

Competition among Ombudsman offices

Policy statement endorsed by the Members of the Australian and New Zealand Ombudsman Association (ANZOA)

Members of ANZOA, both parliamentary and industry Ombudsman/Commissioner offices, operate according to the principles of independence, accessibility, fairness, efficiency, effectiveness and accountability.

ANZOA considers that 'competition' among Ombudsman offices runs counter to these principles, particularly the key principle of independence, for the reasons set out below. ANZOA's position is that there should be only one external dispute resolution (EDR) Ombudsman's office for any industry or service area.

Competition in Ombudsman offices is most likely to impact on industry Ombudsmen, and is considered inefficient and undesirable on a range of policy levels:

- It is not in the interests of consumers/citizens or their advocates, as it may not be clear where to take complaints or which is the most appropriate service to deal with particular issues.
- It is likely to add unnecessary and inefficient costs to Ombudsman services, e.g. inefficient duplication of infrastructure/resources/services/information systems, mechanisms to establish a 'common door' approach, and the need to provide information to consumers about different offices.
- It may lead to manipulation of dispute resolution services, differing standards, and inconsistencies in decision making which could be adverse for consumers and participating organisations.
- Poor performing organisations may choose to join an alternative office that they believe is not as rigorous in its approach to complaints.
- An office may focus more on participating organisations rather than on complainants or consumers in order to keep or grow its membership.
- Where offices are subject to regulatory approval and/or other regulatory mechanisms, regulators may need to set up separate reporting and communication systems for different offices, potentially about the same issues.
- The value of the Ombudsman's office as a source of information and analysis to contribute to the ongoing improvement of an industry or service area will be diluted, to the detriment of consumers, service providers and the wider community.

ANZOA believes that while it is inappropriate to apply concepts of market forces and competition to what are effectively 'natural monopolies', other appropriate mechanisms can be utilised to provide a proxy for the benefits that can otherwise be derived from competing services. These mechanisms include appropriate governance arrangements, independent reviews, public reporting, effective self-regulatory and/or regulatory mechanisms, benchmarking, formal or informal peer reviews, and scrutiny through avenues such as ANZOA.

There may be overlaps between some Ombudsman offices, but this is different from competition between offices. An overlap is usually dealt with by way of a Memorandum of Understanding between the offices, or other transparent arrangements.

**ANZOA is the peak body for Ombudsmen
in Australia and New Zealand**

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