

## COMPLAINTS HANDLING PROCESS

### 1. Definitions

“Complaint” means an expression of dissatisfaction by a complainant, relating to a product or service provided or offered by the FSP, or to an agreement with the FSP respect of its products or services and indicating that:

- a) the FSP or its service provider has contravened or failed to comply with a law, or an agreement, or a rule, or a code of conduct which is binding on the FSP or to which it subscribes;
- b) the FSP or its service provider’s maladministration or wilful or negligent action or failure to act, has caused the complainant harm, prejudice, distress or substantial inconvenience; or
- c) the FSP or its service provider has treated the complainant unfairly and regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a customer query.

“Complainant” means a person who has submitted a specific complaint to the FSP or, to the knowledge of the FSP, to the FSP’s service provider and who –

- a) is a customer or prospective customer of the FSP concerned and has a direct interest in the agreement, product or service to which the complaint relates; or
- b) has submitted the complaint on behalf of a person mentioned in (a), provided that a prospective customer will only be regarded as a complainant to the extent that the complaint relates to the prospective customer’s dissatisfaction in relation to the application, approach, solicitation or advertising or marketing material contemplated in the definition of “prospective customer”.

“Compensation payment” means a payment, other than a goodwill payment, by the FSP to a complainant to compensate the complainant for a proven or estimated financial loss incurred as a result of the FSP’s contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of the complaint , where FSP accepts liability for having caused the loss concerned.

“Compensation payment” excludes -

- a) payment of amounts contractually due to the complainant in terms of the financial product or service concerned, or
- b) refunds of amounts paid by or on behalf of the complainant to the FSP where such payments were not contractually due but includes interest on late payment of amounts or refunds referred to in (a) or (b).

“Customer” of the FSP means any user, former user or beneficiary of one or more of the FSP’s financial products or services, and their successors in title.

“Customer query” means a request to the FSP by or on behalf of a customer or prospective customer, for information regarding the financial institution’s products, services or related processes, or to carry out a transaction or action in relation to any such product or service.

“Financial institution” means a financial institution as defined in the Financial

Services Board Act 97 of 1990.

“FSP” means Financial Services Provider

“Goodwill payment” means a payment by the FSP to a complainant as an expression of goodwill aimed at resolving a complaint, but where the FSP does not accept liability for any financial loss to the customer as a result of the matter complained about.

“Prospective customer of the FSP” means a person who has applied to or otherwise approached the FSP in relation to becoming a customer of the FSP, or a person who has been solicited by the FSP to become a customer or has received marketing or advertising material in relation to the FSP’s products or services.

“Rejected” in relation to a complaint means that the complaint has not been upheld and the FSP regards the complaint as finalised after advising the complainant that it does not intend to take any further action to resolve the complaint. This can arise either where the FSP rejects a complaint without offering to take steps to resolve it because the FSP regards the complaint as unjustified or invalid, or where the customer or prospective customer does not accept or respond to the FSP’s proposals to resolve the complaint and the FSP then advises the complainant that it does not intend to take any further action to attempt to resolve the complaint.

“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 FSP’s ordinary processes for handling customer queries in relation to the type of agreement, product or service complained about, provided that such process does not take more than five business days to complete from the date the complaint is received; or
- c) submitted to or brought to the attention of the FSP in such a manner that the FSP does not have a reasonable opportunity to record such details of the complaint as may be prescribed in relation to reportable complaints.

“Service provider” means another person with whom the FSP to whose products or services the complaint relates has an arrangement in relation to the provision of such services, regardless of whether or not such other person is the agent of the FSP.

“Upheld” in relation to a complaint means that the complaint has been finalised in such a manner that the complainant has explicitly accepted that the matter is fully resolved or that it is reasonable for FSP to assume that the complainant has so accepted. A complaint should only be regarded as upheld once any and all undertakings made by FSP to resolve the complaint have been met.

## 2. Application of the policy

This policy applies to all complaints made by customers in response to the service or services received from the FSP or from service providers.

## 3. Internal Complaints Handling Process

### 3.1. How to submit a complaint

A complaint must be submitted in writing by a complainant to [insert e-mail address] or Fax: [insert fax number] or call at [telephone number] or FSP Complaints [physical address]. The complaint must be addressed for the attention of the Complaints Officer. The complainant must give a detailed description of the event that caused them to suffer any prejudice. Where applicable the complainant will need to attach documentation in support of your allegations made against FSP or service provider and the service received.

### 3.2. Complaints Resolution Process

A complaint will be received by the customer services consultant who will acknowledge receipt to the complainant within 24 hours providing the details of the person handling the complaints and their contact details. A complaint should be resolved within 6 weeks of receipt of the complaint.

As soon as the complaint is acknowledged to the complainant the Complaints Officer will start the investigation process which will include determining the nature of the complaint or the category under which the complaint falls in order to follow the correct process for that complaint.

Complaints received should be categorised according to the following:

3.2.1. Outcome 2: Complaints relating to the design of a product or service

This category includes complaints indicating that the service towards the complaint was unfair, inadequate, confusing or overly complex, or unsuitable for the customers at which they have been targeted. Complaints regarding unfair or confusing pricing, costs or charges will be dealt with under this category.

3.2.2. Outcome 3: Complaints relating to information provided

This includes complaints that any documentation provided to customers or prospective customers, or other communications with customers or prospective customers is inaccurate, unsuitable, misleading, incomplete, confusing, unclear, etc. It covers both advertising and marketing material as well as specific product or service related communications. It also covers information provided at all stages of the product life cycle. Such complaints could apply to either the content of the information, or the manner or medium in which it is provided. It will also include complaints regarding a failure to provide information, or complaints that information was provided at an inappropriate time.

3.2.3. Outcome 4: Complaints relating to advice

This category relates to complaints that advice provided did not take adequate account of the customer or prospective customer's needs and circumstances (including affordability), was factually incorrect or misleading, or that advice was not provided when the complainant believes it should have been provided. Complaints indicating that the consultant was subject to a conflict of interest, or was lacking in knowledge, skill, experience or integrity are dealt with in this category.

3.2.4. Outcome 5(a): Complaints relating to product performance

This category includes complaints indicating a customer's disappointment in becoming aware of limitations relating to the product or service that are not in line with their expectations. Where applicable, this would include (but is not limited to) complaints indicating that the customer was not kept adequately informed during the life of the product of matters that affect the product's ability to meet expectations. Complaints regarding a product supplier's exercise of any contractual right to terminate a product or amend its terms are dealt with in this category.

3.2.5. Outcome 5(b): Complaints relating to customer service

Customer service complaints are those expressing dissatisfaction with FSP's administration of requests and transactions (including complaints regarding FSP's technological support) and complaints relating to the way in which FSP's staff have dealt with the customer (for e.g. complaints of rudeness, incompetence or non-responsiveness). This would include complaints regarding the administrative processing of payments to or by the customer. Included are complaints relating to breaches of privacy or confidentiality. It is important to note that complaints relating to the customer service standards of third party or outsourced service providers are included in this category. Complaints arising from alleged fraudulent activity by FSP or a service provider, where the customer is dissatisfied with the manner in which FSP has handled the matter or with the assistance provided by the FSP in attempting to resolve the matter.

3.2.6. Outcome 6(a): Complaints relating to product accessibility, changes or switches

This category relates to complaints in respect of barriers or limitations on access to funds, or in the ability to transfer products or services to another provider, or on the ability to make changes to the product or service. Types of barriers or limitations covered would include penalties, termination charges, lengthy notice periods, complex "red tape" administrative hurdles when trying to access funds, etc.

### 3.2.7. Outcome 6(b): Complaints relating to complaints handling

This includes complaints regarding the administration of the complaints process, such as delays, poor communication regarding processes and decisions, cumbersome or inaccessible processes, failure to inform complainants of their rights regarding escalation or Ombud mechanisms, etc. It does not include dissatisfaction regarding the outcome of a complaint, which would be regarded as a continuation of the original complaint.

### 3.2.8. Outcome 6(c): Complaints relating to insurance risk claims

These complaints would include:

- i. complaints relating to the administration of the claim process (such as delays, poor communication regarding processes and decisions, cumbersome or inaccessible processes, etc.):
- ii. complaints relating to actual non-payment of claims and; where applicable
- iii. complaints regarding the quality of workmanship where claim settlement entails repair or similar services.

In the case of non-payment of claims, reporting requirements in relation to this category are likely to require further sub-categories in respect of the reasons for non-payment, such as:

- Required claim documentation / evidence not submitted
- Criteria for insured event not met
- Waiting period not expired
- Exclusion applies
- Excess applies
- Non-disclosure or misrepresentation
- Policy / benefit not in force
- Claimant is not the person entitled to the benefits (beneficiary disputes)
- Dispute re quantum of claim
- Other reasons.

### 3.2.9. Other complaints

A catch-all category for any complaints not falling within one of the above TCF aligned complaints categories or sub-categories. This category should however not be treated as a “default” reporting category.

## 3.3. Investigation and Resolution of the Complaint

The complaints officer must conduct an investigation using all the information received from the complainant and from consultation with the employee(s) or the department that the complaint is laid against. The process must also take into account the customer services charter and commitments to customer service in order to arrive to a decision that may be favourable to all affected parties.

When necessary the complaints officer may delegate this function to an employee who is adequately trained and has appropriate mix of experience and skill in handling complaints and has good understanding of the business and TCF outcomes. Should the process take longer than six weeks, the complainant must be advised of the extended period.

After having consulted with the relevant personnel and considered the evidence received from all parties, the Complaints Officer must make a decision which will be communicated to the EXCO first who will review the process followed in resolving the complaint and test its objectivity. On the feedback from the EXCO, the complaints officer will then communicate the decision to the complainant.

#### 3.3.1. Decision to dismiss the complaint

If after the investigation it appears that the service was rendered according to the adopted processes and procedures within the organization, and no fault on the conduct of an employee or the FSP was found, the decision will be to dismiss the complaint.

The complainant will be advised in writing of the decision arrived at during the investigation process and reasons for arriving to that decision and be advised of further available recourse within the business.

The appeal process will involve the review of the evidence submitted and the processes followed when arriving at the decision to reject the complaint. Should the decision of the appeal board still be to reject or dismiss the complaint, the complainant will be advised in writing of the decision of the appeal board and be advised to submit a complaint to the Ombudsman who is available to assist the complainant.

Should the appeal board arrive at a decision to grant the complaint. This decision will be communicated to the complainant together with the commitment to make the compensation payment.

#### 3.3.2. Decision to uphold the Complaint

Where a complaint is upheld, the complainant will be advised of the decision by the FSP and of the commitment, if any to make a compensation payment, goodwill payment.

#### 3.4. Feedback to the Complainant

The complainant must be given feedback on the progress on the complaint resolution process. The feedback referred to here could be in a form of a SMS or a telephone call advising the complainant of the status of the complaint.

#### 4. Record Keeping

A complaint must be recorded in the complaints register, supporting documents must be scanned and be kept for a period of five years. The complaints register must be made available for monitoring purposes.

#### 5. Monitoring and Reporting

Complaints must be monitored for nature and root cause in order to identify the trends. The monitoring process will include complaints analysis and the categorisation of the complaint according to the TCF Outcomes as discussed above. Feedback from monitoring will be used as feedback to improve on the standard of service rendered to customers.

Complaints monitoring reports must be presented to all business forums including governance committees. The reports must include management information collected during the performance of the monitoring exercise and customer feedback surveys on complaints handling. Reports must indicate improvement from one quarter to another.

#### 6. Complaints Relating to the Product Suppliers

Complaints against product supplier must be referred to the product supplier concerned however the FSP is responsible for ensuring the complaint is attended to and resolved to the satisfaction of all parties, if not that the complainant was advised of the available recourse.

Where complaints are referred to the product supplier, the complainant must be appropriately informed of the process being followed and that the FSP will take reasonable steps to monitor the outcome of the complaint.

#### 7. Referral to the Ombudsman

Should the decision not be to the satisfaction of the customer, the customer has a right to refer the complaint to either:

FAIS Ombudsman Details:

If any complaint with regard to advice given or intermediary services rendered to you was not resolved to your satisfaction, you can contact the FAIS Ombudsman.

Postal Address: The Financial Services Board, PO Box 74571, Lynnwood Ridge, 0040  
Telephone Number: +27 12 470 9080 Fax Number: +27 12 348 3447

Short-Term Ombudsman:

Postal Address: P O Box 32334, Braamfontein, 2017-03-28  
Telephone number: 011 726 8900 Fax Number: 011 726 5501