



**Raphaels Bank**  
*Private Bankers since 1787*

## **Publication of Complaints**

(for the six months ended 31 August 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 31 August 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 categorised 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
5. other (complaints which do not fall into the above four categories)

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. All the activities of the Bank fall within the FSA's product and service grouping of "Banking". An analysis of the complaints statistics from each division of the Bank can be found below.

The vast bulk of complaints over the period related to 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.

About 73% 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. The majority of these complaints recorded during the period related to legacy issues which arose before the involvement of the Bank. Of 60 complaints accepted by the Financial Ombudsman Service (FOS), only 16 were upheld.

At the end of August 2011 the Bank had about 1.7 million prepaid cards in issue across its various programmes. Prepaid cards accounted for 25% of all complaints received by the Bank in the six months to end August 2011. The average percentage of complaints of active prepaid cards per month over the period was 0.005%, well within the target set by the Bank. Of the 5 complaints that were referred to the FOS, only 1 was upheld and 2 are awaiting a FOS decision.

1% of complaints arose from the Bank's ATM estate. The principle causes of complaints received related to a failure to dispense cash and the retention of cards. As at the end of August the Bank had an ATM estate of 181 machines throughout the UK. The monthly

average number of complaints over the period received from users amounted to one complaint for every 4,927 transactions executed. 98% of such complaints received were Non-Reportable, being resolved by close of next business day. Of the remaining 2% Reportable Complaints, all were closed within 5 business days.

1% 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 sister company. Southern Finance Ltd (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 largely proven to be unfounded, a view supported by the fact that of the small number of complaints that were referred to the FOS in the period under review, none were upheld. Most complaints received by the division were in fact resolved on the same day or within a week.

Under the Bank's Policy of Treating the 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.

February 2012

## Complaints Publication Report

### R. RAPHAEL & SONS PLC

Period covered by the Report: 1 March 2011 – 31 August 2011

Brands / Trading Names covered:

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

<b>FSA Product and Service Grouping</b>	<b>Number of complaints opened</b>	<b>Number of complaints closed</b>	<b>Complaints closed within 8 weeks (%)</b>	<b>Closed complaints upheld by the firm</b>
<b>Banking</b>	3,779	3,320	99%	6.2%