



COMPLAINTS MANAGEMENT FRAMEWORK

PREPARED BY:	FARAI L. SIBANDA
VERSION NUMBER:	1.0
COMMENCEMENT DATE:	2020
DOCUMENT:	COMPLAINTS MANAGEMENT FRAMEWORK
BOARD APPROVAL DATE:	APRIL 2020
RELEASE DATE:	

Contents

1. DEFINITIONS	3
2. ESTABLISHMENT OF THE COMPLAINTS MANAGEMENT FRAMEWORK	5
3. SCOPE	6
4. POLICY OBJECTIVES	6
5. GOVERNANCE AND RESPONSIBILITIES	6
6. NON-REPORTABLE COMPLAINTS	7
7. REPORTABLE COMPLAINTS	7
8. CLIENT COMPLAINT PROCEDURE	7
9. PROCESS FOR COMPLAINTS RELATING TO YARDRISK BUSINESS PARTNERS	8
10. COMPLAINTS ESCALATION AND REVIEW PROCESS.....	8
11. COMPLAINTS REFERRED TO THE OMBUD	9
11.1 FAIS OMBUDSMAN.....	9
11.2 OSTI OMBUDSMAN	9
12. RECORD KEEPING	10
13. REVIEW	11

1. DEFINITIONS

“Advice” means, subject to subsection (3)(a) of the FAIS Act, any recommendation, guidance or proposal of a financial nature furnished, by any means or medium, to any client or group of clients -

- in respect of the purchase of any financial product; or
- in respect of the investment in any financial product; or
- on the conclusion of any other transaction, including a loan or cession, aimed at the incurring of any liability or the acquisition of any right or benefit in respect of any financial product; or
- on the variation of any term or condition applying to a financial product, on the replacement of any such product, or on the termination of any purchase of or investment in any such product, and irrespective of whether such advice -
 - is furnished in the course of or incidental to financial planning in connection with the affairs of the client; or
 - results in any such purchase, investment, transaction, variation, replacement or termination, as the case may be, being effected; or
 - results in the purchase by the Complainant of any product based on the advice;

“Business Day” means any day except a Saturday, Sunday or public holiday;

“Business Partner” means a person, legal entity or duly registered entity entering into an Agreement with YardRisk to underwrite their own risks or those of connected third parties;

“Compensation Payment” means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of YardRisk to a Complainant to compensate the Complainant for a proven financial loss incurred as a result of YardRisk’s contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of the complaint, where YardRisk accepts liability for having caused the loss concerned, but does not include the following:-

- a) Goodwill Payment;
- b) payment contractually due to the Complainant in terms of a policy; or
- c) refund of an amount paid by or on behalf of the Complainant to YardRisk where such payment was not contractually due;
- d) and includes any interest on late payment of any amount referred to in (b) or (c) above;

“Complainant” means a person who submits a complaint and includes –

- (a) Business Partners;
- (b) intermediaries;
- (c) service providers;
- (d) the policyholder or the policyholder’s successor in title;
- (e) a potential policyholder whose dissatisfaction relates to the relevant application, approach, solicitation or advertising or marketing material, who has a direct interest in the agreement, policy or service to which the complaint relates; or
- (f) a person acting on behalf of a person referred to in (a) to (e);

“Complaint” means an expression of dissatisfaction by a person to YardRisk or to YardRisk’s Service Provider in respect of a service provided or offered by YardRisk which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a Policyholder Query, that –

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

"Complaints Management" means the management of the entire lifecycle of a Complaint which includes the following -

- a) the ease of process for the client to lodge complaints and the associated communication;
- b) the way Complaints are handled, recorded, resolved and quality controlled;
- c) the way people involved in the Complaints Management processes are managed and trained;
- d) the way decisions are made;
- e) the way clients' trust is restored;
- f) the way the Reports are compiled and analysed; and ultimately
- g) the way YardRisk learns from the feedback gleaned from complaints and takes corrective and proactive action accordingly;

"Complaints Handling" means the process of attending to and resolving complaints including ongoing interaction with Complainants. It is expected that this process meets certain minimum standards;

"Complaints Review and Escalation Process" means the system and procedures established and maintained by YardRisk for the resolution of Reportable Complaints lodged against YardRisk by Complainants;

"Evidence" means the information YardRisk or its Service Provider has obtained in order to review, adjudicate and resolve a Complaint and shall include all information submitted and shall be stored and recorded in any other repositories for storing and recording information. This shall include, but is not limited to, administration documentation, sales and other recordings, application forms, policy documentation, premium payment history etc;

"FAIS Act" means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002);

"FAIS Complaint" means a specific complaint, submitted by a Complainant to the FAIS Ombudsman or to YardRisk for purposes of resolution by YardRisk, relating to a financial service rendered by YardRisk or its Representative to the Complainant on or after the date of commencement of the FAIS Act, and in which complaint it is alleged that YardRisk or its Representative has -

- contravened or failed to comply with a provision of the FAIS Act and that as a result thereof the Complainant has suffered or is likely to suffer financial prejudice or damage;
- 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;

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

“**OSTI**” refers to the Ombudsman for Short Term Insurance;

“**Policyholder Query**” means a request to YardRisk or YardRisk’s Service Provider by or on behalf of a policyholder, for information regarding YardRisk’s or its Representative’s policies, services or related processes, or to carry out a transaction or action in relation to any such policy or service;

“**Rejected**” in relation to a Complaint means that a Complaint has not been Upheld and YardRisk 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 YardRisk as unjustified or invalid, or where the Complainant does not accept or respond to YardRisk’s proposals to resolve the Complaint;

“**Reports (or reporting)**” means any periodic or ad-hoc reports (and related documents) which shall be used for analysis, monitoring, submissions to regulatory authorities, and the making of recommendations to the business;

“**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 YardRisk’s ordinary processes for handling Policyholder Queries in relation to the type of policy or 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 YardRisk in such a manner that YardRisk does not have a reasonable opportunity to record such details of the Complaint as may be prescribed in relation to Reportable Complaints;

“**Representative**” means YardRisk staff members or an agent who solicits, negotiates or effects contracts of insurance, and provides service to the policyholder for or on behalf of YardRisk and can also handle insurance for YardRisk Business Partners, generally selling insurance of various kinds, usually for a commission on the premium payments;

“**Service Provider**” means another person or legal person, business or organisation with whom YardRisk has an arrangement in relation to the marketing, distribution, administration or provision of such products or services, regardless of whether or not such other person is the agent of YardRisk;

“**Upheld**” means that a Complaint has been finalised in that –

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

“**YardRisk**” means YardRisk Insurance Limited, registration number 1997/006545/06, a limited liability public company duly incorporated in the Republic of South Africa.

2. ESTABLISHMENT OF THE COMPLAINTS MANAGEMENT FRAMEWORK

YardRisk has established and maintains a Complaints Management framework to ensure the fair treatment of Complainants that –

- is proportionate to the nature, scale and complexity of the business and risks;
- is appropriate for the business model, policies, services, policyholders, and beneficiaries of YardRisk,

- enables Complaints to be considered after taking reasonable steps to gather and investigate all relevant information and circumstances, with due regard to the fair treatment of Complainants; and
- does not impose unreasonable barriers to Complainants.

In order to achieve the above, YardRisk has established this framework which outlines YardRisk's commitment towards the fair, transparent and effective resolution of Complaints.

3. SCOPE

This framework serves to provide principles to guide the way Complaints will be managed within YardRisk and formalises practices required for the Complaint Management process. The Financial Services Conduct Authority (FSCA), through various legislative provisions, has set specific requirements that YardRisk needs to adhere to.

FSCA has also adopted a Treating Customers Fairly (TCF) framework to promote fair treatment of financial customers under the "Twin Peaks" model of financial sector regulation. The TCF framework was put in place to ensure fairness outcomes for financial services.

It is recommended that agreements with outsourced Business Partners that have any part to play in the Complaints handling or resolution or record keeping process, state minimum standards necessary for Complaints Management.

4. POLICY OBJECTIVES

This framework aims to ensure that we handle Complaints consistently, fairly, efficiently and effectively. Our Complaint Management system is intended to:

- make Complaints reporting accessible, convenient and visible to customers on all key documents provided to them as well as on our website;
- take reasonable steps to gather and investigate all relevant information and circumstances when handling Complaints;
- ensure that there is no bias when handling Complaints so that principles of fairness and objectivity are Upheld;
- enable us to respond to issues raised by customers making Complaints in a timely and cost-effective way;
- boost public confidence in our administrative process;
- maintain the confidentiality of customers' personal information and comply with the relevant legislation to ensure that internal controls are in place;
- provide information that can be used by us to deliver quality improvements in our services and Complaint handling process;
- protect and enhance YardRisk reputation; and
- ensure that Complaints are resolved in a timeous manner.

5. GOVERNANCE AND RESPONSIBILITIES

THE BOARD

The Board shall be overall responsible for ensuring an effective Complaints management process and will therefore oversee and approve the effectiveness and implementation of this framework. The internal Complaints Review and Escalation Process is delegated by the Board and any queries relating to the process must be directed to same.

THE AUDIT AND RISK COMMITTEE (ARC)

ARC must approve changes and monitor adherence to this framework. ARC shall also be responsible for ensuring that all individuals who have responsibilities under this framework fulfil them in a timely and diligent manner.

EXECUTIVE COMMITTEE (EXCO)

Its main responsibility is to approve, oversee and recommend the framework for further approval by ARC in order to ensure the effectiveness of this framework.

6. NON-REPORTABLE COMPLAINTS

Non-reportable complaints include all Complaints that do not qualify as “Reportable Complaints”. Non-reportable complaints will be dealt with by the Client Care Consultant or Intermediary or Administrator as first point of contact whose details are in the Disclosure Document (annexure to insurance policy).

7. REPORTABLE COMPLAINTS

All Reportable Complaints are accurately categorised, recorded and reported according to the following categories -

- 7.1 design of a policy or related service (incl. premiums or other fees or charges)
- 7.2 information provided to policyholders
- 7.3 advice
- 7.4 policy performance
- 7.5 service to policyholders (including Complaints relating to premium collection or lapsing of policies)
- 7.6 policy accessibility, changes or switches
- 7.7 Complaints handling
- 7.8 Complaints relating to insurance risk claims, including non-payment of claims and
- 7.9 other Complaint categories relevant to our business model, policies, services and policyholder base.

Additional categories of Complaints will be considered which may be relevant to the business model, policies, services and policyholder base.

8. CLIENT COMPLAINT PROCEDURE

8.1 If a client has any query or Complaint about their policy or are in any way unhappy with the service that they have received, they can refer to the Disclosure Document which is an annexure to the insurance policy. This Disclosure Document provides information about the Client Care Consultant or Intermediary or Administrator who is the first point of contact if they have a query or a Complaint.

8.2 If the complaint is not resolved or is not satisfactorily addressed by the Client Care Consultant or Intermediary or Administrator, the Complainant may contact YardRisk’s Complaints Department on yardriskcomplaints@yardrisk.co.za and or on the phone number on the website or by completing the form on the YardRisk website.

8.3 On receipt of a Complaint through the website, the Complaints Department will issue an acknowledgement of receipt which will be sent to the Complainant within **2 (two) business days** and the acknowledgement will contain the following information:

- contact details of the person or department that will be handling the Complaint;
- indicative timelines for addressing the Complaint;
- details of the internal Complaints Escalation and Review Process if the Complainant is not satisfied within the indicative timeline provided; and
- details of escalation of Complaints to the office of OSTI or a relevant ombudsman where applicable.

8.4 A decision will be made on each Complaint as soon as is reasonably possible within a period not exceeding a maximum of **15 working days** after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of Complainants.

- 8.5 Each Complainant must be kept adequately informed of -
- The progress of their Complaint;
 - Causes of any delay in the finalisation of a Complaint and revised timelines
- 8.6 A written response will be sent to a Complainant or their authorised representative once the Complaint is finalised.
- 8.7 Where a Complaint is Upheld, any commitment to make a Compensation Payment, Goodwill Payment or to take any other action will be carried out without undue delay and within any agreed timeframes.
- 8.8 Where a Complaint is Rejected, the Complainant will be provided with clear and adequate reasons for the decision and be informed of the escalation or review process, including how to use it and any relevant time limits namely -
- Details of information required from Complainants
 - Where, how and to whom the Complaints and related information must be submitted
 - Expected turnaround times in relation to Complaints
 - Any other relevant responsibilities of Complainants

9. PROCESS FOR COMPLAINTS RELATING TO YARDRISK BUSINESS PARTNERS

YardRisk will ensure that each of its Service Providers or Business Partners has adequate complaints management processes in place to ensure the accurate recording of all Reportable Complaints and the fair treatment of Complainants including an obligation on the Business Partner or Service Provider to submit complaints data to YardRisk so as to allow YardRisk to analyse and aggregate Complaints;

Complaints received directly by YardRisk pertaining to a Service Provider or Business Partner will be referred to the Business Partners or Service Providers for resolution within 48 business hours after receipt;

As a management tool, YardRisk will identify trends in Complaints received with regards to a particular product and or services and align business practices with its Business Partners accordingly to address the concerns raised where applicable.

10. COMPLAINTS ESCALATION AND REVIEW PROCESS

In the event that the Complaints Department is unable to satisfactorily resolve such Complaint, the Complaint will be escalated to the Complaints Adjudicator. The Complainant maybe requested to resubmit the Complaint in writing together with any required documentation which will then be addressed by the Complaints Adjudicator who is a Key Individual within YardRisk.

The Complaints Adjudicator will acknowledge receipt of the Complaint escalation within **48 hours** from the day of receipt of the Complaint and may request the following -

- Details of information required from referrer;
- Where, how and to whom the Complaints and related information must be submitted;
- Expected turnaround times to finalise the Complaint escalation or review;
- Any other relevant responsibilities of the referrer.
- The Adjudicator will inform the referrer of the outcome of the referral within **15 working days** after receipt.
- The Adjudicator will make decisions that are impartial and will always ensure fair treatment of customers.

The Adjudicator will send a written correspondence/report to the Complainant informing the Complainant of his or her rights in terms of the relevant FAIS legislation or any other applicable legislation if they are not satisfied with the decision of the Adjudicator.

11. COMPLAINTS REFERRED TO THE OMBUD

YardRisk will provide the Complainant with a written report regarding the investigation and the outcome thereof as well as the contact details of the relevant Ombudsman which are also on the Disclosure Document. The details of the relevant Ombudsman services are also available on the company website.

11.1 FAIS OMBUDSMAN

Where a Complainant remains unreasonable in the opinion of YardRisk, and /or rejects any reasonable offer made by YardRisk, this will be communicated to the FAIS Ombudsman. Their contact details are as follows: -

Telephone: 012 470 9080 E-Mail: info@faisombud.co.za Fax: 012-348-3447

Website: www.faisombud.co.za

Any offer made that is accepted by the Complainant must also be communicated to the FAIS Ombudsman by YardRisk.

For a Financial Services Providers complaint, Complainant can approach the office of FAIS Ombudsman within six (6) months of the date of the final correspondence from YardRisk who have 6 weeks in which to respond to a complaint received from the FAIS Ombudsman.

YardRisk is a Financial Service Provider and in terms of the FAIS Act, a Complaint must relate to a financial service rendered by YardRisk to the Complainant, in which it is alleged that YardRisk -

- 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.

FAIS Complaints must be submitted in writing and must contain all relevant information, and copies of all relevant documentation must be attached thereto.

YardRisk will comply with external communication and reporting to the Financial Services Conduct Authority ("FSCA") on an annual basis in respect of all FAIS Complaints received for the reporting period, or as requested by the FSCA.

11.2 OSTI OMBUDSMAN

YardRisk shall ensure that the Complaint is handled in accordance with Policyholder Protection Rules ("PPR") and the guidelines and definitions stipulated in the Terms of Reference for the OSTI respectively.

The contact details for OSTI are: -

Website: www.osti.co.za **Email address:** info@osti.co.za

Telephone number: 011 726 8900

Mail

The Ombudsman for Short-term Insurance

PO Box 32334

Braamfontein 2017

Specifically, turnaround times for resolving Complaints and the quality standards applied to such Ombudsman Complaints must adhere to the stipulations and requirements prescribed by the OSTI as applicable.

When handling Ombudsman complaints, the responsible officials will request comprehensive information and related documentation from YardRisk or Business Partner intermediary or administrator in order to ensure that all relevant facts are properly considered in the resolution of the Complaint.

The OSTI submits Complaints directly to YardRisk or its respective cell. Responses are to be directed to the office of the OSTI unless directed by the office of the OSTI to respond directly to the Complainant. Details of the decision together with all supporting documentation must be submitted back to the OSTI within **2 weeks** from the date of submission.

Although YardRisk will comply with any decision made by OSTI, this does not preclude YardRisk from appealing any ruling made by OSTI against it.

12. RECORD KEEPING

YardRisk shall ensure accurate, efficient and secure recording of Complaints related information. The following shall be recorded in respect of each Reportable Complaint namely: -

- (a) all relevant details of the Complainant and the subject matter of the Complaint;
- (b) copies of all relevant Evidence, correspondence and decisions;
- (c) the Complaint categorisation and;
- (d) progress and status of the Complaint, including whether such progress is within or outside any set timelines.

YardRisk shall maintain the following data in relation to categorised Reportable Complaints on an ongoing basis -

- (a) number of Complaints received;
- (b) number of Complaints Upheld;
- (c) number of Rejected Complaints and reasons for the rejection;
- (d) number of Complaints escalated by Complainants to the internal Complaints Review and Escalation Process;
- (e) number of Complaints referred to an Ombudsman and their outcome;
- (f) number and amounts of Compensation Payments made;
- (g) number and amounts of Goodwill Payments made; and
- (h) total number of Complaints outstanding.

Using the Complaints information recorded, YardRisk shall scrutinise and analyse on an ongoing basis and utilise to manage conduct risks and effect improved outcomes and processes for its policyholders, and to prevent recurrences of poor outcomes and errors.

At all times, YardRisk shall establish and maintain the appropriate processes for reporting of the information to its board of directors, executive management and the Audit and Risk Committee.

13. REVIEW

The Complaints Management Framework shall be reviewed by the EXCO annually and approved by ARC. The signed version will be available for inspection, on request, from the Chief Risk Officer.