



Raphaels Bank

Private Bankers since 1787

PUBLICATION OF COMPLAINTS

(for the six months ended 28th February 2011)

This publication of complaints from customers relates to Raphaels Bank's provision of banking products and services for the six month period up to 28th February 2011.

Publication of complaints is a requirement of the Financial Services Authority (FSA) to provide additional information to consumers on a half yearly basis.

The FSA has categorized complaints into the following categories: 1) advising, selling and arranging; 2) terms and disputed sums and charges; 3) general administration and customer service; 4) arrears related; and 5) other complaints which do not fall within the other four categories. Complaints statistics are also reported to the FSA every six months directly by the Bank.

A complaint is generally defined as any oral or written expression of dissatisfaction, whether justified or not, about the provision, or failure to provide, a financial service where the complainant has, or may, suffer financial loss, material distress or inconvenience.

In publishing such statistics it is appropriate to explain the various products and services that the Bank offers to clients in order to put the number of complaints it has received in a proper context. A summary breakdown of the complaints statistics from each division of the Bank is attached. All the activities of the Bank fall within the FSA's product and service grouping of "Banking".

The largest number of complaints over the period was received in respect of the Bank's Card Services activities. Raphaels Bank issues a wide range of prepaid cards and two credit cards under licence from Visa and MasterCard.

Over the period, about 58% of all complaints made against the Bank related to the Monument credit card product. This product was closed in August 2009 having been purchased from Barclays Bank plc in April 2007. All of these complaints recorded during the period related to legacy issues which arose before the involvement of the Bank. Only 36 of all the complaints received were upheld by the Financial Ombudsman Service (the "FOS").

The Bank now has about 1.4 million prepaid cards in issue across its various programmes. Prepaid cards accounted for 21% of all complaints received. The average percentage of complaints of active prepaid cards per month over the period was 0.01%, well within the target set by the Bank. Of the complaints that were referred to the FOS, only 4 were upheld.

17% of complaints arose from the Bank's ATM estate. The principal causes of complaints, received related to a failure to dispense cash and the retention of cards. Overall about 60% of complaints related to transactional queries and 40% to card capture. As at the end of February the Bank had an ATM estate of 169 machines throughout the UK. The monthly average number of complaints over the period received from users amounted to one complaint for every 8,627 transactions executed.

3% of complaints were attributable to the Consumer Finance Division, which specialises in car and mobility vehicle finance. Such complaints related to claims for the misselling of insurance policies on a portfolio of finance loans acquired from a former sister company, Southern Finance Limited (SFL), in March 2010. SFL had in fact stopped selling such insurance policies by the end of February 2010. The level of claims against the Bank in respect of this portfolio is therefore a legacy issue and has been driven by claims management companies. Such claims have been unfounded. None of the complaints made over the period was referred to the FOS. Most were resolved on the same day or within a week.

The Bank's activities in its Private Banking and Commercial Foreign Exchange divisions, accounted for the small residual balance of complaints received.

Under the Bank's Policy of Treating Customers Fairly Policy, every effort is made by the Bank to resolve outstanding complaints as soon as possible, and to identify the root causes of such complaints so as to enhance systems and improve the quality of service to customers.

May 2011

R. RAPHAEL & SONS PLC – UK Complaints Summary

Period covered by the Report: 1st September 2010 – 28th February 2011

Brands/trading names covered:

CFX
 Monument
 Monument Card Services
 Raphaels
 Raphaels Bank
 Raphaels Finance
 Rise
 Southern Finance
 Southern Finance – Northern Division

FSA Product and Service Grouping	Number of Complaints opened	Number of Complaints closed	Complaints closed within 8 weeks (%)	Closed complaints upheld by the firm
Banking	3,612	3,969	99%	27%

R. Raphael & Sons Plc Statistics for Complaints Report to FSA for 6 months ended 28th February 2011

The FSA Categories of Complaint

A: Advising, selling and arranging
B: Terms & disputed sums/charges
C: Gen. admin./customer service
D: Arrears related
E: Other

Division	Product/Service	Private Individual Complaints					
		A	B	C	D	E	Total
Pr. Banking	Current accounts	0	1	3	0	0	4
Pr. Banking	Unregulated loans	0	0	0	0	0	0
Pr. Banking	Savings	0	0	7	0	0	7
ATMs	Other accounts	0	375	243	0	0	618
CFX	Other accounts	1	0	1	0	0	2
Card Services	PrePaid Cards	48	247	459	14	0	768
Consumer Finance	Consumer Credit	105	0	0	0	0	105
Sub-Total	Savings/other a/cs	154	622	710	14	0	1,500
Card Services	Credit Cards	0	1,869	83	152	0	2,104
Total Banking	All Products/Services	154	2,492	796	166	0	3,608

Small Business Complaints							Total
A	B	C	D	E	Total		
0	0	4	0	0	4	8	
0	0	0	0	0	0	0	
0	0	0	0	0	0	7	
0	0	0	0	0	0	618	
0	0	0	0	0	0	2	
0	0	0	0	0	0	768	
0	0	0	0	0	0	105	
0	0	0	0	0	0	1,500	
0	0	0	0	0	0	2,104	
0	0	4	0	0	4	3,612	

Complaints closed during the reporting period

	PrePaid Cards	Credit Cards	Total Card Services	ATMs	CFX	Pr. Banking	Consumer Fin	TOTALS
Number of Complaints closed within 4 weeks	619	1,592	2,211	615	2	15	108	2,951
Number of Complaints closed after 4 weeks but within 8 weeks	125	857	982	1	0	0	0	983
Number of Complaints closed within 8 weeks	744	2,449	3,193	616	2	15	108	3,934
Number of Complaints closed after more than 8 weeks	25	10	35	0	0	0	0	35
Total number of complaints closed	769	2,459	3,228	616	2	15	108	3,969
Number of Complaints outstanding at the start of the period	72	443	515	0	0	0	3	518
Number of Complaints outstanding at the end of the period	71	88	159	2	0	0	0	161
Number of Complaints upheld by the firm in period	475	0	475	616	0	0	0	1,091
Number of Complaints referred to, and accepted by, the FOS in the period	4	36	40	0	0	0	0	40