Phakama Administration Services (Pty) Ltd (FSP 1473)

Complaints Handling Framework

Document Review and Signoff Sheet

Document Review

First Review Date	04 May 2022
Comments / Amendments	Annual Review
Second Review Date	Jan 2023
Third Review Date	Jan 2024
Reviewed By:	Legal, Risk & Compliance Manager

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–

- client;
- person nominated as the person in respect of whom a product supplier should meet financial product benefits or that persons' successor in title;
- person whose life is insured under a financial product that is an insurance policy;
- person that pays a premium or an investment amount in respect of a financial product;
- member;
- 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 a person acting on behalf of a person referred to in point 1 and 6 above.

"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–

- 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;
- 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
- the provider or its service suppliers 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–

- goodwill payment;
- payment contractually due to the complainant in terms of the financial product or financial service concerned; or
- 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 point 2 or 3.

"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.

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

- pension fund as defined in section 1(1) of the Pension Funds Act, 1956 (Act 52 of 1956);
- friendly society as defined in section 1(1) of the Friendly Societies Act, 1956 (Act 25 of 1956);
- medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (Act 131 of 1998); or
- 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–

- upheld immediately by the person who initially received the complaint;
- 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

- 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.

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

- the complainant has explicitly accepted that the matter is fully resolved; or
- it is reasonable for the provider to assume that the complainant has so accepted; and

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.

Aim

- To empower and adequately train responsible people within our organisation to deal with complaints, as well as to handle the escalation of non-routine complaints. The responsible person will have the experience, knowledge and skills in complaints handling, TCF and the subject matter of the complaints.
- To resolve policyholder complaints in such a way that is fair to the policyholders, our business and our staff.
- To ensure the fair treatment of complainants that –
    - are proportionate to the nature, scale and complexity of the insurer's business and risks;
    - are appropriate for the business model, policies, services, policyholders, and beneficiaries of the insurer;
    - enable 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 the complainants.

Objectives

The organisation undertakes to:

- make available to all policyholders the procedures established for the internal resolution of their complaints.
- ensure easy access to its complaint's resolution process at its offices, on its website, by way of internet, e-mail or telephone.
- if necessary, have an independent mediator appointed to resolve the complaint to the benefit of both the policyholder and the organisation.
- 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 responsible staff member.
- offer appropriate remedy in all cases where a complaint is resolved in favour of a policyholder.
- inform policyholders of their right to refer their complaints to the FAIS Ombudsman, should a complaint not be resolved to their satisfaction within six weeks from the date on which the complaint is received.
- regularly review the complaints management framework and document any changes thereto.
- maintain ongoing data regarding the number of reportable complaints -
    - received, upheld and outstanding complaints
    - rejected complaints and the reasons for the rejection;
    - escalation to the internal complaint's escalation process; and
    - referred to an ombudsman and the outcome.
- implement follow-up procedures to:
    - remedial actions to prevent similar complaints from occurring.
    - improve services and procedures where necessary in the business.
- establish a complaints escalation and review process that is not complicated or burdensome and that is appropriate, impartial and provides for allocation to senior management for the complainant and complaint handler to refer complex and unusual complaints to.
- ensure that there is no charge to the policyholder to make use of the complaint process.
- ensure that there is a single point of contact for complaints.

- to ensure that the following are recorded in respect of each reportable complaint -
    - relevant details of the complainant and the subject matter of the complaint;
    - copies of all relevant evidence, correspondence and decisions;
    - the complaint categorisation;
    - the progress and status of the complaint, which documents the turnaround times for the response and resolution of the complaint.
- record the details of compensation payments and goodwill payments made.
- acknowledge receipt of a complaint and inform a complainant of the process to be followed including -
    - contact details of the person that will be handling the complaint and timelines
    - details of the internal complaint's escalation and review process and details of the Ombudsman.

Allocation Of Responsibilities

- The key individual and responsible persons of the organisation are responsible for effective complaints management and oversee the effectiveness of the implementation of the organisation's complaints management framework.
- Any person that is responsible for making decisions or recommendations in respect of complaints generally or a specific complaint 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 a conflict of interest; and
    - be adequately empowered to make impartial decisions or recommendations

Responsible Persons

- Claims Manager : complaints relating to claims.
- Key Account Manager/s : complaints relating to policy administration.
- Compliance Task Team (Internal) : complaint escalation and resolution.
- Insurer (External) : complaint escalation and resolution.

Categorisation of Complaints

Complaints are categorised according to guidelines set out in the General Code of Conduct, aswell as to Insurer specifications.

Categories include but are not limited to complaints relating to:

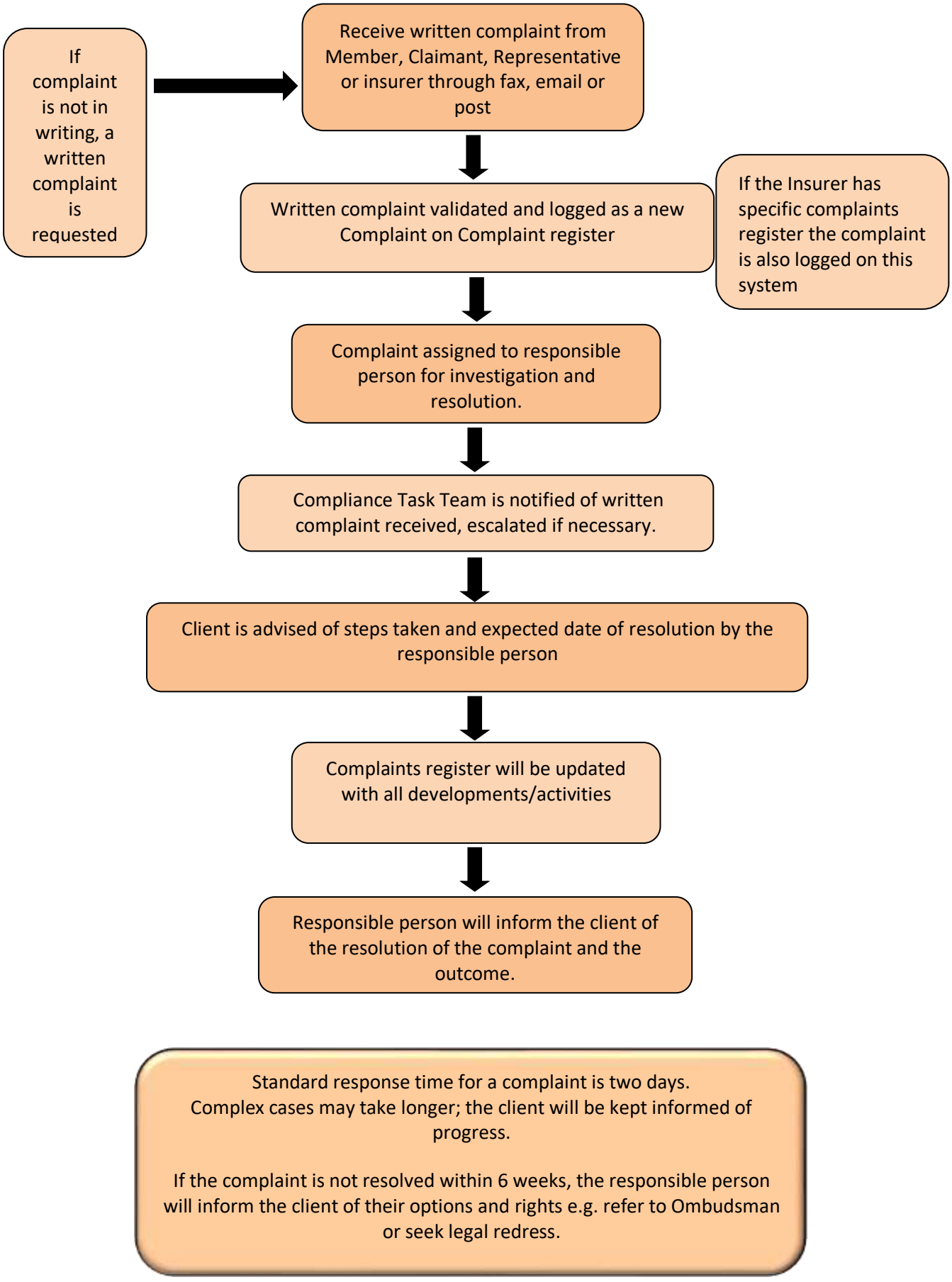
- the design of a financial product, financial service or related service, including the fees, premiums or other charges related to that financial product or financial service;
- information provided to clients;
- advice;
- financial products or financial service performance;
- a service to clients, including complaints relating to premium collection or lapsing of a financial product;
- complaints handling;
- financial product accessibility, changes or switches;
- insurance risk claims, including non-payment of claims;
- policy administration;
- any other complaints relevant to the services being provided.

Complaints Escalation and Review Process

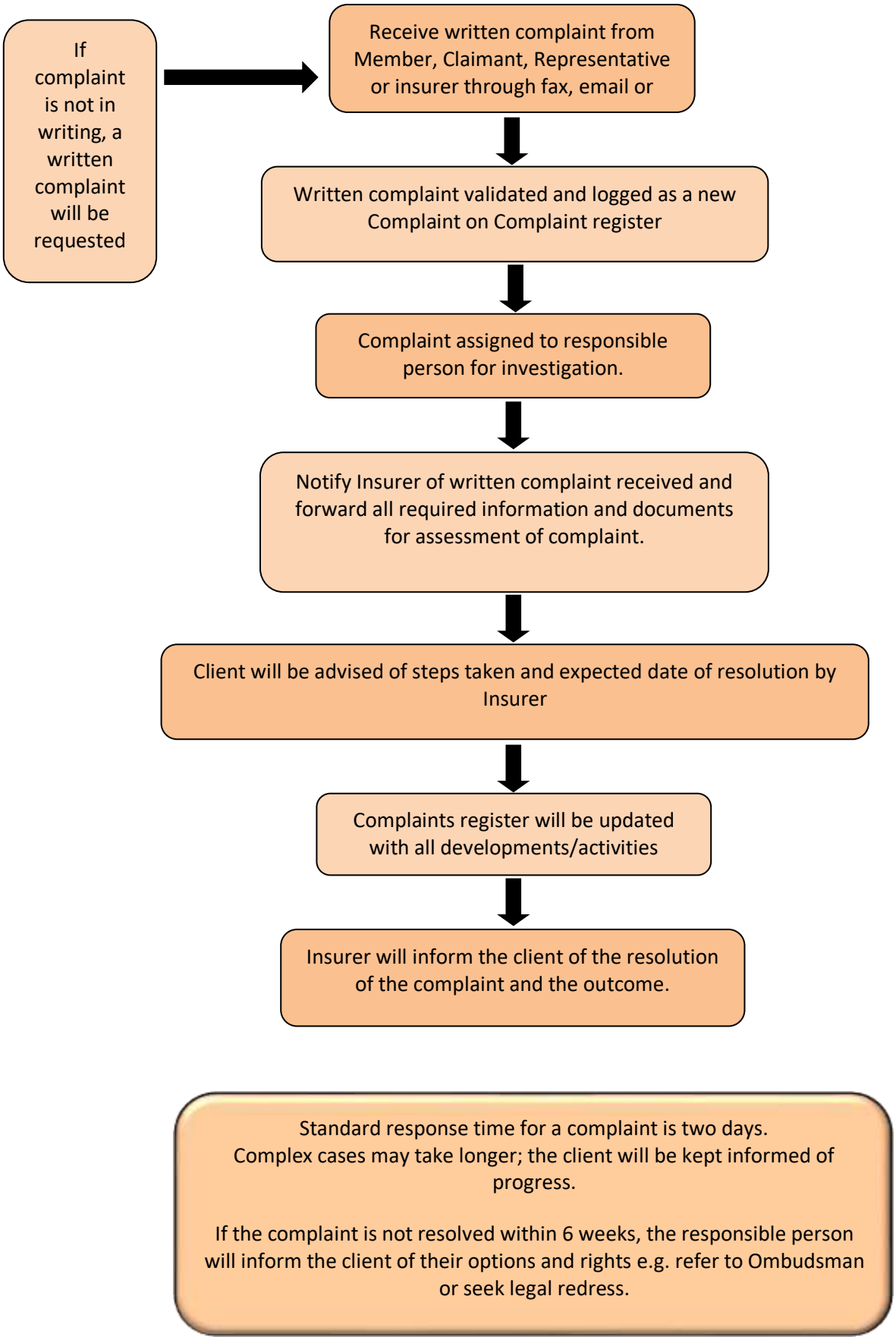
- The organisation has established and maintains an appropriate internal complaints escalation and review process.
- Procedures within the complaints escalation and review process are not overly complicated and do not impose unduly burdensome paperwork or other administrative requirements on complainants.

- The complaints escalation and review process –
    - follows a balanced approach, bearing in mind the legitimate interests of all parties involved including the fair treatment of complainants;
    - provides for internal escalation of complex or unusual complaints at the instance of the initial complaint handler;
    - provides for complainants to escalate complaints not resolved to their satisfaction; and
    - are allocated to an impartial, senior functionary within the organisation for managing the escalation or review process of the organisation.

Complaints Handling Procedure: Internal



Complaints Handling Procedure: External



Decisions Relating to Complaints as decided by the Insurer

- Complaint **upheld** - any commitment to make a compensation payment, goodwill payment or to take other action must be carried out without undue delay and within any agreed timeframes.
- Complaint is **rejected** - the complainant must 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.
- All complaints lodged with the Ombudsman for Long-term or Short-Term Insurance or the FAIS Ombudsman, and all legal proceedings in respect of the Insurer, the Policies and/or the Insurance Business will be dealt with exclusively by the Insurer.
- The Administrator / Binder Holder will give all assistance and co-operation to the Insurer in respect of any of the above and promptly furnish all documents / information and give all representations required in order to enable the Insurer to defend any such legal proceedings, claims, potential claims, complaints or potential complaints.

Record Keeping, Monitoring and Analysis of Complaints

- The organisation ensures accurate, efficient and secure recording of complaints and complaints-related information.
- The following must be recorded in respect of each reportable complaint–
    - all relevant details of the complainant and the subject matter of the complaint;
    - copies of all relevant evidence, correspondence and decisions;
    - the complaint categorisation as set out in “Categorisation of Complaints”; and
    - progress and status of the complaint, including whether such progress is within or outside any set timelines.
- The organisation maintains the following data in relation to reportable complaints on an ongoing basis–
    - number of complaints received;
    - number of complaints upheld;
    - number of rejected complaints and reasons for the rejection;
    - number of complaints escalated by complainants to the internal complaint’s escalation process;

- number of complaints referred to an ombud and their outcome;
- number and amounts of compensation payments made;
- number and amounts of goodwill payments made; and
- total number of complaints outstanding.

- Complaints information recorded is be provided to the Insurer to scrutinise and analyse on an ongoing basis and utilised to manage conduct risks and effect improved outcomes and processes for its clients, and to prevent recurrences of poor outcomes and errors.
- The organisation has established and maintains appropriate processes for reporting of the information to its executive management.

Communication with Complainants

- The organisation ensures that its complaint processes and procedures are transparent, visible and accessible through channels that are appropriate to the organisation's clients.
- The organisation does not impose any charge for a complainant to make use of complaint processes and procedures.
- All communications with a complainant are in plain language.
- The organisation, wherever feasible, provides clients with a single point of contact for submitting complaints.
- The organisation discloses to a client–
  - the type of information required from a complainant;
  - where, how and to whom a complaint and related information must be submitted;
  - expected turnaround times in relation to complaints; and
  - any other relevant responsibilities of a complainant.
- The organisation, within a reasonable time after receipt of a complaint, acknowledges receipt thereof and promptly informs a complainant of the process to be followed in handling the complaint, including–
  - contact details of the person or department that will be handling the complaint;
  - indicative and, where applicable, prescribed timelines for addressing the complaint;
  - details of the internal complaint's escalation and review process if the complainant is not

satisfied with the outcome of a complaint;

- details of escalation of complaints to the office of a relevant ombud and any applicable timeline; and
- details of the duties of the organisation and rights of the complainant as set out in the rules applicable to the relevant ombud.

- Complainants must be kept adequately informed of–
  - the progress of their complaint;
  - causes of any delay in the finalisation of a complaint and revised timelines; and
  - the organisation's decision in response to the complaint.

Contact Details

PARTICULARS OF THE ADMINISTRATOR / BINDER HOLDER	
Physical Address:	Greenhill Village Office Park, Candlewood Building, Ground Floor, c/o Nentabos & Botterklapper Street, Pretoria, 0184
Telephone Number:	012 348 8310
Facsimile Number:	086 514 1115
Email:	complaints@phakama.co.za or compliance@phakama.co.za

PARTICULARS OF THE INSURER	
Various Insurers:	Details to be provided to policyholder

PARTICULARS OF THE NATIONAL FINANCIAL OMBUD SCHEME SOUTH AFRICA NPC (THE NFO)	
Company Details	Company Registration No.: 2023/162407/08 VAT Reference No.: 4080315593
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Telephone Number:	Tel: 0860-800-900;
Email:	Email: info@nfosa.co.za
Website:	www.nfosa.co.za