



COMPLAINTS MANAGEMENT FRAMEWORK AND POLICY

Applicable to Financial Services Provider acting as Category I
and II Financial Services Provider in terms of the Financial
Advisory and Intermediary Services Act Implemented for:

FIN4

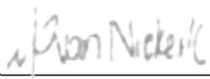
INDEPENDENT FINANCIAL ADVISORS PTY LTD
(hereinafter referred to by name or as 'FSP')

DECLARATION OF IMPLEMENTATION AND COMPLIANCE



I, the undersigned, being the authorised and approved **Key Individual** of the above FSP, hereby declare as follows:

- ✓ I have made myself aware of the contents of this document
- ✓ I will ensure that the processes herein contained are implemented in our business
- ✓ I will ensure that all staff in our business are trained on the aspects of this legislation and as condensed in this document
- ✓ I will ensure that we will always avoid any complaints and focus on the maintenance of the relationship with clients
- ✓ I will ensure that the register contained to this policy is updated on at least a quarterly basis
- ✓ I will ensure that a copy of the Complaints Procedure is sent to clients wishing to lodge a complaint against the FSP
- ✓ I will ensure that this document is updated and reviewed on at least an annual basis.

	
	MP VAN NIEKERK KEY INDIVIDUAL
	DATE:

REVIEWS

Date of review:	Completed by:
	MP VAN NIEKERK

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1. INTRODUCTION

The Financial Advisory and Intermediary Services Act (FAIS) and the General Code of Conduct require that all authorised financial services providers (FSPs) implement an internal complaint resolution system and framework. These procedures provide for the handling of client complaints in a timely and fair manner.

- We undertake to maintain and operate an adequate and effective complaints management framework to ensure the effective resolution of all complaints and the fair treatment of complainants that –



- ✓ is proportionate to the nature, scale and complexity of the business and risks of our FSP
 - ✓ is appropriate for the business model, policies, services, and clients of our FSP
 - ✓ enables complaints to be considered after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of complainants; and
 - ✓ does not impose unreasonable barriers to complainants.
- We understand and value the importance of our relationship with clients and place a strong emphasis on the maintenance of such relationship.
 - We will always strive to ensure that complaints are avoided and where possible, that complaints are used as a method to improve our business and service to clients.
 - Should the complaint turn out to be not of a serious nature, it will still be investigated and the merits of the complaint will be considered and addressed to ensure more effective service to clients and to assist the client in redirecting the complaint, if possible.

We commit ourselves to resolving complaints from clients in a timeous, efficient and fair manner



2. PURPOSE OF THE POLICY

In terms of the General Code of Conduct, an FSP must maintain an internal complaints resolution procedure, if a client complains about a financial service rendered, or facilitated by the FSP or a Representative of the FSP.

The complaints policy is written in plain language and is aimed at providing a clear and easily understood procedure, which considers the reasonably assumed level of knowledge of persons to whom the communication is targeted.

This document aims to ensure that complainants are not confronted with unreasonable barriers in the complaints process.

The complaints procedure is based on the following TCF (Treating Customers Fairly) outcomes:

☐ TRANSPARENCY AND VISIBILITY

Ensuring that complainants have full knowledge of the procedures that will be followed when submitting a complaint

☐ ACCESSIBILITY OF FACILITIES

Ensuring that clients are provided with an easily accessible facility in order to submit a complaint

☐ FAIRNESS

Ensuring that the complaint resolution process is fair to both a complainant and the FSP. To achieve these outcomes, the FSP has adopted a complaints policy outlining our commitment towards the fair resolution of complaints.

3. DEFINITIONS AS PER 'THE GENERAL CODE OF CONDUCT'

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 financial 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 the person harm, prejudice, distress or substantial inconvenience; or
- (c) the provider or its service suppliers has treated the person unfairly

Complainant means a person who submits a complaint and includes a

- (a) client;
- (b) person nominated as the person in respect of whom a product supplier should meet financial product benefits or that person's successor in title;
- (c) person whose life is insured under a financial product that is an insurance policy;
- (d) person that pays a premium or an investment amount in respect of a financial product;
- (e) member;
- (f) person whose dissatisfaction relates to the approach, solicitation marketing or advertising material or an advertisement in respect of a financial product, financial service, or related service of the provider, who has a direct interest in the agreement, financial product or financial service to which the complaint relates, or a person acting on behalf of a person referred to in (a) to (f)

Client a specific person or group of persons, excluding the public, who is or may become the subject to whom a financial service is rendered intentionally, or is the successor in title of such person or the beneficiary of such service

Ombud means the Ombud for Financial Services Providers

Internal Complaint Resolution System means the system and processes established and maintained by the FSP in accordance with the General Code of Conduct for the resolution of complaints by clients

Internal Resolution means the process of resolving a complaint through the internal complaint resolution system and procedures of the FSP

Plain Language means communication that is clear and easy to understand, avoid uncertainty and

or confusion and is adequate and appropriate in the circumstances, considering the factually established or reasonably assumed level of knowledge of the person or average person at whom the communication is targeted.

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 -

- (a) goodwill payment;
- (b) payment contractually due to the complainant in terms of the financial product or financial service concerned; or
- (c) refund of an amount paid by or on behalf of the complainant to the provider where such payment was not contractually due; and includes any interest on late payment of any amount referred to in (b) or (c)

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 because of the matter complained about

Rejected in relation to a complaint means that a complaint has not been upheld and the provider regards the complaint as finalised after advising the complainant that it does not intend to take any further action to resolve the complaint and includes complaints regarded by the provider as unjustified or invalid, or where the complainant does not accept or respond to the provider's proposals 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) resolved within the provider's ordinary processes for handling client queries in relation to the type of / 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

Upheld means that a complaint has been finalised wholly or partially in favour of the complainant and that-

- (a) the complainant has explicitly accepted that the matter is fully resolved; or*
- (b) it is reasonable for the provider to assume that the complainant has so accepted; and*
- (c) all undertakings made by the provider to resolve the complaint have been met or the complainant has explicitly indicated its satisfaction with any arrangements to ensure such undertakings will be met by the provider within a time acceptable to the complainant.*

4. THE FSPs COMMITMENT TOWARDS THE FOUR FAIR RESOLUTION PROCEDURE

The FSP is committed towards rendering financial services with *proper due skill and diligence and in the best interests of clients and the integrity of the financial services industry.*

Despite our high service standards, there may be instances where a client nevertheless prefers to submit a formal complaint against the FSP. In such instances the FSP will follow the complaints procedure as outlined herein.

'We are committed to a transparent and accessible complaints resolution process that is fair to all parties involved'

To achieve these outcomes, we are committed to the following:

- ✓ We will openly disclose and make readily available in writing the appropriate procedures to submit a complaint
- ✓ We will resolve client complaints by means of a practical resolution process that is managed effectively
- ✓ We will train and empower all relevant staff members to facilitate and resolve complaints
- ✓ We will deal with complaints in a timely, transparent, objective and fair manner, with each complaint receiving proper due consideration
- ✓ We will take the necessary steps to investigate and respond promptly to a complainant
- ✓ Where deemed necessary, we will appoint an independent mediator to resolve the complaint
- ✓ Where the complaint is resolved in favour of the complainant, we will offer the appropriate level of redress to the complainant without delay
- ✓ Where the complaint is not resolved in favour of the complainant, we will provide written reasons for our decision and inform the complainant of any rights afforded to the complainant to escalate the complaint to another forum
- ✓ We will maintain a record of all complaints for a period of five years together with an indication of whether the complaint has been resolved
- ✓ We will investigate and where necessary, take appropriate action to avoid and prevent similar circumstances that gave rise to the complaint
- ✓ We will keep accurate, efficient and secure recording of complaints and complaints-related information, which will include all relevant information of the complainant and the subject matter of the complaint, copies of all relevant evidence, correspondence, decisions and complaint categorisation
- ✓ We will keep record of all progress made and the status of the complaint, including whether such progress is within or outside any set timelines.
- ✓ We will scrutinize and analyse on an ongoing basis all complaints received and we will use all complaints received to manage conduct risks and effectively improve outcomes and processes for our clients
- ✓ We will use our best efforts to prevent recurrences of poor outcomes and errors.

5. INTERNAL COMPLAINT RESOLUTION PROCEDURES

Where a complaint has been received, or where a client has indicated his/her or its intention to submit a formal complaint to the FSP, the following procedure will be followed:

- We will review the Complaint Form submitted to the FSP and as provided for in ANNEXURE A herein. All written complaints are to be directed to the appointed Key Individual, whose contact details are included in the ComplaintForm
- We will furnish the complainant with a copy of the Complaints Resolution Procedure of the FSP. A copy of this procedure is also available on our client facing website (refer to ANNEXURE B)
- Where the complainant has previously communicated the grievance verbally, we will instruct the complainant to resubmit the complaint in writing to the FSP
- As soon as the complaint is received in writing, we will proceed to record the complaint in our Client Complaints Register within **1 (one) working day** of receipt
- We will provide the complainant with *written acknowledgement of receipt* of the complaint within **1 (one) working day** of receipt
- All communications made to the complainant are to be in plain language and should be able to be easily understood
- A Facilitator will be appointed by the Key Individual (should he/she not be handling the complaint) within **1 (one) working day of receipt**. The Facilitator appointed will vary depending on the complexity of the complaint
- We will review our FSP's Professional Indemnity Cover policy wording and inform the relevant insurer of the complaint and potential claim
- The Facilitator will categorise each complaint to ensure the complaint is handled appropriately
- The Facilitator will investigate the complaint and review the file and/or transaction/s which gave rise to the complaint, discuss his/her preliminary findings with all internal parties concerned and revert to the complainant with preliminary findings. Each complaint will be appropriately categorised (see section on 'categorisation of complaints' herein below)
- Requests for supporting documents and/or additional information from the complainant, where necessary, will be communicated to the complainant within **7 (seven) working days**. In all instances the Facilitator will provide reasons for any decisions taken and communicate any anticipated deviation from the specified timelines directly to the complainant
- If necessary, the matter will be referred to the relevant product supplier for a response and the complainant will be kept informed at all times of any development
- The Facilitator will, in consultation with the Key Individual/s and the FSP's appointed Compliance Officer formulate a joint response to the complaint. Where deemed necessary, an independent mediator could be appointed
- The Facilitator will revert to the complainant with a proposed solution within **14 (fourteen) working days** of receipt.
- Where the complaint could not be resolved to the satisfaction of the Complainant, the Facilitator will inform the Complainant of his/her/its rights to escalate the matter to the Ombud within 6 weeks from receipt of the complaint.



In all instances the Facilitator will provide reasons for any decisions taken and communicate any anticipated deviation from the specified timelines

The Facilitator (where possible, considering the size of the FSP), responsible for making decisions or recommendations in respect of complaints, should be:



- ✓ adequately trained;
- ✓ have the appropriate mix of experience, knowledge and skills in complaints handling, fair treatment of customers, the subject matter of the complaints concerned and relevant legal and regulatory matters;
- ✓ is not subjected to any conflict of interest; and
- ✓ is adequately empowered to make impartial decisions or recommendations for and on behalf of the FSP.

6. CATEGORISATION OF COMPLAINTS

We will categorise, record and report on all reportable complaints by identifying the category of each complaint received and considering to which group of complaints it most closely relates to. We will categorise all reportable complaints in accordance with the following minimum prescribed categories:

Complaints are categorised according to the following minimum categories -

- a) complaints relating to the design of a financial product, financial service or related service;
- b) including the fees, premiums or other charges related to that financial product or financial services;
- c) complaints relating to information provided to clients;
- d) complaints relating to advice;
- e) complaints relating to financial product or financial service performance;
- f) complaints relating to a service to clients;
- g) including complaints relating to premium or investment contribution collection or lapsing of a financial product;
- h) complaints relating to complaints handling;
- i) complaints relating to insurance risk claims, including non- payment of claims; and
- j) other complaints.



Any additional categories will also be considered by the Facilitator which may be relevant to the chosen business model, financial products, financial services and/or client base of the FSP. That will support the effectiveness of the complaint management framework in managing conduct risks and effecting improved outcomes and processes for its clients.

7. DECISION MAKING WITH RELATION TO COMPLAINTS

Our FSP's decisions in relation to the complaint may comprise of the following:

- ✓ Any proposed settlement deemed appropriate
- ✓ Where the complaint is upheld by the FSP, the FSP will make either a compensation payment or a goodwill payment; or
- ✓ Suggest a remedy for the complaint; or
- ✓ Dismiss the complaint and the reasons why; or
- ✓ Offer an apology (if applicable) and any disciplinary action that has been taken/shall be taken against the staff member/s involved.

Any of the decisions mentioned herein above will be carried out without undue delay and within the agreed upon timeframe.

Where the complaint has not been resolved to the satisfaction of the complainant, the Facilitator will:

- ✓ Inform the complainant of his/her or its right to escalate the matter to the Ombud within 6 (six) weeks from date of receipt of the notification from the FSP
- ✓ Update the status of the complaint in the FSP's Complaints Register and
- ✓ File all relevant correspondence for a period of 5 (five) years.

If, during the specific enquiry, the Facilitator becomes aware that the complaint is of a non-routine or serious nature, the following steps will be taken:

- The matter will be referred to the **Key Individual**
- The **Key Individual** will make a recommendation on how to proceed with the complaint.
- His/her response may suggest that the matter be referred to the **Ombud** for adjudication or that the matter be referred for an opinion to an **Attorney** and, if so, the Attorney's opinion will be sought



At the end of the process, the Facilitator will review the reasons that gave rise to the complaint and implement remedial actions to avoid and prevent similar complaints in the future.

Appropriate complaint record keeping, monitoring and analysis of each complaint will be made by senior management and all parties involved. This will ensure that all identified risks, trends and actions are considered and that the complaints management framework is functioning effectively.

8. RECORDKEEPING, MONITORING AND ANALYSIS OF COMPLAINTS

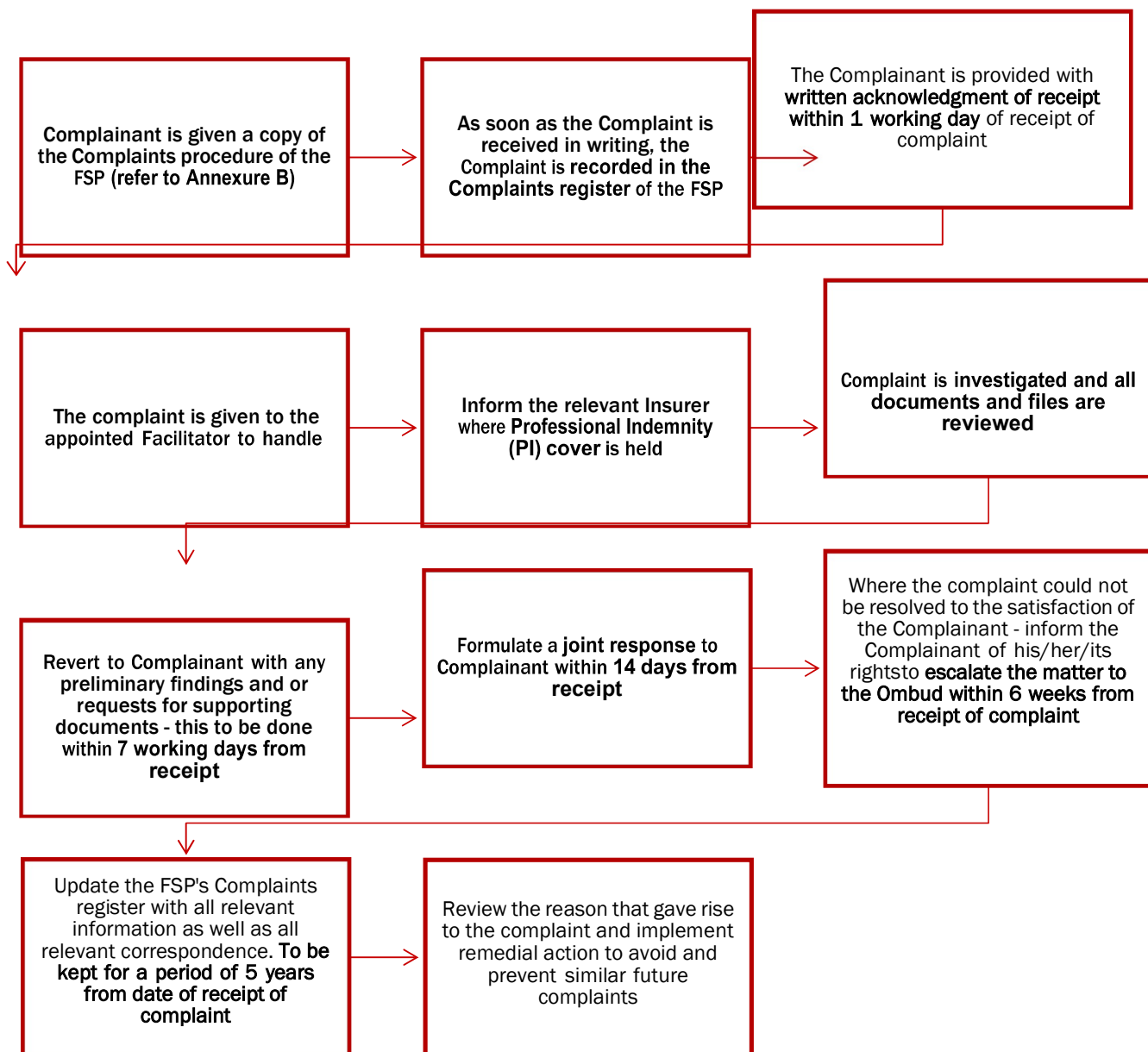
8.1 We must ensure accurate, efficient and secure recording of complaints and complaints-related information of the following:

- all relevant details of the complainant and the subject matter of the complaint
- copies of all relevant evidence, correspondence and decisions
- the complaint categorisation as per the above
- progress and status of the complaint, including whether such progress is within or outside any set timelines.

8.2 We will ensure that we have appropriate processes in place to comply with any prescribed requirements for reporting complaints information to any relevant designated authority or to the public as may be required by the Registrar.

8.3 We will therefore ensure that our processes provide for maintenance of the following data in relation to reportable complaints on an ongoing basis:

- a) number of complaints received
- b) number of complaints upheld
- c) number of rejected complaints and reasons for the rejection
- d) number of complaints escalated by complainants to the internal complaints escalations process
- e) number of complaints referred to an Ombud and their outcome
- f) number and amounts of goodwill payments made; and
- g) total number of complaints outstanding.



10. REVIEW OF POLICY

- We undertake to **review** this complaints management framework on an **annual** basis
- **document** any changes thereto inline with legislative changes, and
- any changes made will be effectively **communicated** to all relevant stakeholders.

ANNEXURE A: COMPLAINT FORM

Form to be completed by a complainant lodging a complaint against the FSP

[illegible]

COMPLAINTS RESOLUTION PROCEDURE OF _____ (insert name of FSP)

PURPOSE OF THIS DOCUMENT

_____ (hereinafter referred to as “the FSP”) is an authorised Financial Services Provider and, as such, we have certain specific duties to you, our client. One of these duties is the establishment of a formal complaint’s resolution procedure and framework, which will enable you to exercise your rights as provided for in the Financial Advisory and Intermediary Services Act (hereinafter referred to as the “FAIS Act”). The purpose of this document is to inform you of the procedure that must be followed to submit a formal complaint with us.

COMPLAINT HAS TO BE RELEVANT

In terms of the FAIS Act, a “complaint” means a specific complaint relating to a financial service rendered by the FSP or an authorised representative of the FSP, to the complainant on or after the date of commencement of the FAIS Act, and in which complaint it is alleged that the FSP or a representative:

- *has contravened or failed to comply with a provision of the FAIS Act and that as a result thereof the complainant has suffered or is likely to suffer financial prejudice or damage; or*
- *has wilfully or negligently rendered a financial service to the complainant which has caused prejudice or damage to the complainant or which is likely to result in such prejudice or damage; or*
- *has treated the complainant unfairly.*

The financial services environment is multifaceted and we will endeavour to address all reasonable requests from our clients but may also refer you to a more appropriate forum should it be necessary. Where the complaint relates to any aspect of our service, or any disclosures that ought to have been made by us, we will endeavour to address those complaints, **in writing, within 7 (seven) days**. In instances where the complaint relates to any matter that is not within our control, such as product information or investment performance, we will forward the complaint to the relevant product supplier concerned.

Please be advised that we reserve the right to recover costs or damages that we suffer as a result of clients making frivolous, vexatious or unreasonable claims.

COMPLAINT HAS TO BE IN WRITING

For a complaint to receive the attention that it deserves, it is essential that your complaint be submitted to us in writing. Please ensure that where the complaint is delivered by hand or by any other means that you obtain and keep proof of delivery/receipt. Our internal complaints resolution process is intended to provide fair and effective resolution of client complaints. The time periods as set out herein will be adhered to as strictly as possible but may be varied if necessary. The following step-by-step guideline sets out the procedures we will adopt and shows how a complaint will be dealt with, once received by us.

All verbal communications made in connection with the complaint must be confirmed in writing within **3 (three) days of the communication**.

The following information to be noted:

- Your name, surname and contact details
- A comprehensive description of your complaint and the date on which the financial service that led to your complaint was rendered
- The name of the person who furnished the financial advice or rendered the intermediary service that led to your complaint
- How you would prefer to receive future communications regarding your complaint via e-mail or post.

COMPLAINT RECORD KEEPING AND RESPONSE

The complaint will be entered into the Complaints Register of the FSP on the same day that it is made and written confirmation of receipt will be forwarded to you. We will keep record of the complaint and maintain such record for a period of **5 (five) years** as required by legislation.

You will **not be charged any fee for lodging a complaint** in accordance with this process.

Please take into consideration that the method of communication chosen by you will determine how quickly we will respond to your complaint. The complaint will immediately be brought under the attention of the Facilitator.

- The complaint will be investigated, and we will revert to you with our preliminary findings within 7 (seven) working days from the date of receipt of the complaint. In all instances we will advise you of the reasons for our decisions.
- The preliminary findings will be discussed with all internal parties concerned and a proposed solution will be communicated to you within a further 7 (seven) working days. In all instances we will advise you of the reasons for our decisions. Should there be any delays, we will keep you properly informed throughout the process.
- Should you not be satisfied with our solution, you may escalate your complaint to the Managing Director of the FSP, if applicable.
- The escalation process is simple and you will just have to inform the Facilitator that you wish to escalate your complaint to the Managing Director.
- The Facilitator will provide all relevant information and documentation to the Managing Director.
- The Managing Director will review your complaint within 2 (two) working days from receipt and can consider a different resolution or confirm it.
- You can request that the Managing Director refer your complaint to an impartial, senior functionary within the FSP or that an independent person be appointed to consider your complaint.
- If, after having referred the complaint to the Managing Director, you are still not satisfied with the outcome of your complaint, we will regard the complaint as being unsatisfactorily resolved. In such a case, you have the right to approach the office of the Ombud for Financial Services Providers or take such other steps as may be advised by your legal representatives.

FAIS OMBUD: OMBUD FOR FINANCIAL SERVICES PROVIDERS

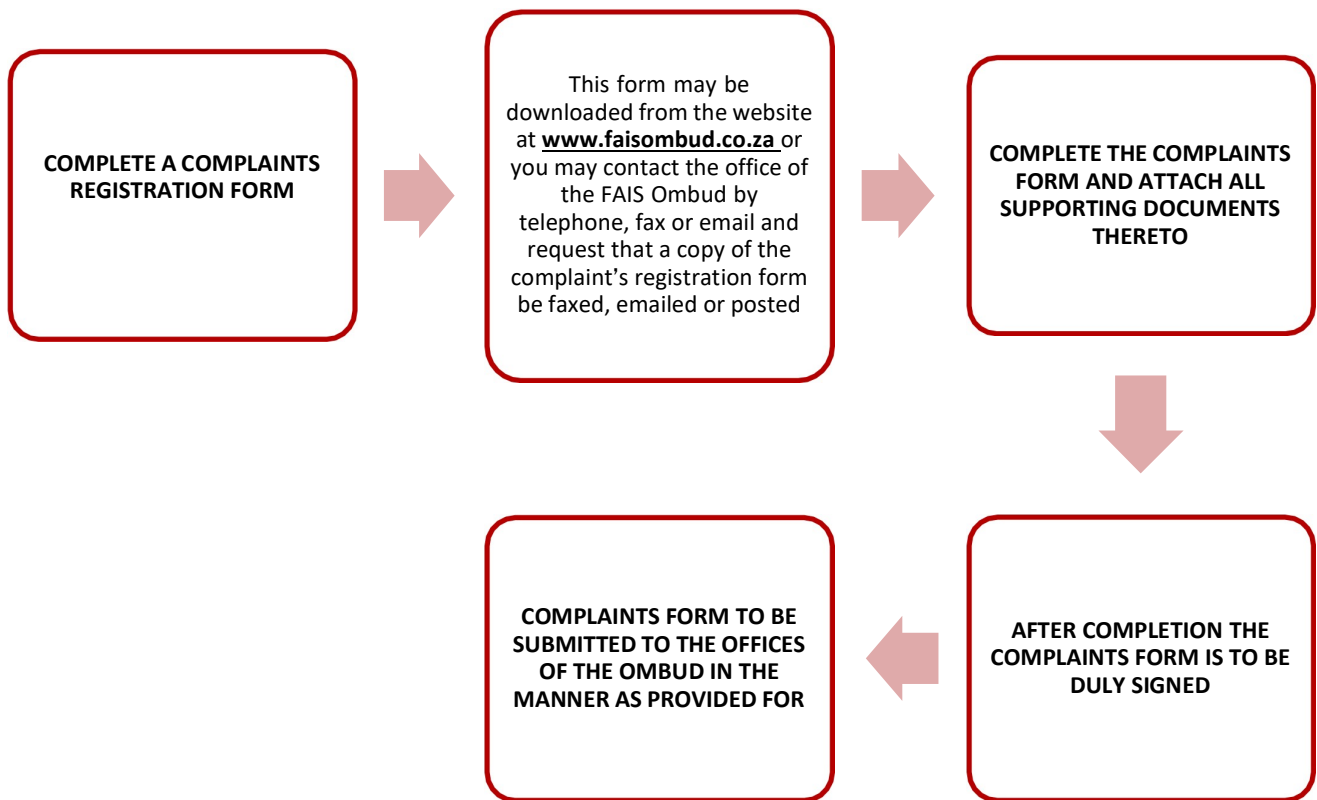
The Ombud is appointed by the Financial Sector Conduct Authority (FSCA) to act as an adjudicator in disputes between clients and financial services providers. The referral to the office of the Ombud must be done in accordance with the provisions of *section 21 of the Financial Advisory and Intermediary Services Act 2002* and the rules promulgated in terms of that section.

- In instances where we have not been able to arrive at a resolution within 6 (six) weeks after you have submitted your complaint, the matter may automatically be referred to the Ombud.
- The Ombud acts independently and objectively and has jurisdiction in respect of complaints relating to advice or intermediary services, which have arisen after 15 November 2002.
- You must, if you wish to refer a matter to the Ombud, do so **within 6 (six) months** from the date of the notice in which we inform you that we are unable to resolve the complaint to your satisfaction.
- The Ombud will not adjudicate in matters exceeding a value of R800,000-00
- The Ombud will not investigate a complaint where, before the date of receipt of the complaint by the Ombud, or during an investigation, the complainant institutes proceedings in a court regarding the subject matter of the complaint.

We will maintain open and honest communication and co-operation between ourselves and any Ombud with whom we deal and endeavour to resolve a complaint before a final determination or ruling is made by an Ombud, or through our internal escalation process, without impeding or unduly delaying a complainant's access to an Ombud.

CONTACT DETAILS OF THE FAIS OMBUD

<u>THE OMBUD</u> ADV. NONKU TSHOMBE <u>PHYSICAL ADDRESS:</u> Kasteel Park Office Park, Orange Building, 2nd Floor, 546 Jochemus Street, Erasmuskloof, Pretoria, 0048		<u>CONTACT NUMBERS:</u> Telephone: +27 12 762 5000 / +27 12 470 9080 Sharecall: +27 86 066 3247 Facsimile: +27 86 764 1422 / +27 12 348 3447 Postal Address: P.O. Box 74571, Lynnwood Ridge, 0040E-mail Address: info@faisombud.co.za
<u>OFFICE HOURS</u> Monday – Thursday 8h00-16h30 Friday 8h00 – 15h30 Closed on weekends and public holidays		Website: www.faisombud.co.za Enquiries on status of complaints: enquiries@faisombud.co.za



ANNEXTURE C

CLIENTS COMPLAINTS REGISTER

The Complaints register records the following:

1	Date of receipt of complaint
2	Name & surname of complainant
3	Short description of complaint
4	Acknowledgement of receipt sent to complainant
5	Copy of Complaints Resolutions Procedure to complainant
6	Category of complaint
7	Facilitator appointed (Name & surname)
8	Date claim was reported to PI Insurer
9	Supporting documents received and kept on file (Specify folder where it is stored)
10	Referred to product supplier
11	Outcome communicated to complainant
12	Complaint upheld or rejected?
13	If rejected, provide reasons for rejection
14	Was complaint internally escalated?
15	Goodwill or compensation payment made (Specify amount)
16	Person internally involved in the complaint (Specify name & surname)
17	Referred to Ombud and outcome
18	Complaint outstanding (not resolved)?
19	Learnings

Note! The internal complaints register is kept on a separate excel spreadsheet