods of raising awareness, tailoring the content to different audiences to spread financial literacy and knowledge and to raise awareness of the rights and obligations of financial consumers. Additionally, its new tasks will include assisting with civil disputes arising in connection with financial technology development and innovative experimentation.

The rapid development and impacts of technology have brought changes in the financial market and trade patterns. With the combination of finance and technology, the categories of financial products have become ever more complex, and financial services, increasingly refined and personalized. In the future, issues related to financial practice and the application of laws and regulations will grow in importance. To provide financial consumers more professional service, the FOI will remain on the cutting edge and continue to educate and intensify training for its colleagues' various roles, allowing the FOI and its staff to move forward together.

Finally, the FOI will continue to implement the objectives of the FCPA and resolve financial consumer disputes fairly, reasonably, and effectively to protect the rights and interests of financial consumers. The FOI will also continue our education and awareness efforts to effectively prevent financial consumer disputes from occurring, thereby reinforcing the confidence of financial consumers in markets and promoting sound development of financial markets.

Chairperson



Message from the Ombudsman Committee Chair and President



The Financial Ombudsman Institution (FOI) was established with the purposes of protecting the rights and interests of financial consumers; resolving financial consumer disputes fairly, reasonably, and effectively; and offering financial consumers an alternative dispute resolution scheme for handling disputes. Under the Financial Consumer Protection Act (FCPA), the two major statutory missions of the FOI are to handle financial consumer disputes and to conduct financial education and awareness programs.

In handling financial consumer disputes, the financial ombudsman scheme of the FOI has the following features:

1. Professionalism

The FOI's Ombudsman Committee comprises scholars, practitioners, and impartial persons with relevant expertise or professional experience in banking, insurance, securities and futures, who render impartial and independent ombudsman decisions in keeping with the principles of fairness and reasonableness.

2. Efficiency

In principle, an ombudsman decision should be reached within 3 months of the application to institute an ombudsman case. The FOI resolves around 1,800 financial consumer disputes (including

mediations and ombudsman cases) per year, closing cases in an average of just around 41 days, which is faster than the courts. This saves financial consumers' considerable time in dealing with disputes.

3. Certain Amount

Ombudsman decisions on cases involving investment-type products or services of NT\$1 million or less and non-investment type products or services of NT\$100,000 or less are binding on the financial services enterprise. The consumer, on the other hand, has full discretion to decide whether to accept the ombudsman decision. This system affords an extra measure of protection for the rights and interests of financial consumers.

In conducting education and awareness programs, the FOI has, since its establishment, set as its main objectives the promotion of the FCPA and the dispute resolution scheme. To meet these objectives, it has conducted a range of awareness programs aimed at consumers and financial services enterprises, and it has also held related conferences and seminars in cooperation with community groups, institutions, and schools. The FOI has used digital media, outdoor activities, and other diverse channels to build financial literacy among the public so as to effectively prevent financial consumer disputes.

The ever-increasing complexity of financial products today has made the FOI's role increasingly important. The FOI will strive to integrate consumer service resources, enhance our dispute resolution services in the early stages of the complaint and mediation procedures, and improve the quality of the ombudsman service. The FOI will also strive to select case studies that are close to the concerns of various target audiences so that the content of education and awareness materials will resonate strongly with financial consumers. And the FOI will also strengthen our awareness outreach programs to women, indigenous people, the elderly, and people in rural areas. In addition, the FOI will raise discussions of new types of cases and cases involving material deficiencies to enhance the breadth and depth of awareness.

The Financial Technology Development and Innovative Experimentation Act was passed by the Legislative Yuan on 29 December 2017. Handling disputes from innovative financial experiments under the Act will further enhance the new functions and challenges of the FOI and will be a principal focus of our work in the future.

Looking forward, I sincerely anticipate that the FOI will continue to improve on our operational efficiency and quality. Under the leadership of our Chairperson, Grace Mang-Chih Lee, all my colleagues will collaborate to start a new page in the annals of the FOI.

Ombudsman Committee Chair and President





Origin of the FOI

The financial products and services that financial consumers purchase from financial services enterprises are becoming increasingly diverse and ever more complex and specialized. This has resulted in a real asymmetry between financial consumers and financial services enterprises in terms of financial strength, information, and expertise. In the event of a financial consumer dispute, the consumer may find that seeking a remedy through litigation is not worth the cost in time and money. For this reason, it is necessary to provide financial consumers with a professional dispute resolution scheme other than litigation that is fair, reasonable, quick, and effective.

In the past, financial consumer disputes in Taiwan were handled by the competent regulatory authority, industry associations, or financial industry self-regulatory organizations. There was no single, integrated entity with statutory authorization to handle financial consumer disputes, so it was necessary to enact a special law for the handling of civil disputes involving financial products and services.

To protect the interests of financial consumers, to fairly, reasonably, professionally, and quickly handle financial consumer disputes, to reinforce the confidence of financial consumers in the markets, and to promote sound development of the financial markets, the Financial Supervisory Commission (FSC) formulated the Financial Consumer Protection Act (FCPA) and related sub-laws. In doing so, the FSC took into reference the operational scheme of the United Kingdom's Financial Services and Markets Act, the FOS of the UK, and Singapore's Financial Industry Disputes Resolution Centre Ltd (FIDReC), as well as related domestic legislation.

The FOI was established pursuant to the FCPA with funding from the government. It formally began operating on 2 January 2012 as a scheme with the specific duties of handling financial consumer disputes and strengthening financial consumer protection. It aims to achieve the legislative purposes of protecting the interests of financial consumers, reinforcing the confidence of financial consumers in the financial markets, and promoting the sound development of the financial markets.

2017 Major Events

Date		Events
Month	Day	
Jan	17	“Share a Story, Foresee the Future” micro movie premiere screening and awards ceremony.
Jan	18	The 2 nd -term 29 th Board of Directors and Supervisors Meeting.
Feb	15	The 2 nd -term 30 th Board of Directors and Supervisors Meeting.
Mar	14	Launch of the Financial Consumer Dispute Digital Instrument Panel for public use.
Mar	15	The 2 nd -term 31 st Board of Directors and Supervisors Meeting.
Mar	16	Financial Consumer Dispute Case Study Seminar – Life Insurance, Banking and Securities, and Futures Sessions, Taipei.
Mar	23	Financial Consumer Dispute Case Study Seminar – Property & Casualty Insurance Session, Taipei.
Mar	30	Financial Consumer Dispute Case Study Seminar – Insurance Session, Taichung.
Apr	6	Financial Consumer Dispute Case Study Seminar – Insurance Session, Kaohsiung.
Apr	19	The 2 nd -term 32 nd Board of Directors and Supervisors Meeting.
May	17	The 2 nd -term 33 rd Board of Directors and Supervisors Meeting.
June	12	Authorization by the FSC to provide mediation services in cases of disputes involving bank-offered derivatives that do not fall specifically in the category of complex high-risk derivatives but are similar in nature (AKO).
June	21	The 2 nd -term 34 th Board of Directors and Supervisors Meeting.
June	28	2017 Annual Insurance Enterprises Communication Platform Advisory Meeting.
July	15	2017 Intelligent Consumer Family and Children’s Fair (Zhongli, Taoyuan).
July	15-22	The 53 rd Global Insurance Forum (London, England).
July	22	Outdoor activity series – “Ombudsman Dance Performance, See Bear Bust a Move” flash mob event in Ximending.
July	26	The 2 nd -term 35 th Board of Directors and Supervisors Meeting.
July	27	Outdoor activity series – “Financial Consumers Rest Assured, Financial Protection Bear Has Got Your Back” press conference.

Date		Events
Month	Day	
Aug	16	The 2 nd -term 36 th Board of Directors and Supervisors Meeting.
Aug	19	Outdoor activity series – “Working through Challenges with Ease for Financial Consumers – New Taipei City Session.”
Aug	26	Outdoor activity series – “Ombudsman Bear Brings the Music – Taipei Concert.”
Sep	6	The 3 rd -term 1 st Board of Directors and Supervisors Meeting.
Sep	21	2017 Knowledge of Finance A+ Lecture Circuit (Miaoli Session).
Sep	22-30	2017 INFO Annual Meeting and INFE Australia Meeting (Melbourne, Australia).
Sep	28	2017 Knowledge of Finance A+ Lecture Circuit (Tainan Session).
Oct	5	2017 Knowledge of Finance A+ Lecture Circuit (Hsinchu Session).
Oct	12	2017 Knowledge of Finance A+ Lecture Circuit (Taitung Session).
Oct	14	2017 Annual Miscellaneous Insurance Outreach Event Fair.
Oct	16-18	The 16 th Insurance Crime Prevention Seminar.
Oct	17-21	The Association Internationale de Droit des Assurances (AIDA) 1 st Asia-Pacific Insurance Conference (Singapore).
Oct	18	The 3 rd -term 2 nd Board of Directors and Supervisors Meeting.
Oct	19	2017 Knowledge of Finance A+ Lecture Circuit (Nantou Session).
Nov	1-4	The 24 th International Association of Insurance Supervisors (IAIS) Annual Conference (Kuala Lumpur, Malaysia).
Nov	6-10	The OECD International High-Level Global Symposium (New Delhi, India).
Nov	11	2017 Financial Services Public Interest Carnival (Taichung Session).
Nov	15	The 3 rd -term 3 rd Board of Directors and Supervisors Meeting.
Nov	19-22	The 28 th Pacific Insurance Conference (PIC) (Hong Kong).
Dec	5-6	2017 National Seminar for Consumer Ombudsmen Officers, focusing on financial consumer dispute case studies.
Dec	16	2017 Financial Services Public Interest Carnival (Kaohsiung Session).
Dec	22	The 3 rd -term 4 th Board of Directors and Supervisors Meeting.

Directors and Supervisors





● Board of Directors and Supervisors

1. Board of Directors

The FOI operates under the supervision of a Board of Directors. Board members are appointed by the FSC from amongst scholars, practitioners, and other impartial persons with expertise in financial service. Pursuant to the FCPA, no director or member of the Board of Directors shall intervene in the process of an individual ombudsman case. Currently, the Board of Directors comprises 9 directors.

2. Supervisors

The supervisors are appointed by the FSC from amongst scholars, practitioners, and other impartial persons with expertise in financial service. Pursuant to the provisions of the FCPA, no supervisor shall intervene in the process of an individual ombudsman case. Currently, the FOI has 2 supervisors.



Directors and Supervisors



Chairperson **Lee, Mang-Chih**

Chairperson,
Financial Ombudsman Institution



Director **Shaw, Jy-Juinn**

Chairman,
Insurance Anti-Fraud Institute



Director **Lin, Chih-Chieh**

Distinguished Professor,
School of Law, National Chiao Tung
University



Director **Chou, Hui-Mei**

Deputy Director-General,
Securities and Futures Bureau,
FSC



Director **Shih, Chiung-Hwa**

Chief Secretary,
FSC



Director **Chen, Yen-Yi**

Secretary-General,
Banking Bureau, FSC



Director **Chen, Yeh-Ning**

Professor,
Department of Finance,
National Taiwan University



Director **Hsu, Cheng-Hsien**

Professor,
Department of Law, National
Chengchi University



Director **Tzeng, Yu-Chiung**

Former Chairperson,
Taiwan Insurance Institute



Supervisor **Hsu, Tsui-Wen**

Director-General,
Department of Legal Affairs, FSC



Supervisor **Liu, Chi-Chun**

Professor,
Department of Accounting,
National Taiwan University

Ombudsman Committee Members



Ombudsman Committee Members

The FOI has established an Ombudsman Committee in accordance with the FCPA. All members are selected from amongst scholars, practitioners, and other impartial persons with relevant expertise or professional experience, and all are appointed after their nominations have been approved by the FSC. Ombudsmen are divided into three groups according to their expertise, namely, banking, insurance, and securities and futures. The Committee currently comprises 18 Committee members, one of whom is the Committee Chair.

Name	Present Position
Cho, Chun-Hsiung	Ombudsman Committee Chair, Financial Ombudsman Institution
Chang, Trisha	Associate Partner, Lee and Li, Attorneys-at-Law
Chen, Jing-Twen	Professor, Department of Insurance & Financial Management, Takming University of Science and Technology
Chuang, Yung-Cheng	Professor, Department of Law, Soochow University
Horng, Tsann-Nan	Former Secretary General, The Life Insurance Association of the Republic of China
Kung, Shang-Chih	Dean, Office of Academic Affairs; Professor, Graduate Institute of Business, Fu Jen Catholic University
Lin, Kuo-Bin	Chairman, Taiwan Insurance Guaranty Fund Professor, Department of Law, National Taipei University
Lin, Kuo-Chuan	Professor, College of Law, National Chengchi University

Name	Present Position
Liu, Ching-Fang	Director General, Department of Consumer Protection, The Executive Yuan
Liu, Shang-Jyh	Dean, School of Law, National Chiao Tung University
Lo, Chun-Wei	Professor, Department of Law, National Chung Cheng University
Peng, Jin-Lung	Chairman and Associate Professor, Department of Risk Management and Insurance, National Chengchi University
Su, Chin-Hsia	Managing Partner, Beacon International, Attorneys At Law
Tsen, Miao-Huei	Chairman and Associate Professor, Department of Insurance, Tamkang University
Tseng, Wang-Ruu	Dean and Professor, College of Law, National Taiwan University
Wang, Hsin-Chun	Professor, College of Law, National Taiwan University
Yang, Shwu-Wen	Distinguished Professor, College of Law, National Chengchi University
Yeh, Chi-Chou	Professor, College of Law, National Chengchi University

Organization



Organization



Responsibilities of Departments and Divisions

Department	Responsibilities
Dispute Resolution Department	<ol style="list-style-type: none"> 1. Coordinate with financial services enterprises to handle complaint matters. 2. Handle the mediation of financial consumer disputes. 3. Assist the Ombudsman Committee with managing various review and preparatory matters for dispute resolution cases. 4. Produce and compose various dispute resolution-related documents. 5. Handle the submission of ombudsman decisions and case files to the district court with jurisdiction in the locality where the office of the ombudsman body is located for the court's approval.



● Dispute Resolution Department

Department	Responsibilities
Education and Planning Department	<ol style="list-style-type: none"> 1. Handle financial education training and awareness matters. 2. Handle financial education research and promotion matters. 3. Handle matters related to international business cooperation and exchanges. 4. Offer financial consumers advisory services on matters related to disputes.



● Education and Planning Department

Department	Responsibilities
Administration Department	<ol style="list-style-type: none"> 1. Manage and allocate investments in the fund. 2. Collect annual fees and service fees. 3. Handle personnel, information technology, general affairs, procurement, documents, finance, accounting, and general administrative matters.



● Administration Department

Workforce Structure

1. Personnel structure

The Chairperson is the representative of the FOI. The organization has an Ombudsman Committee Chair and President, and a Vice President. As of the end of December 2017, the FOI had 64 employees (29 males and 35 females), including 29 persons in the Dispute Resolution Department, 19 persons in the Education and Planning Department, and 13 persons in the Administration Department. The average age of all FOI employees is 40.

2. Employees' professional expertise

Amongst the FOI employees, 2 hold doctoral degrees, 22 hold master's degrees, 36 hold bachelor's degrees, and 4 hold other diplomas or certificates. Most FOI staff have backgrounds in law or finance, or they hold certificates in the following professions:

- (1) **Lawyers:** 12 staff members are admitted to the Taiwan Bar.
- (2) **Banking:** 4 persons are certified Financial Planners, 8 have passed Bank Internal Controller examinations, 3 have passed Foreign Exchange Personnel Professional examinations, and 7 have passed Bank Lending Personnel examinations.
- (3) **Insurance:** 3 persons are certified Life Insurance Assessors, and 6 are certified Life Insurance Claim Adjusters.
- (4) **Securities and futures:** 1 person has passed the Certified Securities Investment Analyst (CSIA) examination, 2 have passed Senior Securities Specialist examinations, and 4 have passed Futures Specialist examinations.
- (5) **General:** The FOI has 1 Certified Financial Planner (CFP) and 2 Certified Internal Auditors (CIA).

3. Personnel training

In 2017, to promote the quality and expertise of employees and to increase work efficiency, the FOI held 14 training sessions and provided 130 opportunities to attend out-of-house training courses. The total courses have exceeded 830 hours as a whole.

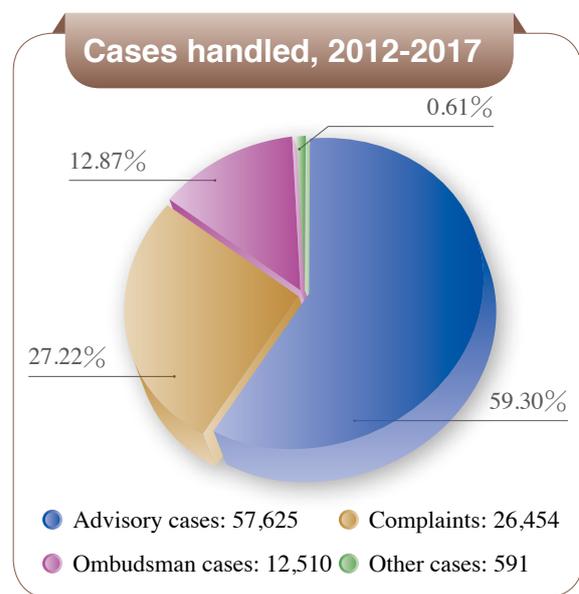
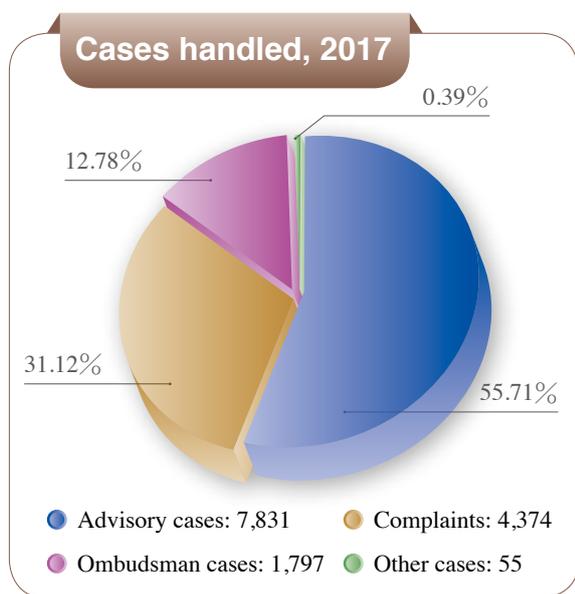
Operation Report



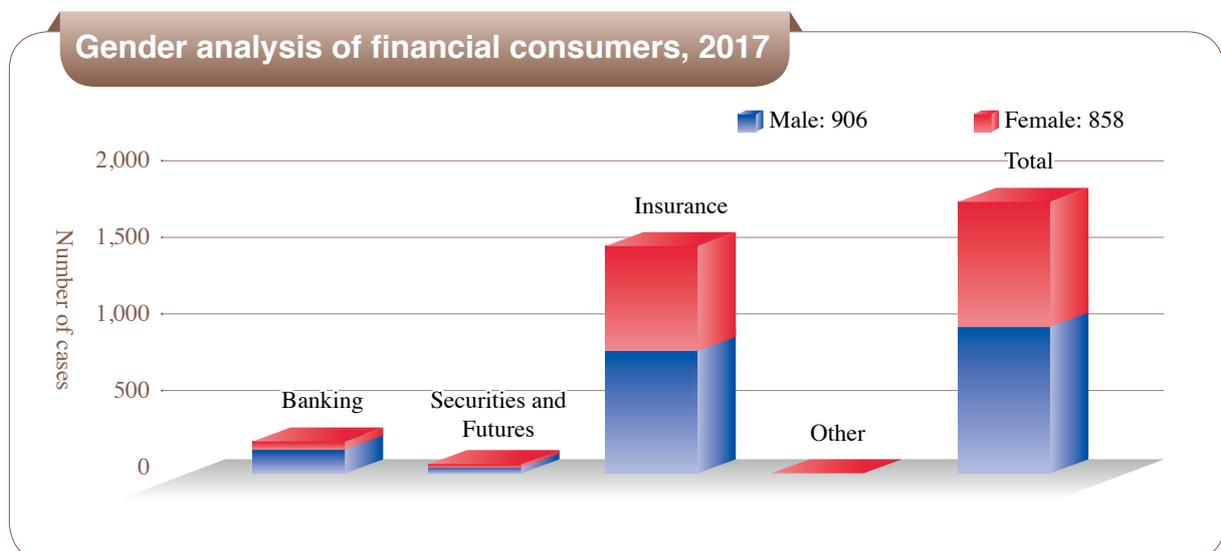
Dispute Resolution

Statistics on financial consumer service disputes

From 2 January 2012 to 31 December 2017, the FOI handled a total of 97,180 requests for assistance in handling disputes (including advisory cases, complaints, ombudsman cases, and others). Amongst these cases were 26,454 complaints and 12,510 ombudsman cases.

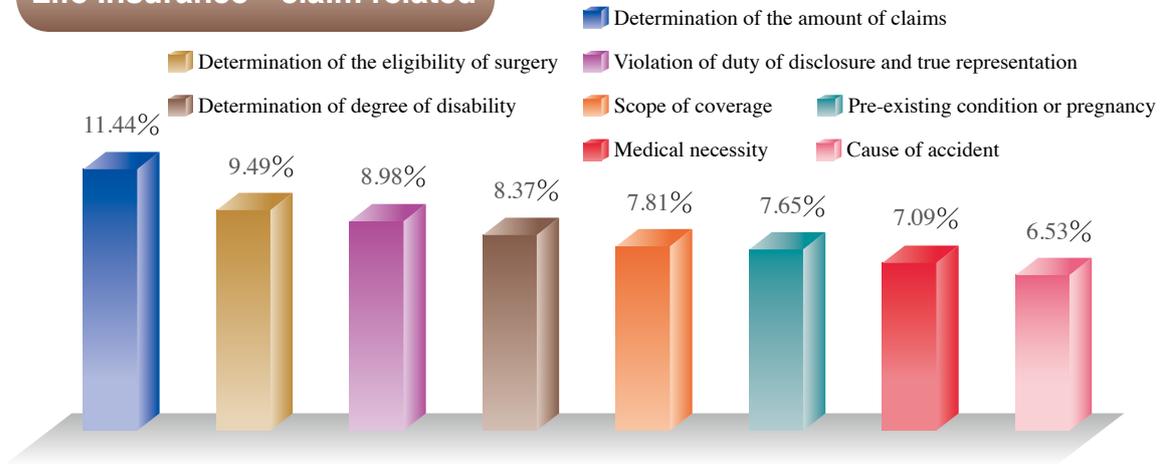


The FOI handled 1,797 ombudsman cases in 2017, of which 906 (50.42%) were filed by male consumers and 858 (47.75%) were filed by female consumers.

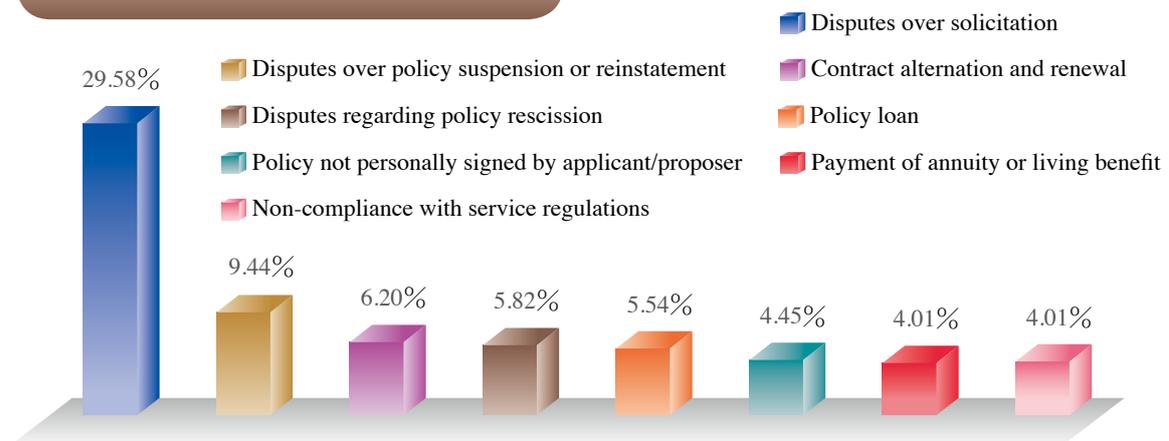


Major types of disputes involved in complaints and ombudsman cases filed in 2017

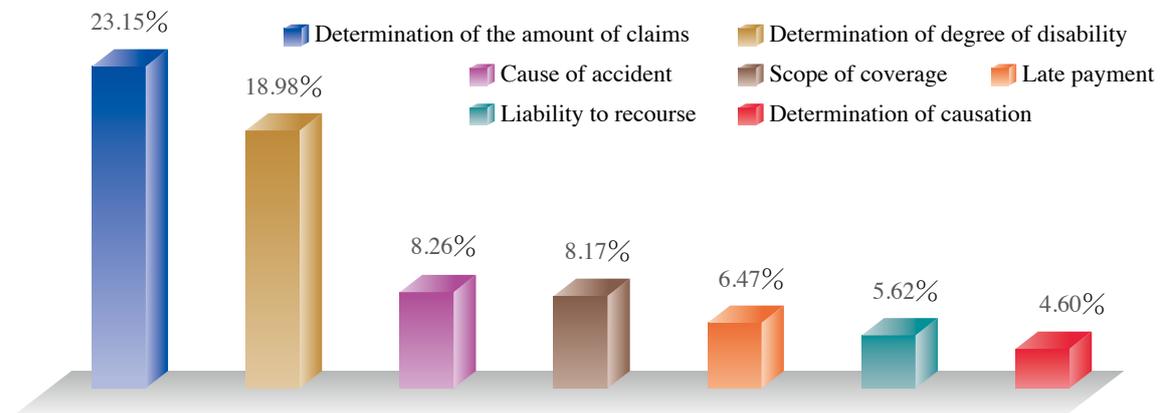
Life Insurance—claim related



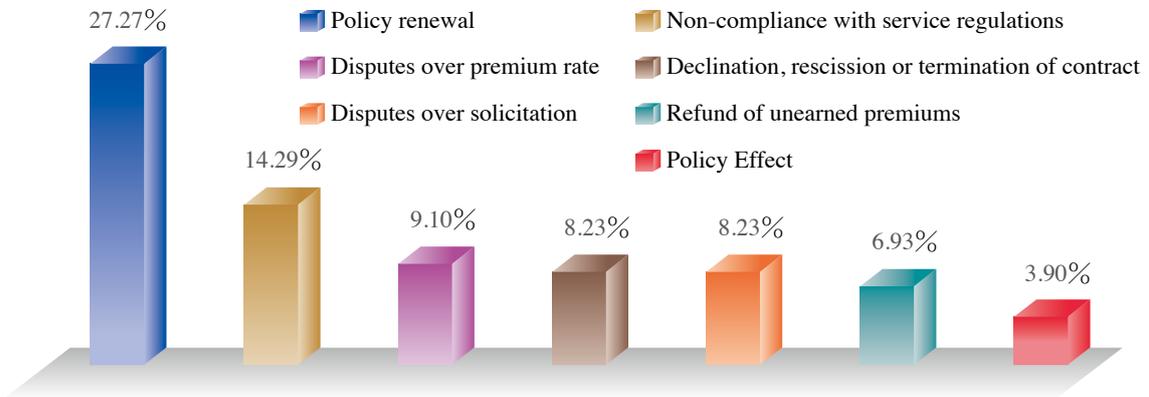
Life Insurance—non-claim related



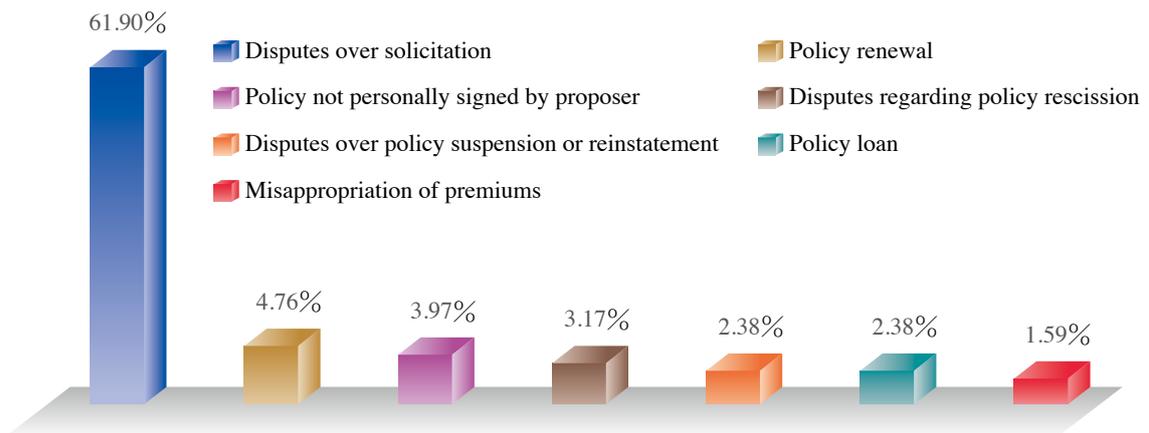
Property & Casualty Insurance—claim related



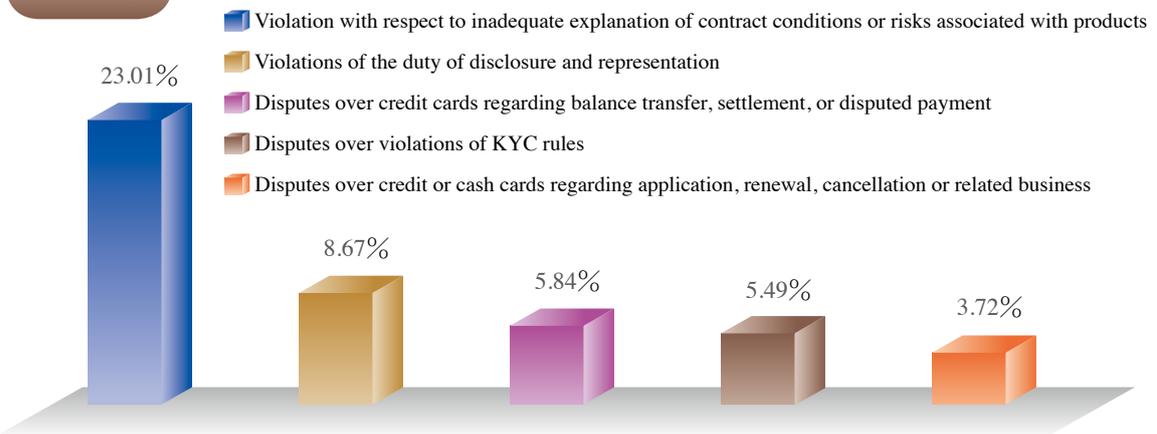
Property & Casualty Insurance—non-claim related



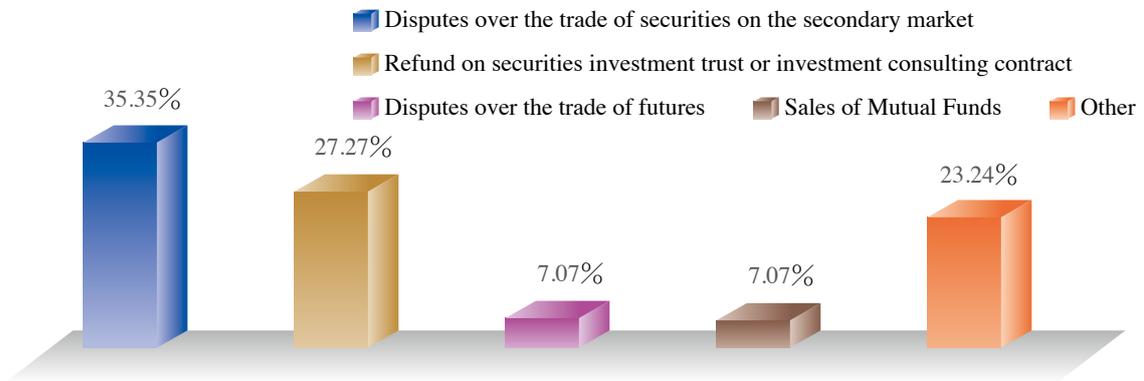
Insurance Intermediaries



Banking

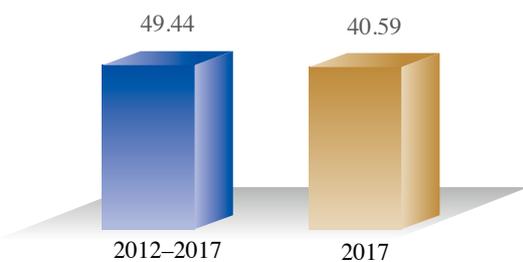


Securities and Futures

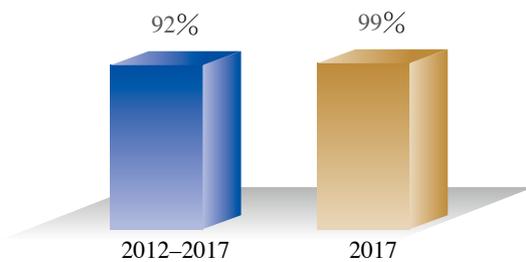


In 2017, it took an average of 40.59 days to close an ombudsman case, less than the average of 49.44 days from 2012 to 2017. Moreover, 99% of ombudsman cases were closed within 3 months, more than the average of 92% from 2012 to 2017. Since 2013, no case has taken longer than 5 months to close.

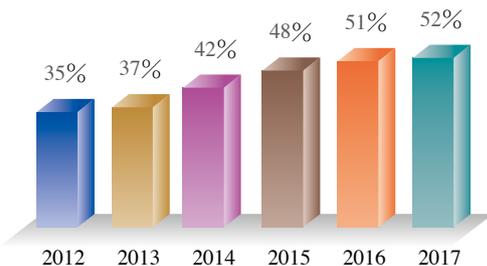
Average days required to close a case



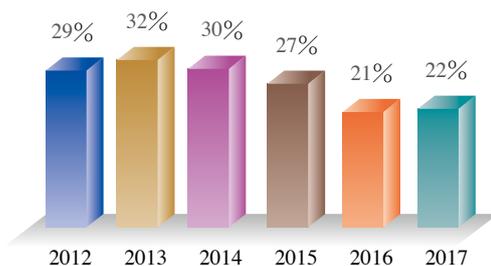
Percentages of ombudsman cases closed within 3 months



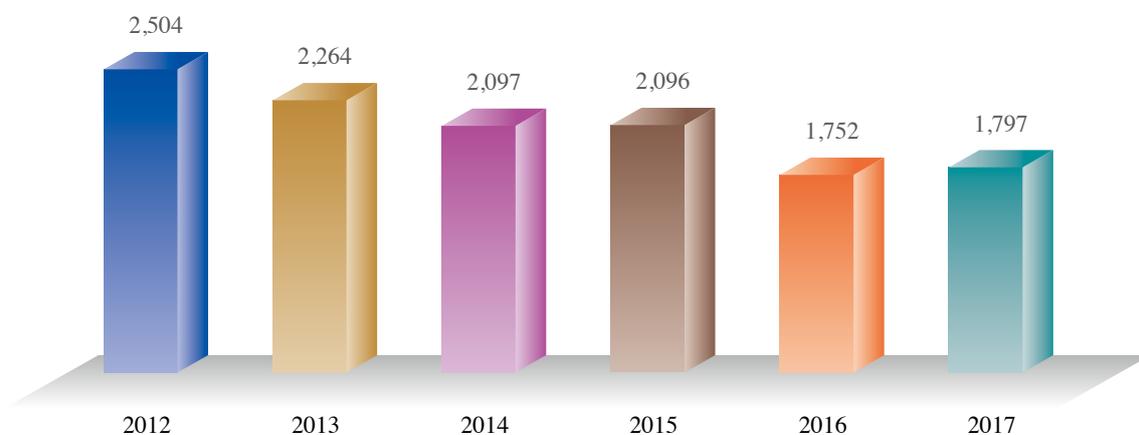
Rates of dispute resolution at the complaint stage



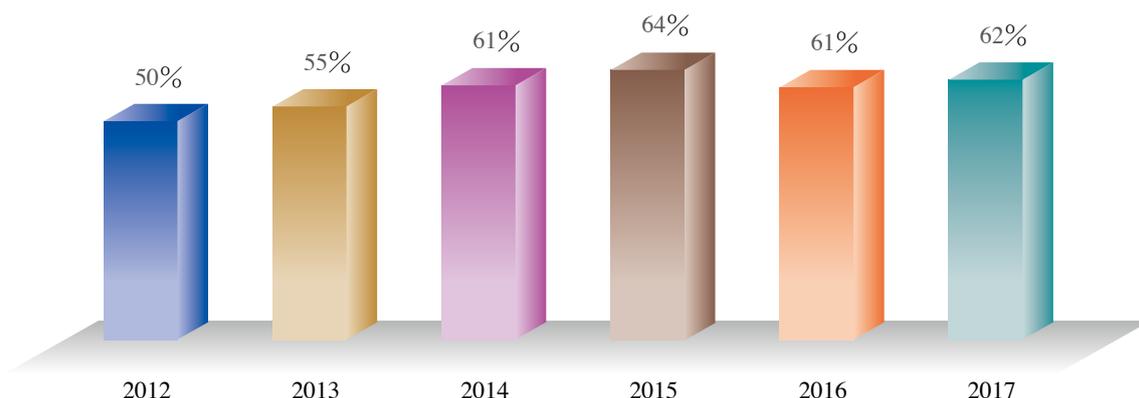
Percentages of complaints continuing to ombudsman proceedings



Numbers of cases handled by ombudsman service



Rates of FOI's dispute resolution



The above figures show that the dispute resolution rate at the complaint stage¹ has risen considerably from year to year, and the percentage of complaints which fail to reach a resolution at the complaint stage and proceed to ombudsman service² has decreased significantly year by year since 2013. The number of cases handled by the ombudsman service has also decreased year by year. This shows that considerable success is being achieved in the efforts to mitigate financial consumer disputes at the source or in the early stage. Overall, the FOI had a dispute resolution rate³ of 62% in 2017 for all complaints and ombudsman cases stemming from financial consumer disputes, and it has maintained a dispute resolution rate averaging or exceeding 50% since 2012. These figures demonstrate that the FOI resolves financial consumer disputes and protects the interests of financial consumers effectively.

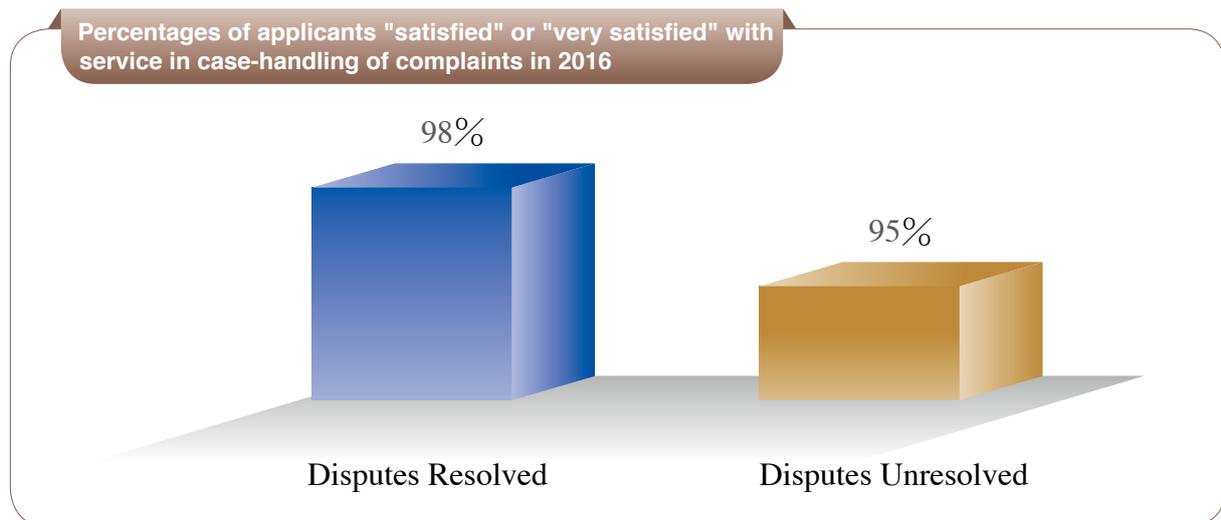
¹ Rate of dispute resolution at complaint stage = Resolved complaints/Closed complaints

² Percentage of complaints continuing to ombudsman proceedings = Complaints continuing to ombudsman proceedings/ Closed complaints

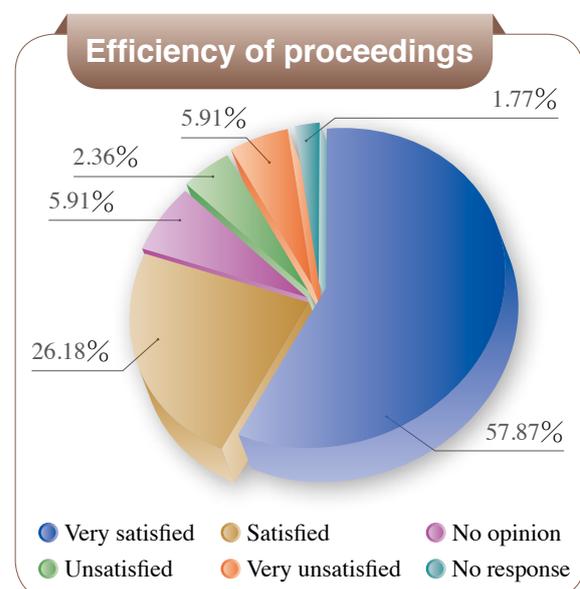
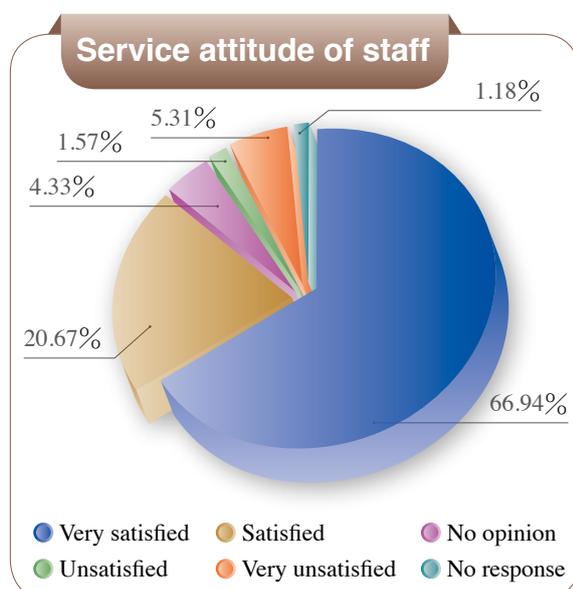
³ Rate of FOI's dispute resolution = (Resolved complaints + Resolved ombudsman cases) / [(Closed complaints – Complaints continuing to ombudsman proceedings) + (Closed ombudsman cases – Not entertained cases)]

Findings of financial consumer satisfaction survey

Since its establishment on 2 January 2012, the FOI has conducted random-sample telephone surveys and questionnaires regarding complaints and ombudsman cases in order to understand whether the services it provides meet the needs of applicants, and also to analyze the level of applicant satisfaction with the FOI. The survey findings serve as a reference for the FOI in its efforts to improve service quality.

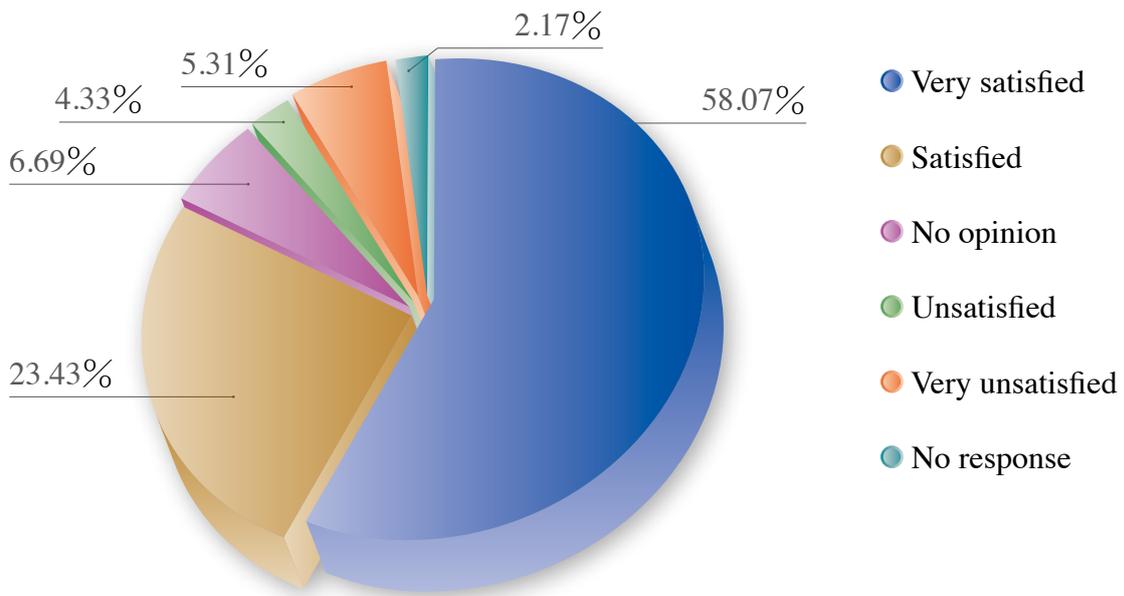


To further improve the quality of service, starting from April 2014, the FOI distributed service satisfaction questionnaires along with each ombudsman decision by mail. In 2017, 82% of the applicants indicated that overall, they were either "satisfied" or "very satisfied" with the ombudsman service. The following figures show the levels of satisfaction with ombudsman procedures in 2017 with respect to different criteria:





Overall satisfaction with ombudsman procedures in 2016



Education and Awareness

The FOI conducts education and awareness programs primarily directed at financial services enterprises and their staffs and at financial consumers. It also engages in cooperation and information exchanges with international organizations involved in ADRs. Educating consumers includes helping them acquire proper knowledge of financial matters and the understanding of financial consumption that will enable them to proactively protect their own interests. The FOI also provides guidance to financial services enterprises to assist them with legal compliance and proper attention to their own management. It provides the enterprises with guidance and instructions on common types of disputes, giving them a clear direction to follow when drafting or revising their own business practices so as to enhance the quality of services provided.

Furthermore, the FOI works to strengthen external communication and coordination with various parties. It actively engages in cooperation and exchanges of experience with various groups and institutions, and it undertakes broad-based education and awareness programs, using a variety of channels and combining the resources of related organizations in the public and private sectors.

Additionally, to fulfill the role bestowed on it by the Financial Consumer Protection Act, the FOI on 1 March 2017 set up a financial consumer service unit, in the spirit of “I heard your voice”. We aspire to ensure that every financial consumer who comes to the FOI for information or to request our services will experience excellent and comprehensive service. We will continue to imbue our services with our core values of caring, sharing, and promoting sustainability in the financial consumer sector, to actively protect the rights and interests of financial consumers.

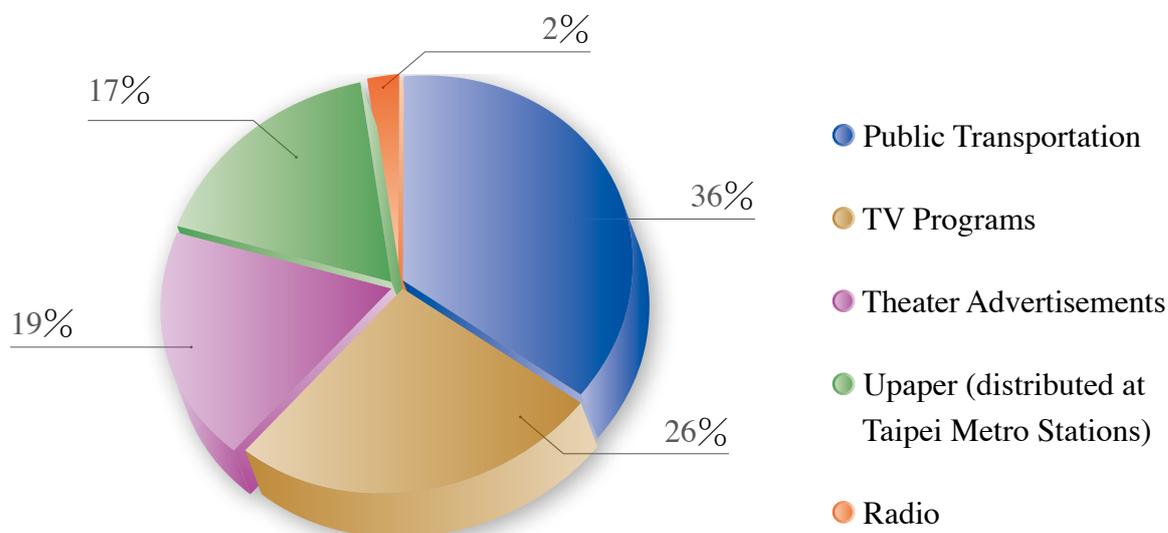
In terms of international cooperation, every year the FOI participates in international platforms and discussion forums related to financial ombudsman service, financial education, and specialized financial realms such as insurance law. Through these activities, the FOI shares and exchanges experience with its counterparts abroad, and it promotes Taiwan’s positive image and international visibility in the financial consumer protection field. The FOI formally became a member of the International Network of Financial Services Ombudsman Schemes (INFO) in 2012 and also a regular member of the International Network on Financial Education (INFE) in 2014.

2017 International Activities

Date (Location)	Events	Description
15–22 July (London, England)	The International Insurance Society (IIS) Global Insurance Forum	The theme of this year’s forum was “Global Resilience and the Role of Insurance.” Topics discussed included the rapid transition and development of the global economic environment, the influence and impact of new digital technology and fintech on the insurance industry, future development trends of the industry, and policies the insurance industry should adopt to better confront the approaching new era. This year’s forum had three major subjects: “State of the World,” “State of the Art,” and “State of the Future.”
22–30 September (Melbourne, Australia)	International Network of Financial Services Ombudsman Schemes (INFO) Annual Meeting, OECD and ASIC Asia-Pacific Annual Forum	The theme of the INFO meeting was “Adapting to Change,” and the organizer, in addition to arranging related lectures and discussions to boost interactions and exchanges of views between members, also utilized breakout discussion sessions, which allowed members to explore future development trends, ombudsman handling schemes, and other issues particular to the ombudsman profession. In addition, the Australian Securities and Investments Commission (ASIC) and the Organization for Economic Cooperation and Development (OECD) jointly hosted a forum regarding digitization and topics related to protection of financial consumers in the midst of transformation of the financial environment.
17–21 October (Singapore)	The Association Internationale de Droit des Assurances (AIDA) Asia-Pacific Insurance Meeting	This meeting was split into several sub-level meetings, the content of which included Asia insurance market conditions, the effects of new technology on the insurance industry, risk management, insurance supervision, and other topics.

Date (Location)	Events	Description
1–4 November (Kuala Lumpur, Malaysia)	International Association of Insurance Supervisors (IAIS) Annual Conference	<p>With the theme of “Insurance Supervision: Looking Beyond,” this conference focused primarily on discussing the current status of international insurance supervision and future prospects, promoting financial consumer education, the impact of innovative technology on the insurance industry, as well as how to improve agricultural insurance, micro-insurance, Islamic insurance, and other topics relating to the insured rate and improving supervision. Among the participants were the Executive Committee, or ExCo, as well as insurance commissioners, market specialists, consumers, insurance firms, and other related organizations, all of whom took part in a dialogue on the conference’s insurance-related topics, with the purpose of raising public awareness and promoting global cooperation on insurance supervision, to achieve a robust insurance market and stable global finance.</p>
6–10 November (New Delhi, India)	OECD/INFE International High-level Global Symposium	<p>Topics discussed at this global symposium included financial literacy in the digital age, national financial education strategies, strengthening investment security through financial education, and others, which will help the FOI to advance its education and awareness programs for financial consumers and firms and to plan its future strategies for these programs.</p>
19–22 November (Hong Kong)	Pacific Insurance Conference	<p>The theme of this conference was “Our World from the Outside In,” and it explored tools and thinking for making the most effective changes for our future. The major topics of discussion were “The CEO Forum: Competing and Winning in the Next Five Years,” “Value Creation from the Outside in” for the insurance industry, the “Disruptors, Challengers, and Innovators” confronting the insurance industry, ensuring, protecting, and maintaining long-term health, innovative future health protection methods, and how the use of technology affects human life and insurance.</p>

1. 2017 Media, advertising, and awareness campaign



2. Education and awareness activities

The FOI held 99 awareness activities in 2017, attracting a total attendance of 11,113.

Target	Category	Sessions	Attendees
Financial Services Enterprise	Financial consumer dispute case study seminars	5	748
	Activities to promote awareness of the FCPA	6	2,365
Subtotal		11	3,113
Financial Consumers	Community colleges (including community learning programs and community organizations and groups)	24	877
	Campus lecture circuit	36	1,421
	Financial consumer awareness lectures	8	364
	Outdoor awareness activities	4	2,715
	Knowledge of Finance A+ lecture circuit	10	1,908
	Local mediation committees seminars	5	675
	Financial consumer dispute case study seminar for Consumer Ombudsmen Officers	1	40
Subtotal		88	8,000
Total		99	11,113

3. Key awareness activities and advertising campaigns



- Officials from the Taiwan Financial Supervisory Commission (FSC) make an inspection tour of the FOI. Pictured here are (front row, from left) Grace Mang-Chih Lee, FOI Chairperson; Cheng-Mount Cheng, FSC Vice Chairman; Wellington Ku, FSC Chairman; Dr. Tien-Mu Huang, FSC Vice Chairman; and Chiung-Hwa Shih, FSC Chief Secretary. In the back row (from left) are Ming-Cheng Chuo, Deputy Director, FOI Dispute Resolution Department; Chun-Hsiung Cho, Ombudsman Committee Chair and President; Zi-Hui Lee, Section Chief, FSC Department of Legal Affairs; Tsui-Wen Hsu, Director-General, FSC Department of Legal Affairs; Shao-Bin Lin, FOI Vice President; and Cheng-Ju Kuan, Deputy Director of the FOI Education and Planning Department.



- The panelists at the FOI's "Financial Consumer Dispute Case Study Seminar" were (from left) Yung-Cheng Chuang, Ombudsman Committee Member; Grace Mang-Chih Lee, FOI Chairperson; Chun-Hsiung Cho, Ombudsman Committee Chair; and Chih-Yu Wang, Deputy Chief, Dispute Resolution Department, FOI.



- The FOI's mascot, Financial Protection Bear (center), arrives at the Xinyi shopping district in Taipei City to participate in the "Financial Consumers Rest Assured, Financial Protection Bear Has Got Your Back" outdoor activity series concert "Ombudsman Bear Brings the Music – Taipei Concert" and has fun singing and dancing with the public.



- The FOI's "Financial Consumers Rest Assured, Financial Protection Bear Has Got Your Back" outdoor activity series event entitled "Working through Challenges with Ease for Financial Consumers – New Taipei City Session – Ombudsman Song and Dance Show" gets the crowd going.



● FOI informational advertisement in the Upaper, distributed at Taipei Metro Stations.



● FOI desk calendar

4. Consumer Service Operations (figures from 1 March 2017 to 31 December 2017)

The advisory services offered by the FOI are aimed at assisting financial consumers to clarify the direction of their questions and speed up the resolution of their disputes. In this initial advisory stage, financial consumers gain an in-depth understanding of their cases and take the first steps in communicating with the financial services enterprise, setting them on track, with the help of the FOI, to smoothly resolve their disputes.

(1) Types of service offered and number of cases

Service type	Service counters	Consumer Helplines (including 1998)	Written advice	Total
Number of cases	412	6,996	837	8,245 ¹

(2) Service counter satisfaction survey results

Number of service counter	Number of questionnaires issued	Rate	Level of satisfaction
412 ²	81	20%	98% ³

¹ Types of cases include advisory, complaints, and applications for ombudsman service.

² The statistic for service counter advice was calculated by actual service counter visits, and includes simple advisory services, legal advisory services, complaints, and applications for ombudsman service.

³ The level of satisfaction was calculated by the percentage of financial consumers who visited the service counter and selected "very satisfied" or "satisfied" on the questionnaire that was distributed to them.

Future Perspectives

1. Bolster our mediation functions

To promote financial consumer dispute resolution, the FOI will implement policy goals for protecting financial consumer rights and interests. From March 2018, the FOI will begin arranging, on a trial basis, for Ombudsman Committee members to attend the mediation proceedings of ombudsman cases. This will enhance the level of professionalism and public accountability associated with the mediation suggestions the FOI provides, which will in turn strengthen the involved parties' trust in the mediation process. At the same time, the FOI will also begin, on a trial basis, to hold mediation proceedings in different locales to improve the services provided to financial consumers in central and southern Taiwan.

2. Handle disputes related to the development of financial technology and innovative experimentation in accordance with the law

In accordance with Article 24 of the Financial Technology Development and Innovative Experimentation Act, the FOI will provide fair, quick, and effective handling of civil disputes arising from financial technology and innovative experimentation, to provide protection for those engaging in innovative experimentation and for financial consumers.

3. Popularize financial literacy and education, and broaden the effects of our financial education and awareness efforts

To create content that speaks to various target groups of its awareness campaigns, the FOI will use a lively and entertaining colloquial approach to convey important aspects of the Financial Consumer Protection Act to the general public, including legal concepts and actual dispute case histories. The FOI will also organize a Financial Services Enterprise Case Discussion Forum, regularly sharing both commonly-seen and new types of dispute cases with enterprises, and will plan and hold training courses for financial services personnel. At the same time, it will use a variety of media tools to establish channels of communication and increase the impact of its awareness efforts. It will also actively seek opportunities for cooperation with local government protection officials and mediators to broaden the target population and scope of its education and awareness campaigns.

4. Through personal one-stop service, offer financial consumers a more convenient option for consultation

To fulfill the role bestowed on it by the Financial Consumer Protection Act, and to avoid or lessen the difficulty arising from complicated phone reception and unfamiliar systems, the FOI will provide a personal one-stop service to offer financial consumers consultation on financial consumer disputes, laws and regulations, and related issues. It will also plan to arrange consultation services for consumers in various areas, stationing agents in southern Taiwan. This will allow the broader public to directly experience the FOI's excellent and comprehensive service, and its enthusiastic protection of the rights and interests of financial consumers. The FOI will also work to educate financial consumers, propagate sound financial consumer habits, and compile statistics on various types of disputes to serve as a reference for education and awareness.

5. Strengthen international connections

The FOI will take active part in conferences and activities held by the International Network of Financial Services Ombudsman Schemes (INFO), the International Network on Financial Education (INFE), and other international organizations to promote professional exchange and international cooperation.

6. Cultivate and promote human resources

To keep pace with the changing times, the FOI will continuously cultivate human resources and provide a positive learning environment and resources so that employees and the FOI can progress and grow together.

Financial Statements

FINANCIAL OMBUDSMAN INSTITUTION BALANCE SHEET December 31, 2017 and 2016

ASSETS	(In New Taiwan Dollars)			
	December 31, 2017		December 31, 2016	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 590,385,848	48	\$ 755,294,464	64
Debt investments with no active market - current	169,973,955	14	178,132,611	15
Trade receivables from unrelated parties	-	-	10,200	-
Other receivables	9,449,541	1	12,656,242	1
Prepayments	3,626,022	-	3,424,598	-
Total Current Assets	773,435,366	63	949,518,115	80
NONCURRENT ASSETS				
Available-for-sale Financial assets - non-current	8,215,000	1	7,180,000	1
Debt investment with no active market - non-current	416,419,565	34	212,902,619	18
Property, plant and equipment	7,774,020	1	9,285,954	1
Prepaid equipment	3,546,940	-	3,359,900	-
Other intangible assets	7,110,495	1	7,076,828	-
Deposit-out	2,818,188	-	2,818,188	-
Total Non-current Assets	445,884,208	37	242,623,489	20
TOTAL ASSETS	\$ 1,219,319,574	100	\$ 1,192,141,604	100
LIABILITIES, FUNDS AND SURPLUSES				
CURRENT LIABILITIES				
Other Payables	\$ 22,286,160	2	\$23,557,104	2
Other Current Liabilities	328,823	-	1,462	-
Total Current Liabilities	22,614,983	2	23,558,566	2
NONCURRENT LIABILITIES				
Net Defined benefit liability	26,251,599	2	21,463,468	2
Deposit-in	819,730	-	1,081,260	-
Total Non-current Liabilities	27,071,329	2	22,544,728	2
Total Liabilities	49,686,312	4	46,103,294	4
FUND AND SURPLUSES				
Fund	1,000,000,000	82	1,000,000,000	84
Retained Surpluses	167,556,175	14	144,996,223	12
Unrealized gain or losses on available-for-sale Financial assets	2,077,087	-	1,042,087	-
Total Funds and Surpluses	1,169,633,262	96	1,146,038,310	96
TOTAL LIABILITIES, FUNDS AND SURPLUSES	\$ 1,219,319,574	100	\$ 1,192,141,604	100



FINANCIAL OMBUDSMAN INSTITUTION INCOME STATEMENT For the year ended December 31, 2017 and 2016

	Year 2017		Year 2016	
	Amount	%	Amount	%
REVENUES				
Annual fee income	\$ 87,903,178	62	\$ 89,892,328	63
Service fee income	52,879,140	38	53,601,169	37
Other service fee income	137,145	-	183,621	-
Net operating revenues	140,919,463	100	143,677,118	100
Operating expenses	(130,708,793)	(93)	(127,453,782)	(89)
NON-OPERATING INCOME AND EXPENSES				
Interest income	11,948,487	9	12,528,928	9
Loss on disposal of property, plant and equipment	(28,757)	-	-	-
Other revenues	429,552	-	214,416	-
Total non-operating income and expenses	12,349,282	9	12,743,344	9
SURPLUS FOR THE YEAR (Pre-taxed)	22,559,952	16	28,966,680	20
INCOME TAX EXPENSE	-	-	-	-
SURPLUS FOR THE YEAR (After-taxed)	\$ 22,559,952	16	\$ 28,966,680	20

Above financial statements were audited by Deloitte & Touche, whilst, approved by the 7th joint meeting of the 3rd-term Board of Directors and Supervisors of the FOI.



FOI

2017 Annual Report



財團法人金融消費評議中心
Financial Ombudsman Institution



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