



STRATHMORE DISPUTE RESOLUTION CENTRE



KBA ROLLS OUT NEW MODEL ON DISPUTE RESOLUTION FOR BANKS

Strathmore School of Law Dispute Resolution Center (SDRC) Trains Bankers on Mediation

Nairobi, 20th February 2013: Senior managers drawn from all banks in Kenya will undergo a three-day alternative dispute resolution course that will equip them with mediation and negotiation skills. The training, which is an initiative by the Kenya Bankers Association (KBA) in partnership with Strathmore School of Law's Dispute Resolution Centre (SDRC), is designed to develop skills that will enable KBA member banks to quickly address disputes with their customers in an effort to mitigate cases that escalate to the courts.

According to KBA Chief Executive Officer Mr. Habil Olaka, banks have made an effort to train customer-facing employees on service delivery and complaint handling. In addition, a number of banks have invested in customer relationship management systems which provide efficient recording and monitoring of customer complaints.

"Our goal is to establish an industry standard on how banks respond to and address customer complaints and disputes," said Mr. Olaka. "We believe that banks are best placed to manage the relationship they have with their customers and the majority of cases that move to court can be addressed internally in an efficient way."

Mr. Olaka added that KBA has developed a Dispute Resolution Model which will see banks establish Internal Tribunals composed by senior managers reporting to bank Directors who will be mandated to regularly hear and negotiate settlement of long standing customer complaints and disputes.

"We are working to save time and money for customers and banks. An average court case takes five years to be resolved and at the end of it someone will have to pay huge sums of money in legal and court fees. We have estimated that it costs approximately Kshs. 500,000.00 to resolve bank court cases, hence the need for us to formalise the alternative dispute resolution process," he said.

Dean of Strathmore Law School Dr. Luis G Franceschi said a key feature of the programme designed by the Strathmore Dispute Resolution Centre is that it is derived from a training needs analysis conducted by the university to identify best practices and areas for capacity building.

(Continued.)

“We are proud to be partnering with the Kenya Bankers Association towards equipping banks to constructively negotiate positive outcomes for the benefit of their customers,” said Mr. Franceschi. “As a train the trainers program, the trainees will be equipped with practical skills to successfully negotiate and mediate disputes within the bank.”

Established in 2012, the overarching mission at Strathmore Dispute Resolution Centre is service to society through the development of internal dispute resolution mechanisms and leadership capacity building within organisations. SDRC programme facilitators combine high academic standards and industry standards with industry perspective.

Ends...

Background Information:

Founded on July 16, 1962, Kenya Bankers Association (KBA) has evolved to achieve major milestones in its quest to increase efficiency within the banking industry, spur innovation, and enhance the banking experience for all Kenyans.

KBA owns the Automated Clearing House which is operated by the Central Bank. Other KBA/Central Bank initiatives include the Modernization of Payment Systems (including the Cheque Truncation Project), establishing regional Currency Centres, and the Kenya Credit Information Sharing Initiative.

In 2012, KBA established the *Centre for Research on Financial Markets and Policy*[®] to offer an array of research, commentary, and dialogue regarding critical policy matters that impact on financial markets in Kenya. For more information visit www.kba.co.ke.

Media Contacts:

Kenya Bankers Association

Ms. Nuru Mugambi
Director of Communications & Public Affairs
Phone: 20-2221704/2224014
Cell: 0717023318
Email: nmugambi@kba.co.ke

Strathmore Dispute Resolution Centre

Mr. Jack Owino
Executive Officer
Phone: (+254) (0)703-034601
Email: sdrc@strathmore.edu