



**BLUE MERCURY FINANCIAL
SERVICES
COMPLAINTS POLICY**

COMPLAINTS POLICY

The complaints policy forms part of the compliance framework. It serves to ensure an accessible, effective, appropriate and fair system for the recording and resolution of all complaints, in order to ensure the fair treatment of stakeholders.

The policy gives clear and concise rules when managing complaints to ensure the compliant, successful and fair resolution thereof.

SCOPE

This policy covers all individuals working at all levels and grades, including managers, officers, directors, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term employees, casual staff and volunteers (collectively referred to as staff or employees). All staff are responsible for their own compliance with this policy and for ensuring that it is consistently applied.

Breach of this policy will be dealt with under the Disciplinary Procedure and may be treated as gross misconduct which could result in dismissal.

REVIEW OF THIS POLICY

The framework, inclusive of this policy, shall be reviewed annually to ensure that it meets legal requirements and reflects best practice.

DEFINITIONS

"client query" means a request to the provider or the provider's service supplier by or on behalf of a client, for information regarding the provider's financial products, financial services or related processes, or to carry out a transaction or action in relation to any such product or service;

"complainant" means a person who submits a complaint and includes a:

- (a) client;
- (b) person nominated as the person in respect of whom a product supplier should meet financial product benefits or that persons' successor in title;
- (c) person whose life is insured under a financial product that is an insurance policy;
- (d) person that pays a premium or an investment amount in respect of a financial product; member;
- (e) person whose dissatisfaction relates to the approach, solicitation marketing or advertising material or an advertisement in respect of a financial product, financial service or related service of the provider, who has a direct interest in the agreement, financial product or financial service to which the complaint relates, or
- (f) a person acting on behalf of a person referred to in (a) to (f);

"complaint" means an expression of dissatisfaction by a person to a provider or, to the knowledge of the provider, to the provider's service supplier relating to a financial product or financial service provided or offered by that provider which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a client query, that –

- (a) the provider or its service supplier has contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on the provider or to which it subscribes;
- (b) the provider or its service supplier's maladministration or wilful or negligent action or failure to act, has caused the person harm, prejudice, distress or substantial inconvenience; or
- (c) the provider or its service supplier has treated the person unfairly;

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

- (a) goodwill payment;
- (b) payment contractually due to the complainant in terms of the financial product or financial service concerned; or
- (c) refund of an amount paid by or on behalf of the complainant to the provider where such payment was not contractually due; and includes any interest on late payment of any amount referred to in (b) or (c);

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

"interference with protection of the personal information" means any breach of :

- the conditions for the lawful processing of personal information
- confidentiality by any person acting on behalf of, or under the direction of the Information Regulator
- requirements in respect of the notification of security compromise
- requirements in respect of direct marketing by unsolicited electronic communications
- requirements in respect of directories
- requirements in respect of automated decision-making
- requirements when transferring personal information outside the Republic of South Africa
- any code of conduct issued under the Act

"member" in relation to a complainant means a member of a

- (a) pension fund as defined in section 1(1) of the Pension Funds Act, 1956 (Act 52 of 1956);
- (b) friendly society as defined in section 1(1) of the Friendly Societies Act, 1956 (Act 25 of 1956);

- (c) medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (Act 131 of 1998); or
- (d) group scheme as contemplated in the Policyholder Protection Rules made under section 62 of the Long-term Insurance Act, 1998, and section 55 of the Short-term Insurance Act, 1998;

"rejected" in relation to a complaint means that a complaint has not been upheld and the provider 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 provider as unjustified or invalid, or where the complainant does not accept or respond to the provider's proposals to resolve the complaint;

"reportable complaint" means any complaint other than a complaint that has been —

- (a) upheld immediately by the person who initially received the complaint;
- (b) upheld within the provider's ordinary processes for handling client queries in relation to the type of financial product or financial service complained about, provided that such process does not take more than five business days from the date the complaint is received; or
- (c) submitted to or brought to the attention of the provider in such a manner that the provider does not have a reasonable opportunity to record such details of the complaint as may be prescribed in relation to reportable complaints; and

"upheld" means that a complaint has been finalised wholly or partially in favour of the complainant and that —

- (a) the complainant has explicitly accepted that the matter is fully resolved; or
- (b) it is reasonable for the provider to assume that the complainant has so accepted; and
- (c) all undertakings made by the provider to resolve the complaint have been met or the complainant has explicitly indicated its satisfaction with any arrangements to ensure such undertakings will be met by the provider within a time acceptable to the complainant.

OUR COMMITMENT

Where a complaint arises, these are viewed as an opportunity to engage with our clients, repair relationships and improve our process and service.

Complaints management processes and procedures must at all times be transparent, visible and accessible. The process to lodge a complaint is communicated to our clients in disclosure documents and is available on our website and in our branches.

Clients will not be charged for lodging complaints.

ALLOCATION OF RESPONSIBILITIES

The governing body, management and key individuals are responsible for effective complaints management and resolution and must approve and oversee the effectiveness of the framework.

An appropriate, competent Complaints Officer has been appointed and is responsible for the approval and implementation of this policy in respect of all complaints, aside from data protection.

The Information Officer is responsible for effective data protection complaints management and resolution and must approve and oversee the effectiveness of the framework. Duties may be delegated but accountability cannot be abdicated.

Any person responsible for making decisions or recommendations in respect of complaints 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 any conflict of interest and be adequately empowered to make impartial decisions or recommendations.

TRAINING

Ongoing training in effective complaint handling, fairness and the internal complaint management system is a requirement, and to give effect this, all staff shall be appropriately trained according to their role, on an annual basis.

PROCEDURE

All complaints shall be managed strictly in accordance with the approved internal procedure, which shall not be overly complicated, or impose unduly burdensome paperwork or other administrative requirements on complainants.

To ensure that our customers are treated fairly, and to ensure that our complaints management procedure is effective, efficient, transparent and accessible, any customer who lodges a complaint shall be provided with written details of the procedure which we follow when a complaint is received.

CATEGORISATION OF COMPLAINTS

All complaints shall be categorised in accordance with the following minimum categories:

- design of a financial product, financial service or related service, including fees, premiums or other charges related to that financial product or financial service; (TCF 2)
- information provided to clients; (TCF 3)

- advice; (TCF 4)
- financial product or financial service performance; (TCF 5)
- service to clients, including premium collection or product lapses; (TCF 5)
- financial product accessibility, changes or switches; (TCF 6)
- complaints handling; (TCF 6)
- risk claims, including non-payment of claims; (TCF 6)
- finance provision or affordability
- other complaints

Additional categories relevant to the business may be added on approval by the Complaints officer. Only categories which are relevant to the business model, products, services and client base, and that will support the effectiveness of the framework in managing conduct risks and effecting improved outcomes and processes for clients may be added.

COMPLAINTS ESCALATION AND REVIEW PROCESS

An appropriate, balanced internal complaints escalation and review process shall be implemented providing for internal escalation of complex or unusual complaints at the instance of the initial complaint handler, or for complaints not resolved to the satisfaction of a complainant.

Complaints shall be escalated to an impartial, senior functionary appointed to manage the escalation or review process. The complaints escalation and review process shall follow a balanced approach, bearing in mind the legitimate interests of all parties involved, including the fair treatment of complainants

DECISIONS RELATING TO COMPLAINTS

Where a complaint is upheld, commitments made to make any compensation payment, goodwill payment or to take any other action shall be carried out without undue delay and within any agreed timeframes.

Where a complaint is rejected, the complainant shall be provided with clear and adequate reasons for the decision and must be informed of any applicable escalation or review processes, including how to use them and any relevant time limits.

OMBUD

We endeavour to resolve complaints before a final determination or ruling is made by an Ombud, through the internal escalation process, without impeding or unduly delaying a complainant's access to any Ombud.

We clearly and transparently communicate the availability and contact details of relevant Ombud services to complainants at all relevant stages of the relationship with clients, including at the start of the relationship and in relevant periodic communications. This shall

be done by way of including these details in our statutory disclosure, as well as in our complaints procedure at our premises, and on our website.

Honest, open and transparent communication procedures shall be implemented when engaging with any Ombud in respect of complaints. Full co-operation shall be given to any Ombud with whom we engage.

We shall regularly monitor determinations, publications and guidance issued by any relevant Ombud with a view to identifying failings or risks in internal policies, services or practices.

INFORMATION REGULATOR

We try to resolve complaints through the internal escalation process, without impeding or unduly delaying a complainant's access to the Information Regulator.

We clearly and transparently communicate the availability and contact details of the Information Regulator to complainants at all relevant stages of the relationship with clients, including at the start of the relationship and in relevant periodic communications.

Honest, open and transparent communication procedures shall be implemented when engaging with the Information Regulator in respect of complaints.

We regularly monitor determinations, publications and guidance issued by the Information Regulator with a view to identifying failings or risks in internal policies, services or practices.

RECORDKEEPING, MONITORING, AND ANALYSIS OF COMPLAINTS

All information in respect of complaints and complaint-related information must be accurately, efficiently and securely recorded and stored, for a period of 5 years after the resolution of such complaint.

The Complaints Officer will keep a register and record of all complaints. The register will record at least the following information on every complaint:

- Details of the complaint
- Categorisation of the complaint
- Progress made
- Escalation and appeal of the complaint
- Responsible person to deal with the complaint
- Escalation to any Ombud
- Outcome (including compensation, where applicable)
- Date when a complaint has been resolved; and
- Whether the complaint is a reportable complaint in terms of legislation

The records held will have all the relevant information of the complaint including all documentation related to the complaint.

MANAGEMENT INFORMATION AND ACTION

Complaints Management Information shall be analysed and utilised to identify trends, manage conduct risks and effect improved outcomes and processes for clients, and to prevent recurrences of poor outcomes and errors.

The following management information shall be provided by the Complaints Officer, to the Governing body or Executive Management on a regular basis, in the correct form and format:

- complaints received and their classification
- complaints upheld;
- rejected complaints and reasons for the rejection;
- complaints escalated
- complaints referred to an Ombud and their outcome or status;
- number and amounts of compensation payments made;
- number and amounts of goodwill payments made;
- complaints outstanding;
- applicable new determinations

REPORTING COMPLAINTS INFORMATION

Internal procedures shall ensure all required reporting to any relevant designated authority or the public in general. The following information must be recorded in respect of reportable complaints:

- all relevant details of the complainant and the subject matter of the complaint;
- copies of all relevant evidence, correspondence and decisions;
- the complaint categorisation
- progress and status of the complaint, including whether such progress is within or outside any set timelines.

COMPLAINTS SYSTEM REVIEW

We shall regularly review and analyse the complaint management system to gauge the systems' efficiency and effectiveness. Both quantitative measurement (for example, the number of complaints resolved in a given period) and qualitative measurement (for example, the degree of customer satisfaction with the process) shall be undertaken.

ENFORCEMENT

Disregarding or failing to comply with policy could lead to disciplinary action, up to and including possible termination of employment.