

Flagship Asset Management Pty Limited
FSP # 577

Customer Complaint Management Framework

CONTENTS

1. Purpose
2. Our Approach
3. Scope of Application
4. Definitions
5. Key Principles and Standards for effective Complaints Management
6. Processes– Complaints Handling
7. Escalated Complaints / Dispute Process
8. Complaint Escalation
9. Partner Complaints Resolution
10. Ombud Minimum Requirements
11. Complaints Management Structure--allocation of responsibilities
12. Complaint Categories/ Recordkeeping and retention
13. Reporting / Root Cause Analysis / Continuous Improvement

CUSTOMER COMPLAINT MANAGEMENT PROCESS AND PROCEDURES

1. PURPOSE

Effective management of customer complaints is a vital component of treating customers fairly. The purpose of this document is to provide all staff and partners with a consistent and comprehensive understanding of how to handle customer complaints successfully to improve the services and status of our business and overall Customer Experience.

It is important to record all complaints to ensure that we learn from the outcomes when we analyse complaints. The document recommends practical procedures and processes for reviewing and resolving customer complaints in a courteous, timely, effective and fair manner, standards of which are aligned to the Complaints Management Discussion Document which forms part of the TCF Regulatory Framework. This document will be reviewed on an annual basis.

Effective management of customer complaints is key to supporting our aim in which dissatisfied customers can be transformed into advocates or loyal supporters of our business which ultimately builds trust and lasting relationship sustainability.

In line with the TCF ('treating customer fairly') principle aims, we strive to raise standards in the way we operate, by introducing changes that will benefit our customers and increase their confidence in our brand.

Complaints Management is a key component of TCF Outcome 6 which provides that:

"Customers do not face unreasonable post-sale barrier imposed by firms to change product, switch providers, submit a claim or make a complaint."

This document serves as a guideline to achieve the following throughout the complaint management process:

- To understand what constitutes a complaint (regulatory definition) so that there is a consistent understanding across the FSP. This is especially important when capturing complaints onto the system;
- To set consistent standards and requirements for us to implement internal complaints management processes, including recordkeeping, monitoring and analysis;
- To thoroughly investigate the complaint;
- To identify possible service breakdowns;
- To ensure fair treatment of customers in line with the TCF principles;
- To make informed decisions;
- To ensure timely resolution;
- To conduct root cause analysis;
- To put forward and manage possible solutions through corrective action improvements;
- To ensure that our complaints process is fair, transparent, accessible and visible to our customer;
- To ensure that adequate communication is provided to the customer about how to complain, where to complain and to whom they can complain to and that this is performed in clear and understandable language.

2. OUR APPROACH

Flagship Asset Management (“FAM”) adopted a decentralised approach for dealing with customer complaints; i.e. a central complaints team with representatives within the business units handling complaints for that specific environment.

The responsibility for handling specific complaints must be appropriately delegated to ensure efficient handling. Delegation should be to staff who are adequately trained and have an appropriate mix of experience, knowledge and skill in complaints handling, in the relevant complaints subject matter, in the principles of TCF, and in relevant legal and regulatory provisions. The FSP will always own the customer complaint and the resolution thereof.

This Framework formalises the practices required for effective management and handling of customer complaints within FAM. The objective is to ensure effective standards of complaints management to:

- i. ensure fair outcomes for customers;
- ii. protect and enhance FSP NAME’s reputation;
- iii. allow for effective reporting, detailed analysis and identification of trends related to complaints;
- iv. achieve effective and timely resolution of complaints in respect of acceptable turn-around times;
- v. provide guidelines for acknowledging complaints (and complainant communication) and for recording customer complaints in a centralised manner;
- vi. improve organisational effectiveness through learning from client feedback and root cause analysis;
- vii. ensure effective management of complaints, in line with this framework;
- viii. ensure effective engagement between the insurer and the relevant Ombudsman scheme;
- ix. ensure requirements are met for reporting to the Registrar and / or the public (if required);
- x. restore and enhance relationships with complainants and non-complainants for the purpose of on-going business retention and growth;
- xi. ensure objectivity by the complaints handling staff in attending to and resolving a complaint;

This framework sets out FAM’s philosophy concerning the way complaints are handled, resolved and maximized (maximized refers to conducting analysis of complaints for root cause analysis to ensure processes are improved to reduce complaints where necessary).

This framework will be reviewed by the Management Team at least annually.

This document is additionally informed by best practices relating to TCF Complaints Management processes as well as the following existing regulatory requirements:

1. TCF (Treating Customers Fairly);
2. FAIS Act and GCOC requirements (Financial Advisory and Intermediary Services Act 37 of 2002 and General Code of Conduct);
3. ASISA Code requirements.

3. SCOPE OF APPLICATION

This document is a high-level, governance-based document which sets out the minimum standards and requirements for effective and compliant complaints management.

This document applies to all FAM service providers and includes arrangements FAM has with the following entities:

Brokers/Intermediaries/Administrators

Each FSP/intermediary, through which FAM distributes its products, must ensure that they have a complaint management process that:

- i. is proportionate to the nature, scale and complexity of their business and risks;
- ii. clearly sets out the responsibilities in relation to the handling and reporting of complaints;
- iii. is appropriate for their business model, policies, services, policyholders, and beneficiaries;

- iv. 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;
- v. does not impose unreasonable barriers to complainants; and
- vi. is fully compliant with the Financial Advisory and Intermediary Services Act (FAIS as well as the Policy Holder Protection Rules (PPR's) (as amended).

This framework upholds the provisions of the FAIS Act.

4. DEFINITIONS

Advice- means, subject to subsection (3)(a) the FAIS Act, any recommendation, guidance, or proposal of a financial nature furnished, by any means or medium, to any client or group of clients-

- in respect of the purchase of any financial product; or
- in respect of the investment in any financial product; or
- on the conclusion of any other transaction, including a loan or cession, aimed at the incurring of any liability or the acquisition of any right or benefit in respect of any financial product; or
- on the variation of any term or condition applying to a financial product, on the replacement of any such product, or on the termination of any purchase of or investment in any such product, and irrespective of whether such advice-
- is furnished during or incidental to financial planning in connection with the affairs of the client.
- or results in any such purchase, investment, transaction, variation, replacement, or termination being affected.
- results in the purchase by the Complainant of any product based on the advice.

Complainant- is a person/ someone acting on their behalf, who has a direct interest in the agreement, policy, or service.

Complaint- means an expression of dissatisfaction by a person to an insurer or, to the knowledge of the FSP, to the FSP's service provider relating to a policy or service provided or offered by that insurer which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a client query, 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 insurer 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 person harm, prejudice, distress, or substantial inconvenience; or
- ☐ the FSP or its service provider has treated the person unfairly.

Complaints Management – means the management of the entire lifecycle of a complaint. This commences with the ease of process for the client to lodge complaints and the associated communication. It includes the way complaints are handled, recorded, resolved and quality controlled; the way people involved in complaints management processes are managed and trained; the way decisions are made; the ways clients' trust is restored; the way the reports are compiled and analysed; and ultimately the way business learns from the feedback gleaned from complaints and takes corrective and proactive action accordingly.

Complaints Management Head- The individual appointed by Management to serve as head of the complaint's management function within FAM.

Complaints Reporting System- The set of electronic applications and related case management software used by FAM for recording, classifying, routing, escalating, and resolving individual complaints received by the business. In relation to the Complaints Management function, the system is used by the business to monitor, analyse, and report on the FAM and or cell owners' performance in relation to Complaints Management.

Complaints handling- The process of attending to and resolving complaints including ongoing interaction with Complainants. It is expected that this process meets certain minimum standards.

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

- be adequately trained;
- 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;

- not be subject to a conflict of interest; and
- be adequately empowered to make impartial decisions or recommendations.

Compensation payment- means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of an insurer to a complainant to compensate the complainant for a proven or estimated financial loss incurred as a result of the insurer's contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of the complaint, where the insurer accepts liability for having caused the loss concerned, but excludes any –

- ☐ goodwill payment;
- ☐ payment contractually due to the complainant in terms of a policy; or
- ☐ refund of an amount paid by or on behalf of the complainant to the insurer where such payment was not contractually due.

Goodwill payment- means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of an insurer to a complainant as an expression of goodwill aimed at resolving a complaint, where the insurer does not accept liability for any financial loss to the complainant because of the matter complained about.

Escalated complaints process – The requirement of an escalated complaint dispute process is dealt with in section 6 of this document. This is the process where the complainant is not happy with the initial outcome reached by **FAM** and wants an independent review of the complaint outcome.

Evidence- means the information FAM has obtained to review, adjudicate and resolve a complaint and shall include all information submitted by an entity as well as from the Complainant and shall be stored and recorded on the complaints management system or other repositories for storing and recording information. This shall include, but is not limited to, claims forms, administration documentation, sales and other recordings, application forms, policy documentation, premium payment history etc.

FAIS complaint/ Ombud- means a specific complaint, submitted by a Complainant to the FAIS Ombudsman or FAM for purposes of resolution by FAM, relating to a financial service rendered by FAM or its representative to the Complainant on or after the date of commencement of the FAIS Act, and in which complaint it is alleged that FAM or its representative has:

- 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;
- has willfully 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;

“FAIS Ombud Complainant” means a client who submits a complaint to the FAIS Ombudsman in relation to the application of a policy and includes advice rendered.

Reportable complaint means any complaint other than a complaint that has been:

- (a) 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.
- (b) upheld within the financial institution'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 financial institution in such a manner that the financial institution does not have a reasonable opportunity to record such details of the complaint as may be prescribed in relation to reportable complaints.

Customer query- means a request to the financial institution 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. Please note that there is no expectation to capture queries unless the query has become a complaint.

Rejected- means that a complaint has not been upheld and the insurer 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 insurer as unjustified or invalid, or where the complainant does not accept or respond to the insurer's proposals to resolve the complaint.

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

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 financial institution to assume that the complainant has so accepted. A complaint should only be regarded as upheld once all undertakings made by the financial institution to resolve the complaint have been met.

Reports (or reporting)- means any periodic or ad-hoc reports (and related documents) obtained from the complaints management system and other sources in the business which shall be used for analysis, monitoring, submissions to regulatory authorities, and the making of recommendations to the business.

5. KEY PRINCIPLES AND STANDARDS FOR EFFECTIVE COMPLAINTS MANAGEMENT

The following principles and standards shall apply to the complaints management processes within FAM:

- i. **Accessibility:** FAM makes complaints reporting visible to customers on all key documents provided to them as well as on its website.
- ii. **Client-centricity:** Complaint handling staff are expected to demonstrate the right attitude toward every client.
- iii. **Quality of investigation:** FAM will take reasonable steps to gather and investigate all relevant information and circumstances when handling complaints.
- iv. **Timely resolution:** FAM's quality standards recognise that all complaints must be resolved in a timely manner and in line with timelines set out in this framework.
- v. **Consistent and objective decision-making:** FAM will ensure that employees and decision-makers avoid bias when handling complaints so that principles of fairness and objectivity are upheld.
- vi. **Independent review:** Through the FAM Arbitrators, FAM will provide additional opportunities for independent review of complaints in line with the escalation and review process contained in this framework. Where required, segregation of duties and escalation procedures will be utilised to maintain and safeguard independence of employees responsible for handling complaints.
- vii. **Confidentiality of client Information and data:** As far as possible, FAM will maintain the confidentiality of customers' personal information and comply with the relevant legislation to ensure that internal controls are in place for safeguarding of data.
- viii. **Accuracy of record-keeping:** Complaints must be accurately, efficiently, and securely recorded.
- ix. **Communication before, during and after complaint:** FAM will provide customers with clear upfront communication concerning how they can complain and how their complaint will be handled.
- x. **Quality Assurance:** FAM will ensure that there is an appropriate level of quality assurance in place to monitor that the standards referred to in this framework are adhered to.
- xi. **Meaningful Management Information (MI) and Analysis:** Useful management information reports pertaining to complaints will be developed and implemented, subject to regulatory requirements and business needs.

6. PROCESSES – COMPLAINTS HANDLING

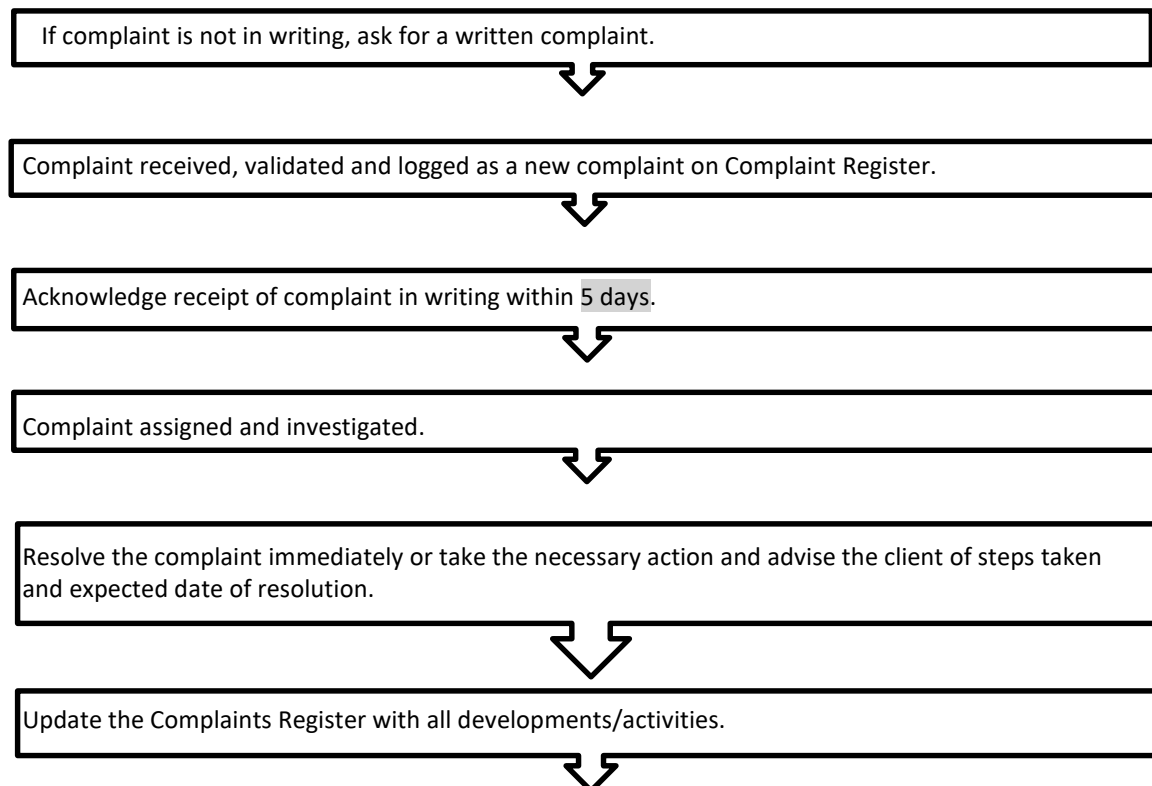
FAM is responsible to acknowledge the complaint with the customer as well as provide them with regular feedback. The maximum time for acknowledgement of a complaint is 5 days. Where the complaint is urgent (i.e. the risk of reputational impact is high), this time frame must be shortened even further. Please refer to the diagram below.

FAM deals with complaints as follows:

- a) Log the date and contents of the complaint in the **General Complaints Register**.

- b) Accept all complaints submitted from whatever medium; verbal or written (ask the client to send their complaint in writing if possible). The fact that a complaint is not in writing must not deter the FSP in handling the complaint.
- c) 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.
- d) Investigate the complaint to ascertain whether the complaint can be resolved immediately. If resolved immediately the complaint will not be deemed 'reportable.'
- e) If the complaint can be resolved immediately, take the necessary action and advise the client accordingly. If resolved within 5 business days the complaint will not be deemed 'reportable.'
- f) If the complaint cannot be resolved immediately or within 5 business days, you need to lodge and categorise the complaint on the **Reportable Complaints Register** and send the client a written summary of the steps to be taken to resolve the matter and the expected date of resolution.
- g) 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.
- h) 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.
- i) 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.
- j) Update the register with all developments/activities.

Complaints Process Flow



Inform client in writing of the resolution of the complaint and the outcome.



Notify the client if complaint is not resolved within 3 weeks – advise on status of the complaint.



See also Disputes - Section 7.

Notify the client of the final outcome. This must be no later than 6 weeks since the complaint was logged.
Advise client of other options.



7. ESCALATED COMPLAINTS / DISPUTES PROCESS

Escalated complaints are all complaints submitted via Hello Peter, social media, print media (newspaper), Compliance, CEO/EXCO, FSCA or any other regulatory authority, and via the website. These complaints are received and distributed to the relevant complaints handler.

For complaints received in the public domain like Hello Peter or social or print media, a quicker response time is crucial. Failure to respond efficiently to these complaints may lead to an escalation to other platforms within the public arena.

There are instances where more detail is required to respond accordingly where the complaint may be damaging to our brand by only having a generic response. As much as the customer may distort the complaint, we still have an onus to educate the public but not invade any privacy of our customers.

For media complaints, i.e. newspaper publications, it is good practice to set an SLA with the journalist to ensure that we resolve the matter with the customer before preparing a response to the newspaper. The response must be finalised within 5 days of receipt of the complaint.

- An appropriate internal complaints escalation process must be created to provide complainants an alternate platform or mechanism to escalate their complaint should the initial complaint not be upheld to their satisfaction.

8. COMPLAINT ESCALATION

The escalation must be allocated to an impartial i.e. senior person of the initial decision made so that conflict of interest may be avoided.

1. When an outcome of a complaint is reached and the customer is advised of the outcome (within 3 weeks), the complaint handler must inform the customer of the escalation process if they are unhappy or resolution with the complainant is not obtained.
2. If at any point in the process, the complaints handler is unable to reach resolution on a complaint, they may escalate the matter as a dispute to an independent person or forum for review.
3. 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, if applicable, needs to be given to the customer.
4. The independent person/s or forum will review the complaint and a recommendation or final decision will be provided to the customer. A decision should be reached no later than 6 weeks of the complaint initially being recorded.
5. FAM will then provide feedback to the customer in writing with the reasons for the decision, information taken into consideration and details for further recourse with the relevant Ombudsman, if the customer is still unhappy.

Arbitration

Complaint handling staff and complainants may refer complex or unresolved complaints to A relevant Arbitrator for consideration.

The details are as follows:

Arbitrator
Name: SIMON HUDSON
E-mail: shudson@flagshipsa.com

The Arbitrator will acknowledge receipt of the complaint escalation within 48 hours and inform the referrer of:

- Details of information required from referrer;
- Where, how and to whom the complaints and related information must be submitted;
- Expected turnaround times to finalise the complaint escalation or review;
- Any other relevant responsibilities of the referrer.
- The Arbitrator will inform the referrer of the outcome of the referral within 15 working days after receipt.
- The Arbitrator responsible will ensure that decisions are impartial and will always have due regard to the fair treatment of customers.

9. OMBUD MINIMUM REQUIREMENTS

General:

- ❑ FAM clearly and transparently communicates the availability and contact details of the relevant Ombudsman schemes to customers on all applicable disclosure documentation.
- ❑ Where appropriate, we also display information regarding the availability and contact details of the relevant Ombudsman services on our websites.
- ❑ Although FAM cannot control when a client will escalate a complaint to the respective Ombudsman, FAM will always:
 - o Maintain open and honest communication and co-operation between ourselves and any Ombud with whom we deal; and
 - o Endeavour to resolve a complaint before a final determination or ruling is made by an Ombud, without impeding or unduly delaying a complainant's access to an Ombud.
- ❑ FAM will maintain specific records and carry out specific analysis of complaints referred to the Ombudsman and their outcomes.
- ❑ FAM monitors determinations (whether involving our business or others), publications and guidance issued by the relevant Ombudsman with a view to identifying failings of risks in FAM' products, services or practices and to be aware of such rulings or determinations in relation to claims process and interpretation of Policy provisions across the board.

Complaints referred to the office of the Ombud in terms of the FAIS Act

i. Introduction

FAM is an authorised Financial Services Providers (hereinafter referred to as "FSP") in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 ("the FAIS Act").

As an FSP we are obliged to maintain an Internal Complaints resolution process which includes the maintenance of a comprehensive complaints' framework outlining our commitment to and procedures for internal resolution of complaints which are required to be handled in accordance with the FAIS Act.

ii. Communication and Escalation Process pertaining to "FAIS" related complaints

Internal Communication

The table re allocation of responsibilities outlines the roles and responsibilities of the stakeholders responsible for governance of this framework.

- Each governance structure specified above will receive routine feedback and communication related to the functioning of this framework on a periodic basis.
- Ad-hoc or non-routine communication may be performed from time to time.

External Communication:

- Reporting to the Financial Services Conduct Authority (“FSCA”) must be done on an annual basis in respect of all FAIS complaints received for the reporting period, or as requested by the FSCA.
- From time to time, there may be a need to request information from external FSPs with respect to FAIS complaints received, to obtain information that will ensure a proper resolution of any such complaints.

iii. **Elements of a Complaint: Pertaining to “FAIS” related complaints**

In terms of the FAIS Act, a complaint must relate to a financial service rendered by FAM to the complainant, in which it is alleged that FAM:

- has contravened or failed to comply with the FAIS Act and that as a result thereof the complainant has suffered or is likely to suffer financial prejudice or damage;
- has willfully 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 elements of a complaint are –

- It must be in respect of advice or intermediary services provided at any time after the 1st of October 2004; and
- The complainant must have suffered, or is likely to suffer, a financial loss because of failure on the part of FAM to comply with the FAIS Act; or
- The complainant must have suffered, or is likely to suffer, financial loss as a result of FAM having willfully or negligently rendered advice or intermediary 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
- FAM treated the complainant unfairly.

iv. **FAM’s FAIS Complaints Resolution Principles**

The following are FAM principles which must be followed by all employees involved in the management and resolution of FAIS complaints for FAM:

- This framework will always be available to complainants upon request, and/or may be accessed at any time through the FAM website.
- The availability of this framework will be made known in relevant business documents and/or communications to complainants.
- FAIS complaints must be submitted in writing and must contain all relevant information, and copies of all relevant documentation must be attached thereto.
- All FAIS complaints will be logged on the complaint management system by the complaint handling staff member within 24 hours after receipt.
- The complaint handling staff member will also send a written acknowledgement of receipt to the complainant within 24 hours.
- The complaint handling staff member will assess the merits of the complaint to decide, either wholly or partially in favour of the complainant or the company.
- FAM shall have 6 weeks in which to respond to a complaint received from the FAIS Ombud.
- All attempts to resolve the complaint will be undertaken and the final decision will be communicated to the complainant in writing once a final decision is made.
- Such outcome must also be communicated to the FAIS Ombud.
- As stipulated in the FAIS act, where a complaint cannot be resolved within six (6) weeks of receipt, FAM will send a written correspondence to the complainant informing the complainant that the complainant may refer the complaint to the Office of The Ombud for Financial Services Providers within six (6) months of the date of the final correspondence from FAM.
- In the event of a dismissal of a complaint by FAM, the complainant, if unsatisfied with the dismissal, may pursue further proceedings before the Office of The Ombud for Financial Services Providers in respect of such complaint.

- Where a complainant remains unreasonable, and /or rejects any offer made, this too must be communicated to the FAIS Ombud. Any offer made that is accepted by the complainant must also be communicated to the FAIS Ombud by the complaints handling staff member.
- There will be adequate training of all relevant staff, including imparting and ensuring full knowledge of the provisions of the FAIS Act, the Rules of the Office of The Ombudsman for Financial Services Providers and the FAIS Act General Code of Conduct, with regard to the management and resolution of FAIS complaints.
- Internal analysis will be done on trends to avoid re-occurrence of similar FAIS complaints, and/or to improve services and complaints systems and procedures where necessary.

Complaints referred to the office voluntary Ombudsmen

i. Introduction

In terms of this Policy, Ombudsman complaints shall be overseen by designated officials within FAM. The terms of Reference of the voluntary Ombudsmen (prescribe the procedures that FSP's must follow when handling matters referred to the Ombudsmen.

ii. Resolution Procedures for shall be handled in accordance with the process outlined below (short term insurance only):

- The designated employees shall ensure that the complaint is handled in accordance with Policyholder Protection Rules ("PPR") and the guidelines and definitions stipulated in the Terms of Reference for the OSTI respectively.
- Specifically, turnaround times for resolving complaints and the quality standards applied to such Ombudsman complaints must adhere to the stipulations and requirements prescribed by the OSTI as applicable.
- When handling Ombudsman complaints, the responsible employees will request comprehensive information and related documentation from the relevant FAM division or employee or the intermediary to ensure that all relevant facts are properly considered in the resolution of the complaint.
- The designated employees within FAM may elect to refer matters back to intermediaries for further consideration to ensure that each matter is carefully considered before a response is submitted to the respective Ombudsman.
- The OSTI submits complaints directly to FAM. Responses are to be directed to the office of the OSTI unless directed by the office of the OSTI to respond directly to the complainant. In each instance, full details of the decision together with all supporting documentation must be submitted back to the OSTI within 2 weeks from the submission date. The OSTI prefers that where possible the respective entity resolves the matter without mediation.
- FAM will abide by the determinations (and related appeal processes) made by the OSTI.
- If the OSTI rule against FAM, FAM has the right to appeal the decision.

10. COMPLAINTS MANAGEMENT STRUCTURE

Within **FAM**, there are various role players that assist with the resolution of complaints. The role of each of these role players have been defined below.

CENTRAL COMPLAINTS HANDLING TEAM - responsible for:

- Maintenance and enhancements of the complaints system.
- Drafting, maintaining and distributing the Complaints Management Policy. The policy will be reviewed annually unless new requirements are added from the various legislative bodies. All changes to the document will be signed off by the Board. The policy will be made available for inspection by the Public.
- Any training: needs to be filtered down by these individuals to representatives and service providers involved in marketing, distributing, providing or administrating our products or services or interacting with customers or prospective customers with regards to requirements on complaint handling and the use of the Complaints Management System.
- Statutory reporting regarding complaints.
- Framework for effective complaint management processes.
- To provide quarterly reports to senior management and highlight trends on complaints received.
- Facilitation of complaints from escalated platforms such as CEO, Social and Print media, Hello Peter, Compliance, FSCA and Web complaints.

- Perform Root Cause Analysis with a view to managing market conduct risks and improving outcomes and processes.
- Provide required tools to ensure Root Cause Analysis (RCA) and continuous improvement is implemented after a complaint is received.
- Follow-up calls to customers on all escalated complaints once the business has upheld the complaint to ensure the customer is satisfied with the outcome.
- Compliance to conduct annual reviews/audits of **FAM** to ensure they comply with the Policy.

The table below outlines the roles and responsibilities of the stakeholders responsible for governance of the framework:

Responsibility	Structure	Interest, Duties and Responsibilities
Supervision	Board of Directors	The Board is ultimately responsible for the requirements of this framework but delegates some functions to executive management.
Operational implementation	Executive management and Key Individuals	<ul style="list-style-type: none"> • Approves and oversees the effectiveness of this framework. • Takes responsibility for: <ul style="list-style-type: none"> • Implementing the requirements of this framework • Providing on-going guidance to the business on matters relating to this framework • Monitoring on-going operating effectiveness of the framework. • Operational implementation of this framework and processes developed in accordance with this framework; • Ensuring the execution of agreed standards including quality assurance. • Implement, communicate & ensure that all complaints are managed in accordance with this framework
Consulted	Compliance	<p>Compliance is responsible for:</p> <ul style="list-style-type: none"> • Reviewing adherence to the requirements outlined by this framework. • Ensuring that this framework remains in line with legislation.

11. COMPLAINT CATEGORIES / RECORDKEEPING AND RETENTION

The 9 Categories in terms of TCF

In addition to the FAIS recordkeeping requirements, the following minimal standards are a requirement. All **reportable complaints** must be captured on the central complaints system/register and needs to adhere to the minimum requirements as listed below.

Complaints System

The complaints system has been adapted to accommodate the requirements listed below from the FSCA. It is therefore crucial that this information forms part of the minimum requirements for capturing complaints from any source. The following information must be captured:

1. All relevant details of the complainant and the subject matter of the complaint, including copies of all relevant evidence, correspondence and decisions.
2. Appropriate TCF-aligned categorisation of complaints. (To include the 9 minimum required categories.)

Financial institutions should categorise, record and report on complaints by identifying the TCF Outcome category to which a complaint most closely relates and group complaints accordingly.

For some of the TCF Outcomes (Outcomes 5 and 6), additional subcategories are proposed. There are therefore a total of nine minimum categories which should be used, wherever applicable.

- i. The following details will be captured in respect of each reportable complaint:
- all relevant details of the complainant and the subject matter of the complaint;
 - copies of all relevant, evidence, correspondence & decisions;
 - the complaint categorisation as set out below:
 - complaints relating to the design of a policy or related service, including the premiums or other fees or charges related to that policy or service;
 - complaints relating to information provided to policyholders;
 - complaints relating to advice;
 - complaints relating to policy performance;
 - complaints relating to service to policyholders, including complaints relating to premium collection or lapsing of policies;
 - complaints relating to policy accessibility, changes or switches;
 - complaints relating to complaints handling;
 - complaints relating to insurance risk claims, including non-payment of claims; and
 - other complaint categories relevant to our business model, policies, services and policyholder base.
 - progress and status of the complaint, including whether such progress is within or outside any timelines set out in this framework.

FAM will ensure that customers who are financially prejudiced because of our contravention, non-compliance, action, failure to act, or unfair treatment are fairly compensated.

- A written response will be sent to a complainant or their authorised representative once the complaint is finalised:
- Where a complaint is upheld, any commitment to make a compensation payment, goodwill payment or to take any other action will be carried out without undue delay and within any agreed timeframes.
- Where a complaint is rejected, the complainant will be provided with clear and adequate reasons for the decision and be informed of the escalation or review process, including how to use it and any relevant time limits.

FAM shall make available in our offices and on our website:

- Details of information required from complainants;
- Where, how and to whom the complaints and related information must be submitted;
- Expected turnaround times in relation to complaints; and
- Any other relevant responsibilities of complainants.
- FSP NAME will analyse complaints reports extracted from the complaint reporting system on a monthly basis. Findings on identified risks, trends and actions taken will be contained in market conduct reports.

3. Progress and status of the complaint, including whether such progress is within or outside any relevant prescribed timelines or internal service levels.
4. 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.

12. COMPLAINTS CATEGORIES

Below is a grid of the main complaint reasons per value chain category to ensure accurate and aligned capturing. These complaint categories can then be condensed into the complaint types, as prescribed by the FSCA.

Short Term insurance example

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			

GUIDE TCF-Aligned Complaint Categories

The categories for TCF outcomes are listed below with possible examples of the type of complaints that will form part of each category. These reasons are not fixed to a specific outcome and the outcome selected may differ according to the circumstances of the complaint e.g. '*Inadequate cover type*' - this could be due to the design of the product or it could be a sales error where the incorrect cover level was sold or offered. The complaint system accommodates the manual capture of the outcome breached based on the complaint received. Often, more than one outcome is breached and therefore provision has been made to capture more than one outcome per complaint.

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		

Effective monitoring and analysis of complaints is a key tool to identify, manage and mitigate TCF-related and market conduct risks. Proper monitoring and analysis will maximise business value through the learnings created from analysis of complaint outcomes.

The recording, monitoring and analysis process must provide for an adequate level of regular reporting to senior management levels.

Firms need to embed a qualitative and quantitative analysis which can be used to identify positive and negative trends for complaints received.

A standardised Monitoring and Analysis template has been developed so that there is consistency in complaints analysis. 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.

13. REPORTING / ROOT CAUSE ANALYSIS / CONTINUOUS IMPROVEMENT

The FSCA are in the process of developing a more detailed proposal regarding regulatory complaints reporting which will be in a prescribed format. Proposed reporting templates are currently being considered by the FSCA.

The FSCA believes that the reputational impact of meaningful public disclosure can act as a deterrent to unfair customer treatment, and an incentive for companies to compete over the quality of the customer experiences they deliver. This could mean that **FAM** will be required to report on our complaints in a public forum in a format prescribed by the FSCA.

The report will consist of the requirements given by the FSCA for all FSPs to abide by. In the interim, and to enable a more streamlined process for reporting, the central complaint system has been adjusted to ensure that the relevant fields are available for capture and reporting.

- For every complaint received, it is required that we do a root cause analysis to understand the reason for the complaint and put measures in place to mitigate these risks posed and generating the complaints.
- When recording complaints, **FAM** may pick up trends for the same type of complaints or numerous complaints relating to a certain area of the business. Once the root cause analysis is done, any concerns raised or risks identified will need to be corrected within the business. This is known as continuous improvement.
- There may be situations where we proactively identify gaps in our processes, systems, training or product without a customer lodging a complaint. This can follow the same process to highlight the risks and take action to remedy the situation.

ADMINISTRATION

The CEO of FAM is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

APPROVAL



12th June 2024

CEO: FAM