

COMPLAINTS RESOLUTION POLICY

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Introduction

The Financial Advisory and Intermediary Services Act (FAIS Act) requires that a financial service provider (ie. our brokerage) must maintain an internal complaints resolution system and procedure to deal with client complaints.

This document details the procedure to be followed on receipt of a complaint.

What constitutes a complaint?

The General Code of Conduct provides the following definitions:-

“Complaint” means an expression of dissatisfaction by a person to a provider or, to the knowledge of the provider, to the provider’s service supplier relating to a financial product or service provided or offered by that provider which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a client query, that-

- a) The provider or its service supplier has contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on the provider or to which it subscribes;
- b) The provider or its service supplier’s maladministration or wilful or negligent action or failure to act, has caused a person harm, prejudice, distress or substantial inconvenience; or
- c) The provider or its service supplier has treated the person unfairly.

“Reportable Complaint” means any complaint **other than** a complaint that has been-

- a) Upheld immediately by the person who initially received the complaint;
- b) Upheld within the provider’s ordinary processes for handling client queries in relation to the type of financial product or financial service complained about, provided that such process does not take more than five business days from the date the complaint is received; or
- c) Submitted to or brought to the attention of the provider in such a manner that the provider does not have a reasonable opportunity to record such details of the complaint as may be prescribed in relation to reportable complaints.

The General Code of Conduct also sets out the following categorisation, record keeping, monitoring and analysis requirements for reportable complaints:-

Reportable complaints must be categorised as follows:-

- Complaints relating to the design of a financial product, financial service or related service, including the fees, premiums or other charges related to that financial product or financial service;
- Complaints relating to information provided to clients;
- Complaints relating to advice;
- Complaints relating to financial product or financial service performance;
- Complaints relating to a service to clients, including complaints relating to premium or investment contribution collection or lapsing of a financial product;
- Complaints relating to financial product accessibility, changes or switches, including complaints relating to redemptions of investments;
- Complaints relating to complaint handling;

- Complaints relating to insurance risk claims, including non-payment of claims; and
- Other complaints

The following must be recorded in respect of a reportable complaint-

- All relevant details of the complainant and the subject matter of the complaint;
- Copies of all relevant evidence, correspondence and decisions;
- The complaint categorisation; and
- Progress and status of the complaint, including whether such progress is within or outside any set timelines.

A provider must maintain the following data in relation to reportable complaints categorised as above on an ongoing basis –

- Number of complaints received;
- Number of complaints upheld;
- Number of rejected complaints and reasons for the rejection;
- Number of complaints escalated by complainants to the internal complaints escalation process;
- Number of complaints referred to an Ombud and their outcome;
- Number and amounts of compensation payments made;
 - “Compensation Payment” means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of a provider to a complainant to compensate the complainant for a proven or estimated financial loss incurred as a result of the provider’s contravention, non-compliance, action, failure to act or unfair treatment forming the basis of the complaint, where the provider accepts liability for having caused the loss concerned, but excludes any –
 - i. Goodwill payment;
 - ii. Payment contractually due to the complainant in terms of the financial product or financial service concerned; or
 - iii. Refund of an amount paid by or on behalf of the complainant to the provider where such payment was not contractually due;
 - iv. And includes any interest on late payment of any amount referred to in (b) or (c)
- Number and amounts of goodwill payments made
 - “Goodwill Payment” means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of a provider to a complainant as an expression of goodwill aimed at resolving a complaint, where the provider does not accept liability for any financial loss to the complainant as a result of the matter complained about; and
- Total number of complaints outstanding

Complaints information must be scrutinised and analysed by a provider on an ongoing basis in order to manage conduct risks and effect improved outcomes and processes, and to prevent recurrences of poor outcomes and errors.

Who will deal with the complaint?

The Key Individual or an employee of the brokerage who is skilled and empowered to deal with client complaints.

What happens once a complaint is made?

We deal with complaints as follows:

1. Any verbal complaints must be reduced to writing setting out the reasons for dissatisfaction and the desired outcome and accompanied, if applicable, by any documentary evidence.
2. Investigate the complaint to ascertain whether it can be resolved within 5 days or will require further investigation.
3. If it can be resolved within 5 days of receipt,
 - take the necessary action; and
 - advise the client accordingly.This will not be considered a reportable complaint and does not need to be recorded.
4. If the complaint cannot be resolved within 5 days,
 - acknowledge receipt of the complaint in writing;
 - advise who will be handling the complaint;
 - include a summary of the steps, which will be taken in an attempt to resolve the matter; and
 - the expected turnaround times.This will be considered a reportable complaint.
5. Log the reportable complaint in your Complaints Register and open a Complaints Tracker.
6. Track the progress of the complaint resolution in the Complaints Tracker.
7. Complainants must be kept adequately informed of:-
 - a. The progress of their complaint
 - b. Causes of any delay in the finalisation of their complaint and revised timelines
 - c. The provider's decision in response to the complaint.
8. Should the client be dissatisfied with the progress they must be advised that they may escalate their concerns to the Key Individual in terms of the internal escalation process.
9. If unable to resolve the complaint to the client's satisfaction, notify the client giving full written reasons as to why the outcome was not favourable and advise them of their right to:
 - refer the matter to the relevant Ombud;
 - refer the matter to the Pension Funds Adjudicator if appropriate;
 - seek legal advice from an attorney on what legal action may be taken; or
 - refer the matter to arbitration or mediation.
10. Where a complaint is upheld, any commitment by the provider to make a compensation payment, goodwill payment or to take any other action will be carried out without any undue delay
11. Update the Complaints Register and Complaints Tracker with all the developments/activities

Important contact details

FAIS Ombud

Postal Address: FAIS Ombud
P.O. Box 74571
Lynwood Ridge
0040

Telephone: 086 066 3247
Fax: (012) 762 5000
E-mail: info@faisombud.co.za
Website: www.faisombud.co.za

Long Term Insurance Ombudsman

Postal Address: The Ombudsman for Long Term Insurance
Private bag X 45
Claremont
7735

Telephone: (021) 657 5000
0860 103 236
Fax: (021) 674-0951
E-mail: info@ombud.co.za
Website: www.ombud.co.za

Short Term Insurance Ombudsman

Postal Address: The Ombudsman for Short Term Insurance
P.O. Box 32334
Braamfontein
2017

Telephone: (011) 726 8900
0860 726 8900
Fax: (011) 726 5501
E-mail: info@osti.co.za
Website: www.osti.co.za

Pension Fund Adjudicator

Physical Address: Pension Fund Adjudicator
4th Floor
Riverwalk Office Park
Block A, 41 Matroosberg Rd
Ashlea Gardens
Pretoria
0181

Telephone: (012) 748 4000
(012) 3461738
Fax: 086 693 7472
E-mail: enquiries@pfa.org.za
Website: www.pfa.org.za

Ombudsman for Banking Services / Banking adjudicator

Postal Address: The Ombudsman for Banking Services
 P.O. Box 5728
 Johannesburg
 2000

Physical Address: 34 Fricker Road
 Illovo
 Johannesburg
 South Africa

Telephone: 0860 800 900
Fax: (011) 838 0043
E-mail: info@obssa.co.za
Website: www.obssa.co.za