TCF INTERNAL COMPLAINTS PROCEDURES

1. INTRODUCTION

FAIS, together with TCF Outcome 6, aims to improve the standards at which an FSP operates by ensuring that Clients should not face unreasonable post-sale barriers imposed by the FSP's to: change financial products, switch FSP's or product providers, submit a claim or make a Complaint. The latter can be implemented by amending the latest FAIS Complaints process to include outcome 6 in the FSPs Complaints process to ensure the fair treatment of Clients at all times.

2. PURPOSE

The FSP is required to implement a proper Complaints Management Resolution ("CMR") system in its business. This document sets out the details of such CMR system and how to deal effectively with Client Complaints by providing practical processes and procedures for reviewing and resolving Client Complaints in a courteous, timely, effective and fair manner as required in terms of the Treating Customer Fairly ("TCF") outcomes. The aim is to raise the operating standards of the FSP and ultimately ensure the fair treatment of Clients by increasing Client confidence in the financial services rendered by the FSP.

3. DEFINITIONS

- **Complaints Management Resolution ("CMR")**: the central Complaints system within the FSP.
- **Root Cause Analysis**: this is the determination of the cause of a Clients Complaint in order to identify the most appropriate corrective action to take to mitigate the likelihood of the same type of Complaint resurfacing.
- **Escalated Complaints process**: the process of escalating a Client dispute regarding a Complaint where the Complainant is not satisfied with the initial outcome reached by the FSP and wants an independent review.
- **Complaint**: an expression of dissatisfaction by a Complainant relating to a financial product or financial services provided or offered by an FSP, or in respect of an agreement entered into with the FSP in respect of its financial products or financial services and indicating that -
  - the FSP or its Service Provider has contravened or failed to comply with an agreement, a law, a rule or a code of conduct which is binding on the FSP or FSP or to which it subscribes;
  - 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
  - the FSP or its Service Provider has treated the Complainant unfairly, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a Client query.
- **Client**: is referred to as "Customer" and includes any user, former user or beneficiary of one or more of the FSP's financial products or financial services, and their successors in title.
- **Reportable Complaint**: any Complaint other than a Complaint that has been: –
  - upheld immediately by the person who initially received the Complaint; i.e. all Complaints need to be recorded on an appropriate register, even though the matter is upheld immediately. It can be closed immediately on the system but needs to be captured.
  - upheld within the FSP's ordinary processes for handling Client 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
  - 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.
- **Client query**: a request to the FSP by or on behalf of a Client or prospective Client, for information regarding the FSP's financial products, financial services or related processes, or to carry out a transaction or action in relation to any such product or service. Please note that there is no expectation to capture queries unless the query has become a Complaint, although it may be good practice to record similar type of queries by Clients as to improve the financial products and financial services offered by the FSP to Clients.
- **Complainant**: a person who has submitted a specific Complaint to an FSP or, to the knowledge of the FSP, to the FSP's Service Provider and who –
  - is a Client or Prospective Client of the FSP and has a direct interest in the agreement, financial product or financial service to which the Complaint relates; or
  - has submitted the Complaint on behalf of a person mentioned above, provided that the Prospective Client will only be regarded as a Complainant to the extent that the Complaint relates to the Prospective Client's dissatisfaction in relation to the application, approach, solicitation or advertising or marketing material contemplated in the definition of "Prospective Client".

- **Prospective Client**: a person who has applied to or otherwise approached the FSP in relation to becoming a Client of the FSP, or a person who has been solicited by the FSP to become a Client or has received marketing or advertising material in relation to the FSP's products or services.
- **Goodwill payment**: a payment by an 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 Client as a result of the matter complained about.
- **Compensation payment**: a payment, other than a goodwill payment, by an 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 the FSP accepts liability for having caused the loss concerned, but excludes -
    - payment of amounts contractually due to the complainant in terms of the financial product or service concerned, or
    - 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 the aforementioned amounts or refunds referred to.
- **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 the FSP to assume that the Complainant has so accepted. A Complaint should only be regarded as upheld once any and all undertakings made by the FSP to resolve the Complaint have been met.

4. COMPLAINTS RESOLUTION MANAGAMENT ("CRM") PRINCIPLES

The FSP undertakes to apply the following CRM principles to ensure the effective management of Client Complaints:

- Training of the FSP and Persons/Employees/Parties (*as applicable*) on what constitutes a Complaint and clarity on the CRM process to follow in the FSP. This is important when logging Complaints and to ensure effective and smooth handling of Complaints;
- Set consistent standards and requirements in respect of the Complaints management processes, including recordkeeping, monitoring and analysing.
- Record all Complaints to ensure that the FSP learns from the outcomes when the Complaints are analysed.
- Thoroughly investigates Complaints.
- Identify possible service level breakdowns.
- Ensure fair treatment of Clients in line with the TCF principles.
- Ensure decision-making is undertaken by informed and suitable skilled persons.
- Appropriate delegating of Complaints to adequately trained persons to ensure efficient handling of Complaints.
- Ensure an appropriate mix of experienced, knowledgeable and skilled persons in the Complaints handling process.
- Ensure timely resolution of Complaints.
- Conduct Root Cause Analysis of Complaints.
- Put forward and manage possible solutions through corrective action improvements.
- Ensure that the Complaints processes is fair, transparent, accessible and visible to Clients.
- Ensure that the communication to Clients on "how", "where" and "to whom" they can complain is adequate, clear and understandable.
- Clearly and transparently communicate the availability of Ombud's services and it's contact details to Clients at the relevant stages of Client relationship, that includes the point-of-sale, relevant periodic communications, on receipt of a Complaint and when a Complaint (or a claim) is rejected.
- Maintain specific records and carry out specific analyses of the outcomes of Complaints received by the Ombud.
- Monitor determinations, publications and guidance issued by relevant Ombud's (e.g. Long-term Insurance, FAIS etc.) to identify risks in the FSP's own product offerings or services.

The FSP will follow the following processes when dealing with Client Complaints:

Standard Complaints Resolution Management Process:

- Log the date and contents of the Complaint in the Complaints Register.
- Accept all Complaints submitted from whatever medium; verbal or written. If the Complaint is not in writing, then ask the Client to reduce to writing if possible. The fact that a Complaint is not in writing must not deter the FSP from handling the Complaint.

- Acknowledge receipt of the Complaint in writing within 5 days of receipt and give the Client the name(s) and contact details of the persons responsible for the resolution of the Complaint. Where the Complaint is urgent (i.e. the risk of reputational impact is high), this time frame must be shortened.
- Investigate the Complaint to ascertain whether the Complaint can be resolved immediately.
- If the Complaint can be resolved immediately, take the necessary action and advise the Client accordingly.
- If the Complaint cannot be resolved immediately, send the Client a written summary of the steps to be taken to resolve the matter and the expected date of resolution.
- If unable to resolve the Complaint within 3 weeks of logging the Complaint in the Complaints Register, notify the Client by means of a written acknowledgement. This will outline the current status of the Complaint and the expected date of final resolution.
- If unable to resolve the Complaint within a further 3 weeks of the written acknowledgement (6 weeks in total since the Complaint was logged), notify the Client giving full written reasons as to why the outcome was not favourable and advise the Client of their right to seek legal redress by referring the Complaint to the Office of the Financial Ombud.
- Notify the complainant that he/she has 6 months of receipt of such notification to refer the matter to the Financial Ombud. The Ombud's name, address and other contact details must be provided.
- Update the register with all developments/activities.
- Keep records of Complaints received and all communications in respect of such Complaint.

Escalated Complaints/Dispute Resolution Management Process:

- Complaints received in the public domain like Hello Peter or social or print media, require a quicker response timeframe to avoid reputational damage for the FSP, as they may be escalated to other public platforms.
- Generic responses should be avoided to avoid reputational damage and where necessary more information requested from the Client to respond effectively to their complaint. Even if the Client is not clear about the details of the Complaint. the FSP has an onus to educate the public whilst not invading the privacy of the Clients.
- In respect of media complaints, i.e. newspaper articles and magazine publications, it is good practice to set an SLA with the journalist. The response has to be finalised within 5 days of receipt of the Complaint so ensure that the matter can be resolved with the Client first before preparing a response to the newspaper.
- The FSP has an internal Complaints escalation process to provide Complainants an alternate platform or mechanism to escalate the Complaint without delay should the initial Complaint not be upheld to their satisfaction. The escalation must be forwarded, sufficiently skilled, impartial senior employee who is competent to deal with the escalated Complaint in such a manner that avoids any conflict of interest.
- When an outcome of a Complaint is reached, the Client must be advised thereof within 3 weeks.
- If the Client is not satisfied with the outcome or a resolution with the Complainant is not obtained by the internal Complaints handler, then the Complaint may be escalated as a dispute to an independent person or forum for review. This would normally take place within the next 3 weeks (6 weeks in total since the Complaint was received).
- If the Complaints handler is unable to reach resolution on a Complaint at any point in time, he/she may escalate the matter as a dispute to an independent person or forum for review. The Complainant needs to be informed of the escalation process for further review and the contact name and details of the person handling the escalation must be provided to the Client. The independent person/s or forum will review the Complaint and a recommendation or final decision will be provided to the Client. A decision should be reached within a maximum period of 6 weeks of the Complaint initially being logged.
- The FSP must provide written feedback to the Client of the reasons for the decision, information taken into consideration and details for further recourse with the relevant Ombudsman, if the Client is still not satisfied with the outcome.

Partner/Service Provider Complaints Resolution Management Process (*if applicable*):

- If Partner/Service Provider holds the relationship with the Client, then the Complaint will be directly logged with the Partner/Service Provider.
- The Partner/Service Provider will therefore need to ensure in all instances that Complainants are promptly informed of the process that will be followed in handling the Complaint (e.g. indicative timelines; availability of escalation or Ombud options in the event of an outcome not in the complainant’s favour; contact details of the person who will be handling the Complaint in order to follow up on progress.)
- If the Partner/Service Provider is unable to resolve the Complaint, there should be clear processes to escalate to a contact person within the FSP.
- The Partner/Service Provider must record all Complaints received and keep a register of the resolution of the Complaints relating to the FSP.
- The FSP must review the Complaints register of the Partner/Service Provider on at least a monthly basis.

- When the Partner/Service Provider makes a final decision on a Complaint and the Client is unsatisfied with the outcome of their Complaint, the Partner/Service Provider must escalate the Complaint to the FSP. The Partner/Service Provider must exhaust its internal Complaints process first before advising the Client of the escalation procedures.

5. COMPLAINTS MANAGEMENT TEAM AND CONTACT PERSONS

The FSP will establish a Complaints Management Team (alternatively Executive Management to act as the Complaints Management Team) who will have oversight of the Complaints Resolution Management Processes in the FSP/Partners and who will be responsible for reviewing Complaints received. They should meet regularly to review complaints received and to decide on the implementation of suitable controls to avoid similar Complaints in the future. The outcomes must be communicated to the relevant business areas to ensure that the required preventative controls are implemented.

The Complaints Management Team will be responsible for:

- Maintaining and enhancing the Complaints system.
- Reviewing, maintaining and distributing the Complaints Management Procedures across the FSP's business and to relevant Persons/Employees/Parties (*as applicable*).
- Making the Complaints Policy in the Policy pack available to Clients.
- Any training needs (including but not limited to the requirements for Complaint handling and the use of the CMR System). This team must filter the training requirements down to the relevant people, (including representatives and Service Providers), involved in the marketing, distributing, providing or administrating of the products or services or interacting with Clients or Prospective Clients.
- Statutory reporting regarding Complaints.
- Setting a framework for effective Complaint management processes.
- Providing regular reports to the Board, informing the Key Individual/Compliance Contact Person and Compliance Officer of Complaints and highlighting trends on Complaints received.
- The facilitation of Complaints from escalated platforms such as CEO, Social and Print media, Hello Peter, Compliance, FSCA and Web Complaints.
- Performing Root Cause Analyses with a view to managing market conduct risks and improving outcomes and processes.
- Providing required tools to ensure Root Cause Analysis and continuous improvement is implemented after a Complaint is received.
- Follow-up calls to Clients on all escalated Complaints once the business has upheld the Complaint to ensure the Client is satisfied with the outcome.
- Compliance of complaints - to conduct annual reviews/audits of the FSP's Complaints Resolution Management System and processes to ensure they comply with the Policy.
- Maintain specific records and carry out specific analysis of Complaints received by the Ombud and their outcomes.
- Monitor determinations (whether involving their own firm or others), publications and guidance issued by relevant Ombud's with a view to identifying failings or risks in their own products or practices.
- Appointing a responsible person e.g. Compliance Contact Person to train staff on this Policy and applicable Complaints legislation (e.g. FAIS, FSCA, Insurance Act) the Complaints Resolution Management system, processes and procedures. To assist FSP's with its training efforts, Compli-Serve is looking to release a Complaints e-learning module to add to the current suite of training and assessments available via the TestZone.

Below is the list of people within the FSP to whom escalated Complaints are referred. This list must be reviewed biannually, and the Complaints Management Team notified of any changes to the list. Communication with Clients should be handled by one person even though there may be many different touchpoints within the FSP at different stages of the Complaints Process. (Complete)

Divisions	Responsible Persons/Positions

6. COMPLAINTS REGISTER

The FSP must implement a Complaints Register with the following fields:

- Received: This field will reflect the date on which the complaint was received (preferably in writing). The receipt period starts its calculations here.

- Date Captured: The date of the day on which the Complaint is captured.
- Received From: The name and designation of the person that submitted the Complaint must be entered here. It may be a Client or a Client's representative.
- Complaint Reference Number: This field contains the Clients' reference number linked to an internal system.
- Client Surname and Initials: Enter the surname of the Client making the Complaint.
- Complaint Description/Type: Short summary of the Complaint.
- Captured by: The name of the person who captured the Complaint.
- Responsible Person Internally: The name of the person who will deal with the Complaint and ensure that it is resolved.
- Activity Update: Log all developments and movements.
- Outcome of Complaint: Summary of what decisions was taken.
- Date of Final Communication to Client: Date of letter to the Client.
- Compliance Officer Final Sign Off: Designated Compliance Officer/Key Individual to sign off a Complaint as finalised.
- Learnings: This is a field where any possible lessons learned from the handling of this Complaint can be entered.
- Records: Ensure proper records kept of all Complaints received and procedures followed, should it be required by the Ombud for further consideration.

Register example:

Date Received	Date Captured	Person Captured	Received from	Ref. no.	Client Initials & Surname	Complaint description	Responsible Person	Activity Updates	Outcome	Date confirmed with client	CO/KI sign-off	Corrective steps

7. ANALYSIS TEMPLATE

A standardised monitoring and analysis template have been developed so that there is consistency in Complaints analysing. The template will be used to identify:

- Root cause analysis common to the categories of Complaints;
- Failings in control systems;
- Detection of poor staff or Service Provider performance, lack of skills or misconduct;
- Tracking of TCF delivery;
- Identifying possible solutions;
- Risk management, internal audit and compliance functions will provide management reporting on the effectiveness and compliance with the requirements from the FSCA;

The following information must be captured in respect of a Client Complaint:

- All relevant details of the Complainant and the subject matter of the Complaint, including copies of all relevant evidence, correspondence and decisions.
- Appropriate TCF-aligned categorization of Complaints as to include the 9 minimum required categories set out below.
- Progress and status of the Complaint, including whether such progress is within or outside any relevant prescribed timelines or internal service levels.
- Details of numbers of Complaints received, Complaints upheld, rejected Complaints, Complaints escalated by complainants to the internal review function (where applicable), Complaints referred to an Ombud, compensation payments and goodwill payments.
- The Complaint categories to be included are set out in Annexure A.

8. REPORTING

The FSCA is in the process of developing a more detailed proposal regarding regulatory Complaints reporting which will be in a prescribed format. The FSCA believes that the reputational impact of meaningful public disclosure can act as a deterrent to unfair Client treatment, and as an incentive to companies to compete over the quality of the Client experiences they deliver. This could mean that the FSO will be required to report on Complaints in a public forum in a format prescribed by the FSCA.

ANNEXURE A
Complaint Categories

Examples of Complaint reasons per value chain category, which categories can then be condensed into the following 9 Complaint types:

Product design and Pricing	Lead generation	Sales and onboarding	Fulfillment	Premium collection
Premium too high	No response to lead	No consent to policy	Documents not received	Debited incorrect date
Insufficient cover limit	Unsolicited SMS	Incorrect Inception Date		Debited incorrect amount
Inadequate cover type	DNC list - opt out	Misrepresentation of Cover		Unauthorised debit
	DMASA registered	No or poor response		Naedos
	Multiple contacts	Incorrect premium		Banking details not updated
		Staff Unprofessional / Rude		Debit after cancellation
		Policy not loaded		Complaint procedure not given
		Data capture errors		
		Incomplete declaration given		
		Complaint procedure not given		
		Penalties applied		

Policy maintenance	Underwriting	Claims	Cancellations	Retention	Third Party and Recoveries
Data capture errors	Premium increase	Time to process claim too long	Policy lapsed	Unable to reinstate cover	Excess recovery taking too long
Inspection	Cover Limited	Incorrect beneficiary paid	Continuation option not offer	Unable to re-issue cover	No or poor response
Tracker	Refund not processed	Incorrect amount paid	Cancellation not actioned	Premium higher	Misleading claims info
Drivemate	Staff unprofessional / Rude	Misleading claims info	Complaint procedure not give	Staff unprofessional / Rude	Staff unprofessional / Rude
No or poor response	Inconsistent Feedback	No or poor response	Penalties applied	No or poor response	Time to process claim too long
Call hold time long	No or poor response	Staff unprofessional / Rude		Complaint procedure not given	Settlement Dispute
Misrepresentation of Cover	Complaint procedure not given	Settlement Dispute		Penalties applied	Complaint procedure not given
Staff unprofessional / Rude	Penalties applied	Claims decision dispute			
No consent to changes		Car hire			
Refund not processed		Dispute on assessment			
Inconsistent Feedback		Excess Dispute			
Incomplete declaration given		Unhappy with Service provider			
Emergency Assistance		Poor Workmanship			
Premium increase		Repairs taking too long			
Complaint procedure not given		Emergency Assistance			
Notice period too long		Complaint procedure not given			

Examples of Complaint reasons into the various TCF outcomes:

Outcome 2	Outcome 3	Outcome 4	Outcome 5a	Outcome 5b
Premium too high	Unsolicited SMS	Insufficient cover limit	Insufficient cover limit	Staff unprofessional / Rude
Insufficient cover limit	Misrepresentation of Cover	Inadequate cover type		No or poor response
Inadequate cover type	Data capture errors	Misrepresentation of Cover		No consent to policy
Premium increase	Incomplete declaration given	Incomplete declaration given		DMASA registered
Cover Limited	Documents not received	Inconsistent Feedback		DNC list - opt out
Claims decision dispute	Inconsistent Feedback	Misleading claims info		
Unable to reinstate cover	Claims decision dispute			
Unable to re-issue cover	Misleading claims info			
Premium higher				

Outcome 6a	Outcome 6b	Outcome 6c
Notice period too long	Incomplete declaration given	Time to process claim too long
Penalties applied	Complaint procedure not given	Incorrect beneficiary paid
	No or poor response	Incorrect amount paid
		Misleading claims info
		No or poor response
		Staff unprofessional / Rude
		Settlement Dispute
		Claims decision dispute
		Dispute on assessment
		Excess Dispute
		Unhappy with Service provider
		Poor Workmanship
		Repairs taking too long