

A BILL

FOR

AN ACT TO ESTABLISH THE OFFICE OF THE NIGERIAN FINANCIAL OMBUDSMAN, AN INDEPENDENT BODY, CHARGED WITH THE RESPONSIBILITY FOR RESOLVING FINANCIAL AND RELATED DISPUTES IN THE NIGERIAN FINANCIAL SERVICES SECTOR AND FOR RELATED MATTERS

Sponsored by Hon. Uzoma Nkem Abonta

[] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows-

1 PART 1 - ESTABLISHMENT, COMPOSITION, FUNCTIONS AND POWERS OF
2 THE OFFICE OF THE NIGERIAN FINANCIAL OMBUDSMAN

3 1.-(1) There is established the Office of the Nigerian Financial
4 Ombudsman (in this Bill referred to as "the Office").

Establishment of
the Nigerian
Financial
Ombudsman

5 (2) The Office shall -
6 (a) be a body corporate;
7 (b) acquire, hold, and dispose of any property or interest in
8 property, movable or immovable.

9 2. The Office shall consist of the Financial Ombudsman and such
10 number of Adjudicators as may be required for the effective discharge of the
11 functions of the Office.

Composition of
the Office

12 3. The Office shall inquire into and settle any complaint or
13 disputes between-

Functions of the
Office

14 (a) individual or corporate;
15 (b) financial institutions;
16 (c) regulators in the financial services sector; and
17 (d) financial institutions and regulators in the financial services
18 sector.

Powers of the Office	1	4. The Office shall have power to entertain complaints and settle
	2	disputes in transactions relating to-
	3	(a) banking;
	4	(b) mortgage;
	5	(c) insurance;
	6	(d) investment and securities;
	7	(e) consumer credit;
	8	(f) pensions; and
	9	(g) other non-banking financial transactions.
Location of the Office	10	5. The Office shall be located in Federal Capital Territory and it may
	11	create additional Offices in the six geo-political zones of Nigeria.
Appointment of the Financial Ombudsman and Arbitrators	12	PART 11 - APPOINTMENT, QUALIFICATION, TERMS OF OFFICE OF THE
	13	FINANCIAL OMBUDSMAN ARBITRATORS AND OTHER STAFF OF THE OFFICE
	14	6.-(1) There shall be appointed for the Office a Financial Ombudsman
	15	and such number of Arbitrators to be appointed by the Minister on the
	16	recommendation of the Governor.
	17	(2) The Governor shall make the recommendation in subsection (1) of
	18	this section only after due consultations with the-
	19	(a) Financial Sector Regulatory Co-ordinating Committee;
	20	(b) Bankers' Committee;
	21	(c) Nigerian Insurance Association; and
Qualification for appointment	22	(d) Capital Operators' Association.
	23	7.-(1) A person shall not be qualified for appointment as a Financial
	24	Ombudsman or as an Arbitrator unless he is-
	25	(a) knowledgeable in the laws, regulations, norms and practices of the
	26	financial services sector in Nigeria;
	27	(b) a person who has proven capacity in the management of a
	28	financial institution, trade or business; or
	29	(c) a retired public servant from the financial sector of the economy at
	30	managerial level.

1	8. The Financial Ombudsman or an Arbitrator shall hold office for	Terms of Office
2	a term of four years renewable for another term of four years and no more	
3	from the date he assumes office or until he attains the age of seventy years	
4	whichever is earlier.	
5	9.-(1) The Financial Ombudsman or an Arbitrator may by notice in	Resignation or
6	writing addressed to the Minister resign his office provided that Financial	removal from
7	Ombudsman or Adjudicator shall, unless he is permitted by the Minister to	Office
8	relinquish his office sooner, continue to hold office until the expiry of three	
9	months from the date of receipt of such notice or until a person duly	
10	appointed as his successor assumes office or until the expiry of his term of	
11	office whichever is earlier.	
12	(2) The Financial Ombudsman or Arbitrator may be removed from	
13	office by the Minister on the recommendation of the Governor for gross	
14	misconduct or incapacity, after due enquiry has been made and the Financial	
15	Ombudsman or Adjudicator concerned has been informed of the reasons for	
16	his removal and given an opportunity to be heard in respect of the reasons.	
17	10.-(1) For the efficient performance of the functions of the Office	Other Staff
18	and remuneration and allowances of persons so employed shall be	
19	determined by the Office.	
20	(2) Service in the Office shall be subject to the provisions of the	
21	Pension Reform Act and, accordingly, officers and employees of the Office	
22	shall be entitled to pension and other retirement benefits as are prescribed	
23	under the Pension Reform Act.	
24	PART III - ELIGIBILITY, ACCEPTANCE, REJECTION, ETC. OF COMPLAINT	
25	11. A person may make a complaint where he-	Eligibility to
26	(a) is a customer of a financial institution or a regulatory institution	complain
27	to which this Bill applies;	
28	(b) has a good reason to complain; and	
29	(c) or a regulator.	

Complain.
acceptance.
criteria

1 **12.-(1)** The Financial Ombudsman shall not accept a complaint
2 unless the complaint-

3 (a) made to the financial institution is not resolved by the Financial
4 Institution within 30 days of receipt of the complaint;

5 (b) has already been made by the complainant to the financial
6 institution and the financial institution has rejected it or handled it
7 unsatisfactorily; and

8 (c) is made within 6 months of the financial institution's final
9 response.

10 **(2)** A person shall not make a complaint to the Financial Ombudsman
11 where-

12 (a) he has previously made a complaint and the matter was
13 investigated by the Financial Ombudsman and a decision was given;

14 (b) the complaint is already the subject-matter of proceedings before
15 any court of law, tribunal or arbitration.

16 **(3)** Where a similar matter or complaint was investigated by the
17 Financial Ombudsman and a decision was given, that decision shall apply to
18 the complainant unless the facts of his complaint are different.

Complaint
procedure

19 **13.** The Office in carry out its investigation, may-

20 (a) request for all the necessary information and documents from the
21 complainant and the relevant financial institution; and

22 (b) summon the parties or any other relevant person to appear before
23 it.

Remedies

24 **14.** The Office may-

25 (a) award compensation, interest or cost to a successful complaint;

26 (b) give direction in respect of any complaint.

Enforcement
of awards

27 **15.-(1)** Any award or direction made by the Office shall be binding on
28 parties and the parties shall comply promptly with the award.

29 **(2)** A party may enforce an award or direction in a law court.

1 PART IV - FINANCIAL PROVISIONS, ETC.

2 **16.** The Office shall maintain a Fund, (hereinafter referred to as Funding
3 "the Fund") into which shall be paid-

- 4 (a) an initial take-off grant by the Federal Government;
5 (b) case fees, as may be prescribed in regulations;
6 (c) contribution from donor agencies; and
7 (d) annual appropriation in the Federal Government budget.

8 **17.** The Office shall apply its fund to- Expenditure of
the Office

- 9 (a) the remunerations, emoluments, allowances and
10 reimbursements payable to the officials and staff of the Office;
11 (b) the pension and other retirement benefits of the staff;
12 (c) the day to day administration of the Office;
13 (d) any other payments for anything incidental to the foregoing
14 provisions or in connection with or incidental to any other function of the
15 Office pursuant to this Bill.

16 **18.** The Office shall cause to be prepared not later than the 30th day Annual estimates
17 of September in each year an estimate of its income and expenditure for the
18 next succeeding year.

19 **19.** The Office shall keep proper accounts and records and such Account and
20 shall not later than 6 months after the end of each year be audited by auditors
21 appointed by the Office from the list and in accordance with the guidelines
22 supplied by the Auditor-General for the Federation.

23 **20.** The Office shall not later than the 30th September in each year Annual report
24 submit to the Governor a report of its activities during the immediately
25 preceding year and shall include in such report the audited accounts of the
26 Office.

27 **21.-(1)** The Office may accept gifts of land, money or other Power to accept
28 property on such terms and conditions as may be specified by the person
29 making the gift.

30 **(2)** The Office shall not accept any gift if the conditions attached to

	1	the gift are inconsistent with any law for the time being in force.
	2	PART V - MISCELLANEOUS PROVISIONS
Regulation	3	22. The Financial Ombudsman shall in consultation with the
	4	Governor, make regulations to provide for subject to the standard set in the
	5	Alternative Dispute Regulatory Commission-
	6	(a) the proceedings and quorum of the Office;
	7	(b) the complaint procedure;
	8	(c) appeal procedures against decisions of the Office;
	9	(d) contribution and fees; and
	10	(e) any other matter for the purpose of giving effect to the provisions
	11	of this Bill.
Interpretation	12	23. In this Bill-
	13	"Governor" means, the Governor of the Central Bank of Nigeria;
	14	"Minister" means, the Minister charged with responsibilities for Finance;
	15	"Financial Institution" includes banks, specialised banks, other Financial
	16	Institutions, Insurance Companies, Stock Broking Firms;
	17	"Knowledgeable" means possession or demonstration of great deal of
	18	knowledge, awareness or intelligence in financial matters.
Citation	19	24. This Bill may be cited as the Office of the Nigerian Financial
	20	Ombudsman Bill, 2016.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the Office of the Nigerian Financial Ombudsman, as an independent body charged with the responsibility for resolving financial and related disputes in the Nigerian financial services sector and for related matters.