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Authorised Financial Services
Provider Licence Number 12833

FSP No. 12833 - (Hereinafter referred to as CMEFS)

FAIS Complaints. Overview and Policy

Previous version 16082023 This version 05072024 Prepared by CM

Part 1. Overview

The Financial Advisory & Intermediary Services Act 2002 deals with complaints in some length. Specifically, section 27(1) Receipt of Complaints, prescription, jurisdiction and investigation.

All licensed financial service providers FSP's will be required to have systems in place for the purpose of timeous and efficient resolution of complaints within the specified timeframes.

Definition of a Complaint

Complaint means a specific complaint relating to a financial service rendered to the client on or after the date of commencement of FAIS, alleging that the FSP:

1. **Contravened or failed to comply with a provision of the FAIS Act and that, as a result, the client has suffered financial prejudice or damage.**

   - The following are examples of complaints would fall under the above heading:
   - The required disclosures were not made.
   - The product structure was not explained.
   - The policy documents were not received.
   - Client did not know the features of the product.
   - Mis-selling took place such as -
   - No record of advice.
   - Incorrect product given the client's need.
   - No risk analysis done.
   - Negligence/delay in issuing the policy or affecting policy changes led to financial loss.
   - Client was not advised re the effect of a particular change on a policy.
   - The financial adviser resigned, and the client does not know who to deal with.
   - Confidential information was disclosed without the client's consent.
   - The client signed or was asked to sign blank documents.

3. **The FSP wilfully or negligently rendered a financial service to the client which has caused prejudice or damage to the client, or which is likely to result in such prejudice or damage**

   The following are examples of complaints would fall under the above heading:

   - The incorrect product was sold to the client.
   - A product was sold without the client's knowledge.
   - The FSP acted without the client's knowledge/consent (cancelled/changed a policy or policy details);
   - FSP cannot accurately account for funds invested by the client.
   - FSP took money from a client but did not ensure timeous investment.

- FSP has/had system problems and as a result the client is prejudiced.
- FSP not acting timeously on the reasonable instruction of the client – resulting in client suffering prejudice.

4. **The FSP Treated the client unfairly.** The following are examples of complaints that would fall under the above heading:

   - Client not being service properly (sent from person to person without resolution of problem).
   - Client was treated rudely.
   - Previous complaint was not handled fairly and objectively.
   - Different staff provided different information about the same issue.
   - Promises were not kept or contradicted.

5. **In short, to qualify as a FAIS complaint, the answer to ONE of the following three questions must be "YES":**

   - Has the FSP contravened or failed to comply with any provision of the FAIS Act and has the complainant suffered -or is he likely to suffer financial prejudice/damage?
   - Has the FSP 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?
   - Has the FSP treated the complainant unfairly?

Part 2. Complaints procedure

We deal with complaints as follows:

1.1. Log the date and contents of the complaint in the Complaints Register.
1.2. If a complaint is not in writing, ask the client to lodge the complaint in writing.
1.3. Acknowledge receipt of the complaint in writing within 5 days of receipt and give the client the name(s) and contact details of the staff responsible for the resolution of the complaint.
1.4. Investigate the complaint to ascertain whether the complaint can be resolved immediately.
1.5. If the complaint can be resolved immediately, take the necessary action and advise the client accordingly.
1.6. 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.
1.7. If unable to resolve the complaint within 3 weeks of logging the complaint with the Complaints Register, notify the client by means of a written acknowledgement. This will outline the status of the complaint and the expected date of final resolution.
1.8. If unable to resolve the complaint within a further 3 weeks of the written acknowledgement (6 weeks since complaint 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 Ombudsman.
1.9. 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.
1.10. Update the register with all developments/activities.

Part 3. Complaints process flow

CLIENT LODGES COMPLAINT



IF COMPLAINT IS NOT IN WRITING, ASK FOR A WRITTEN COMPLAINT



COMPLAINT RECEIVED; VALIDATED, LOGGED (AS NEW COMPLAINT ON COMPLAINTS REGISTER



ACKNOWLEDGE RECEIPT OF COMPLAINT IN WRITING WITHIN 5 DAYS



COMPLAINT ASSIGNED AND INVESTIGATED



RESOLVE THE COMPLAINT IMMEDIATELY OR TAKE THE NECESSARY ACTION AND ADVISE THE CLIENT OF STEPS TAKEN AND EXPECTED DATE OF RESOLUTION



UPDATE THE COMPLAINTS REGISTER WITH ALL DEVELOPMENTS/ACTIVITIES



INFORM CLIENT IN WRITING OF THE RESOLUTION OF THE COMPLAINT AND THE OUTCOME



NOTIFY THE CLIENT IF COMPLAINT IS NOT RESOLVED WITHIN 3 WKS – ADVISE ON STATUS OF THE COMPLAINT



NOTIFY THE CLIENT OF THE FINAL OUTCOME. THIS MUST BE NO LONGER THAN 6 WKS FROM DATE OF LOGGING COMPLAINT. ADVISE CLIENT OF OTHER OPTIONS

Part 4 - The Complaints Register

The register will be broken up into quarters of a year. The first quarter will be Jan to end Mar, the second quarter will be Apr to end June, the third quarter will be Jul to end Sep, the last quarter being Oct to end Dec.

The register should contain the following fields:

Policy or contract Number: If applicable

Company: If applicable. This would be the FSP that issued the policy or contract.

Date Received: This field will reflect the date on which the written compliant was received. The receipt period starts its calculations here.

Date Captured: The date 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. The reference number will be the calendar year in the format YY followed by the next number in the sequence of number of complaints received in that year. E.g. If the complaint was received in the 2024 calendar year and it was the 5th complaint received, the reference number would be 245.

Client Surname and Initials: Enter the surname and initials of the client making the complaint.

Captured by: The name of the person who captured the complaint.

Responsible person internally: Who will deal with the complaint and ensure that it is resolved.

Complaint Description/Type: Short summary of the complaint

Date of Final Communication to client: Date of letter to the client.

Outcome of Complaint: Summary of what decisions was taken.

Activity Update: Log all developments and movements.

Compliance Officer Final Sign Off: Designated compliance officer 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.

If no complaints were received for the any given quarter, then this selection in the register will be manually ticked and then signed off by the KI.

Part 5. The FAIS Ombudsman

The FAIS Ombudsman's objective is to consider and dispose of complaints in a procedurally fair, informal, economical and expeditious manner with reference to what is equitable in all circumstances.

He will only proceed to investigate an officially received complaint once he has notified all interested parties of the particulars of the complaint in writing and is satisfied that all parties are provided with the opportunity to submit a response. The contact details of the FAIS Ombudsman are:

FAIS Ombudsman

PO Box: 74571, Lynnwood Ridge, 0040
Tel No: 012 762 5000 / 0860 066 3274
Email: info@faisombud.co.za

CMEFS Contact Details.

Contact person: Charles Merrington
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