



Monetary Authority of Singapore

Information Paper

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COMPLAINTS MANAGEMENT PRACTICES

**OBSERVATIONS FROM THEMATIC
INSPECTIONS OF BANKS AND INSURERS**



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1 Introduction

- 1.1 Effective complaints management is a core element of fair dealing and an important indicator of how financial institutions treat their customers. MAS' Guidelines on Fair Dealing¹ set out expectations for financial institutions to handle complaints independently, effectively and promptly, and to use the lessons from complaints to improve customer outcomes.
- 1.2 In 2025 and 2026, MAS conducted thematic inspections of selected banks and life insurers to assess how these expectations were being implemented for retail customers. This paper sets out MAS' key observations², including sound practices and areas where institutions should strengthen their complaints management frameworks.
- 1.3 MAS found that banks and insurers generally had the foundational governance structures, processes and systems needed to manage complaints. However, the maturity and effectiveness of practices varied. Some institutions treated complaints mainly as individual cases to be resolved, while stronger institutions used them as a source of insight into potential trends of customer detriment, operational weaknesses and emerging risks.
- 1.4 First, institutions should focus on fair customer outcomes, not procedural compliance alone. A complaint should be assessed on its full facts and circumstances, including whether the institution's policies, processes, products, disclosures or customer handling contributed to the outcome. Special attention is needed where customers may be vulnerable³ or affected by scams.
- 1.5 Second, complaints should be treated as management information. Boards and Senior Management should receive sufficiently meaningful analysis to understand significant cases, recurring themes, affected customer groups and underlying root causes. Institutions should act on these insights, monitor remediation through to completion and assess whether identified weaknesses may have affected customers more broadly.
- 1.6 Third, effective complaints management depends on consistent execution across the institution. This requires clear complaint definitions, complete and accurate data, well-trained staff, accessible complaint channels and clear, timely and empathetic communication. Technology, including AI, can strengthen these capabilities, if well-supported by appropriate governance,

¹ MAS issued the "[Guidelines on Fair Dealing – Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers](#)" in May 2024.

² Illustrative examples indicated in this paper are not specific to any particular customers or financial institutions.

³ Based on footnote 5 of the Guidelines on Fair Dealing, vulnerable customers "would include, but are not limited to, selected clients as defined in the Guidelines on the Remuneration Framework for Representatives and Supervisors ("Balanced Scorecard Framework"), Reference Checks and Pre-Transaction Checks, as well as customers with physical disabilities or impaired mental capacities."



human judgement and accountability.

- 1.7 MAS will monitor the inspected institutions' remediation actions through to completion.
- 1.8 MAS expects all financial institutions to review their complaints management practices against the observations in this paper, incorporate relevant good practices and address material gaps, having regard to their business models, scale of operations and customer profiles, in a risk-proportionate manner. Financial institutions should seek not only to resolve individual complaints fairly and promptly, but also to learn from them, prevent recurrence and strengthen fair dealing outcomes over time. MAS will engage financial institutions on the reviews conducted and any actions taken in response to the information paper.

2 Board and Senior Management oversight

The Board and Senior Management are responsible for ensuring that complaints are managed effectively and used to advance fair dealing outcomes. This requires clear accountability, meaningful oversight and timely action on significant complaints, emerging trends and underlying root causes.

See especially paragraphs 5.2.6 of the Guidelines on Fair Dealing.

2.1 Governance and accountability

- 2.1.1 Banks and insurers generally had formal governance structures for complaints management. Relevant Senior Management committees, comprising representatives from functions such as business, risk, legal and compliance, regularly received complaints-related information and supported the Board's oversight of fair dealing outcomes. Dedicated customer experience or complaints management functions typically coordinated this reporting.
- 2.1.2 Most institutions had clearly set out the fair dealing or complaints management mandates of their Board and Senior Management committees in their terms of reference. However, at a handful of institutions, the mandates were limited to market conduct-related complaints or did not explicitly include complaints management more broadly. Although these institutions could demonstrate oversight in practice, they should clarify their committees' roles and responsibilities to expressly and fully cover complaints management and the delivery of fair dealing outcomes.

2.2 Reporting and actionable insights

- 2.2.1 Complaints can provide important signals to Board and Senior Management on whether institutions are delivering fair dealing outcomes and where corrective action may be required. To support effective oversight, reporting should explain not only what has happened, but also why it happened, what customer detriment may have arisen and what action is required.
- 2.2.2 Boards and Senior Management generally received key complaint metrics, including complaint volumes and categories, turnaround times, ageing and threshold breaches. Most institutions also reported complaints with significant legal, regulatory or reputational implications, such as alleged breaches of regulatory requirements or complaints arising from major technology incidents.



- 2.2.3 Stronger institutions supplemented these metrics with root cause analyses of significant cases and thematic reviews of key or emerging trends. Their reporting covered, for example, FIDReC cases resolved in favour of customers, substantiated complaints, repeat complaints and, significant or complex matters that are escalated internally. This enabled the Board and Senior Management to identify underlying causes, challenge proposed responses and direct timely remedial actions.
- 2.2.4 Institutions should continue to strengthen reporting so that they consistently:
- a) explain material changes in complaint trends;
 - b) identify affected customer segments, including vulnerable customers;
 - c) distinguish isolated events from recurring or systemic issues;
 - d) set out proposed remediation, accountable owners and target completion dates; and
 - e) track whether completed actions have produced the intended customer outcomes.

2.3 Active oversight and remediation

- 2.3.1 Effective oversight involves more than receiving complaints reports. The Board and Senior Management should actively engage on material complaints issues, determine which matters warrant escalation to them, make decisions consistent with fair dealing with customers and ensure that underlying causes are addressed.
- 2.3.2 Institutions demonstrating stronger practices translated insights into action through cross-functional remediation, clear Senior Management sponsorship and sustained monitoring of outcomes.

Illustrative Example 1 (Good Practice): Structured, senior-sponsored remediation enabled faster resolution

An institution established cross-functional teams to address and resolve root causes of complaints more swiftly. Each team brought together representatives with the relevant competencies from functions across the customer journey for particular products and services. The teams were empowered to resolve customer pain points and supported by an appropriate Senior Management sponsor who drove progress and accountability for outcomes.

- 2.3.3 At some institutions, however, the Boards and Senior Management did not sufficiently deliberate on complaints-related matters or the results of analyses escalated to them. Others did not

adequately monitor follow-through on required remediation, particularly where measures involved extended timelines. This increased the risk that unresolved root causes would lead to recurring issues.

2.4 Escalation of significant or complex complaints

- 2.4.1 Banks and insurers should escalate significant or complex complaint matters to the Board and Senior Management for attention and direction. Clear and appropriately calibrated escalation criteria are essential. If the criteria are too narrow, persistent, systemic or potentially unfair practices may remain outside senior oversight.

Illustrative Example 2 (Poor Practice): Persistent issues not escalated

An institution sought primarily to resolve complaints within business-level committees and provided its senior management committee only with high-level summaries for noting. As a result, its senior management committee had limited visibility of persistent complaint issues and their underlying causes. This constrained its ability to provide independent challenge and delayed consideration of strategic solutions, including necessary system changes.

- 2.4.2 Escalation criteria should extend beyond financial loss, media attention and potential staff misconduct, and may include the following:

- a) repeated complaints from the same customer or similar complaints across multiple customers;
- b) significant actual or potential customer detriment;
- c) concerns involving vulnerable customers;
- d) possible systemic deficiencies in products, processes, systems or controls;
- e) significant legal, regulatory or reputational implications; and
- f) repeated delays or failures in remediation.

Institutions should also review and recalibrate thresholds periodically against actual experience so that the escalation framework remains meaningful and effective.

Illustrative Example 3 (Poor Practice): Escalation criteria too narrow

An institution required complaints to be escalated only where they attracted media attention, exceeded a specified financial threshold or concerned potential staff misconduct. No complaints met these criteria during the period reviewed. The framework therefore did not



provide Senior Management with meaningful visibility of persistent or customer-focused issues.

The institution should broaden and periodically recalibrate its criteria against actual experience so that the escalation framework remains effective.

2.5 Dealing with exceptions

- 2.5.1 Banks and insurers may encounter cases in which strict adherence to existing policies, procedures or terms and conditions would not produce a fair outcome, particularly for vulnerable customers. Such cases were often identified only after a complaint had been escalated to the Board, Senior Management or FIDReC, with exceptions considered only on reassessment.
- 2.5.2 Banks and insurers should provide guidance to help staff identify these circumstances early, prioritise the needs of vulnerable customers and escalate appropriate cases through clear channels for exception handling. Suitably senior officers should be empowered to exercise judgement and approve exceptions where warranted.
- 2.5.3 Where similar cases recur, institutions should assess whether the relevant policies, procedures, products, services or contractual terms require broader review and enhancement. This helps ensure that exceptions do not become a substitute for correcting an underlying design or process weakness.

3 Complaint assessment

Banks and insurers should assess the merits of complaints independently, rigorously and consistently, based on the facts and circumstances of each case. Assessments should establish not only whether the parties involved had complied with applicable requirements, but also whether weaknesses in the institution's policies, procedures, products, services, disclosures or sales processes had contributed to the complaint.

They should also maintain effective monitoring controls to identify inadequate assessment, premature closure and other poor handling practices. Independent quality assurance or quality control (QA/QC), supported where appropriate by technology, should cover both substantiated and unsubstantiated complaints and apply a risk-based sampling methodology. Findings should be addressed promptly and used to strengthen complaints handling more broadly.

See especially paragraphs 5.2.4 and 5.2.6 of the Guidelines on Fair Dealing.

3.1 Roles and responsibilities for assessing customer allegations

- 3.1.1 Banks and insurers generally had clear roles and responsibilities for receiving, investigating and resolving complaints. Frontline staff handled cases received through contact centres, branches and corporate websites, engaging relevant business units and process owners where necessary. Dedicated customer experience or complaints handling functions were typically involved in more significant or complex cases, while legal and compliance functions reviewed matters with potential regulatory breaches⁴ or other legal implications.
- 3.1.2 Complaint assessment need not always be performed by a function that is wholly independent of the subject matter, as familiarity with the relevant product, process or interaction may be necessary. Institutions nevertheless protected the objectivity of the assessment by ensuring that persons connected to or implicated in the complaint do not determine its outcome. Appropriate segregation, independent review and QA/QC can provide additional safeguards.
- 3.1.3 Complaints against staff were usually assessed by the staff member's immediate supervisor or another supervisor in the same function. Stronger arrangements required an additional review by an independent customer experience or complaints management function, with legal and compliance functions involved where appropriate. This provided greater assurance that allegations against staff were assessed impartially and that relevant conduct, legal and regulatory

⁴ Such as those in relation to the Financial Advisers Act or Personal Data Protection Act.



considerations were addressed.

3.2 Rigour and consistency of complaint assessment

- 3.2.1 Policies and procedures provide an important foundation for consistent complaint assessment. However, institutions should also exercise judgement in determining whether the particular circumstances of a complaint warrant further scrutiny beyond established processes. A rigorous assessment should consider all relevant evidence and circumstances, apply clear and consistent criteria, and document the basis for the conclusion reached.
- 3.2.2 Our review identified opportunities for institutions to strengthen the rigour and consistency of complaint assessments, particularly in considering the full facts and circumstances of each case and clearly documenting the considerations underpinning their conclusions.
- 3.2.3 Financial institutions should recognise when the circumstances of a complaint call for a deeper assessment, including an assessment of the institution's own actions and responsibilities. This could include cases where:
- a) Applying existing policies and procedures may not adequately address the circumstances of the complaint: Institutions should look beyond whether established procedures were followed to consider whether the outcome is fair and appropriate. This is particularly important where the institution may reasonably be perceived to bear some responsibility, or where the complaint points to potential shortcomings in existing policies, procedures, products or services.
 - b) Material facts are contested: Institutions should undertake further review, rather than rely solely on routine processes or narrow procedural interpretations, to establish the relevant facts and assess their own actions and obligations.
- 3.2.4 Such scrutiny is important to ensure that complaints are assessed on their merits, rather than solely by reference to compliance with existing processes. In some institutions, underlying deficiencies were identified only after similar complaints recurred or cases were reassessed following escalation. Identifying these issues earlier would enable institutions to reach fairer outcomes, provide appropriate redress where warranted, and address weaknesses before they give rise to further complaints.

Illustrative Example 4 (Good Practice): Complaints prompted broader enhancements to policies and practices

After receiving recurring complaints from elderly customers about scam losses through digital channels, an institution recognised an opportunity to strengthen customer safeguards. It identified no breach of its internal policy, which was consistent with market practice. Nonetheless, it strengthened protection for elderly customers who may face challenges with managing digital channels by introducing a digital literacy assessment for new customers above 75 years old before enabling access to digital services.

The institution also conducted a look-back exercise to identify elderly customers with lower levels of education who had suffered scam losses through digital banking channels, using the findings to strengthen safeguards and improve support for this vulnerable segment.

In another case, an institution drew lessons from a FIDReC-mediated complaint involving an investment product. Although the institution identified no breach of its internal policy, it recognised that it could have done better to assess the long-term affordability of the product. The institution strengthened its sales practices and trained staff to better consider longer-term affordability, particularly where recurring payments would continue over an extended period.

3.3 Quality assurance and institutional learning

- 3.3.1 Banks and insurers generally had at least one level of QA/QC checks, performed by the 1.5 or second line of defence, or both. These checks helped institutions identify weaknesses in complaint assessment, test the accuracy and fairness of complaint outcomes and promote consistent treatment of customers. A small number of institutions had not formalised their QA/QC processes or did not maintain adequate records of the checks performed.
- 3.3.2 Several banks and insurers could strengthen QA/QC checks to better detect weaknesses in complaints handling by covering the following topics on a risk-proportionate basis:
- a) market conduct and non-market conduct complaints⁵;
 - b) substantiated and unsubstantiated cases;
 - c) complaints handled across all customer touchpoints, including business units; and
 - d) quality of the assessment and the clarity and appropriateness of the response to the customer.
- 3.3.3 Sampling methodologies should be risk-based. Relevant factors may include complaint trends, operational changes, new systems or platforms, product and channel risks, customer vulnerability

⁵ Examples of non-market conduct complaints include matters relating to service lapses and disputes on fees and charges, claim amount awarded.

and other emerging concerns. Institutions should also ensure that the scope and sample size remain appropriate as complaint trends, volumes and handling arrangements evolve. Sampling should be sufficiently broad to identify premature closure of cases, inadequate investigation and inconsistent outcomes across business units.

- 3.3.4 Institutions should rectify individual cases promptly where QA/QC identifies deficiencies. They should also analyse findings collectively to determine whether broader improvements are needed to policies, procedures, products, training or controls. This ensures that QA/QC supports institutional learning and improvements rather than operating only as a case-level compliance check.

Illustrative Example 5 (Poor Practice): Institution's sampling methodology for QA/QC checks on complaints handling could be strengthened

An institution's QA/QC sampling methodology did not provide sufficiently broad coverage across complaint-handling touchpoints and was not sufficiently risk-based.

The institution could strengthen its approach by:

- including cases handled by both the complaints handling unit and business units, to test consistency across the institution;
- setting a sample size that remains proportionate to complaint volumes, including after changes to the institution's definition of a complaint was broadened to include more cases; and
- providing clearer guidance on risk-based sample selection, taking into account factors such as business channel, complaint category, product type, customer profile and vulnerability, and insights from complaint trend analysis.

4 Data capture and analytics

Banks and insurers should maintain a clear and standardised organisation-wide definition of a complaint and apply it consistently across all customer touchpoints. Their systems and processes should capture complaints accurately from receipt to resolution, using complete and structured records to track ownership, escalation, turnaround times, resolution and follow-up actions. Institutions should establish reasonable and consistent service standards for similar complaint categories and implement controls to prevent and detect delays in resolution, omissions or misclassification.

Complaints data should be analysed at both individual and aggregate levels. Significant or higher-risk complaints should be subject to RCA of sufficient depth to identify underlying causes and support effective remediation. Trend analysis and thematic assessments should identify recurring issues, emerging risks and customer segments requiring attention. Institutions should translate these insights into timely remediation and improvements to policies, procedures, products and services; assess whether identified weaknesses may have affected customers more broadly; and escalate systemic concerns to Senior Management for appropriate action, including additional safeguards or redress where warranted.

See especially paragraphs 5.2.3, 5.2.7, 5.3.1 and 5.3.2 of the Guidelines on Fair Dealing.

4.1 Definition of complaints

- 4.1.1 A clear and consistently applied complaint definition is the foundation for effective complaints management. Customer complaints regarding a product, service, or process provide valuable insights into service gaps and customer expectations. When handled, investigated and resolved fairly and effectively, they help institutions identify areas for improvement, rebuild customer trust, and deliver fair dealing outcomes.
- 4.1.2 Banks and insurers generally defined complaints by reference to customer dissatisfaction. In practice, however, some institutions applied the definition inconsistently or did not clearly distinguish complaints from feedback and appeals or applied different definitions across business lines. These inconsistencies led to omissions and discrepancies in complaint identification, case handling and data capture. Institutions should provide staff with clear guidance and training, supported by appropriate supervision, controls and system prompts, to promote consistent complaint identification across all customer touchpoints.
- 4.1.3 A few institutions intentionally excluded cases resolved at first contact or by first-level frontline staff from their complaint definitions, so that resources could be focused on more complex or significant cases. While this may support operational prioritisation, it can reduce visibility of cases

of customer dissatisfaction that may be substantiated on investigation, and limit the institution's ability to detect emerging issues before they escalate.

4.2 Complete and structured data capture

- 4.2.1 Banks and insurers generally had centralised systems to capture all customer interactions, including complaints.⁶ More effective systems supported end-to-end complaints handling by classifying, routing and assigning cases; tracking ownership, turnaround times, status and follow-up actions; and capturing structured information for monitoring and analysis. Some institutions also used transcription tools to prepare call summaries and reduce the risk that material information or follow-up actions would be omitted.
- 4.2.2 MAS noted a few banks and insurers whose complaints management systems significantly lagged their peers in sophistication. These institutions relied on fragmented processes and manual workarounds, such as emails to route complaints for resolution and closure, and spreadsheets to track turnaround times and follow-up actions. Such arrangements increased the risk of errors and gaps in case management, and constrained institutions' ability to analyse trends, identify service shortcomings and respond promptly to emerging customer issues. MAS has asked these institutions to implement clear and time-bound plans to upgrade to fit-for-purpose systems that support timely and effective complaints management.

Illustrative Example 6 (Good Practice): Centralised system supported effective complaints handling

A few institutions had invested in robust centralised complaints management systems that supported more effective handling of complaints resolution. For example, their systems enabled:

- access to customer profiles and precedent cases for determining appropriate follow-up actions;
- automated routing of complaints and email alerts to relevant parties for follow-up actions;
- tracking of complaint resolution timelines and statuses to support accountability;
- documentation of complaint categories and root causes through structured fields for proper classification and meaningful analytics; and
- use of pre-populated fields for common complaints to reduce documentation effort and for improved efficiency.

⁶ Other customer interactions captured include service requests, feedback and appeals.

- 4.2.3 Even where centralised systems were in place, data quality depended heavily on frontline staff in identifying and recording complaints correctly. Common lapses included omitted complaints, inaccurate classification, incomplete records and delays in updating case information.
- 4.2.4 Institutions should implement measures to prevent and detect errors in complaint identification and classification. Misclassified complaints are likely to be omitted from tracking and analysis and not receive appropriate treatment. Examples of measures implemented by institutions to prevent misclassifications include:
- a) strengthening staff supervision and oversight;
 - b) providing staff with guidance and targeted training to reduce misjudgement and reinforce the importance of data integrity and appropriate behaviours;
 - c) implementing more independent reviews and checks;
 - d) improving workflows to capture, route and assign cases to accountable parties for resolution; and
 - e) enhancing complaints management systems (e.g. by providing clear and descriptive labels for each field and implementing mandatory fields for key information).

Illustrative Example 7 (Poor Practice): Controls did not adequately prevent or detect misclassification of complaints

The institution relied solely on staff training and guidance in its procedural manual, which sets out how to distinguish a complaint from feedback. Reliance on staff judgement alone, without safeguards such as four-eye checks or QA/QC reviews, was insufficient to prevent or detect misclassification errors.

- 4.2.5 Most insurers with bancassurance arrangements had established formal complaint-handling frameworks with their bank partners. These frameworks clarified responsibility for complaint capture, handling, resolution and trend analysis, particularly for complaints outside market conduct matters. They also supported consistent validation and documentation regardless of whether the customer approached the bank or insurer first. Insurers should maintain adequate oversight of complaints received by their intermediaries and assess whether complaints, including those not classified as market conduct matters, point to weaknesses in product design, materials or training provided by the insurer.

4.3 End-to-end tracking and timely resolution

- 4.3.1 Banks and insurers had defined turnaround times (TATs) for acknowledging and resolving complaints, and for providing interim customer updates where complex cases required longer review. TAT indicators were regularly reported to Board and Senior Management. More effective institutions supported compliance through automated acknowledgements, monitoring of pending cases and escalation of overdue matters. A small number of institutions relied on manual TAT tracking because of system limitations, increasing the risk that delays would not be detected promptly.
- 4.3.2 While TAT frameworks were generally in place, some institutions could strengthen the management of cross-departmental handovers. End-to-end TAT should be measured from the date⁷ the institution first receives the complaint —not from the date it reaches the unit ultimately responsible for resolution. Cases should remain open and visible through internal handovers, with follow-up actions recorded in the complaints management system rather than managed offline. Clear ownership and effective case sharing between units are necessary to prevent delays from being obscured and to support timely resolution.

Illustrative Example 8 (Poor Practice): Fragmented case tracking obscured delays and customer dissatisfaction

A customer repeatedly contacted an institution over an extended period for updates on a case. Frontline staff treated each contact as a new service request and closed it once the matter was handed to the issue owner. They did not recognise the customer's increasing dissatisfaction or reclassify the matter as a complaint.

As each service request was closed at handover, the full duration of the customer's engagement with the institution was not visible from TAT monitoring and management reporting; consequently, the institution could not see the delay and missed the opportunity to take quicker action to resolve the customer's complaint.

- 4.3.3 Institutions should also periodically assess whether their TAT standards remain reasonable and appropriately calibrated. This assessment should consider actual performance, the complexity of different complaint categories, customer expectations and relevant peer benchmarks. Standards that are consistently met by a wide margin may not provide sufficient impetus for continuous improvement.

Illustrative Example 9 (Poor Practice): TAT service standards

An institution had set target TATs for different complaint categories, but did not have a process

⁷ Where the institution receives a complaint on any day other than a business day, or after the close of business on a business day, the complaint may be treated as received by the institution on the next business day.

to assess whether these standards remained reasonable and appropriate. Actual resolution times consistently fell well within the targets, which were notably longer than those of peers. Without periodic calibration against actual performance and relevant benchmarks, service standards did not promote continuous improvement in responsiveness and service quality.

4.4 RCA and remediation for individual complaints

- 4.4.1 RCA enables institutions to understand why complaints have arisen, address underlying weaknesses and prevent recurrence. Most banks and insurers had pre-defined “root cause” categories in their complaints management systems. For most institutions, completion of the root-cause field was mandatory, supporting data completeness and systematic trend identification.
- 4.4.2 Assigning a root-cause category is only the starting point. Effective RCA requires investigation of sufficient depth to identify the underlying drivers of a complaint and generate actionable insights. This is particularly important for complaints escalated to the Board and Senior Management or FIDReC, complaints involving material customer detriment or heightened legal, regulatory or reputational risk, and issues repeatedly raised by the same customer.
- 4.4.3 Institutions typically performed more detailed RCA for substantiated and complex complaints, such as market conduct or alleged mis-selling cases. However, some institutions did not adequately monitor whether the agreed remediation had been completed and was effective. This limited the assurance that underlying causes had been addressed and that similar complaints would not recur.
- 4.4.4 Institutions should assign clear ownership and target completion dates for remedial actions, monitor progress and effectiveness through to closure, and escalate significant delays.

4.5 Trend analysis and thematic assessments

- 4.5.1 Beyond analysing individual cases, institutions should examine complaints in aggregate to identify recurring themes, emerging risks and matters requiring management attention. Thematic assessments allow institutions to explore particular issues or customer segments in greater depth and develop more targeted and sustainable responses.

Illustrative Example 10 (Good Practice): Thematic reviews informed targeted measures to reduce branch wait times

In response to complaints about long wait times at physical branches, some institutions conducted thematic reviews of queue drivers and customers' reasons for visiting. They analysed waiting and handling times by branch, transaction type and customer profile.

The analysis supported both institution-wide and branch-specific measures. These included expanding digital authentication through Singpass, deploying more digital ambassadors to redirect suitable transactions to self-service or digital channels, and allocating additional resources to branches serving more elderly customers or handling more complex transactions.

- 4.5.2 Banks and insurers generally analysed complaint volumes, key categories and TATs. One bank also examined the relationship between complaint volumes and customer attrition to assess the effectiveness of complaints handling. Most banks conducted thematic reviews of topical complaint areas, such as scams, fraud and alleged mis-selling cases, with findings reported to the Board and Senior Management for direction and follow-up.
- 4.5.3 Some institutions had room to strengthen their analysis of emerging themes. A few insurers excluded bancassurance complaints from their analysis, on the basis that such complaints are addressed by their bank partners. This may avoid duplication, but it can also obscure non-market conduct issues or shortcomings in the insurer's product design, materials or training. Insurers should periodically review relevant complaints shared by bank partners and incorporate the lessons into their own practices.
- 4.5.4 Some banks and insurers used technology and AI to derive richer insights, such as identifying recurring or emerging themes from customers' verbatim comments. Others supplemented complaints data with mystery shopping, market surveys, service-standard surveys and social media analysis to obtain a broader view of customer experience.⁸ These sources can help institutions test whether complaint data presents a complete picture and identify issues before they crystallise into larger complaint volumes.

Illustrative Example 11 (Good Practice): Supplementing complaint analyses with market research

A number of banks and insurers commissioned mystery shopping exercises and market surveys to understand customer perceptions in areas such as branch operations and sales conduct.

In response to rising scam and fraud cases, one institution engaged a research agency to assess customers' perceptions of financial institutions' scam-management efforts. The findings were used to identify improvements to customer support and strengthen trust.

⁸ Banks and insurers regularly track their net promoter scores against key competitors, using vendors for the market research, but generally the scores do not directly cover customer feedback about their complaints management practices.

Another institution reviewed and analysed feedback, complaints and insights from other sources (such as service standard surveys, social media) to develop a more holistic view of the customer experience and service quality it was providing.

- 4.5.5 The inspections identified several analytical lenses that institutions should apply more consistently:
- a) Externally escalated complaints: Complaints referred to FIDReC or the media may reflect not only dissatisfaction with the outcome offered, but also weaknesses in complaint assessments or substantiation process, communication or case handling. Institutions should draw lessons from FIDReC cases mediated or adjudicated in the customer's favour and use them to strengthen their own assessment and customer-handling practices.
 - b) Repeat or reopened complaints: Repeated contact by the same customer may indicate that the underlying concern was not fully resolved at the first instance or that there were communication lapses.
 - c) Customer segments and demographics: Analysis by age group, vulnerability or other relevant customer segments may reveal distinct pain points or disproportionate impacts. Such analysis can support targeted remediation and help institutions respond to demographic shifts, including an ageing population.
 - d) Recurring complaints across multiple customers: Repeated complaints may indicate weaknesses in product or service design or in the communication of key terms and conditions. For example, recurring complaints about card-promotion eligibility criteria may signal undue complexity.
 - e) Scam- and fraud-related: Thematic analysis of these cases can identify opportunities to improve the accuracy, completeness, timeliness and empathy of customer handling and communications.
- 4.5.6 Institutions should use the results of complaint analysis to drive institutional learning. Relevant findings should be translated into improvements to policies, procedures, products, services, training and controls, with clear ownership and monitoring of outcomes. Where analysis identifies potential systemic impact, institutions should assess the population of affected customers promptly and escalate the matter to Senior Management for appropriate action.

5 Training and communication

Institutions should equip staff involved in customer engagement, complaint handling, assessment, substantiation, resolution and remediation with the knowledge, judgement and practical tools appropriate to their respective roles to respond consistently, accurately and empathetically. Training should support consistent identification of customer concerns, effective and empathetic communication, fair and evidence-based assessments, and the delivery of fair dealing outcomes for customers, including the identification and support for vulnerable customers. It should be reinforced through ongoing guidance, team briefings, role-plays and lessons from actual complaints and FIDReC cases, where appropriate. Institutions should provide practical guidance on identifying and supporting vulnerable customers.

Banks and insurers should make complaint channels easily accessible across relevant customer touchpoints, and provide clear and accessible information on the available channels, key steps in the process and how customers can obtain assistance. They should communicate assessment outcomes, recovery actions and remediation clearly and transparently, and provide prompt updates where more time is required. QA/QC, analytics and technology should be used to identify communication lapses, address affected customers promptly, improve customer outcomes, determine complaint underlying causes to support continuous learning and prevent recurrence.

See especially paragraphs 4 and 5.2.5 of the Guidelines on Fair Dealing.

5.1 Training

- 5.1.1 Most banks and insurers had implemented mandatory structured training programmes for frontline staff and other staff who regularly handled complaints. These programmes generally covered product knowledge, complaint handling and customer communication. Most institutions had also introduced training on empathetic customer treatment, scam identification and handling, and engagement with elderly and vulnerable customers. Some banks extended this training beyond frontline and complaints-handling teams to strengthen customer treatment across the organisation.

Illustrative Example 12 (Good Practice): Training supported the needs of elderly and vulnerable customers

Some institutions introduced programmes focused on serving elderly customers in response to Singapore's ageing population. The programmes covered measures to identify and handle

potential financial abuse or dementia, and guidance on using clear and simple language while avoiding jargon, abbreviations and technical terms.

Another institution developed a dedicated training guide containing information and case studies to help staff identify, interact and communicate effectively with vulnerable customers. The guide required staff to assess the circumstances of both the complaint and the customer, rather than adopt a one-size-fits-all approach.

- 5.1.2 Most institutions also used regular team briefings within frontline and complaints-handling functions to share notable cases, handling tips and updates on scam typologies, and to practice customer interactions through role-plays. These forums complemented formal training and helped staff apply expected standards in changing circumstances.
- 5.1.3 However, most institutions' training materials did not systematically incorporate case studies drawn from past complaints and FIDReC cases. More systematic sharing of complaints learning would strengthen the dissemination of lessons learned, highlight good and poor practices, and better support staff in exercising judgement, sensitivity and empathy in different circumstances. This could be done through structured training, curated case materials or targeted communications.
- 5.1.4 Clear definitions, early identification and appropriate internal tagging allow customer-facing staff and representatives to recognise vulnerabilities and provide suitable support in interactions. In addition to the regulatory definition of a selected client⁹, some institutions consider additional factors to identify vulnerable customers, such as the customer's income-earning capacity, financial literacy, recent life events such as bereavement and medical conditions. Others, however, did not have a framework to identify vulnerable customers and relied largely on the regulatory definition of selected clients. Institutions should define vulnerable customers having regard to factors such as the customers' age, health conditions, and financial literacy. Institutions should also review the definition regularly, and provide practical guidance on identification and appropriate support.
- 5.1.5 Some banks and insurers focused training and guidance on core frontline functions, such as contact centres, branch staff and relationship managers. While frontline staff remain the primary point of engagement with customers, complaint outcomes are often influenced by product specialists, claims handlers, fraud-management teams, risk and compliance functions and other

⁹ A selected client, based on FAA-N16 Notice on Recommendations on Investment Products, is one who does not meet at least two of the following: (a) under 62 years of age, (b) proficient in spoken and written English, or in such other language in which (i) the sales and advisory process will be carried out and (ii) all documents provided to the client in that process will be written, and (c) has at least GCE 'O' Level or 'N' Level certifications or equivalent academic qualifications.

customer-facing staff and subject matter experts involved in assessing, investigating and resolving customer concerns. Institutions should ensure that these supporting functions receive training and guidance appropriate to their respective roles, responsibilities and areas of expertise, so that they can effectively support complaint assessment, resolution, remediation and fair customer outcomes.

Illustrative Example 13 (Poor Practice): Gaps in formal training for customer-facing staff

At one institution, only some business units provided new hires with structured training on handling customer feedback, appeals and complaints. Other units relied on on-the-job coaching, creating a risk of inconsistent knowledge transfer. Formal complaint-handling training for all customer-facing staff would establish a common baseline and equip staff to respond to customer needs more consistently and effectively.

5.2 Tools and support for effective customer communication

5.2.1 Institutions equipped frontline staff with tools to support customer communications, typically including extensive call scripts and response templates across products, services and common scenarios. Some used AI tools, with appropriate safeguards, to help staff retrieve relevant information more efficiently and prepare draft responses.

5.2.2 In response to rising scams, some banks had developed guidance for staff to recognise potential scam situations, with guiding prompts and questions to alert customers to risks. Most banks had dedicated teams to better support customers that were scam victims.

Illustrative Example 14 (Good Practice): A dedicated point of contact improved support for scam victims

Some banks assigned a single point of contact to customers affected by scams. The contact clarified complaint details, coordinated with the relevant product or channel teams and communicated the bank's follow-up actions.

Customers received the assigned officer's contact details, making it easier to obtain updates during what could be a prolonged process.

5.2.3 The inspections identified room for banks and insurers to improve the consistency and quality of customer communications in the following areas:

- a) Timeliness: Institutions should acknowledge complaints promptly and provide interim or holding replies where more time is required, together with an indicative timeframe for the substantive response.

- b) Empathy and accessibility: Responses should be tailored to the customer's circumstances and use clear, accessible and empathetic language, particularly where the customer may be vulnerable or under financial or emotional distress.
- c) Accuracy and completeness: Replies should provide accurate information, explain the basis of the institution's assessment and directly address all material aspects of the customer's concern. Where the institution identifies an error or service lapse, it should acknowledge it clearly, explain the corrective action taken and consider whether remediation or redress is appropriate.

Illustrative Example 15 (Poor Practice): Failure to acknowledge service lapses

An institution's case handler mistakenly requested additional information before processing a policyholder's claim. It later determined that the information was unnecessary. Its complaint closure response, however, did not acknowledge the error or consider the effect of the resulting delay on the policyholder. The response therefore did not give the policyholder a complete account of what had occurred or demonstrate that it had considered appropriate remediation.

5.3 Quality assurance and institutional learning

- 5.3.1 Most banks and insurers regularly assessed the quality of customer communications through their QA/QC processes. These reviews should assess not only factual accuracy and procedural compliance, but also whether communications were clear, complete, timely, empathetic and appropriately tailored to the customer's circumstances.
- 5.3.2 Institutions should go beyond correcting individual errors to analyse why communication lapses occurred and whether other customers may have been similarly affected. Findings should inform appropriate changes to templates, processes, systems, guidance or training, with affected customers addressed promptly where necessary.
- 5.3.3 Given the volume of customer communications, technology can help identify recurring patterns, higher-risk cases and potential lapses that may not be detected through sample-based reviews alone.

6 Artificial Intelligence adoption

- 6.1 Banks and insurers recognise the potential of AI to enhance the efficiency and effectiveness of complaints management. However, adoption is uneven. Of the institutions reviewed, only one bank had implemented generative AI (GenAI) solutions across most key stages of the complaints management process. Several institutions were piloting selected tools or testing proofs of concept before wider deployment. Others remained at an exploratory stage and had not established firm deployment plans for this use case.
- 6.2 AI capabilities are evolving rapidly, creating opportunities to improve how institutions handle complaints and draw insights from customer feedback. At the time of the inspections, adoption and planned deployment were concentrated in five areas:
- a) Information search: GenAI was being used to perform quick searches of the institution's databases to provide answers to customers' queries and suggested responses. Some institutions saw reduced time from manual searches and improved accuracy of information provided to customers.
 - b) Customer communication: GenAI can produce draft responses based on staff prompts and tailor the tone to the customer's circumstances, including making replies more empathetic or professional. Staff should review and amend the drafts as necessary. Used appropriately, these tools can improve the quality, consistency and timeliness of customer communications.
 - c) Documentation and classification: GenAI can enhance speech-to-text tools by producing more accurate and complete call transcripts and summaries, proposing complaint categories and recording follow-up actions. Staff should verify and amend the records where necessary. Better documentation can support case handling, reduce manual effort and provide richer verbatim data for subsequent analysis.
 - d) Thematic analysis: GenAI can analyse large volumes of customers' verbatim comments to identify recurring and emerging themes that would be difficult to detect through manual review. This can complement structured complaints data and help institutions surface new insights, subject to appropriate validation of the themes and underlying evidence.
 - e) Sentiment and call analysis: AI can support automated post-call or post-chat reviews to identify communication lapses, customer dissatisfaction and opportunities for staff coaching. These tools can extend the coverage and timeliness of quality checks.
- 6.3 Financial institutions should be purposeful in adopting AI, focusing on applications that can meaningfully improve complaints handling and customer outcomes. The extent of adoption



should reflect each institution's operational needs, including the volume and complexity of complaints, rather than the availability of technology alone.

- 6.4 AI deployment also introduces risks, including inaccurate or incomplete outputs, inappropriate tone, missed customer vulnerabilities, compromise of sensitive customer information and over-reliance by staff. In complaints handling, these risks could result in incorrect advice, inappropriate complaint outcomes or unfair treatment of customers.
- 6.5 Institutions should establish risk management practices proportionate to the nature and materiality of the AI use case, including its potential impact on customers. Institutions may refer to the MAS-issued Guidelines on AI Risk Management¹⁰ which sets out risk-proportionate supervisory expectations for the responsible use of AI.
- 6.6 Appropriate human oversight should remain central to the use of AI in complaints handling, particularly where AI supports judgements involving complex facts, assessment of fairness, identification of vulnerable customers, determination of complaint outcomes or consideration of redress. The extent of human involvement should reflect the potential impact on customers and the degree of reliance placed on AI. Institutions should ensure that staff understand the limitations of AI-generated outputs, can identify and challenge errors, and are equipped to intervene where necessary.
- 6.7 Financial institutions remain ultimately responsible for ensuring that customers' concerns are properly understood, fairly assessed and appropriately resolved.

¹⁰ MAS issued the "[Guidelines on Artificial Intelligence Risk Management for Financial Institutions](#)" in Oct 2026.