

Client Complaints handling and Resolution procedure

CONTENT

- A. Overview of the purpose of the FAIS Act
- B. What is a “FAIS” complaint?
- C. Complaints handling and resolution procedure
- D. The FAIS Ombudsman
- E. FAIS complaint flow chart
- F. Complaint Notification Form

A. OVERVIEW OF THE PURPOSE OF THE FAIS ACT

Protection of consumers

The FAIS Act protects consumers by regulating financial advice and intermediary services provided by representatives of Financial Services Providers (FSPs) ensuring that consumers are informed about the products they purchase and the product suppliers, in order for them to make informed decisions.

Regulation of advice-giving activities

The FAIS Act requires a FSP e.g. NLD Independent Financial Advisors (NLD) or its representative/s be equipped with the necessary skills, qualifications and experience to provide a financial service suited to the clients' needs. The key individual/s of the FSP must comply with similar fit and proper requirements in order for the FSP to get its FAIS license and to oversee all financial aspects of the FSP and its representatives.

Transparency

In terms of the FAIS Act, the FSP or its representatives must:

- Disclose that NLD is a licensed FSP - or is authorised by the FSP in the case of a representative - to provide such service;
- Provide all the necessary information regarding the product and the supplier;
- Concisely convey the legal and contractual status of the provider to make it clear to the client which entity accepts the responsibility for the actions of the provider and/or the representative;
- Provide full details of remuneration and commission;
- Confirm all verbal advice provided in writing, within 30 days of having provided such service.

Consumer platform for complaints

The FAIS Act also provides consumers with a platform to address their complaints in a fair and procedural manner. "Complaint" is defined in the FAIS Act as a specific complaint relating to a financial service rendered by the FSB/representative where it is alleged that the FSB/representative:

- Has contravened or failed to comply with a provision of the Act and as a result the complainant has suffered or is likely to suffer financial prejudice or damage;
- Has wilfully or negligently rendered a financial service which caused damage or prejudice to the complainant or which is likely to result in such prejudice or damage; or
- Has treated the complainant unfairly.

B. WHAT IS A “FAIS” COMPLAINT?

A FAIS complaint is one where an FSP, one of its representatives, key individuals or administration support staff has failed to comply with a provision of the FAIS Act as a result of which the complainant has suffered, or is likely to suffer, financial loss.

Where an FSP, one of the representatives, key Individuals or administration supporting staff “has contravened or failed to comply with a provision of the Act and as a result the complainant has suffered or could suffer financial damage”, and as a result the client has laid a complaint;

- Alleging that no quote or disclosures were shown when investing in a financial product;
- About not knowing the structure of the product before purchasing / investing;
- About not having received proper information about the features of the product;
- Of mis-selling:
 - No record of advice having been shown to the client;
 - Where appropriate, no risk analysis was done before the product was sold;
 - Negligence on NLD’s part in respect of an investment or switch leading to financial loss;
- About not being advised of the effect that a particular change could have on an investment;
- That the representative is no longer employed by NLD and has not been told who to deal with;
- That confidential information was disclosed to a third party without the client’s consent;
- Alleging that they signed or were asked to sign a blank document;
- That the incorrect product was sold to the client;
- That a product was sold without the client’s knowledge;
- That NLD acted without the client’s knowledge/consent when.
 - Cancelled a financial product
 - Effected a change in respect of a product which caused prejudice to the client or;
 - Effected any change contrary to the client’s instructions.
- That NLD cannot accurately account for funds invested by the client;
- That NLD took money from a client but did not invest it timeously;
- That by NLD not acting timeously on the reasonable instruction, the client was prejudiced.
- That the client has been sent from one NLD official to another without resolution;
- About rude behaviour;
- That a previous complaint was not handled fairly and objectively;
- That different staff provided different information when contacted about the same issue;
- That the provider promised to do one thing and then did another.

C. COMPLAINTS HANDLING AND RESOLUTION PROCEDURE

All complaints must be put in writing to:

Jason Nicol: Head Operations for NLD Independent Financial Advisors
135 Cape Road
PORT ELIZABETH
6001

Fax: (021) 558 0214
E-mail: jason@nld.co.za

Please include as much detail as possible and copies of documentation, where available. We have included a “complaint form” to ensure that we have sufficient information regarding the complaint.

Important Note

Please note that complaints sent to the NLD Compliance Administrator will be acknowledged in 3 days of receipt of the complaint and the communication will detail how the complaint is being addressed and the procedure that will be followed. The name and contact details of the person appointed to consider the complaint and the resolution thereof will also be included in this communication.

We will keep you informed of progress on a regular basis. All complaints and related correspondence will be stored in an electronic storage medium for a period of 5 years, as required by the FAIS Act. We will advise you of the results of the consideration in writing, within 30 days of receipt of the complaint. If the complaint is resolved in your favour, we will ensure that a full and appropriate redress is offered to you without any delay. If the outcome is not in your favour we will provide you with full written reasons within the 30 days referred to above, or if, after 6 weeks has passed, the complaint is still not resolved, you have 6 months within which to refer the complaint to the FAIS Ombud.

D. THE FAIS OMBUDSMAN

The FAIS Ombud considers and disposes of complaints in a procedurally fair and expeditious manner with reference to what is equitable. The Ombud will only proceed to investigate officially received complaints once all interested parties have been notified of the particulars of the complaint in writing and all parties are provided with the opportunity to submit a response.

Contact details of the FAIS Ombudsman are:

FAIS Ombudsman Financial Services Board
P O Box 35655 MENLO PARK, 0102
Telephone number: 012 428 8000
Toll Free: 080 011 0443
Fax number: 012 347 02217

If you have any further queries regarding the procedure to be followed in the event of a referral, kindly refer to the FAIS Ombudsman's website at www.faisombud.co.za.

E. FAIS COMPLAINT FLOW CHART

To qualify as a FAIS complaint, the answer to one of the following questions must be “yes”:

- A. Has NLD or its representative contravened or failed to comply with any provision of the FAIS Act, resulting in the complainant suffering or likely to suffer financial prejudice or damage?
- B. Has NLD or its representative wilfully or negligently rendered a financial service which has caused prejudice or damage is likely to result in such prejudice or damage to the complainant?
- C. Has NLD or its representative treated the complainant unfairly?

If the answer to any of these questions is “yes”, proceed along the following lines:

Complete the complaint notification form (copy enclosed) providing as much information as possible attaching copies of relevant documentation. This must then be sent to the NLD Compliance Administrator on fax number (041) 373 0400 or email jason@nld.co.za

1. You will receive acknowledgement within 3 working days of the written complaint and be provided with details of the person who will be considering your complaint and how your complaint will be handled.
2. You will receive regular updates as to the progress being made. Results of the complaint must be communicated within 30 days and if resolved in your favour, an appropriate redress will be offered to you. If the outcome is not in your favour we will supply you with full written reasons.
3. If 6 weeks have passed and the complaint is still not resolved, you have 6 months within which to refer the complaint to the FAIS Ombud.

