



**NVEST FINANCIAL HOLDINGS LIMITED - RISK AND CONTROL FRAMEWORK**

**KEY RISK POLICY**

**COMPLAINTS HANDLING POLICY AND PROCEDURE**

Date of Policy approval:	28/02/2018 (with subsequent reasonably immaterial amendments made by Exco, completed 13/03/2018)
Date of Policy implementation:	01/06/2018
Key Risk:	Legal and Regulatory Compliance Risk
Key Risk Owner/s:	Group Company Secretary and Group Compliance Officer
Policy Owner:	Group Compliance Officer
Action owners:	All Employees

**1. PREAMBLE**

- 1.1. This Policy forms part of the NVest Financial Holdings Limited (“NVest” or “the Group”) Consolidated Group Wide Risk and Control Framework (“RCF”).
- 1.2. Compliance with the controls, terms and protocols prescribed by this Policy is mandatory for all directors, employees, contractors and, where applicable, agents of the Group and its wholly/majority owned subsidiaries.
- 1.3. Breaches of the Policy may result in disciplinary action which may subsequently result in dismissal.
- 1.4. An electronic version of this Policy can be found on the Group’s intranet. In terms of the Group’s conditions of service contract, all Employees are required to comply with this policy.

**Purpose Statement:**

**The purpose of this policy is:** to assist the Group, its Directors and Employees in resolving Complaints in an efficient, effective and professional manner which complies with all applicable industry standards and regulations. Through this Policy, we seek to ensure that our Clients and stakeholders experience the highest standards of service in resolving Complaints.

This document explains both the procedure should you wish to complain about any of the products and/or services rendered by the Group and sets out the process and methodology that the Group will follow in order to consider, address and resolve the Complaint. All Complaints, not only those that may involve a potential breach or infringement of applicable laws and regulations, will be considered, thoroughly investigated and fairly addressed by the Group.

The scope of this Policy is to regulate the manner in which all Complaints against the Group are received, considered, reported and addressed by the Group. The Policy also provides insight and transparency to Clients and Stakeholders so that there is a shared awareness of how Complaints will be managed by the Group.

**Note: this is not only an internal policy. The Financial Advisory and Intermediary Services Act No. 37 of 2002 (“FAIS”) requires that the Group makes the Policy available to clients as may be required (Reference – “Basic Principles of Systems and Procedures” within FAIS).**

## 2 DEFINITIONS

- 2.1 **“Client”** – means a specific person or group of persons, excluding the general public, who is, was or may become the subject to whom a service is rendered intentionally, or is the successor in title of such person or the beneficiary of such service;
- 2.2 **“Complaint”** – means any written statement or expression by a client, customer or external stakeholder of the Group that something offered, done (or not done) or provided by the Group is perceived to be unsatisfactory, unacceptable or in breach of applicable laws or regulations and includes any Complaint in terms of section 1(1) of FAIS and, in respect of subsidiary companies of The Group that are members of the JSE, include complaints as defined in terms of section 11 of the JSE’s Equities Rules (i.e. for the purposes of Section 11 of the JSE’s Equities rules, a client complaint is defined as a complaint in relation to the provision of regulated services, in which the client alleges that he has suffered, or is likely to suffer, financial prejudice as a result of the member – contravening or failing to comply with any instruction given by the client, or any agreement or mandate entered into with the client; contravening or failing to comply with the rules and the directives; acting dishonestly, negligently or recklessly; or treating the client unreasonably or unfairly).
- 2.3 **“Complainant”** – means the Client themselves, or a Client’s lawful successor in title, and/or a nominated beneficiary of the original Client or an external Stakeholder of the Group that has some relationship or vested interest in the operation of the Group;
- 2.4 **“Days”** – means working days excluding Saturdays, Sundays and Public Holidays;
- 2.5 **“Employee”** – means any individual employed by and holding a valid contract of employment with the Group;
- 2.6 **“FAIS” (or “the Act”)** – means the Financial Advisory and Intermediary Services Act No. 37 of 2002;
- 2.7 **“FSP”** – means any Financial Services Providers within the Group registered with the Financial Services Board in terms of FAIS;
- 2.8 **“General Complaints”** – means those Complaints that are made in respect of subsidiaries of the Group (and their products and/or services) that are not FSP’s and therefore not subject to FAIS or which Complaints are made in respect of subsidiaries that are FSPs but which are not governed by FAIS or which the FAIS Ombud is not required to deal with. These Complaints will be dealt with in accordance with this Policy but as “General Complaints”;
- 2.9 **“Group Compliance”** – means the dedicated individuals appointed by the Group with the responsibility to ensure the professional handling of Complaints as per the Group’s compliance risk management process;
- 2.10 **“Ombud”** – means the Ombud for Financial Services Providers (commonly referred to as the FAIS Ombud and referred to in section 20(2) of the FAIS Act) together with Long-Term and Short-Term Insurance Ombudsman;
- 2.11 **“Responsible Employee”** - means the person responsible for obtaining information from a Client for purposes of a Complaint resolution. ;

## NVFH Group Wide Complaints Handling Policy and Procedure

- 2.12 **“Senior Management”** - means any senior person reporting directly to an executive committee member or who has a highly responsible managerial position with overall management of large departments within the Group;
- 2.13 **“The Group”** - means NVest Financial Holdings Limited and any/all of its wholly/majority owned subsidiaries.

### 3 INTRODUCTION

- 3.1 Certain subsidiaries within the Group are authorised FSPs licenced in terms of the Act. The Act requires that all FSPs must maintain an internal Complaints Resolution System and Procedure in the event that a Complainant complains about the financial services rendered by them.
- 3.2 For the purposes of establishing a fair Complaints handling procedure and to standardize the management of Complaints, the Group has adopted this Policy and Procedure which prescribes steps and procedures which should be followed in the event of a Complaint being received by the Group.
- 3.3 This Policy is designed to regulate the manner in which the Group receives and handles external Complaints made against it, its FSPs and/or its Employees. For clarity, this policy is not applicable to complaints internal to the Group; for such complaints, appropriate members of management should be approached and where appropriate, formal grievances lodged in line with human resource and other internal policy.
- 3.4 This document can be accessed at any of our offices or can be downloaded from our Group website ([www.nvestholdings.co.za](http://www.nvestholdings.co.za)). Alternatively, you may request a copy by contacting the Group Compliance Officer using the following details: telephone number (0)43 735 2000 or e-mail address [compliance@nvestholdings.co.za](mailto:compliance@nvestholdings.co.za).

### 4. COMPLAINTS MANAGEMENT MISSION

- 4.1 NVest undertakes and commits to the following:
- 4.1.1 to resolve Complaints in a way that is fair to our Clients, our business and our Employees;
- 4.1.2 to inform all our Clients of the procedures established for the internal resolution of their Complaints as and when may be appropriate, details of which will be given to them in writing;
- 4.1.3 to empower and properly train the people in our business to deal with Complaints, as well as with the escalation of General Complaints;
- 4.1.4 to appoint an independent mediator, if and when necessary, to resolve the Complaint to the benefit of both the Client and our business;
- 4.1.5 to deal with Complaints in a timely and fair manner, with every Complaint receiving proper consideration in a process that is managed appropriately and effectively by the Employee/s responsible for receiving a Complaint, escalating a Complaint and/or, resolving a Complaint;
- 4.1.6 to manage Complaints in conformance with the Group’s Policies on Treating Customers Fairly;
- 4.1.7 to offer appropriate and reasonable remedy in all cases where a Complaint is resolved in favour of a Complainant/Client;

## NVFH Group Wide Complaints Handling Policy and Procedure

- 4.1.8 to inform Clients / Complainants of their right to refer their Complaints to the Ombud or any other relevant Ombud or regulator, should a Complaint not be resolved to their satisfaction;
- 4.1.9 to maintain appropriate and accurate records of all Complaints received for a period of five years from the date of receipt of the Complaint, which will specify the outcome of all the Complaints lodged; and
- 4.1.10 to implement follow-up procedures to ensure remedial actions to prevent similar Complaints from occurring and improve products, services and/or procedures where necessary in the business.

### **5. COMPLAINTS DEALT WITH IN TERMS OF FAIS AND EXCLUSIONS**

- 5.1 A Complaint in terms of section 1(1) of FAIS refers to a specific Complaint relating to a financial service rendered by an FSP or a representative of such an FSP and which it is alleged that the provider or its representative:
  - 5.1.1 contravened a provision of FAIS and caused (or will cause) the Complainant to suffer financial prejudice or damage; and/or
  - 5.1.2 has wilfully or negligently rendered a service that has caused (or will cause) financial prejudice or damage; and/or
  - 5.1.3 has treated the Complainant unfairly.
- 5.2 Only Complaints that meet the requirements of 5.1 relating to a financial service provided by a Group FSP or one of its representatives, will be dealt with as a FAIS Complaint where FAIS requirements are adhered to. All other Complaints received will be deemed to be General Complaints and dealt with accordingly.
- 5.3 The FAIS Ombud will also not deal with any Complaint:
  - 5.3.1 about the investment performance of a financial product unless the financial performance was guaranteed expressly or implicitly or if the financial performance was so deficient as to raise a prima facie presumption of misrepresentation, negligence or mal-administration on the part of the FSP concerned or its representative;
  - 5.3.2 about an act or omission that occurred before 30 September 2004;
  - 5.3.3 where a period of more than three years has expired since the act or omission which resulted in the Complaint has passed;
  - 5.3.4 constituting a monetary claim in excess of R800,000 unless the responding party has agreed in writing to this limitation being exceeded; and
  - 5.3.5 where the Complainant has instituted proceedings in a court of law regarding the subject matter of the Complaint before the date of receipt of the Complaint by the Ombud or during an investigation by the Ombud.
- 5.4 Complaints about a retirement fund or decisions made by the board of trustees, the repudiation of any Claim or poor administrative service received from a product supplier will not be dealt with in terms of FAIS Complaint resolution procedures and must be directed to the Complaints department of the relevant retirement fund, board of trustees or product supplier as the case may be. Employees must still endeavour to assist Clients relating to these types of Complaints.
- 5.5 The FAIS Ombud will only proceed to investigate a Complaint if it has informed every other interested party of the receipt of such Complaint and provided particulars of such Complaint to the parties concerned and provided them with an opportunity to respond.

## NVFH Group Wide Complaints Handling Policy and Procedure

- 5.6 The FAIS Ombud may follow and implement any procedure which it deems fit and may allow any party the right of legal representation.
- 5.7 If the Complaint was not resolved through conciliated settlement, the Ombud may make a determination which has the same legal status of a civil court judgment.

### **6. GENERAL COMPLAINTS**

- 6.1 Any person or organisation (the Complainant) who is dissatisfied with a service or conduct provided by the Group, for any reason, may contact the Group Compliance Officer using the following details: telephone number 043-735 2000 or e-mail address [compliance@nvestholdings.co.za](mailto:compliance@nvestholdings.co.za) to lodge a Complaint. The Complaint must be in writing and must be accompanied by the relevant documents pertaining to the Complaint; thus any Complaints made telephonically will be required to be reduced to writing by the Complainant or by Group Compliance in the case of Complaints made telephonically that have been recorded.
- 6.2 General Complaints that would reasonably be deemed to be a serious nature in that lack of resolution thereof may cause the Group and/or any subsidiary thereof to suffer material financial loss, reputational damage and/or regulatory amongst other reasonable considerations that the relevant situation may dictate be considered must be appropriately escalated to the Group Company Secretary and Group Compliance who must then ensure that the Complaint is referred to and handled or overseen by a member of Senior Management within the appropriate and relevant department and/or subsidiary with adequate expertise, training and experience to resolve the matter as soon as possible. The Managing Director and the Stock Broker in Charge in respect of Group Companies that are JSE members of the relevant Group Company must always be made aware of the Complaint (unless informing that Managing Director or Stockbroker in Charge may prejudice the requisite investigations – for example, as a result of being directly related to the Complaint) in order for him/her to also be satisfied that the appropriate Responsible Employee is assigned the responsibility of resolving the Compliant. Senior Management may delegate this responsibility to any Responsible Employee who also has the required expertise, training and experience.
- 6.3 At times, Complaints can be received by way of negative feedback, which may not require resolution or formal follow up. While this type of feedback is valuable, this document does not apply to feedback of this nature.

### **7. INFORMATION REQUIRED WHEN SUBMITTING A COMPLAINT**

- 7.1 In order for the Group to be able to effectively respond to and resolve a Complaint, the Complaint must contain:
  - 7.1.1 The full names, ID/registration number and contact details of the Complainant;
  - 7.1.2 The full names, ID/registration number and contact details of the Client (if different from the Complainant);
  - 7.1.3 A detailed description regarding the nature of the Complaint, which would include details relating to Employees of the Group to whom the Complaint relates, sufficient facts, dates and supporting documentation to enable the Group to deal with the Complaint quickly and fairly;

## NVFH Group Wide Complaints Handling Policy and Procedure

- 7.1.4 Full details of any financial products and reference, contract, account, policy or other numbers, where applicable; and
- 7.1.5 Preferred method of communication.

### **8. PROCESS TO SUBMIT AND MANAGE ALL COMPLAINTS**

- 8.1 All Complaints must be reduced to writing (by the Complainant or by Group Compliance in the case of a Complaint that has been recorded) so that the details of the Complaint are clear and complete and can be appropriately escalated and distributed. If the Complainant is illiterate, it is the duty of the responsible FSP or Responsible Employee to assist the Complainant in reducing a Complaint to writing, in which case the Complaint should also be recorded so as to try to eliminate any misunderstandings or miscommunications.
- 8.2 To ensure quick and appropriate responses to Complaints, the following process must be used at all times by all Employees:
  - 8.2.1 If the Complaint is not received in writing or reduced to writing in the case of a Complaint that is recorded and/or does not contain all the requirements required as stipulated herein, send the Complainant a copy of this policy and request that the Complainant provide the appropriate documentation;
  - 8.2.2 Send the written Complaint and all supporting documentation received to the Company Secretary and Group Compliance who must then assess the Complaint and ensure that it is escalated accordingly and assigned to an appropriate member of Senior Management within the appropriate and relevant department and/or subsidiary within 3 working days to handle. The Managing Director of the relevant Group Company and the Stockbroker in Charge in respect of Group Companies that are JSE members, must always be made aware of the Complaint (unless informing that Managing Director or Stock Broker in Charge may prejudice the requisite investigations – for example, as a result of being directly related to the Complaint) in order for him/her to also be satisfied that the appropriate Responsible Employee is assigned the responsibility of resolving the Complaint. In some cases it may be necessary that the Complaint is handled by the Company Secretary and Group Compliance directly, which will be determined after the necessary and appropriate consultation with the Managing Director, Stockbroker in Charge and other relevant Senior Management within the relevant and appropriate department or subsidiary and where it is determined that such department and/or subsidiary does not have the requisite ability or capacity to effectively resolve the Complaint.
  - 8.2.3 Group Compliance must ensure that the Complaint is recorded in the appropriate Complaints Register and that the written Complaint and all supporting documentation is not deleted / destroyed for at least a five year period as required by legislation and this Policy;
  - 8.2.4 The Employee designated with the responsibility of Complaint resolution must ensure that an acknowledgement of receipt of the Complaint, approved by Group Compliance, is sent to the Complainant in writing within 5 working days of receipt, which acknowledgment must provide the Complainant with the name(s) and contact details of the Employee/s responsible for the resolution of the Complaint as well as maximum time-frames related to Complaint resolution in line with this Policy;
  - 8.2.5 The Responsible Employee must take appropriate and prompt steps to investigate the Complaint to ascertain legitimacy so as to be able to proceed accordingly;
  - 8.2.6 If the Complaint can be resolved, the Responsible Employee must take appropriate action and inform the Complainant accordingly within the shortest possible and practical amount of time;

## NVFH Group Wide Complaints Handling Policy and Procedure

- 8.2.7 In the case of the following:
- 8.2.7.1 the Responsible Employee has not resolved a complaint within six weeks of receiving it;
  - 8.2.7.2 the Complaint has been dismissed;
  - 8.2.7.3 the Complainant is not satisfied with the results of the investigation into the Complaint;
- the Complainant may refer the Complaint to the Ombudsman (in the case of FAIS related Complaints), the Director: Surveillance of the JSE (in the case of Complaints relating to JSE members) or alternative regulators such as the Pension Fund Adjudicator. The Complainant must be advised of their right to refer such complaints and the appropriate contact details in order to refer such Complaints. Where applicable, Complainants must also be advised that, after receipt of the response regarding the outcome of the Complaint from the Group, should they wish to refer the Complaint further, they should do so within six months of receipt of such notification in the case of FAIS related Complaints and four weeks in the case of JSE member related complaints. In the case of JSE member Complaints, the Complainant must also be advised that the Surveillance Department of the JSE will only consider a complaint within six months of the conduct that gave rise to the Complaint (unless a longer period is as a result of no fault of the Complainant)
- 8.2.8 Where appropriate, the Responsible Employee may also consider referring the matter to arbitration or mediation, which must first be considered in terms of the cost thereof and the Group's Limits of Authority Framework.
- 8.2.9 The Responsible Employee must ensure that Group Compliance and the Company Secretary and any other appropriate Senior Management are updated appropriately and regularly throughout the Complaint resolution process. As updates are received and once the Complaint is finalised, Group Compliance must update the appropriate Complaints Register accordingly.
- 8.3 The Complainant has a right to enquire as to the status of his/her Complaint by contacting the Responsible Employee identified in the acknowledgement sent to them.
- 8.4 All Complaints must be appropriately escalated and should it be discovered that an Employee has not escalated a Complaint in order to protect that Employee or any other Employee or third party or for any reason whatsoever, such lack of action will / must be deemed to be a material breach of Policy and will / must result in appropriate disciplinary action being taken.
- 8.5 All serious Complaints that would reasonably be deemed to be such a serious nature in that lack of effective or prompt resolution thereof or if the Complaint were to be made public may cause the Group and/or a major subsidiary of the Group (i.e. a subsidiary that represents 25% or more of total assets or revenue of the consolidated group based on the latest published interim or year-end financial results) to suffer material financial loss, reputational damage and/or regulatory risk amongst other reasonable considerations that the relevant situation may dictate be considered, must be escalated to the Group board for their awareness and advice (if needed).

## 9. IMPORTANT CONTACT DETAILS

### 9.1 Particulars of the FAIS Ombud:

Telephone: + 27(0)12 470 9080/97  
Fax: +27(0)12 348 3447  
Email address: info@faisombud.co.za  
Postal address: P.O. Box 74571, Lynwood Ridge, 0040  
Website: <https://www.faisombud.co.za/>

### 9.2 Particulars of the Ombudsman for Short Term Insurance:

Telephone: +27(0)11 726 8900  
Sharecall: +27(0) 86 0726 890  
Fax: +27(0)11 726 5501  
Email address: info@osti.co.za  
Postal address: P O Box 32334, Braamfontein, 2017  
Website: <http://www.osti.co.za/>

### 9.3 Particulars of the Ombudsman for Long Term Insurance:

Telephone: +27(0)21 657 5000  
Fax: +27(0)21 674 0951  
Email address: info@ombud.co.za  
Postal Address: Private Bag X45, Claremont, 7735  
Website: <http://www.ombud.co.za/>

### 9.4 Particulars of the Pension Funds Adjudicator:

Telephone: +27(0)12 346 1738/748 4000  
Fax: +27(0)86 693 7472  
Email address: Enquiries@pfa.org.za  
Website: [www.pfa.org.za](http://www.pfa.org.za)

### 9.5 Particulars of the JSE's Director: Surveillance

Telephone: +27(0)11 520 7000  
Email address: surveillance@jse.co.za  
Postal address: Private Bag X991174  
Website: [www.jse.co.za](http://www.jse.co.za)



## ANNEXURE A

### Complaints Process Flow Chart





