



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

# **Complaints Handling Policy Document**

Applicable to:

1. Licensed banks, including digital banks
2. Licensed Islamic banks, including Islamic digital banks
3. Licensed insurers
4. Licensed takaful operators
5. Prescribed development financial institutions
6. Approved financial advisers and approved Islamic financial advisers
7. Approved insurance brokers and approved takaful brokers
8. Approved issuers of a designated payment instrument
9. Approved issuers of a designated Islamic payment instrument
10. Approved payment system operator

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## **PART A OVERVIEW**

### **1 Introduction**

- 1.1 Financial service providers (FSPs) have an obligation to address consumer complaints promptly and effectively. Effective handling of complaints promotes trust and consumer loyalty and can enhance FSPs' reputation as responsible institutions. Regular review and assessment of complaints received also provide valuable insights on enhancements needed to the design of FSPs' products, services and delivery channels. The focus on continuous improvement in this context enhances consumer satisfaction and retention, ultimately enhancing FSPs' market competitiveness.
- 1.2 In addressing the evolving landscape of financial services, characterised by rapid digitalisation, increasingly complex products and heightened consumer expectations, FSPs must establish robust complaints handling procedures that align with their business strategies, organisational structure and consumer base. These procedures must be aimed at enhancing the FSP's ability to respond to the evolving needs of its diverse consumers by adhering to principles of accessibility, fairness, transparency and timeliness.
- 1.3 This Policy Document aims to -
  - (a) require FSPs to establish fair, effective and transparent complaints handling mechanisms that are responsive to the diverse needs of their financial consumers; and
  - (b) promote a culture of accountability by the FSPs and their staff to ensure fair treatment of financial consumers through the provision of effective complaints handling services.

### **2 Applicability**

- 2.1 This Policy Document is applicable to a FSP and an approved person as defined in paragraph 5.2.
- 2.2 The paragraphs of this Policy Document labelled as "S" or "G" represent the applicability of those paragraphs to FSPs only.
- 2.3 Notwithstanding paragraph 2.2, approved persons must comply with the requirements specified in paragraphs 12.1 to 12.4.
- 2.4 For the avoidance of doubt, approved persons are encouraged to adopt the other requirements and guidance in this Policy Document (apart from paragraphs 12.1 to 12.4) as best practices.

### 3 Legal provisions

- 3.1 The requirements in this Policy Document are specified pursuant to -
- (a) sections 123(1) and 123(3) of the Financial Services Act 2013 (FSA);
  - (b) sections 135(1) and 135(3) of the Islamic Financial Services Act 2013 (IFSA); and
  - (c) sections 42C(1) and 42C(3) of the Development Financial Institutions Act 2002 (DFIA).
- 3.2 The guidance in this Policy Document is issued pursuant to section 266 of the FSA, section 277 of the IFSA and section 126 of the DFIA.

### 4 Effective date

- 4.1 This Policy Document comes into effect on 1 April 2026, except for paragraphs 12.1 to 12.4, which shall come into immediate effect on 28 March 2025.

### 5 Interpretation

- 5.1 The terms and expressions used in this Policy Document shall have the same meanings assigned to them in the FSA, IFSA or DFIA, as the case may be, unless otherwise defined in this Policy Document.

- 5.2 For the purpose of this Policy Document -

“**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretive, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted;

“**approved person**” or “**AP**” refers to -

- (a) an approved insurance broker;
- (b) an approved takaful broker;
- (c) an approved financial adviser;
- (d) an approved Islamic financial adviser;
- (e) an approved issuer of a designated payment instrument (other than an eligible e-money issuer<sup>1</sup> and an approved non-bank credit card issuer with an annual revenue above RM50 million);
- (f) an approved issuer of a designated Islamic payment instrument; and
- (g) an approved payment system operator;

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<sup>1</sup> As defined in Appendix I of the Policy Document on Electronic Money.

“**Board**” refers to the board of directors of a FSP, including a committee of the Board where the responsibilities of the Board set out in this Policy Document have been delegated to such a committee. However, the Board remains fully accountable for any authority and responsibilities delegated to such committee;

“**complaint**” refers to any form of expression of dissatisfaction, whether justified or not, from or on behalf of a financial consumer, whether made in person or in writing, received through any channel<sup>2</sup>, pertaining to any financial products or services developed, offered or marketed by a FSP or an AP or by its staff, but does not include any grievances from agents or employees of a FSP or an AP;

“**financial consumer**” refers to any person as specified in paragraph 7.1 of the Policy Document on Fair Treatment of Financial Consumers<sup>3</sup> including vulnerable consumers as specified in paragraph 5.2 of the same Policy Document;

“**financial service provider**” or “**FSP**” refers to -

- (a) a licensed bank;
- (b) a licensed Islamic bank;
- (c) a licensed insurer;
- (d) a licensed takaful operator;
- (e) a development financial institution prescribed under the DFIA;
- (f) an eligible e-money issuer as defined in Appendix I of the Policy Document on Electronic Money; and
- (g) an approved non-bank credit card issuer with an annual revenue above RM50 million;

“**Senior Management**” refers to the chief executive officer and senior officers of the FSP;

“**staff**” refers to persons employed by a FSP, including temporary or contract staff, as well as representatives and agents<sup>4</sup> acting on behalf of a FSP.

## 6 Related and superseded policy documents and legal instruments

- 6.1 This Policy Document must be read together with other relevant policy documents and legal instruments that have been issued by BNM<sup>5</sup>, in particular -
- (a) Policy Document on Fair Treatment of Financial Consumers issued on 27 March 2024 (BNM/RH/PD 028-103);
  - (b) Policy Document on Product Transparency and Disclosure issued on 2 December 2024 (BNM/RH/PD 028-136);

<sup>2</sup> Including a complaint submitted through the FSP’s premises, call centres, website or social media channels.

<sup>3</sup> Issued on 27 March 2024 and any amendments or modifications made after the issuance date, as well as reissuances.

<sup>4</sup> As defined in paragraph 5.2 of Policy Document on Fair Treatment of Financial Consumers.

<sup>5</sup> Including any amendments or modifications made after the issuance date, as well as reissuances.

- (c) Policy Document on Operational Risk Reporting issued on 15 February 2024 (BNM/RH/PD 029-65);
- (d) Policy Document on Reporting Requirements on Statistical Report of Complaints Statistics issued on 31 October 2019 (BNM/RH/PD 028-105);
- (e) Policy Document on Electronic Money (E-Money) issued on 31 January 2025 (BNM/RH/PD 029-57);
- (f) Policy Document on Responsibility Mapping issued on 29 December 2023 (BNM/RH/PD 028-131);
- (g) Policy Document on Corporate Governance issued on 3 August 2016 (BNM/RH/PD 029-9);
- (h) Policy Document on Corporate Governance (applicable to prescribed development financial institutions) issued on 13 December 2019 (BNM/RH/PD 035-5);
- (i) Specification Letter on Ensuring Fair Treatment of Victims of Unauthorised e-Banking Transactions issued on 28 June 2024; and
- (j) Specification Letter on Ensuring Proper Communication and Fair Redress in Managing Complaints on Unauthorised Fraudulent Transactions issued on 10 June 2022.

6.2 This Policy Document supersedes the Guidelines on Complaints Handling issued on 17 December 2009 (BNM/RH/GL 000-4).

## PART B POLICY REQUIREMENTS

### 7 Roles and Responsibilities of Board and Senior Management of FSPs

- S** 7.1 The Board of a FSP shall ensure the governance arrangements with respect to the FSP's complaints handling mechanisms are consistent with the requirements in this Policy Document and other relevant policy documents issued by BNM, including the Policy Documents on Corporate Governance, Fair Treatment of Financial Consumers and Responsibility Mapping.
- S** 7.2 The Board of a FSP shall be responsible for ensuring complaints are handled fairly, transparently and on a timely basis by -
- (a) overseeing the formulation and effective implementation of the FSP's internal governance and control framework for complaints handling;
  - (b) ensuring periodic review on the relevance and appropriateness of the FSP's internal governance and control framework for complaints handling; and
  - (c) promoting a sound corporate culture that is responsive and accords due consideration to financial consumers' best interest when handling complaints.
- S** 7.3 The Senior Management of a FSP shall be responsible for formulating and implementing an effective internal governance and control framework for handling of financial consumer complaints, including in the following areas -
- (a) development and implementation of robust policies, procedures and processes to ensure timely and fair responses are provided to complaints received from financial consumers;
  - (b) allocation of adequate and suitably qualified resources for effective complaints handling;
  - (c) provision of adequate channels and systems for submission and management of complaints to ensure accessibility and efficient handling of complaints received from diverse group of financial consumers;
  - (d) effective oversight and monitoring mechanisms to detect any material deviations from the FSP's established internal governance and control framework that warrant prompt resolution;
  - (e) clear policies and procedures in handling complaints under exceptional circumstances<sup>6</sup> that exceeds the specified turnaround time and are required to be escalated to the Senior Management for final decision, as specified in paragraph 11.9; and
  - (f) timely escalation to the Board on any recurring or material deviations from the established internal governance and control framework that have resulted in poor outcomes to financial consumers.
- S** 7.4 In relation to paragraph 7.3, the Senior Management must identify the authorities within the FSP that are responsible for deciding on any exceptions to the FSP's established internal governance and control framework for handling of financial consumer complaints.

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<sup>6</sup> Exceptional circumstances refer to instances where the FSP is unable to obtain the information or document from the third party despite taking appropriate measures, including regular follow-ups.

- S** 7.5 The Board and Senior Management of a FSP shall ensure periodic review on the adequacy and effectiveness of its internal governance and control framework in delivering timely and fair consumer outcomes.

## **8 Complaints Handling Procedures**

- S** 8.1 A FSP shall formulate and implement effective and transparent complaints handling policies, procedures and processes for timely and fair handling of financial consumer complaints.
- S** 8.2 For purposes of paragraph 8.1, a FSP shall at minimum, ensure that the following procedures are incorporated in its complaints handling policies -
- (a) all complaints received by the FSP are channelled to the FSP's centralised complaints handling platform<sup>7</sup> as specified in paragraph 9.2;
  - (b) all complaints received are properly assessed to ensure accurate identification of root causes for issues raised by the complaint to ensure fair and timely resolution;
  - (c) clear criteria or parameters for identification of simple and complex cases;
  - (d) specific procedures, timelines and governance arrangements<sup>8</sup> for handling of complaints with differing complexities;
  - (e) adequate and timely notification to financial consumers on the status of the complaints received in accordance with the requirements in paragraph 11;
  - (f) proper closure and communication of the FSP's final decision in written form, which must include the reasons for reaching such a decision; and
  - (g) clear and transparent communication on the availability of redress avenues for financial consumers that remain dissatisfied with the FSP's final decision.
- S** 8.3 A FSP shall ensure its complaints handling procedures are well-documented and accessible to all relevant staff of the FSP through appropriate internal communication channels.

## **9 Complaints Handling Function**

- S** 9.1 A FSP shall ensure the adequacy of its internal capacity and capabilities to support an effective complaints handling function which must correspond to the size and complexity of its business operations, products and services offered, and consumer base.

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<sup>7</sup> Refers to any methods, such as using data management tools or specialised complaints management software, established by a FSP to facilitate the recording, tracking and analysis of complaints. The chosen method should correspond to the size and complexity of the FSP's business operations, products and services offered, and consumer base.

<sup>8</sup> This includes establishing clear policies on the lines of authority for decision-making on complaints received, based on their complexity level.

- S** 9.2 A FSP shall establish and use a centralised complaints platform for the purpose of centralising the relevant information to facilitate the FSP in handling complaints including -
- (a) collating complaints received via any channel and maintaining such information; and
  - (b) lodging and maintaining the information on the measures taken by the FSP in assisting financial consumers seeking resolution or redress on their complaints.
- S** 9.3 A FSP shall establish a dedicated complaints handling function to ensure an independent and impartial approach to the resolution of financial consumer complaints, including -
- (a) ensuring that a consumer's complaint is attended to and resolved promptly and fairly, thereby minimising the need for referral to external redress avenues;
  - (b) monitoring the centralised complaints handling platform, tracking each complaint from initiation to resolution, escalating complaints received to the relevant function within the FSP (including internal departments or business units) for input or resolution, or external parties for additional information or document; and
  - (c) conducting regular review of complaints resolution processes to ensure fair outcomes. This includes generating reports or metrics on common issues, resolution turnaround times and consumer satisfaction levels to inform Senior Management and drive strategic improvements.
- S** 9.4 For the purposes of establishing a complaints handling function as required under paragraph 9.3, a FSP shall ensure that the staff manning the complaints handling function -
- (a) are empowered to act decisively to resolve complaints in a timely and satisfactory manner; and
  - (b) receive adequate and continuous training on the FSP's complaints handling procedures to -
    - (i) properly assess and respond to complaints in a fair and timely manner; and
    - (ii) engage with diverse financial consumers and manage them in a professional and courteous manner, especially with respect to vulnerable consumers.
- G** 9.5 In relation to paragraph 9.4, in determining the appropriate number of staff manning the complaints handling function, a FSP may among others, take the following factors into consideration -
- (a) the size and nature of FSP's business;
  - (b) the size and demographics of FSP's financial consumer base;
  - (c) the level of complexity of products and services offered by the FSP;
  - (d) the volume and type of complaints received;
  - (e) trends observed in turnaround time for complaints resolution; or
  - (f) findings from consumer satisfaction surveys on the FSP's complaints handling services.

## 10 Accessibility

- S** 10.1 A FSP shall ensure its complaints handling channels are easily accessible and available to all financial consumers.
- S** 10.2 A FSP shall prominently publish key information on its complaints handling access points and procedures at its premises (where applicable, at the front counters of the FSP's premises<sup>9</sup>) and website. At a minimum, this must include-
- (a) information on specific contact points and channels for lodgement of complaints;
  - (b) description of the complaints handling process and turnaround time for complaints resolution; and
  - (c) summary of next steps that a financial consumer may take if the financial consumer is dissatisfied with the final decision by the FSP.
- An example of a simple flowchart to illustrate the above is provided in **Appendix I** of this Policy Document.
- S** 10.3 A FSP shall prominently display a "Contact Us" tab at the top of the homepage of its website that directs financial consumers within one-click to the FSP's dedicated customer service page. This page must include the key information required for consumers to lodge a complaint.
- S** 10.4 A FSP shall provide the information specified in paragraph 10.2 to financial consumers upon request or when acknowledging a complaint.
- S** 10.5 A FSP shall include details on the relevant contact points for submission of enquiries and complaints in the relevant documents pertaining to its financial products and services, such as contracts, agreements, terms and conditions or any other documents provided to financial consumers.
- S** 10.6 A FSP shall ensure that any changes to the details of its complaints handling function or channels are updated as soon as possible at its premises and on its website.
- S** 10.7 A FSP shall also communicate any changes to the details of its complaints handling function or channels to BNMLINK promptly, to ensure the changes are reflected accordingly in BNM's website.

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<sup>9</sup> A FSP may display at its premises and physical outlets any reasonable method(s) to facilitate access to information for consumers to lodge a complaint. This may include providing a Quick Response (QR) code (either in physical or digital format, where applicable) or links to websites.

## 11 Responsiveness

- S** 11.1 In ensuring each complaint is addressed in a fair, transparent and timely manner, a FSP shall provide prompt acknowledgement of the complaint and response to the complaint to the financial consumer within the timelines specified in this Policy Document.
- G** 11.2 Notwithstanding, the turnaround times specified in this Policy Document is not applicable to complaints relating to unauthorised e-banking transactions, which are subject to the requirements in the Specification Letter on Ensuring Fair Treatment of Victims of Unauthorised e-Banking Transactions issued on 28 June 2024<sup>10</sup>.
- S** 11.3 A FSP shall provide written acknowledgement to financial consumers for complaints received **within the next working day**. The FSP must ensure that the written acknowledgement includes, at minimum, the details of the FSP's contact point and the estimated turnaround time for resolution of the complaint, in accordance with the turnaround times specified in this Policy Document.
- G** 11.4 In complying with paragraph 11.3, a FSP may attach a simple flowchart illustrating its end-to-end process for complaints handling. A FSP may adopt an illustration example of the process flow chart set out in **Appendix I** of this Policy Document.
- S** 11.5 In terms of the turnaround time for resolving **simple cases**, a FSP shall inform financial consumers of its decision no later than **5 working days** from the date of receipt of the complaint.
- S** 11.6 In terms of the turnaround time for resolving **complex cases**, a FSP shall inform financial consumers of its decision no later than **20 working days** from the date of receipt of the complaint.
- S** 11.7 In circumstances where a complaint identified as a simple case is subsequently determined to be complex, the FSP shall notify the financial consumer of this change within 5 working days from the date of receipt of the complaint. The notification shall include the following details -
- (a) the timeline applicable for resolution of the complaint; and
  - (b) the reason(s) for the additional time needed to resolve the complaint.
- S** 11.8 Notwithstanding paragraph 11.6, where a FSP needs additional information or documents from a third party that are required for a robust assessment of the complaint received (such as medical, forensic or police investigation reports), the FSP is allowed an additional 10 working days to resolve such complex cases.

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<sup>10</sup> Including any amendments or modifications made after the issuance date, as well as reissuances.

- S** 11.9 In terms of turnaround time for resolving complaints under **exceptional circumstances**, where a FSP is unable to obtain the required information or document from the third party within 30 working days as specified in paragraph 11.8, the Senior Management must make a final decision or decide on other measures to resolve the complaint in the absence of the relevant information or document **no later than 60 working days** from the date of receipt of the complaint.
- S** 11.10 Notwithstanding paragraphs 11.8 to 11.9, once complete information or document is received from the third party, the FSP must finalise its investigation and inform the financial consumer of its decision **within 10 working days** from the date of receiving the complete information or document from the third party.
- S** 11.11 A FSP shall follow up with the relevant third party on the information or document required at least once in every 5 working days.
- S** 11.12 While a complaint involving a complex case is still being investigated and is pending resolution, a FSP shall provide updates on the progress of the case to the relevant financial consumer at least once in every 10 working days from the date of receipt of the complaint.
- S** 11.13 A FSP shall ensure proper documentation of communication between the FSP and any party involved in the handling of complaints including communication with financial consumers or any third party.
- S** 11.14 A FSP shall ensure its complaints handling function is subject to independent periodic reviews<sup>11</sup>.
- G** 11.15 **Appendix II** of this Policy Document contains a summary table of the requirements in relation to the applicable turnaround time for resolution of simple and complex complaints.

## 12 Decision and Referral

- S** 12.1 A FSP and an AP shall communicate its decision immediately to a financial consumer upon completion of its investigation into a complaint.
- S** 12.2 A FSP and an AP shall communicate its final decision in writing – such as via a letter, e-mail or other reasonable written form of communication, which shall at minimum, include -
- (a) clear and concise explanations, written in plain language<sup>12</sup>, regarding the basis for its final decision;

<sup>11</sup> The independent review can be conducted by an independent function within the FSP such as a compliance function or internal audit function, as well as by the Board and Senior Management of the FSP in accordance with the requirements specified under paragraphs 7.3(b), 7.3(d) and 7.5.

<sup>12</sup> Where a FSP and AP cannot avoid the use of a legal or technical terminology, the FSP and AP must explain the meaning of such terminology which must be provided to financial consumers for reference.

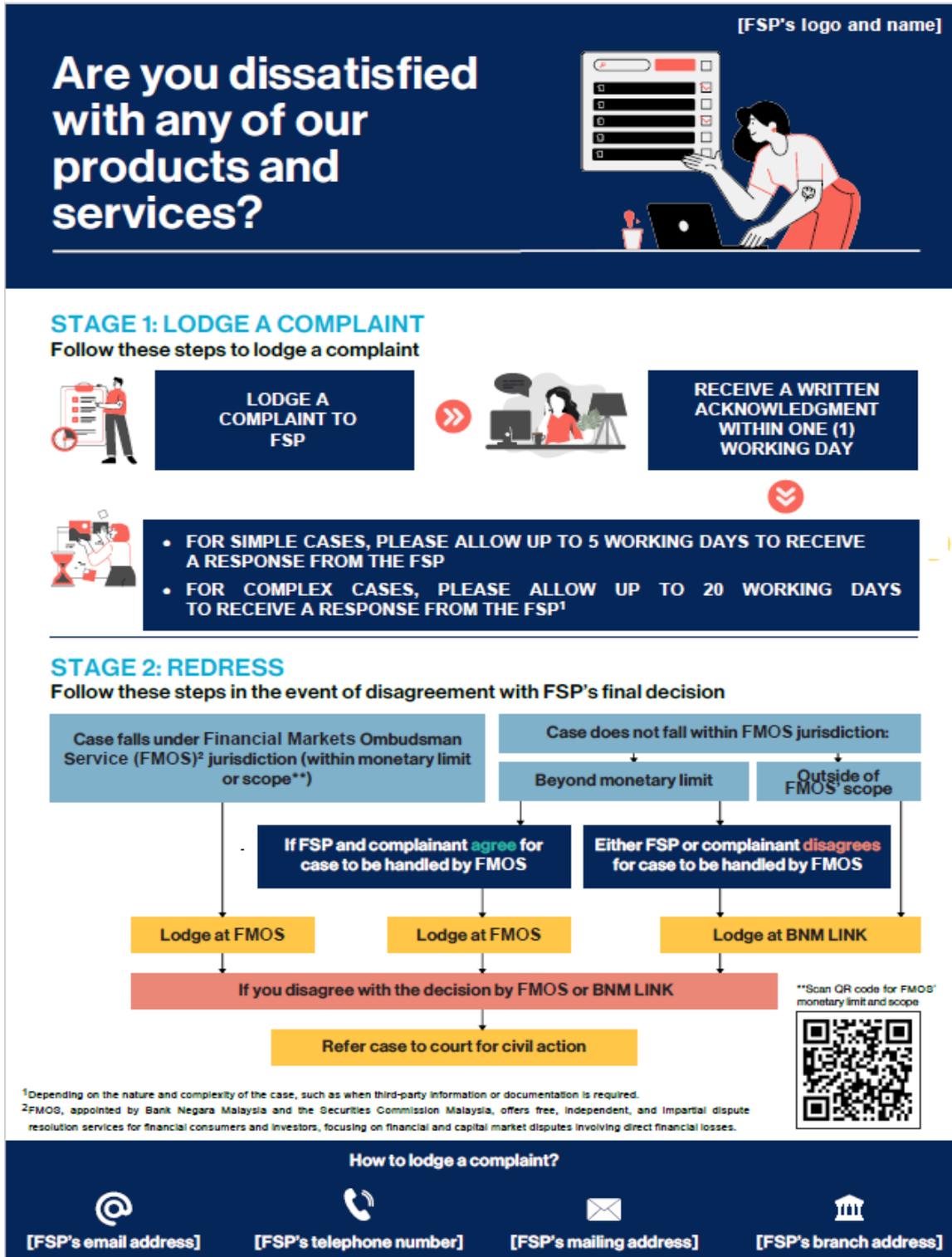
- (b) appropriate prominence to material information that may impact the financial consumer's interest;
  - (c) a translation of the final decision for consumers who face difficulty in understanding due to language barriers; and
  - (d) clear and accurate information on the availability of redress avenues in circumstances where the consumer is dissatisfied with its final decision.
- S** 12.3 A FSP and an AP shall refer financial consumers to the Financial Markets Ombudsman Service (FMOS) as an avenue to seek redress in the following circumstances -
- (a) the consumer is an eligible complainant as defined under the FSA, IFSA or DFIA, as the case may be, and the complaint falls within the FMOS' jurisdiction<sup>13</sup>; and
  - (b) the complaint does not fall within FMOS' jurisdiction but the FSP or AP, as the case may be, and the consumer agree for the complaint to be referred to FMOS.
- S** 12.4 In cases where the complaint does not fall within FMOS' jurisdiction and the FSP or AP, as the case may be, or the financial consumer disagree to refer the complaint to the FMOS, the FSP and AP must refer the consumer to BNM's Laman Informasi Nasihat dan Khidmat (BNMLINK).

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<sup>13</sup> For this purpose, cases which fall within FMOS' jurisdiction include cases within the monetary limit specified in the relevant regulations pertaining to the financial ombudsman scheme under the FSA, IFSA and DFIA.

## APPENDIX I ILLUSTRATION OF A PROCESS FLOWCHART

The following illustration is an example of a process flowchart representing Stage 1 of the FSP’s internal resolution process and Stage 2 via redress if a financial consumer is dissatisfied with the decision in Stage 1. FSPs are expected to establish their own process flow chart that best reflects their complaints handling procedures.



## APPENDIX II TURNAROUND TIME FOR COMPLAINTS RESOLUTION

The following is a summary of the applicable maximum turnaround times for complaints resolution -

Requirement	Turnaround Time
<b>(A) Acknowledgement to financial consumers</b>	Within the next working day of receiving the complaint
<b>(B) Resolution of simple cases</b>	Within 5 working days of receiving the complaint
<b>(C) Resolution of complex cases</b>	No later than 20 working days of receiving the complaint
<i>...where a complaint initially identified as a simple case is subsequently determined to be complex</i>	<i>Notify the financial consumer of this change within 5 working days of receiving the complaint</i>
<i>...if FSP requires relevant or material information or document from a third party</i>	<i>Additional 10 working days i.e., 30 working days from the date of receipt of complaint</i>
<i>...FSP must follow up with the relevant third party for information or document</i>	<i>At least once in every 5 working days</i>
<b>(D) Resolution of complex cases under exceptional circumstances</b>	For complaints under <b>exceptional circumstances</b> where the FSP is still unable to obtain the required information or document from a third party within 30 working days from the date of receipt of complaint, Senior Management shall make a final decision or decide on other measures to resolve the complaint in the absence of the relevant information or document <b>no later than 60 working days</b> from the date of receipt of complaint
<b>(E) Upon receiving complete information or document from third party</b>	FSP must finalise the investigation and inform consumer of its decision within 10 working days
<b>(F) Progress update to financial consumers</b>	At least once in every 10 working days