

Complaints Management Framework

L7 Prime (Pty) Ltd

CIPC Number: 2024/508892/07

Financial Services Provider FSP No: 54537

1. INTRODUCTION

L7 Prime (Pty) Ltd is a Financial Services provider regulated by the Financial Sector Conduct Authority (FSCA) in terms of the Financial Advisory and Intermediary Act 37 of 2003. Section 17 of The General Code of Conduct for Financials Services Providers and Representatives (GCoC) requires an FSP to devise and implement a complaints management framework to manage the complaints process.

The complaints management framework is a guiding principle on the handling, processing, and escalation of complaints to ensure fair outcomes, manage business risk and conform to regulatory obligations. The process seeks to align with the concept of treating customers fairly in support of the Financial Sector Conduct Authorities mandate.

2. 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—

- a. client;
- b. person nominated as the person in respect of whom a product supplier should meet financial product benefits or that persons' successor in title;
- c. person whose life is insured under a financial product that is an insurance policy;
- d. person that pays a premium or an investment amount in respect of a financial product;
- e. member;
- f. 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 (a) to (f);

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—

- a. 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;
- b. 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
- c. 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—

- a. goodwill payment;
- b. payment contractually due to the complainant in terms of the financial product or financial service concerned; or
- c. 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 (b) or (c);

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—

- a. pension fund as defined in the Pension Funds Act 52 of 1956;
- b. friendly society as defined in of the Friendly Societies Act 25 of 1956;
- c. medical scheme as defined in of the Medical Schemes Act 131 of 1998) or
- d. 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—

- (a) upheld immediately by the person who initially received the complaint;
- (b) 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
- (c) 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; and

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

- (a) the complainant has explicitly accepted that the matter is fully resolved; or
- (b) it is reasonable for the provider to assume that the complainant has so accepted; and
- (c) 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.

3. Purpose

The objective of the complaints process is to uphold the principle of fairness, transparency and accountability when engaging with complainants and complaints. This will promote the integrity and good standing of the organisation and ensure fair outcomes to clients. It is the view of the governing body and management that all complainants must be treated fairly, respectfully, and expeditiously. Therefore, the FSP's purpose of establishing the framework is to:

- To provide processes for redress where the provider or its service provider 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;
- To provide processes for accountability, responsibility, and redress where 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.
- To embed a process that is appropriate and commensurate with the nature, scale and complexity of the business and its risk
- provide complainants with a simple and accessible complaints handling procedure
- ensure that all staff understand how and when to handle a complaint
- ensure that complainants understand the process of lodging a complaint
- ensure that complaints are handled fairly, expeditiously, respectfully and with the required level of sensitivity
- To ensure impartiality and objectivity in the handling of complaints
- Ensure that the complaints process is clear, transparent, and properly documented
- To ensure that complaints are monitored to improve service delivery and increase confidence in our business
- To provide for a clear procedure detailing time frames, escalation processes, monitoring, review, and oversight
- To identify risks, trends and actions taken in response to complaints
- To analyse and document the effectiveness and outcomes of the complaints management framework.

The complaints framework will be updated according to applicable legal determinations, publications and guidance issued by the Ombudsman, as and when necessary, based on the stipulated timelines as advised by legislation or the ombudsman, or at least annually in the absence of the above.

4. Our Policy

L7 Prime's governing body/senior management is committed to providing the highest standard of service to its clients and customers. All complaints are taken seriously and resolved as soon as reasonably practical and as closely as possible to the allocated time frames. The governing body/senior management is responsible for the establishment, maintenance, and operation of an adequate and effective complaints management framework that is commensurate with the scale and complexity of our business. The framework is designed to coincide with our business processes, model and our client offering. Our policy is to endeavour to:

- handle all complaints fairly and ensure that all complainants receive the assistance they require without unreasonable barriers to the complaints process.
- The complaints process is open to all clients who use our services, have complaints about representatives, products, or other related services.
- All complaints will be addressed according to the procedure detailed herein and given the level of confidentiality they deserve subject to any laws that may preclude such right.
- A register of complaints will be maintained and monitored according to the detail provided herein.
- The complaints procedure will be monitored regularly to ensure that it is fair and non-discriminatory.

- All staff and management will familiarise themselves with the complaints and the contents of this document and ensure compliance with the processes therein.

5. Responsibility

The board of directors, the governing body, or the key individual of the provider, excluding a representative, is responsible for effective complaints management and must approve and oversee the effectiveness of the implementation of the provider's complaints management framework. Persons responsible for making decisions or recommendations in respect of complaints generally or a specific complaint will 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
- suitably empowered to make impartial decisions or recommendations.

6. The complaints process

The process is established in consideration of the complainant; no internal process must cause frustration and any delays to the resolution. Any instances of delay must be managed by the complaints manager/key individual and discussed with executive management to facilitate a review or replacement of such process.

6.1 Submission of complaints

Complaints may be submitted to the product supplier or FSP according to the nature of the complaint.

You have a right to lodge a complaint should you feel that any representative of L7 Prime has contravened or failed to comply with a provision of this Act, and that as a result thereof you have suffered or are likely to suffer:

- financial prejudice or damage;
- or if any representative of L7 Prime. has willfully or negligently rendered a financial service to you which has, or is likely to cause prejudice or damage to you;
- or where you believe you have been treated unfairly.

6.2 Your complaint must be lodged in writing with the internal compliance officer or compliance department of the FSP or product supplier and follow the internal complaints and escalation processes. The governing body of the FSP is responsible for the formulation, adoption, and implementation of the internal complaints processes. Complaints are handled by a suitably qualified person.

6.3 The following information must be provided with the complaint:

Name

Surname

Contact number

Details of the complaint or query

Reference number or policy number

7. Complaints review and escalation

7.1 Acknowledgement of receipt

L7 Prime will ensure that the complainant receives acknowledgement of the complaint using email communication within 48 hours of receipt of complaint. The email will indicate that a formal response will be provided within 7 days of the initial 48hour communication. Depending on the complexity of the matter the response may extend to 14 days. Upon receipt of the response the complainant will have 7 days within which to respond to the communication from L7 Prime.

L7 Prime will endeavour to resolve all complaints within 6 weeks, failure of which the complainant may approach the Ombudsman for determination. The complainant may also approach our statutory compliance officers for an alternative view prior to contacting the Ombudsman. Complaints lodged with the Ombudsman must be submitted within 6 months from the date the FSPs final response.

7.2 Review and escalation

- All complaints received via any medium, will be handled internally by a representative of the complaints department/key individual in the case of a sole proprietor.
- Should the representative fail to resolve the complaint to the satisfaction of the complainant, the complaint will be escalated to the Complaints manager.
- The complaints manager will exercise reasonable care and skill to ensure that the complaint is resolved amicably and within reasonable time.
- The complainant will be kept informed during the process.
- The Manager will ensure that the complaint is attended to and resolved within 6 weeks as per legislation.
- In the event there is a delay in the resolution feedback, this must be communicated to the complainant and managed within the correct time frame.

7.3 Final Decision

- The final decision and outcome of the complaint will be officially communicated to the complainant.
- The details of all regulatory bodies's escalation channels will be provided to the complainant together with the outcome/resolution of the complaint such as the details of the compliance officer of the FSP, product supplier and that of the Ombudsman.

8. Categorisation of reportable complaints:

The organisation will categorise its complaints according to the categories below and will in addition include any other relevant categories unique to its product offering, business, and industry. This will allow for the appropriate recording, documentation, reporting and analysis of trends for the purpose of grouping complaints received by the FSP and appropriate formulation of responses and remediation processes. The complaints will be categorised in the following manner in accordance with the GCoC and in conformity with the product provisions of the FSP and business activities. These will be outlined in a register of complaints relating to:

- 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.
- to information provided to clients.
- to financial product or financial service performance.
- to a service to clients, including complaints relating to premium or investment contribution collection or lapsing of a financial product.

- to financial product accessibility, changes or switches, including complaints relating to redemptions of investments.
- to complaints handling
- to insurance risk claims, including non-payment of claims; and

These complaints will be handled by L7 Prime or channelled to the relevant product supplier for investigation and feedback and the complainant will be informed accordingly. L7 Prime has no influence or contribution to any decision making around complaints escalated to the product supplier. The product supplier has full discretion to share responses in relation to these complaints.

L7 Prime may take necessary action against any representative found guilty of such a complaint, this must be shared with the Product supplier and authorities where necessary.

9. Record Keeping, monitoring and analysis of complaints

9.1 Record keeping and monitoring

The categorisation of complaints will also determine the nature of the risk and risk exposure of the FSP and inform the processes of risk management on an ongoing basis. The complaints will assist with data recording and compilation in compliance with the GCoC. The information obtained will be analysed and reported to the risk committee/executive management to allow for a holistic review of the process and to reduce the number of valid or reportable complaints received by the business. L7 Prime will also conduct an audit of the repository of reportable complaints received to determine and ensure the accuracy, efficiency of the record keeping process which may include the following information extracted from the complaints register:

- 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.
- recordings for telephonic conversations, and emails confirming electronic communication.
- Where complaints were received in hard copy, such evidence must be scanned and saved to cloud.

9.2 Analysis and tracking of complaints

- All complaints must be categorised correctly within the business, to allow for further analysis and decisions to eradicate certain complaints within the control of L7 Prime. Where complaints result from actions taken by the product supplier, such analysis with recommendations may be shared with the product supplier for their review and change.
- The report must differentiate the complaints resolved within timelines from those that exceeded the timeline. Where complaints exceed the timeline for resolution such complaint must include feedback on the actual cause for the delay in the resolution. The risk committee/key individual will have to implement further processes with the relevant internal stakeholder to eradicate and avoid delays.
- To facilitate the above the internal complaints resolution policy must be up to date with legislation. The policy must ensure that all processes used during the complaints resolution, can categorize the complaints correctly, for the complaint to receive the required attention without any delays. All timeframes in terms of feedback to the complainant must be managed without causing frustration to the complainant or authorities involved in the process.
- The Complaints management policy clearly depicts the procedures to be followed when handling complaints. The resource dealing with the complaint must ensure that the correct processes are followed for complaints escalations, and decisions to resolve the complaint.

- The Complaints Manager is required to identify risks and place mitigating measures in place to reduce, manage, or avoid such risks. If there are trends evident from complaints, such trends must be documented and mitigated. The risk mitigation measures, any trends identified, and responses to complaints must be included in the Complaints report submitted to the risk committee, relevant stakeholders, and the board accordingly.
- Where the FSP is a sole proprietor or is a small entity, complaints will not be escalated as the Key individual of the entity will be responsible for managing complaints and will ensure that all complaints receive the required attention without any delay. Where assistance is required from another person other than the resource dealing with the complaint, the complaint must be resolved timeously, and any delay due to the nature and severity of the complaint must be managed with the complainant.
- Any complaint lodged with L7 Prime through a client, or the ombudsman must be tracked, documented, and stored for safe keeping in line with legislation to ensure that such complaint can allow for L7 Prime to implement further processes to alleviate such complaints in future.
- A Complaints Risk tracker will track against possible risk, based on the current and foreseeable complaints to be dealt with in by the business. The tracker must be updated as and when new risks/issues are dealt with. This will be looked at holistically against other business risks.
- The Complaints tracker must be continuously analysed to identify its appropriateness to L7 Prime business model, policies, services, and clients. Such analysis will be shared with the risk committee, who will engage with relevant stake holders to ensure the framework is relevant. A seamless complaints resolution policy will ensure that proper investigations are carried out on all complaints and that information gathered during the process is factually correct, without treating the complainant unfairly.

10. Resourcing the complaints' function

The Complaints Manager provide all information to the Ombudsman without any delay in order for the complaint to be dealt with. L7 Prime has processes in place that support the Complaints Manager to discharge this duty effectively and enable the manager to meet reporting requirements to the Authority and public in accordance with the Act.

11. Obtaining information from external sources

11.1 Obtaining information

L7 Prime's complaints process provides mechanisms to assist the manager to obtain information required to resolve the complaint. This entails dealing with both internal and external stakeholders in obtaining information required, within timelines that do not exceed the legal time frame allocated for resolution.

L7 Prime will ensure that processes are set up correctly, with reasonable timelines between internal and external stakeholders for complaints feedback without affecting the complainant negatively. This process aligns with TCF principles.

The Manager has the ability to report on complaints and outcomes for resolution of each complaint. Such reports are readily available to the executive management for review and risk assessment and to the authorities as and when requested.

The referral process between product suppliers and L7 Prime will set out a defined timeline for the required feedback being provided between organisations to ensure that no timeline in the resolution process is affected. The standard process is that each organisation must provide the requested information within 48hrs from receipt of such request. This will enable each party to work on a complaint's resolution within 7 days.

L7 Prime will ensure that the complainant is aware of any request for information outside of the organisation to resolve a complaint. The representative is to inform the complainant regarding such requests and the expected time to receive the information before a resolution can be concluded. In

the event of any delays for such information requested, the complainant will be kept informed, and expectations managed during the process.

11.2 Reviewing the complaints policy and framework

L7 Prime will ensure that during any review of the Complaints Management Framework, all changes are tracked and documented during each update. There will be a high-level summary depicting the changes during the review and update of the policy.

12. Decisions relating to complaint.

12.1 Upholding complaints

Where a complaint is upheld, any commitment by the provider to make a compensation payment, goodwill payment or to take any other action must be carried out without undue delay and within any agreed timeframes.

12.2 Rejection of complaints

Where a complaint is rejected, the complainant must be advised on further steps that they can take in the event they are dissatisfied with the outcome. The details for the Ombudsman must be given to the complainant should they decide to pursue the complaint further. The time limits in which to report a complaint to Ombudsman must be clearly communicated to the complainant.

12.3 Obtaining information relating to a complaint

L7 Prime will ensure that the process of obtaining information relating to a complaint is efficient. The information will be scrutinised and analysed 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. L7 Prime will ensure that information is secure and accurate. Information to 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 category of complaint progress and status of the complaint, including whether such progress is within or outside any set timelines.

13. Communication with complainants

The representative must ensure that the complainant is informed upon receipt of a complaint and ensure that the complainant understands the information required to assist with the resolution together with process of supplying such information. The L7 Prime representative will correspond with the complainant regarding the intended time or delays to resolve a complaint, and manage expectations with the complainant, until the complaint is finalised.

The FSP representative must provide all details below to the complainant, during all interaction with the complainant.

Contact details for External Compliance department of:

Oracle Compliance (Pty) Ltd – Leonardo d' Onofrio

Telephone: 011-1002551

Email: info@oraclecompliance.com

Contact Details of Respective Ombudsman

FAIS Ombud

Postal Address FAIS Ombud
P O Box 41, Menlyn Park, 0063
Telephone 012 7625000 / 012 4709080
Facsimile 0867641422 / 012 3483447
E-mail info@faisombud.co.za
Website www.faisombud.co.za

Long Term Insurance Ombudsman & Short Term Insurance Ombudsman now known as

National Financial Ombud Scheme South Africa

NFO Johannesburg

Address 110 Oxford Road
Houghton Estate
Johannesburg
Gauteng
2198

Telephone 0860 800 900 / +27 0 66 473 0157
E-mail info@nfosa.co.za
Website www.nfosa.co.za

NFO Cape Town

Address 6th Floor Claremont Building
6 Vineyard Road
Claremont
Cape Town
7700

14. Engagement and reporting to Authorities

A provider must have appropriate processes in place to ensure compliance with any prescribed requirements for reporting information relating to complaints to any relevant designated authority or to the public as may be required by the Registrar.

- All complaints lodged and resolved must be tracked using the Complaints tracker and readily accessible to the complaints manager for risk mitigation and analysis and reporting purposes to the authorities.
- All written communication during the complaint's resolution process must include the details of the financial services Ombudsman.
- The resource dealing with telephonic communication with a complainant must furnish the complainant with details of the financial services ombudsman during all calls.
- In the event the complaint has been attended to on behalf of a Product supplier, the relationship between L7 Prime and the Product supplier must be shared with the complainant.
- The Complaints manager will adhere to honest and reasonable communication with the Ombudsman, ensure they cooperate with the Ombudsman, product supplier and client. This includes acting fairly, and without prejudice when dealing with complaints, to avoid delay in the process or the outcome of the complaint. L7 Prime will endeavour to resolve a complaint before a final determination or ruling is made by an ombud, or through its internal escalation process, without impeding or unduly delaying a complainant's access to an ombud.
- The decisions of the Ombudsman are binding on the FSP/product supplier but not the complainant.
- The Ombudsman decisions may be based on law or equity.
- The service of the Ombudsman is free to insured persons.
- The Ombudsman does not provide legal advice.
- Where a report or analysis was provided by the Ombudsman, L7 Prime complaints manager must ensure that findings and suggestions are implemented in the business process as required.