

Complaints Resolution Policy for Financial Services Provider (FSP) Umhlanga Insurance Brokers (Pty) Ltd, FSP Number 1150

1. What is the objective of this policy?

Sections 16 to 19 of the General Code of Conduct for Authorised Financial Services Providers and Representatives (General Code), Board Notice 80 of 2003 read together with section 1(1) of the Financial Advisory and Intermediaries Services (FAIS) Act, 37 of 2002, prescribes that Umhlanga Insurance Brokers (Pty) Ltd is required to have an internal complaint and resolution system and procedure in place maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflict of interest.

The Amendment of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003 and the Specific Code of Conduct for Authorised Financial Services and Representatives conducting Short-Term Deposit Business, 2004, Government Gazette 706 dated 26 June 2020 provided amendments to above mentioned General Code which included amongst others, Advertising Direct Marketing and Complaints Management.

This document explains the procedure should a client wish complain about any financial services rendered by our brokerage and sets out the process our FSP needs to follow in order to address and resolve such a complaint.

2. What is a complaint?

Under Complaints Management, **a complaint** is defined as 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

Other important definitions include: -

“Client Query” means a request to the provider or provider's service supplier by or on behalf of a client. For information regarding the provider's financial products, financial services, or related processes. Or to carry out a transaction or action in relation to any such product or service.

“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 persons' 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).

“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 Amendment to the General Code of Conduct categorises reportable complaints 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

3. Complaints Management Framework

Umhlanga Insurance Brokers (Pty) Ltd must establish, maintain, and operate an adequate and effective complaints management framework to ensure the effective resolution of complaints and the fair treatment of complaints that -

- (i) is proportionate to the nature, scale and complexity of its business and risks;
- (ii) is appropriate for the business model, policies, services, and clients of the provider;
- (iii) 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;
- (iv) does not impose unreasonable barriers to complainants; and
- (v) must address and provide for the matters in this amendment.

The provider must regularly review its complaints management framework and document any changes thereto.

The Complaints Management Framework must at least provide for: -

- (i) relevant objectives, key principles and the proper allocation of responsibilities for dealing with complaints across the business of the provider;
- (ii) appropriate performance standards and remuneration and reward strategies (internally and where any functions are outsourced) for complaints management to ensure objectivity and impartiality;
- (iii) documented procedures for the appropriate management and categorisation of complaints, including expected timeframes and the circumstances under which any of the timeframes may be extended;

- (iv) documented procedures which clearly define the escalation, decision-making, monitoring and oversight and review processes within the complaint's management framework;
- (v) appropriate complaint record keeping, monitoring and analysis of complaints, and reporting (regular and ad hoc) to executive management, the board of directors and any relevant committee of the board or in the absence of a board the governing body on -
 - (aa) identified risks, trends and actions taken in response thereto; and
 - (bb) the effectiveness and outcomes of the complaint's management framework;
- (vi) appropriate communication with complainants and persons representing complainants on the complaints and the complaints processes and procedures;
- (vii) appropriate engagement between the provider and a relevant Ombud;
- (viii) meeting requirements for reporting to the Authority and public reporting;
- (ix) a process for managing complaints relating to the provider's representatives and service suppliers, insofar as such complaints relate to services provided in connection with the provider's financial products, financial services or related services, which process must -
 - (aa) enable the provider to reasonably satisfy itself that the representative or service supplier has adequate complaints management processes in place to ensure fair treatment of complainants;
 - (bb) provide for monitoring and analysis by the provider of aggregated complaints data in relation to complaints received by its representatives and service suppliers and their outcomes;

- (cc) include effective referral processes between the provider and its representatives and service suppliers for handling and monitoring complaints that are submitted directly to either of them and require referral to the other for resolution; and
 - (dd) include processes to ensure that complainants are appropriately informed of the process being followed and the outcome of the complaint; and
- (x) regular monitoring of the complaints management framework generally.

4. Allocation of Responsibilities in the Complaints Process

The Key Individual is responsible for effective complaints management and must approve and oversee the effectiveness of the implementation of the provider's complaints management framework.

Any person that is responsible for making decisions or recommendations in respect of complaints generally or a specific complaint must -

- (i) be adequately trained;
- (ii) have an 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;
- (iii) not be subject to a conflict of Interest; and
- (iv) be adequately empowered to make impartial decisions or recommendations.

5. How does a client complain?

Should a client have a complaint, then he/she is to submit such complaint in writing, setting out the reasons for dissatisfaction and the desired outcome

together with any supporting documentation in respect of this complaint to the FSP.

The FSP is to ensure that the client is aware of this complaints process and procedure and has access to all the applicable contact details of the FSP as well as other legislative bodies that any complaint can also be addressed to all of which is included in the FSP's Letter of Introduction provided to the client on first engagement with him/her.

6. What is the process on receipt and handling of a complaint?

The FSP is to acknowledge receipt of the complaint in writing to the client which receipt also indicates who will be addressing his/her complaint and that all endeavours will be made to resolve this complaint within 5-days or advise whether further investigation will be required so that the complaint is resolved within the legislative time period of 6 weeks from receipt of complaint. This complaint is then recorded in the FSP's Complaints Register.

The complaint will then be forwarded to a nominated staff member (either the Key Individual or an employee who has specialised in the field of complaint resolution) who will be responsible for investigating and following up the complaint. Where possible, a client must have a single point contact for submitting complaints.

Every attempt to resolve the complaint within a period of six weeks from the date of receipt of the complaint will be made. To this end the FSP also has recourse to the services of their Compliance Officer who can independently and objectively provide guidance to the FSP.

If the complaint 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.

If the complaint cannot be resolved within 5 days, acknowledge receipt of the complaint in writing, advise who will be handling the complaint and 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.

Log the reportable complaint in your Complaints Register and open a Complaints Tracker.

Track the progress of the complaint resolution in the Complaints Tracker.

The provider must disclose to the client: -

- the type of information required from a complainant;
- where, how and to whom a complaint and related information must be submitted;
- expected turnaround times in relation to complaints; &
- any other relevant responsibilities of the complainant.

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.

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.

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.

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.

Where the complaint is rejected, the complainant must be provided with clear and adequate reasons for the decision and must be informed of any applicable escalation or review process, as well as further avenues of redress available to the client, including how to use them and any relevant time limits.

Update the Complaints Register and Complaints Tracker with all the developments/activities.

7. Upholding / Rejection of a Complaint

"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.

“Rejected” means that a complaint has not been upheld and the provider 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.

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

Where the complaint is rejected, remains unresolved or of the client is dissatisfied with the resolution / outcome the complainant must be provided with clear and adequate reasons for the decision and must be informed of any applicable escalation or review process, as well as further avenues of redress available to the client, including how to use them and any relevant time limits.

These avenues of redress that are still available to client are: -

- refer the matter to the FAIS Ombud and the Ombudsman for Short Term Insurance, whichever is appropriate and has jurisdiction;
- seek legal advice from an attorney of what action can be taken
- refer the matter to arbitration or mediation

The contact details of the above-mentioned authorities are: -

FAIS OMBUD: Adv. John Simpson

Physical Address: Kasteel Park Office Park, Orange Building, 2nd Floor, Cnr. of Nossob and Jochemus Street, Erasmuskloof, Pretoria, 0181

Postal Address: P.O. Box 74571, Lynnwood Ridge, Pretoria, 0040

E-mail Address: info@faisombud.co.za

Telephone: 012 470 9080

OMBUDSMAN FOR SHORT TERM INSURANCE: Judge Ron Maclaren

Physical Address: 5th Floor, Building D, Sunnyside Office Park, 32 Princess of Wales terrace, Parktown, 2193

Postal Address: P.O. Box 32334, Braamfontein, 2017

E-mail Address: info@osti.co.za

Telephone: 011 726 8900 / 086 072 6890

The client must be made aware that prior to addressing a complaint to any of the above-mentioned authorities, he/she must have first endeavoured to resolve this complaint with the FSP involved which notification is also included in the Letter of Introduction provided to client on his/her first engagement with the FSP.

8. Complaint's escalation and review process

A provider, must establish and maintain an appropriate internal complaints escalation and review process.

Procedures within the complaint's escalation and review process should not be overly complicated or impose unduly burdensome paperwork or other administrative requirements on complainants.

The complaints escalation and review process should –

- follow a balanced approach, bearing in mind the legitimate Interests of all parties Involved Including the fair treatment of complainants;
- provide for internal escalation of complex or unusual complaints at the instance of the Initial complaint handler;
- provide for complainants to escalate complaints not resolved to their satisfaction; and
- be allocated to an impartial, senior functionary within the provider or appointed by the provider for managing the escalation or review process of the provider.

9. Record keeping, monitoring and analysis of 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;
- Number and amounts of goodwill payments made; and
- Total number of complaints outstanding

Complaint's 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.

Umhlanga Insurance Brokers (Pty) Ltd will keep a record of all complaints lodged by clients against the FSP, which record shall include date received, complainant, details of complaint, responsible person dealing with complaint, follow up and update to client, outcome of investigation and communication to client.

10. FSP's Commitment to addressing Complaints.

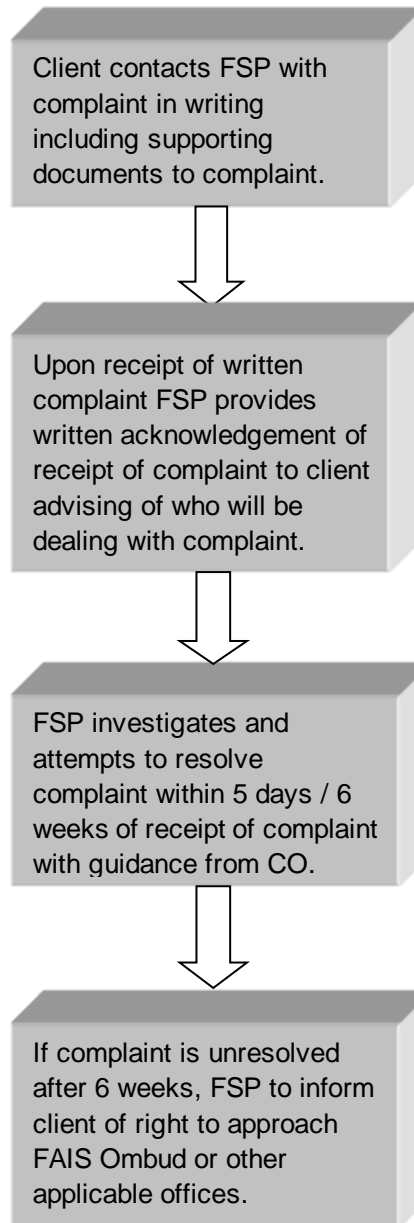
Umhlanga Insurance Brokers (Pty) Ltd is committed to: -

- ensuring that its complaint process and procedures are transparent, visible, and accessible through channels that are appropriate to the FSP's clients
- not charging a client to make use of this process
- resolving client's complaints by means of a fair and practical resolution process;
- taking steps to investigate and promptly respond and follow up on the complaint;
- dealing with complaints in a timely and fair manner with each complaint receiving due consideration in a process that is managed appropriately and effectively; and
- ensuring that a full and appropriate level of redress is offered to the client without delay where the complaint is resolved to the client's satisfaction.

Umhlanga Insurance Brokers (Pty) Ltd will make use of the following Registers to ensure compliance with its Complaints Resolution Policy and Process as well as the requirements of the Amendments to the General Code of Conduct for Authorised Financial Services Providers and Representatives: -

1. Complaints Register
2. Complaints Tracker
3. Annual Complaints Summary per Category

GRAPHIC REPRESENTATION OF COMPLAINTS RESOLUTION PROCESS



FSP INFORMS CLIENT OF OUTCOME

