

25 March 2020

Customer protection in the event of disruption, suspension or termination of a product or service

As part of the MFSA's work in relation to the protection of retail customers during the COVID-19 crisis and the market turmoil that it has triggered, the Authority is reminding firms regarding its expectations of the measures that they should have in place with regard to complaints handling.

All firms should have a customer communication strategy and plan prepared in respect of its customers in the event of serious disruption to its business, products or services as part of its business continuity planning. The Authority will be reviewing Business Continuity Plans (BCPs) already submitted regarding this aspect and communicating its findings in due course.

The Authority expects that licence holders will be constantly monitoring, evaluating and mitigating the risks to which they are exposed. In the event of a significant risk of disruption that could potentially result in customer detriment, the MFSA expects the licence holder to engage proactively with the MFSA at the earliest opportunity and ensure that the Authority is provided with all relevant information in a timely manner. The Authority expects the same early and transparent communication regarding planned or unplanned service changes, interruptions or withdrawals.

It is each licence holder's responsibility to take all reasonable measures to ensure that it has adequate resources available to properly handle complaints in the event that these increase, including having sufficient resources to respond to high call volumes from customers.

It is also the licence holder's regulatory responsibility to ensure that its customers are provided with clear and timely information regarding their rights including details of how to complain and the availability of statutory compensation measures. If necessary, the firm should provide ad-hoc training to the respective customer facing staff.

Where there is significant disruption, the Authority may require the customer records of those affected and firms are reminded of the paramount importance of maintaining accurate and up-to-date customer records.

The MFSA is inviting licence holders to provide information on a voluntary basis to the Authority in relation to any increase in complaints which they identify as COVID-19 related customer complaints, together with details of the nature of the issue or the customer detriment involved, including whether such complaint has been resolved as well as the intended actions to resolve such complaints.

Please send this information to communications@mfsa.mt.