

**Finance and Insurance Division of  
NMI Durban South Motors (Pty) Ltd t/a NMI**

**Governance Policy - Complaints**

**1. Introduction and purpose**

1.1 As practitioners in the financial services sector, we must exemplify the ideals of professionals, acting with integrity and conducting ourselves in accordance with the highest standards of ethical conduct. It is important that we treat every customer with courtesy and respect, answer their questions completely, directly and honestly, and comply with all insurance laws professionally. We are committed to providing a quality service for our customers and working in an open and accountable way that builds the trust and respect that is necessary in the financial services sector.

1.2 It follows that we must listen and respond to the views of our customers and in particular by responding positively to complaints, by putting mistakes right and where possible by eliminating future similar complaints by making the necessary changes to our practices. Our decree is therefore to enable a customer to make a complaint with ease;

1.3 The purpose of this policy is to set out guidelines and processes by which complaints are addressed respectfully, fairly, in a non-adversarial manner, expeditiously and with sensitivity to all concerned. It provides:

- 1.3.1 our objectives, key principles and allocates responsibilities for dealing with complaints across our financial services business;
- 1.3.2 the performance standards to which it is essential that we comply which will ensure objectivity and impartiality;
- 1.3.3 procedures for the appropriate management and categorisation of complaints, including expected timeframes and the circumstances under which any of the timeframes may be extended;
- 1.3.4 procedures which clearly define our escalation and decision-making, monitoring and oversight and complaints review processes;
- 1.3.5 complaints record keeping requirements; and
- 1.3.6 requirements for communicating with complainants

1.4 This policy is readily available to all staff, F&Is and key individuals, who are involved in marketing, distributing, providing or administering our financial products and services or interacting with our customers or prospective customers in any way.

1.5 A simple but specific complaints procedure (see point 5.5) will be published on our website together with a complaints form to enable customers to lodge a complaint online, quickly and

efficiently, which will go directly to a key individual whose responsibility is to handle the complaint from lodgement to conclusion.

## **2. Definitions**

**"advice"** means any recommendation, guidance or proposal of a financial nature furnished, by any means or medium, to any customer or group of customers:

- a) in respect of the purchase of any financial product; or
- b) 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
- c) 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 any such product, and irrespective of whether or not such advice
  - is furnished in the course of or incidental to financial planning in connection with the affairs of the customer; or
  - results in any such purchase, investment, transaction, variation, replacement or termination, as the case may be, being effected.

**"compensation payment"** means a payment, other than a goodwill payment, made by us to a complainant to compensate the complainant for a proven or estimated financial loss incurred as a result of our contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of the complaint, where we accept liability for having caused the loss concerned. Compensation payment excludes

- a) payment of amounts contractually due to the complainant in terms of the financial product or service concerned, or
- b) refunds of amounts paid by or on behalf of the complainant to us where such payments were not contractually due

but includes interest on late payment of amounts or refunds referred to in (a) or (b).

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

- a) an insured or the insured's successor in title;
- b) a beneficiary or the beneficiary's successor in title;
- c) a person whose life is Insured under a policy;
- d) a person that pays a premium in respect of a policy;
- e) a potential Insured or potential member of a group scheme 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 a person acting on behalf of a person referred to in (a) to (e);

**“complaint”** means an expression of dissatisfaction by a person relating to a policy or service provided or offered by us which indicates or alleges that

- a) we have contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on us; or
- b) our maladministration or wilful or negligent action or failure to act, has caused the person harm, prejudice, distress or substantial inconvenience; or
- c) we have treated the person unfairly.

**“continuous professional development” or “CPD”** means a process of learning and development, with the aim to enable our key individuals and our F&Is to maintain capabilities to perform competently within the categories or subcategories in which they render financial services.

**“customer”** means a specific person or group of persons, excluding the general public, who is or may become the subject to whom a financial service is rendered by us intentionally, or is the successor in title of such person or the beneficiary of such service.

**“customer query”** means a request that we receive by or on behalf of a customer or prospective customer, for information regarding our products, services or related processes, or to carry out a transaction or action in relation to any such product or service.

**“FAIS”** means the Financial Advisory and Intermediary Services Act;

**“F&I or representative”** means any person who renders a financial service to our customer on our behalf, in terms of our conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting or other service in a subsidiary or subordinate capacity, which service

- a) does not require judgment on the part of the latter person; or
- b) does not lead a customer to any specific transaction in respect of a financial product in response to general enquiries.

**“financial product”** means a Long-Term or a Short-Term Insurance contract or policy, referred to in the Long-Term Insurance Act, 1998 (Act No. 52 of 1998), and the Short-Term Insurance Act, 1998 (Act No. 53 of 1998), respectively.

**“financial service”** means

- a) furnishing advice; or
- b) furnishing advice and rendering an intermediary service; or

c) rendering an intermediary service.

**“FSCA or Authority”** means the Financial Sector Conduct Authority

**“goodwill payment”** means a payment we make to a complainant as an expression of goodwill aimed at resolving a complaint, but where we do not accept liability for any financial loss to the customer as a result of the matter complained about.

**“intermediary service”** means any act other than the furnishing of advice, performed by a person for or on behalf of our customer or product supplier

a) the result of which is that a customer may enter into, offers to enter into or enters into any transaction in respect of a financial product with a product supplier; or

b) with a view to

- buying, selling or otherwise dealing in (whether on a discretionary or non-discretionary basis), managing, administering, keeping in safe custody, maintaining or servicing a financial product purchased by a customer;
- collecting or accounting for premiums or other moneys payable by the customer

in respect of a financial product

**“key individual”** means any natural person responsible for managing or overseeing, either alone or together with other so responsible persons, the activities relating to the rendering of any financial service and who is authorised as a key individual by the FSCA

**“reject and rejected”** in relation to a complaint means that the complaint has not been upheld and we regard the complaint as finalised after advising the complainant that we do not intend to take any further action to resolve the complaint.

**“upheld”** in relation to a complaint means that the complaint has been finalised in such a manner that the complainant has explicitly accepted that the matter is fully resolved or that it is reasonable for us to assume that the complainant has been so accepted.

### **3. 1. Allocation of responsibilities**

3.1 The person responsible for making decisions or recommendations in respect of complaints generally or a specific complaint will be the key individual appointed as regional manager that is overseeing our financial services delivery in the region in which the complaint emanates, and we will ensure that the key individual;

- 3.1.1 is adequately empowered to make impartial decisions or recommendations;
- 3.1.2 will not be subject to a conflict of interest;
- 3.1.3 is adequately trained; and

3.1.4 has 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.

3.2 For training purposes, we will make use of our product suppliers, appropriate training providers, CPD providers and our external compliance officers.

#### 4. Categorisation of complaints

4.1 Complaints that we receive will be categorised as follows:

<b>Categories</b>	<b>Complaints</b>	<b>First action to be taken</b>
Category 1	complaints relating to the design of a policy or related service, including the premiums or other fees or charges related to that policy or service	Within 24 hours (if possible) confirm receipt and commence procedure in point 5 of this policy
Category 2	complaints relating to information provided to customers;	Within 24 hours (if possible) confirm receipt and commence procedure in point 5 of this policy
Category 3	complaints relating to advice;	Within 24 hours (if possible) confirm receipt and commence procedure in point 5 of this policy
Category 4	complaints relating to policy performance;	Within 24 hours (if possible) confirm receipt and pass to the insurer or binder holder. Maintain a watching brief
Category 5	complaints relating to service to customers, including complaints relating to premium collection or lapsing of policies;	Within 24 hours (if possible) confirm receipt and pass to the insurer or binder holder. Maintain a watching brief

Category 6	complaints relating to policy accessibility, changes or switches;	Within 24 hours (if possible) confirm receipt and pass to the insurer or binder holder. Maintain a watching brief
Category 7	complaints relating to complaints handling;	Within 24 hours (if possible) confirm receipt and commence procedure in point 5 of this policy
Category 8	complaints relating to insurance risk claims, including non-payment of claims	Within 24 hours (if possible) confirm receipt and pass to the insurer or binder holder. Maintain a watching brief
Category 9	other complaints	Within 24 hours (if possible) confirm receipt and commence procedure in point 5 of this policy

4.2 We will, in addition to the categorisation set out above, consider additional categories relevant to our business model, policies, services and customer base that will support the effectiveness of our complaint management framework in managing conduct risks and effecting improved outcomes and processes for our customers.

## 5. Our complaints management process

5.1 Our process ensures that potential complainants do not face unreasonable barriers to make a complaint. Our process is transparent, visible and accessible through channels that are appropriate and accessible to our customers. Customers and prospective customers have a single point of contact for submitting complaints, this person being a key individual.

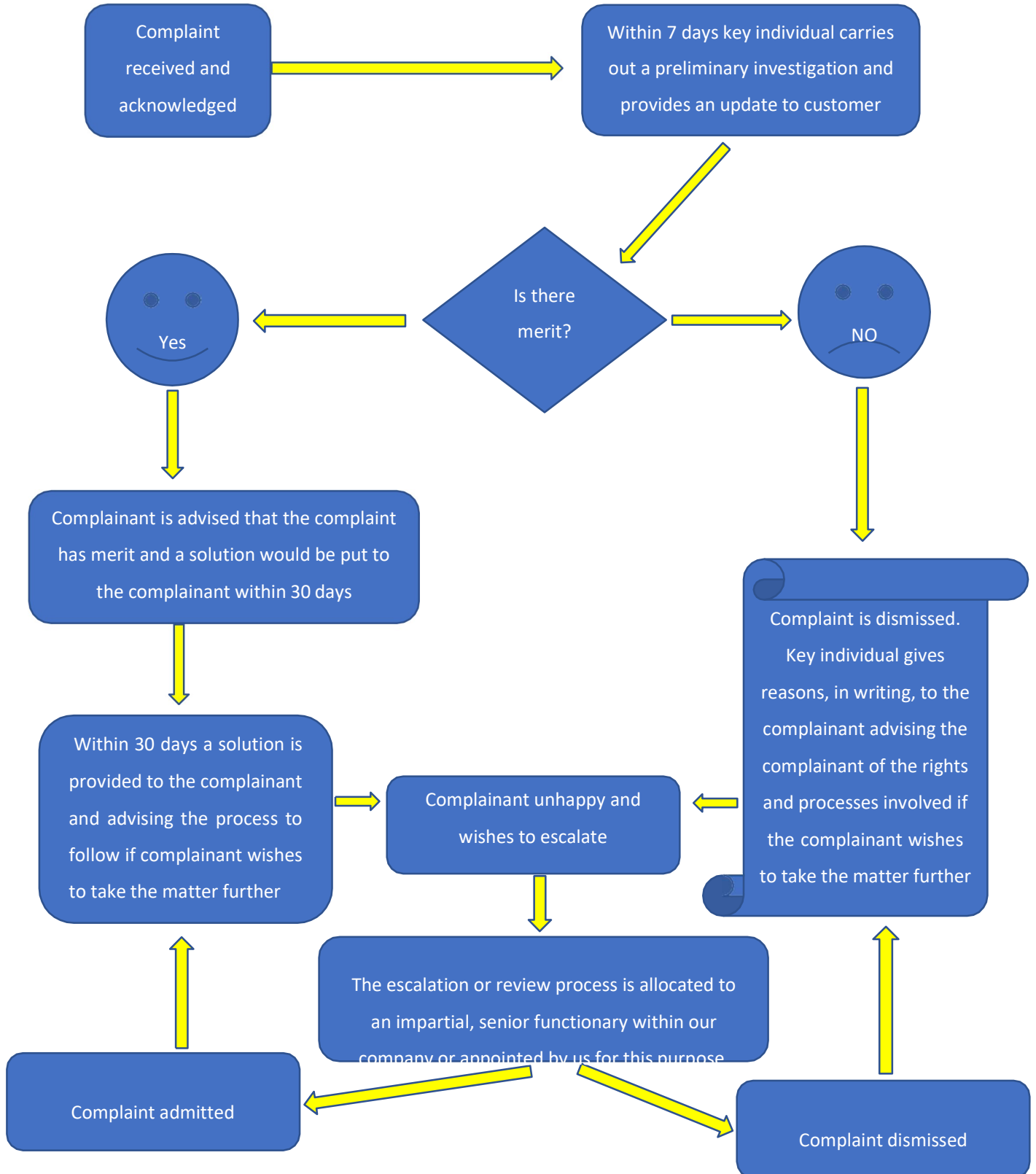
5.2 We provide total transparency of our process which includes adequate and appropriate communication to customers and prospective customers regarding how to complain, the type of information required from the complainant; where, how and to whom to submit the complaint; and any time limits on submitting complaints. In this regard we make use of a complaints application form which we publish on our website, and is included in this policy as an annexure A.

5.3 Our complaints process will always be free of charge to the complainant.

5.4 All complaints will be acknowledged within 24 hours of receipt whenever possible and complainants will be informed of the process that will be followed in handling the complaint,

including how to obtain details of our complaints management framework and the name of the person that will be dealing with the complaint.

### 5.5 our complaints 'traffic' flow



5.6 Complainants will be kept adequately informed of the progress of their complaint. Where resolution takes longer than expected, the complainant will be informed of causes of the delay and provided with revised timelines.

5.7 Where a complaint is upheld, any commitment by us to make a compensation payment, goodwill payment or to take any other action will be carried out within 30 days.

5.8 If we reject a complaint, the complainant will be provided with clear and adequate reasons for the decision and will be informed of any applicable escalation or dispute resolution processes, including how to use them and any relevant time limitations.

5.9 We provide an escalation and review process for complex or unusual complaints to enable complainants to escalate complaints not resolved to their satisfaction, which escalation and review process will be allocated to an impartial, senior functionary either employed by us or outsourced to an appropriately skilled person.

5.10 Where complaints relate to the services provided by an external administrator, we will retain a 'watching brief' on the complaint, ensure that due process is being followed, and that the complainant is kept informed of the progress.

## **6. Record keeping, monitoring and analysis of complaints**

6.1 The monitoring and analysis of complaints is a key tool for us to use to identify, manage and mitigate market conduct risks within our operations and to identify areas where we can improve customer trust, but particularly to provide us with a guide to prevent recurrences of errors. We will scrutinise complaints information on an ongoing basis and will use our findings for F&I training purposes

6.2 Our findings will be used to

- 6.2.1 identify root causes common to categories of complaints and instances where such root causes are likely to affect our other customers, products or processes;
- 6.2.2 identify failings in control systems;
- 6.2.3 detect poor staff or service provider performance, lack of skills or misconduct;
- 6.2.4 track the success of our TCF delivery, or risks to TCF delivery; and
- 6.2.5 demonstrate the benefits of effective complaints management by using lessons from complaints analysis to effect meaningful improvements for our customers

6.3 Our complaints records will include

- 6.3.1 all relevant details of the claimant and the subject matter of the complaint;
- 6.3.2 copies of all relevant evidence, correspondence and decisions;



- 6.3.3 the complaint categorisation as set out in point 4.1 above; and
- 6.3.4 progress and status of the complaint, including whether such progress is within or outside any set timelines.

#### 6.4 We will maintain the following data in relation to complaints

- 6.4.1 number of complaints received;
- 6.4.2 number of complaints upheld;
- 6.4.3 number of rejected complaints and reasons for the rejection;
- 6.4.4 number of complaints escalated to our complaints escalation process;
- 6.4.5 number of complaints referred to the National Financial Ombud Scheme and their outcome.
- 6.4.6 number and amounts of compensation payments made;
- 6.4.7 number and amounts of goodwill payments made; and
- 6.4.8 total number of complaints outstanding.

### **7. Working with the National Financial Ombud Scheme**

7.1 The mission of the office of the National Financial Ombud Scheme is to promote consumer protection and enhance the integrity of the financial services industry through resolving complaints impartially, expeditiously and economically in a procedurally fair and informal manner. We wish to work with the National Financial Ombud Scheme whenever required to do so, and accordingly will

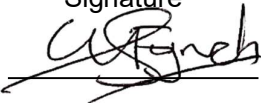
- 7.1.1 clearly and transparently communicate the availability and contact details of the National Financial Ombud Scheme to customers and prospective customers at point of sale, on receipt of a complaint and when we reject a complaint.
- 7.1.2 display and make available information regarding the availability and contact details of the National Financial Ombud Scheme on our website.
- 7.1.3 attempt to resolve a complaint with the complainant before a final determination or ruling is made by the National Financial Ombud Scheme.
- 7.1.4 Be open and honest and co-operate with the National Financial Ombud Scheme in endeavouring to resolve complaints through conciliation or mediation (as opposed to final ruling or determination) as the preferred option.
- 7.1.5 monitor determinations, publications and guidance issued by the National Financial Ombud Scheme with a view to identifying failings or risks in our own products or practices.
- 7.1.6 Contact details of the National Financial Ombud Scheme:  
Address: Claremont Central Building, 6<sup>th</sup> Floor, 6 Vineyard Road, Claremont, 7708  
Telephone: 0860 800 900  
Email Address: [info@nfosa.co.za](mailto:info@nfosa.co.za)  
Website: [www.nfosa.co.za](http://www.nfosa.co.za)

## 8. Monitoring and Policy Review

8.1 It is essential that, once approved, this policy remains relevant, fit for purpose and consistent with our mission and objectives. Policy compliance must be monitored by recording issues arising from implementation, gathering feedback and by monitoring decisions taken in terms of the policy. Information collected through monitoring activities will be used during the formal review of the policy.

8.2 Amendments to this policy can be approved and implemented only as a result of a formal policy review with appropriate stakeholder consultation which review will consider, inter alia, consistency with best practice and the strategic direction of our group.

## 9. Signatures of appropriate persons

Name (Print)	Signature	Position	Date
<u>Wayne Lynch</u>		<u>Key Individual</u>	<u>02/12/2024</u>