

IRO INJURED PERSON SURVEY REPORT

May 2024



Independent
Review Office

Introduction

The Office of the Independent Review Officer (IRO) complaint's function is an integral part of the NSW personal injury compensation schemes.¹ For those who are often without an effective voice – injured persons – we provide a fast, accessible and fair avenue to get problems with their insurer solved.

Background

In June to October 2023 our office undertook a survey of injured persons regarding their complaint handling experience with insurers before contacting IRO.

Of the 100 respondents 80 were from the workers compensation scheme and 20 from the CTP scheme.

The objective of the survey was to:

- Understand the complaints handling journey injured persons experience with insurers before external complaints are made to IRO.
- Identify any themes or systemic issues in the internal complaints handling processes adopted by insurers and opportunities for increasing internal resolution of complaints by insurers.

Injured person complaint handling journey

IRO recognises that poor complaints handling creates inefficiencies. It results in prolonged claims, impacting injured persons wellbeing, delaying return to work and rehabilitation and ultimately increasing costs for the scheme.

While IRO has not endeavoured to uncover the reasons why complaints are not resolved with the insurer at first instance our survey aimed to understand further the complaints handling journey.

The standard complaints handling journey typically involves an injured person raising a complaint with the insurer at first instance. Our survey captured the experience of the injured person at this initial stage in attempt to understand any problematic themes or systemic issues that arise at the insurer level.

Complaints handling literature suggests it is best practice for organisations (including insurers) to resolve complaints internally to preserve trust and facilitate fast and efficient resolution. In effect, IRO (and other third parties) should only be engaged as a last resort or in situations where an injured person has attempted to resolve a complaint with the insurer without success.

Inefficient complaints handling by insurers often prompts the injured person to raise the complaint externally with IRO or another third party. Once escalated, IRO may request a response from the insurer within two business days via a 'Notice of Complaint' or choose not to act in situations where the complaint has been escalated prematurely. Other options available to IRO are set out in the IRO Complaint Handling Protocol.



1. Schedule 5, Part 3, clause 6 of the *Personal Injury Commission Act 2020*

Survey results

Overall, the survey results indicate that injured persons are attempting to resolve complaints by themselves, with the insurer, before they contact IRO. This includes both multiple attempts to resolve the issue and internal escalations with the insurer without success.

Almost a third of total survey respondents identified that the complaint impacted them psychologically, with over a third indicating that they were impacted in multiple ways including physically, financially and/or psychologically.

Workers Compensation

Over 50 per cent of injured workers surveyed came to IRO four weeks after the issue was first raised with the insurer. The results show, 80 per cent of respondents attempted to resolve the matter with the insurer three or more times.

About 65 per cent of respondents felt the insurer's response was not reasonable or did not address the issue with a common theme of lack of communication being the reason for respondents not attempting to resolve the issue with the insurer.

When asked if the respondent had tried to escalate the matter to a more senior member at the insurer, only 44 per cent of injured workers had. This could be due to a lack of awareness of the injured worker or communication from the insurer.

In instances where the injured person did ask to speak to a more senior team member, this person either did not contact them to address the escalation or, in instances where they did respond, repeated the same information communicated previously or advised the injured person to seek legal advice. The findings shows the complaint was not resolved by escalation.

Over 50 per cent of injured workers surveyed came to IRO four weeks after the issue was first raised with the insurer.



Over 80 per cent of injured persons surveyed attempted to resolve with the insurer more than three times before contacting IRO

CTP

The findings shows a delay of between two weeks to more than three months between when the injured person first raised the issue with the insurer, before contacting IRO. 65 per cent survey of respondents contacted our office at least one month later and 45 per cent more than three months later.

The respondents attempted to resolve the complaints three or more times in most instances (90 per cent) and were not satisfied mostly because there was no response from the insurer.

Half of the respondents attempted to escalate the matter to a more senior member at the insurer which was largely refused or resulted in no resolution. One respondent advised this escalation did result in a resolution.

Observations

Based on the above results there may be opportunities for insurers to improve injured persons complaint handling journey. These include:

- regularly following up and ensuring a complaint made to them is resolved in a timely manner or a review/escalation process implemented.
- communicating clearly with injured persons throughout the complaint handling process, including proactively identifying and sharing complaint escalation pathways
- improvements in complaints handling can create efficiencies for the personal injury schemes. Quicker resolution of claims, allows injured persons to recover and return to work sooner, reducing costs for the schemes.

Case study

The injured person contacted IRO in 2023 regarding delays in weekly benefits being paid, delays in reimbursements being paid and no response to questions relating to the insurers PIAWE calculations from an insurer.

The delays continued for more than three months during which time the injured person contacted the insurer more than three times with no successful resolution before contacting IRO.

The insurer acknowledged there had been delays in processing weekly benefits and reimbursements and advised claim actions would be set for every fortnight to review the claim for any outstanding payments to be made. The insurer also committed to proactively contacting the injured person to confirm if there were any outstanding payslips for the previous week/s to ensure their entitlements were calculated and paid correctly.

The insurer provided a response to the injured person regarding the PIAWE calculations to which the injured person sought further clarification from the insurer however, after multiple emails and phone calls to the insurer, the injured person did not receive a response. After a further week of attempting to contact the insurer regarding the PIAWE calculations, back payment of weekly benefits resulting from a PIAWE increase and the normal weekly benefits the injured person again contacted IRO.

The insurer stated that the person the injured person had been attempting to contact did not have access to the voicemail and the emails sent were not forwarded due to an "administrative error".

The insurer contacted the injured person and addressed the outstanding issues.

The injured person expressed the delays in payments and lack of communication from the insurer impacted them psychologically, physically and financially'.

About Us

IRO provides an informal, accessible and effective complaints handling and enquiries service for people injured at work or in motor accidents. This involves:

- informal access by injured persons or their representatives (by telephone, email, mail or in-person) to expert IRO dispute resolution officers (DROs)
- fast and fair solutions for complaints
- comprehensive information provided for general enquiries about how the workers compensation and motor vehicle accident schemes operate
- early intervention in some ILARS-funded matters to seek quick solutions for injured workers ('early solutions')
- collection of information to identify systemic issues that may warrant review.

The Independent Review Officer was established as an independent statutory office under Schedule 5 to the Personal Injury Commission Act 2020 (NSW) (PIC Act) on 1 March 2021.

Contact Us

Operating hours

8.30am to 5pm Monday to Friday
(excluding public holidays)

Injured at work or in motor vehicle accidents

If you have a complaint or enquiry about your insurer, please use our online form.

Other IRO Contacts

ILARS	ilarscontact@iro.nsw.gov.au
IRO Solutions	complaints@iro.nsw.gov.au
Media	editor@iro.nsw.gov.au
Other enquiries	contact@iro.nsw.gov.au

Telephone

If you are unable to email us or complete our online form, you can contact us on 139 476



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