

Complaints Process

The Financial Advisory and Intermediary Services Act (FAIS Act) requires that a financial service provider, SCA, must maintain an internal complaints resolution system and procedure in the event that a customer complains about a financial service rendered by the financial services provider.

Treating Customers Fairly (TCF) Outcome 6 provides that “Customers do not face unreasonable post-sale barriers imposed by firms to change product, switch providers, submit a claim or make a complaint”

This document not only provides a complaints procedure in conformance with legislative expectations but it also explains the procedure should you wish to complain about any of the financial services rendered by SCA, and sets out the process which SCA will follow in order to resolve the complaint.

How to make a complaint?

- 1.1. If a client or prospective client has a complaint against our brokerage, it must be submitted to us in writing. It can be submitted either by hand, post, fax or email at the contact details that appear in this document.
- 1.2. The client should provide sufficient detail of the complaint including policy number or investment number.
- 1.3. We will keep a record of the complaint and maintain such record for 5 years as required by legislation.

Risk

All complaints will be prioritised as follows:

Risk 1 - routine complaints, potential low business impact.

This requires a response to the customer within 10 working days.

- Routine complaints have the potential of becoming serious or official complaints should they be disregarded or ignored by a financial services provider.
- The staff member logging the complaint should review the complaint and its priority with the Complaints Manager before proceeding to the next step.
- The Complaints Manager will decide on the appropriate person(s) to carry out subsequent steps, including the investigation

Risk 2 - urgent, serious business impact.

This requires a response to the customer within 5-10 working days.

- Serious complaints are complaints logged on media platforms, received from legal advisors or immediately evidence contravention of legislation requirements such as failure to conduct a proper needs analysis.
- These complaints from the outset may cause reputational harm to a financial services provider and/or may cause financial loss to a customer.
- These complaints should ideally be handled by the Complaints Manager/Key Individual or suitable senior person delegated to the task by the Complaints Manager/Key Individual.
- Complaints from third parties and/or legal advisors will be responded to within 24 hours, acknowledging receipt of the complaint and further requesting authority to act on the complainant's behalf such as a power of attorney or consent by the complainant to deal with the complaint on the complainant's behalf.
- No information will be divulged to a third party who does not have the proper authority to act on a complainant's behalf.

Risk 3 - urgent official complaints received from regulators e.g. FAIS Ombud.

The regulator usually stipulates a response time of 30 days from receipt of the complaint.

- Official complaints should be handled by the Complaints Manager/Key Individual.
- The investigation of the complaint may be delegated to a suitable senior person selected by the complaint manager and the required draft response and attachments may be collated by such senior person.
- The Complaints Manager will be ultimately responsible for compiling the response to the regulator.
- The response to the Regulator should be made within the stipulated turn-around time.

Categorisation:

Complaints will be categorised according to its nature, e.g. service, product related, features, performance, advice given etc. These categories are then narrowed down to its impact on customer. The impact of the complaint is measured by further categorising it according to the following TCF Outcomes:

- TCF Outcome 2 – These are complaints relating to the design of a product or service. The categories which affect TCF outcome 2 would be product features and charges.
- TCF Outcome 3 – These complaints relate to unsuitable or inaccurate, misleading, confusing or unclear information provided to a customer throughout the life cycle of a product. This could vary from advice, product information, information provided in advertising or marketing material about a product or service rendered etc. These disclosures would include the conflict of interest disclosures required by the General Code of Conduct of FAIS (Code); Section 4 and 5 of the Code or any other disclosure requirements in terms of the Code or any other legislation.
- TCF Outcome 4 – These are complaints which relate to the advice given to a customer by an advisor which was misleading, inappropriate and/or tainted with conflicts of interest which was not disclosed. Inappropriate advice given as a result of lack of knowledge, skill or experience on the part of the advisor of the product or service being rendered, would also be included here. The failure to conduct a needs analysis and to consider the customer's financial position, goals or life stage would also amount to a contravention of suitable advice requirements and any complaint in association herewith would fall into this category.
- TCF Outcome 5 – Complaints in this category pertain to product performance and service-related issues. This would include complaints relating to customer's disappointment with limitations in a product or service performance of which they were unaware as well as the inability of a product to meet a customer's expectations. Complaints related to a product supplier's exercise of a right to terminate a product or amend its terms, would also be included in this category.
- TCF Outcome 6 – These complaints relate to product accessibility, changes or switches, complaints relating to complaints handling and complaints relating to claims would be categorised here.

Other categories may be developed which are appropriate to this outcome and will be incorporated into the policy and attached complaint register.

Acknowledge

- All complaints must be acknowledged within 24 hours of receipt.
- Where an acknowledgement is made telephonically it will be followed up with a written response whether by sms or email.
- A complaint reference number will be dispatched to the complainant on acknowledgment of the complaint.

- The details of the person allocated to the complaint will be dispatched to the complainant within 48 hours from receipt.

Investigate

- The investigation will be driven by analysing the root cause of the complaint to enable the complaint to be appropriately dealt with and to avoid, if possible, its reoccurrence.
- This may require that both internal and external key facts are identified and clarified.
- Should a complaint relate to product features or services handled solely by a product supplier, this matter will be escalated and appropriately dealt with in conjunction with the product supplier, ensuring that the matter is resolved to the satisfaction of the complainant.
- All areas of interaction and communication will be documented and where appropriate, consent obtained from the complainant to ensure that no personal information is divulged or processed without the complainant's knowledge or consent.
- During the investigation process the complainant will be kept appropriately updated of the progress of the investigation.

Resolve and confirm

- Ensure that the proposed resolution meets Treating Customer Fairly Outcomes, does not prejudice the financial services provider or complainant and does not involve any unnecessary legal or financial implications.
- The proposed action will be documented and discussed and agreed upon with the Complaints Manager and/or affected Key Individual and Representative.
- The signed off resolution will then be discussed and reviewed with the complainant to ensure fairness and clarity and to further ensure that the resolution deals with the root cause of the complaint.
- The review should include recognition and documentation of any underlying issues that have contributed to the complaint and recommendations for actions to prevent further occurrence.

Respond to Customer

- The details of the findings and proposed resolution should be clearly explained (in written or verbal form as appropriate) to the customer- within the agreed timescales.
- Where a complaint cannot be addressed within **three weeks** by the financial services provider, it must as soon as reasonably possible after receipt of the complaint send to the complainant a written acknowledgment of the complaint with contact references of the FAIS Ombud.
- If within **six weeks** of receipt of a complaint the FSP Stephen Cloete and Associates has been unable to resolve the complaint to the satisfaction of a complainant, the complainant may:
 - refer the complaint to the Office of the FAIS Ombud if he/she wishes to pursue the matter; and
 - the complainant **MUST** do so within **six months** of receipt of such notification.

Follow up and Review

- Complaints will be diarised to ensure it remains within the appropriate turnaround times.
- Should a complaint exceed the turn-around time due to unforeseen and reasonable circumstances, the complainant will be kept appropriately informed of the reasons for the delay and a speedy resolve will continuously be sought.
- A complainant will be kept appropriately informed throughout the complaints process of the resolution being sought.
- Upon resolution of the complaint another follow-up will be conducted to ascertain whether the customer was satisfied with the complaints handling process and the resolution sought and whether the resolution was proper and fair.

- Any negative responses will be actioned in the monthly review of complaints.

Quality Assurance and Close

- The complaints manager will ensure that all employees of SCA have access to the Complaints Resolution manual.
- Customers will be made aware of the complaints resolution manual and will have access to the manual upon request.
- All complaints will be reviewed bi-monthly and would be further utilised as TCF Management Information utilised to improve overall TCF outcomes.
- All complaints will be actioned with the aim of preventing reoccurrence, where feasible.

IMPORTANT CONTACT DETAILS

FAIS Ombud

Postal Address: FAIS Ombud
P.O.Box 74571
Lynwood Ridge
0040

Telephone: 27 12 762 5000 / +27 12 4
Fax: +27 86 764 1422 / +27 12 :
E-mail: info@faisombud.co.za
Website: www.faisombud.co.za

Long Term Insurance Ombudsman

Postal Address: The Ombudsman for Long Term Insurance
Private bag X 45
Claremont
7735

Telephone: 021 657 5000 / 0860 103 236
Fax: (021) 674-0951
E-mail: info@ombud.co.za
Website: www.ombud.co.za

Short Term Insurance Ombudsman

Postal Address: The Ombudsman for Short Term Insurance
PO Box 32334
Braamfontein
2017

Telephone: (011) 726-8900
Fax: (011) 726-5501
E-mail: info@osti.co.za
Website: www.osti.co.za

Pension Fund Adjudicator (PFA)

Address: Pension Fund Adjudicator
P.O. BOX 580
MENLYN,
0063

Telephone: 012 3461738, 012 748 4000

Fax: 0866937472

E-mail: enquiries@pfa.org.za

Website: www.pfa.org.za

Ombudsman for Banking Services / Banking adjudicator

Postal Address: The Ombudsman for Banking Services
PO Box 87056
Houghton
2041

Telephone: 011-712-1800
0860 – 800 - 900

Fax: 011-483-3212

E-mail: info@obssa.co.za

Website: www.obssa.co.za