



Complaints Resolution Policy

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IMPORTANT NOTE

- ★ Please note that complaints resulting from advice provided by an independent broker or another financial services provider (e.g. Retail Company) must NOT be referred to HIC as this responsibility would fall on the broker or financial services provider concerned.
- ★ Please note that this Complaints Resolution Policy mainly relates to complaints regarding improper or inappropriate advice given by HIC or its employees during the marketing and sales process. This policy does not relate to complaints regarding claims.

HOSPITALITY, INDUSTRIAL & COMMERCIAL UNDERWRITING MANAGERS

DIRECTORS R Gainsford (Executive Chairman), D Wilensky (Managing Director), V Hayter (Director), I Chindotana (Director)
Reg. No. 98/032655/07 | **VAT No.** 4380178113 | An authorised financial services provider, **FSP** 5072 | Underwritten by Guardrisk Insurance Company Limited
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1. PROTECTION OF CONSUMERS

The Financial Advisory and Intermediary Services Act 37 of 2002 protects consumers by regulating the financial advice and intermediary services provided by a Financial Services Provider (FSP), ensuring that consumers are adequately informed about the products they purchase and the product suppliers, in order for them to make informed decisions.

2. REGULATION OF ADVICE-GIVING ACTIVITIES

The FAIS Act requires HIC e.g. staff that appear on the Financial Services Board register to be equipped with the necessary skills, qualifications and experience ('fit and proper' requirements) to provide a financial service suited to the client's needs. The key individuals of HIC have to comply with similar fit and proper requirements in order for HIC to maintain its FAIS licence.

3. TRANSPARENCY

In terms of the FAIS Act, HIC must:

- ★ Disclose to the client that it holds a licence to provide such service;
- ★ Provide all the necessary information regarding the product and the supplier;
- ★ Where appropriate and where advice was given directly to the client, provide details of remuneration.

4. CONSUMER PLATFORM FOR COMPLAINTS

The FAIS Act also provides consumers with a platform to address their complaints in a fair and procedural manner. In terms of the Act, a complaint must relate to a financial service rendered by HIC to the complainant, in which it is alleged that HIC:

- ★ 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 wilfully 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.

5. COMPLAINT - DEFINED

"... has contravened or failed to comply with a provision of this Act and that as a result thereof the complainant has suffered or is likely to suffer financial prejudice or damage;"

Some guidelines and examples:

- ★ If there are allegations that no quote or no disclosures were shown when the policy was taken out;
- ★ Complaints about not knowing the structure of the product before taking it out;
- ★ Complaints about not having received the policy document and therefore not knowing the features of the product;
- ★ Allegations of mis-selling:
 - No record of advice having been shown;
 - HIC sold the client an incorrect policy, given the client's circumstances;
 - Where appropriate, no risk analysis was done before the product was sold.
- ★ Negligence or delay on HIC's part in issuing the policy or effecting a policy change which led to financial loss;
- ★ Complaint about not being advised of the effect that a particular change would have on the policy;

- ★ Complaint that the financial adviser is no longer employed by HIC and the client does not know who to deal with;
- ★ Complaint that confidential information regarding a client was disclosed to a third party without the client's consent;
- ★ The client alleging that they signed or were asked to sign a blank document.

"... has wilfully 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;"

Some guidelines and examples:

- ★ Complaint that the incorrect product was sold to the client;
- ★ Complaint that a product was sold without the client's knowledge;
- ★ Complaint that HIC acted without the client's knowledge/consent e.g.
 - o Cancelled a policy without the client's knowledge/consent;
 - o Effected any policy change without the client's knowledge/consent which caused prejudice to the client or ;
 - o Effected any change contrary to the client's instructions.
- ★ Complaint that HIC cannot accurately account for funds invested by the client;
- ★ Complaint that HIC took money from a client but did not ensure timeous investment;
- ★ HIC having system problems and as a result the client is prejudiced;
- ★ HIC not acting timeously on the reasonable instruction of the client, as a result of which the client was prejudiced.

"... has treated the complainant unfairly;"

Some guidelines and examples:

- ★ Complaints that the client has been pushed from pillar to post without resolution;
- ★ Complaints about rude behaviour;
- ★ Complaints that a previous complaint was not handled fairly and objectively;
- ★ Complaints that different staff provided different information when contacted about the same issue;
- ★ Complaints that the provider promised to do one thing and then did another.

6. HIC WILL DEAL WITH COMPLAINTS RESULTING FROM ADVICE PROVIDED BY ITS:

- ★ Key individuals
- ★ Appointed representatives (internal staff/employees)

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

- ★ Has HIC contravened or failed to comply with any 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 HIC wilfully 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?
- ★ Has HIC treated the complainant unfairly?

If the answer to one of the above questions is "yes", please proceed as per the following procedure:

You will need to complete the [complaint notification form](#), providing as much information as possible and attach copies of any relevant documentation. This must then be faxed or e-mailed to:

Compliance Officer; HIC Underwriting Managers (Pty) Ltd (FSP 5072)

Telephone number (011) 455 5271; Fax number (011) 455 4779; E-mail address info@hicsa.co.za

- ★ You may expect a written response, within 36 hours of receipt of the written complaint, providing you with details of the person who will be considering your complaint and how your complaint will be handled.
- ★ You may expect a resolution to the complaint within 3 weeks of receipt of your complaint. Should the resolution to your complaint not be met within the 3 weeks period, you will be notified of such outcome and be advised to refer your complaint the office of the FAIS Ombudsman.
- ★ The role of the FAIS Ombudsman is to resolve disputes between financial services providers and their clients in a procedurally fair, informal, economical and expeditious manner. The FAIS Ombudsman's jurisdiction is limited to violations which occurred on or after 30 September 2004 and to claims not exceeding R800 000.00.
- ★ You can refer the complaint to the FAIS Ombudsman within 6 months of receipt of the notification from HIC.
- ★ The FAIS Ombudsman, is accessible at the following address:
- ★ Financial Services Board, P O Box 74571, Lynwood Ridge 0040. Telephone: +27 12 470 9080 Facsimile:+27 12 348 3447, E-mail Address: info@faisombud.co.za, Website: www.faisombud.co.za
- ★ HIC will, on an ongoing basis, investigate the nature of complaints received and ensure that preventative measures are put in place, to avoid future occurrence of similar and other complaints.

7. THE FAIS OMBUDSMAN

The FAIS Ombudsman's objective is to consider and dispose of complaints in a procedurally fair, informal, economical and expeditious manner with reference to what is equitable in all circumstances. He will only proceed to investigate an officially received complaint once he has notified all interested parties of the particulars of the complaint in writing, and is satisfied that all parties are provided with the opportunity to submit a response. The contact details of the FAIS Ombudsman are:

FAIS Ombudsman, Financial Services Board

P O Box 74571, Lynwood Ridge, 0040

Telephone number (012) 470-9080; Fax number (012) 348 3447

