



ARBITER<sup>FOR</sup>  
FINANCIAL  
SERVICES

# STRATEGIC PLAN

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2025-  
2027



## ABBREVIATIONS

<b>Act</b>	Arbiter for Financial Services Act, 2016
<b>ADR</b>	Alternative Dispute Resolution
<b>AI</b>	Artificial Intelligence
<b>Board</b>	Board of Management and Administration
<b>CRO</b>	Customer Relations Officer
<b>OAFS/Office</b>	Office of the Arbiter for Financial Services

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## LEGISLATION (MALTA & EU)

<b>Act XVI of 2016</b>	Arbiter for Financial Services Act, 2016 (Chapter 555 of the Laws of Malta)
<b>ADR Directive</b>	Directive 2013/11/EU on alternative dispute resolution for consumer disputes (Directive on consumer ADR) OJ L 165



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# WHO WE ARE

The Office of the Arbiter for Financial Services is a redress mechanism for financial services consumers established outside the court system under the ADR Directive, the EU legislation on Alternative Dispute Resolution for consumers.

We employ informal and formal processes to minimise and resolve disputes between consumers and financial services providers authorised in Malta. Our processes are fair, impartial, accessible and economical.

## OUR MISSION STATEMENT

To provide an independent and impartial mechanism that is economical, informal and efficient for the resolution of disputes outside the courts system filed by customers against financial services providers.

## OUR VALUES

**Fairness:** *Our procedures and approaches are fair and impartial to consumers and providers alike.*

**Equitable:** *Pursue a just and fair outcome for the parties in dispute, considering each case on its own merits.*

**Reasonable:** *Apply the reasonable person standard and consider the legitimate expectations of the consumer.*

**Independence:** *We operate free from undue influence and reach objective outcomes.*

**Accessibility:** *Our service is uncomplicated, straightforward and available to all.*

**Effectiveness:** *We deliver timely outcomes.*

**Transparency:** *We are open about our work, and provide clear information and comprehensive justification in our decisions.*



# OUR SET-UP

## **The Office of the Arbiter for Financial Services**

- Set up by law in 2016 with the power to mediate, investigate and adjudicate complaints filed by customers against all types of financial services providers.
- Composed of the Arbiter for Financial Services and the substitute Arbiter, if any, the Board of Management and Administration, and of such officers and staff members appointed or employed with the Office. The Board is responsible for the Office's day-to-day management and is not involved in the complaints handling and decision-making process.

## **The Arbiter for Financial Services**

- Is independent and impartial of all parties concerned to the complaint and is not
- Subject to the direction or control of any other person or authority.
- Has the authority to determine and adjudicate a complaint by reference to what, in his opinion, is fair, equitable and reasonable in the particular circumstances and substantive merits of the case.
- Is required to deal with complaints in a procedurally fair, informal, economical and expeditious manner.
- May, if he thinks fit, treat individual complaints made with the Office together, provided that these complaints are intrinsically similar in nature.
- Can make awards of up to €250,000, together with any additional sum for interest due and other costs, to each claimant for claims arising from the same conduct.
- Issues decisions that are binding on both parties but subject to appeal to the Court of Appeal (Inferior Jurisdiction).

# OUR COMPLAINT-HANDLING PROCESSES

- Natural persons, micro-enterprises and consumer associations may complain with the OAFS. The law requires eligible persons to meet set criteria outlined in the Act to lodge a complaint.
- Complaints can be lodged against any financial services provider that is or has been licensed or otherwise authorised under the Malta Financial Services Authority Act or any other financial services law, and that offers, has offered or has been asked to offer financial services in or from Malta.
- The OAFS charge for filing a complaint is €25, but it is fully refundable if the complainant withdraws, or the parties settle.
- A customer should give the financial service provider a reasonable opportunity to address the complaint before the complaint is referred to the OAFS. The service provider must respond to a customer complaint within 15 working days from the date of receipt. If the provider is unable to send a final response within 15 working days due to exceptional circumstances beyond their control, they must exercise caution, inform the customer about the delay and its reasons, and specify when a final response can be expected. However, the provider must always provide its final response within 35 working days from the date of receiving the complaint.
- Complaints about the conduct complained of, which are or have been the subject of a lawsuit before a court, tribunal or ADR entity in any other jurisdiction initiated by the same complainant on the same subject matter, will not be accepted. Other circumstances apply as outlined under the Act.

# A THREE-YEAR STRATEGIC PLAN

The Act mandates the Board to develop and approve a three-year Strategic Plan in consultation with the Arbiter for Financial Services. Following amendments to the Act, these plans are no longer required to be published annually, although the OAFS is still required to submit financial estimates for the following year annually.

This is the first Strategic Plan we are publishing, covering 2025 to 2027. It specifies the objectives of the activities of the Office for the three years concerned, and the nature and scope of the activities to be undertaken.

The Strategic Plan has been laid on the Table of the House of Representatives by the Minister for Finance.

## OUR APPROACH FOR 2025 TO 2027

The OAFS functions within a rapidly evolving landscape where many elements can impact the volume of complaints received.

Since its inception, the OAFS has been dedicated to delivering a distinguished public service by maintaining high service standards, promoting transparency and fostering staff competence.

Our previous annual strategic plans focused on specific organisational objectives to enhance operational efficiency. The Office has made significant strides in this regard.

We bolstered our capabilities, streamlined our workflows and communication channels, and optimised our processes to ensure maximum efficiency while maintaining the highest dispute resolution standards and value-added services.

This three-year plan builds on these successes. As the financial services landscape is evolving in a dynamic manner, our strategic course for the upcoming three-year planning cycle provides the flexibility to modify our annual operating plans in response to circumstances.

This Strategic Plan is built on six priorities guiding our efforts to deliver an effective, efficient and trusted financial redress service. These pillars are:



The foundation of this plan was built on valuable input from the Arbiter, our board members and staff. It assimilates the lessons gleaned from our previous planning cycles and anticipated challenges.

We extend our gratitude to all those who contributed to developing this strategy, which aims to provide real value to financial services consumers, firms and the wider sector.

PRIORITIES FOR

**2025**

**2026**

**2027**

## 1. DELIVERING A HIGH-QUALITY DISPUTE RESOLUTION SERVICE

*The OAFS is committed to providing the highest customer service standards in handling complaints, at the core of its public service function. The OAFS strives to resolve disputes through various stages, including mediation, investigation and adjudication, ensuring that parties have ample opportunities to reach mutually agreeable solutions. By leveraging necessary tools, engaging with complainants and providers, and promoting alternative redress techniques, the OAFS aims to deliver efficient, responsive and impartial services to all parties involved.*



## Action Points

- a. Maintain the highest customer service standards, including courtesy, timeliness, confidentiality and impartiality, in handling complaints.
- b. Continuously engage with complainants and providers to expedite the resolution of minor disputes through early intervention initiatives.
- c. Provide information about the complaints procedure through the OAFS Customer Relations Officers to enable the lodging of formal complaints when early intervention does not lead to a satisfactory resolution.
- d. Continue facilitating the submission of electronic complaint forms and documents through a secure online environment.
- e. Utilise necessary tools to keep all parties informed about their enquiry or complaint status and the next steps required.
- f. Promote and encourage the resolution of complaints through mediation, recognising the trend of increased success rates at this stage.
- g. Strive to issue decisions within a reasonable time, endeavouring to ensure that, for the majority of cases, decisions are issued within 90 days from the conclusion of hearings or the submission of parties' submissions, whichever is later.
- h. Continuously monitor and analyse case complexity to ensure adequate resources are allocated for timely resolution.
- i. Regularly review and update dispute resolution processes to incorporate best practices and improve efficiency.
- j. Provide ongoing training to staff to enhance their skills in mediation and investigation techniques.
- k. Seek feedback from complainants and providers to identify areas for improvement in the dispute resolution process..

## 2. IMPROVING CUSTOMER ACCESSIBILITY

*We are committed to enhancing consumer accessibility and awareness of our services. Many consumers who could benefit from our assistance may not be aware of our role or how to access our services. To address this, we will focus on expanding our outreach efforts, particularly to vulnerable persons, and making information about the OAFS easy for consumers to find and understand. By collaborating with stakeholders and leveraging various communication channels, we aim to ensure that all consumers know they have a trusted, independent resource to turn to when financial disputes arise.*







## Action Points

- a. Ensure our services, processes and communications are delivered in an accessible, inclusive and easy-to-navigate manner, responsive to the diverse needs of consumers.
- b. Enhance our online and digital presence, including website and social media, to make information about our services easy for consumers to find and use.
- c. Collaborate with consumer groups, industry organisations, professional bodies and other stakeholders to amplify our messages and reach a wider audience, especially vulnerable persons.
- d. Offer consumers a choice of engagement channels, including online, phone, video, face-to-face and post to check case progress.
- e. Develop clear, plain language information to equip consumers and their representatives when seeking resolution to complaints with their providers and raising complaints with us.
- f. Continuously improve our services and communications based on consumer and stakeholder feedback.
- g. Conduct an accessibility audit of our services and implement recommendations to reduce barriers for consumers.

### 3. ENHANCING VISIBILITY AND SHARING INSIGHTS

*The OAFS plays a pivotal role in the financial regulatory system by investigating and resolving consumer complaints against financial services providers. As an alternative dispute resolution body, the OAFS generates valuable information and intelligence that can help identify weaknesses, potential breaches of conduct rules and systemic issues that may lead to widespread consumer detriment. To maximise the impact of its work, the OAFS is committed to enhancing its visibility and sharing insights with stakeholders, including consumers, financial regulators and other relevant bodies. By leveraging technology, engaging with stakeholders and disseminating information through various channels, the OAFS aims to promote transparency, clarity, and accessibility of its services and findings.*



## Action Points

- a. Organise a hybrid conference open to all stakeholders shortly after the publication of the Annual Report during which the Arbiter will share experiences, insights and best practices observed during case investigations and decisions.
- b. In case of complaints related to common issues (e.g. fraud payment schemes), enhance transparency by issuing communication through detailed Technical Notes explaining the criteria on which the Arbiter bases his decisions.
- c. Promote the Arbiter's decisions to lead complainants to gain realistic expectations, which may lead to settlement at the (pre) mediation stage.
- d. To render the Arbiter's decisions more visible, understandable and impactful for a wider audience, we plan to use the latest technology to provide case summaries in English and Maltese for each decision and to roll out an AI chat bot for users to engage directly with the decisions database, based on the selected sector and product.
- e. Continue weekly posts on Facebook, LinkedIn and other social media platforms to raise awareness of OAFS services and share case summaries based on the Arbiter's decisions.
- f. Continue with the publication of a newsletter every four months featuring a briefing note from the Arbiter, case summaries, and a data dashboard detailing inquiries, processed formal complaints and published decisions.
- g. Fulfil reporting duties under the ADR Directive and operative law through comprehensive annual reports to the Minister for Finance.

## 4. INFLUENCING POLICY AND PROMOTING BEST PRACTICES

*By leveraging its expertise and insights gained from resolving consumer complaints, the OAFS is well positioned to influence policy development, promote best practices and contribute to the overall improvement of the financial consumer regulatory system. Through active collaboration with key stakeholders, including financial regulators, the OAFS aims to address systemic issues, support regulatory change, and foster a culture of continuous improvement within the financial services sector in Malta and beyond.*



## Action Points

- a. Produce and disseminate periodic trend reports that provide in-depth analysis of complaint data to identify recurring issues, emerging risks and potential root causes of consumer harm. These reports will be designed to assist financial services providers in improving their practices and regulators in targeting their supervisory efforts.
- b. Collaborate with and provide insights to government, financial regulators, consumer protection agencies and other relevant bodies on policy development and improvements to the financial consumer regulatory framework.
- c. Initiate and contribute to the development of financial education initiatives to help consumers make informed decisions and avoid common pitfalls that lead to complaints.
- d. Continuously monitor and analyse complaint data to identify emerging trends, potential risks, and areas for improvement in the financial services sector and share these insights with relevant stakeholders.
- e. Engage with consumer groups to better understand consumer needs and concern and incorporate these insights into best practice guidelines.
- f. Establish regular dialogue with industry associations and professional bodies to promote the adoption of best practices in complaint handling and customer service among their members.
- g. Represent Malta internationally and share knowledge with other financial redress mechanisms through active participation in FIN-NET, a network of national out-of-court complaint schemes in the EU, and the INFO Network, a worldwide network of financial services ombudsmen and other dispute resolution schemes.
- h. Stay informed of international developments in financial services and customer service to ensure the OAFS's techniques and service standards remain current and aligned with modern expectations.

## 5. UPDATING LEGISLATION FOR CONFORMITY AND RELEVANCE

*Legislation is not a static instrument and must adapt and evolve to reflect the realities of its operation over time. It is through its application that law truly comes to life, and this process may reveal areas that require fine-tuning to ensure seamless functioning and effective enforcement. Act XVI of 2016 came into force in April 2016 and, since then, it has been amended several times for fine tuning and updates.*





## Action Points

- a. Each year, the Arbiter, in consultation with the Board, will identify any aspects of the OAFS's operations and complaints handling processes that require amendments to our enabling Act. This review will consider whether any legislative changes are needed to ensure the OAFS can effectively deliver on its mandate and respond to emerging trends and issues in the financial services sector. The amendments will be proposed to the Minister for Finance for consideration. Where legislative amendments are enacted, the OAFS will work to implement the changes and communicate them to stakeholders swiftly.
- b. In 2023, the European Commission proposed several amendments to the ADR Directive. These changes, expected to be finalised and implemented in the coming years, aim to strengthen the effectiveness and accessibility of ADR services across the EU. As an ADR entity operating under the Directive, OAFS may need to review its practices and procedures, as set out in its establishing Act to ensure alignment with the updated EU requirements once they are adopted.
- c. Changes in legislation may also be required due to further mandates that the OAFS may be given, which would essentially increase the scope of the Arbiter's competence to handle additional areas of responsibility.



## 6. UPHOLDING A SOUND GOVERNANCE AND ADMINISTRATIVE STRUCTURE

*As a public entity, the OAFS is committed to maintaining the highest standards of governance and administration to retain public confidence and deliver on its mandate. We will continuously review our organisational structure and processes to ensure they support effective internal and external communications, optimal co-ordination of activities and accountability.*







## Action Points

- a. Foster continuous staff training and development through induction programmes, external courses and regular staff briefings on financial services, complaint resolution techniques and customer service standards.
- b. Maintain accountability by continuously reviewing the OAFS's organisational structure to ensure effective internal and external communications and optimal co-ordination of activities.
- c. In terms of Article 9(2)(a) of the Act, the Board must prepare and approve a statement with estimates of income and expenditure relating to the OAFS for the subsequent year. In terms of Article 9(2)(c) and pursuant to Article 9(2)(d), the OAFS's estimates will be submitted annually to the Minister for Finance for his consideration. The estimates will be laid on the Table of the House of Representatives and made available on the OAFS website.



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