

ALIVIO FINANCIAL SERVICES (PTY) LTD

COMPLAINTS MANAGEMENT FRAMEWORK

1. INTRODUCTION

Customer satisfaction is an integral part of Alivio Financial Services (Pty) Ltd's client centred philosophy and culture and we consider client complaints as free gifts from our customers that provide us with the important insights that we need to enhance our service excellence to our clients and to ensure that we continuously provide them with world-class customer service experiences.

What clients want:

- A user-friendly complaint handling system;
- To feel that they are being heard and understood;
- To feel respected;
- To actually experience a client-centred approach, instead of only hearing about it;
- To receive a response and an explanation;
- Quick action by the organisation;
- An apology, where due.

What Alivio Financial Services (Pty) Ltd needs:

- A user-friendly system for receiving feedback;
- Clear delegations and procedures for employees to deal with complaints and provide remedies;
- A system for capturing complaint data;
- Using complaint data to identify problems and trends;
- To improve service delivery within identified areas.

The hallmarks of effective complaints handling systems:

- Step 1 Enabling complaints submission

Arrangements for enabling people to submit complaints are customer focused, visible, accessible and valued and supported by management.

- Step 2 Responding to complaints received

Complaints are responded to promptly and handled objectively, fairly and confidentially. Remedies are provided where complaints are upheld and there is a system for proper review.

- Step 3 Accountability and learning

There are clear accountabilities for complaint handling and complaints are used to stimulate organisational improvements.

2. STATUTORY 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 person's 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 supplier 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 section 1 (1) of the Pension Funds Act, 1956 (Act 52 of 1956);
- b. friendly society as defined in section 1 (1) of the Friendly Societies Act, 1956 (Act 25 of 1956);
- c. medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (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
- d. "upheld" means that a complaint has been finalised wholly or partially in favour of the complainant and that—
- e. the complainant has explicitly accepted that the matter is fully resolved; or
- f. it is reasonable for the provider to assume that the complainant has so accepted; and
- g. 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. OBJECTIVES AND PRINCIPLES

This framework serves to give life to the regulatory requirements in a fresh and innovative way, as envisioned in Alivio Financial Services (Pty) Ltd's unique vision, mission and customer value proposition.

The objective of this framework is to ensure that clients receive the best complaint resolution service possible and to ensure that employees of Alivio Financial Services (Pty) Ltd pledge their commitment to ensure a delightful client experience is realised through concerted and determined effort in resolving every instance of customer dissatisfaction in accordance with effective resolution processes.

- a. Principles for enabling complaints submission:
- b. Alivio Financial Services (Pty) Ltd is committed to effective complaint handling and values feedback received through customer complaints;
- c. Information and instructions on where, how and to whom to submit a complaint is well publicised and easy for customers to access and understand;
- d. Principles for responding to complaints:
- e. Complaints are acknowledged in a timely manner, addressed promptly and according to order of urgency, and the complainant is kept informed throughout the process;
- f. Complaints are dealt with in an equitable, objective and unbiased manner, in order to ensure that the complaints handling process is fair and reasonable;
- g. Personal information related to complaints is kept confidential;
- h. If a complaint is upheld, Alivio Financial Services (Pty) Ltd provides an appropriate remedy;
- i. There are opportunities for internal and external escalation and review, and complainants are informed about these avenues.
- j. Principles for accountability and learning:
- k. Accountabilities for complaints handling are clearly established and complaints and responses to them are monitored and reported on to Alivio Financial Services (Pty) Ltd's governing body;
- l. Complaints are a source of improvement for Alivio Financial Services (Pty) Ltd on all fronts.

4. SCOPE OF FRAMEWORK

This complaints management framework is binding on all employees and all business units within Alivio Financial Services (Pty) Ltd.

5. BENEFITS OF EFFECTIVE COMPLAINTS HANDLING

- It resolves issues raised by a customer or person representing a customer, who is dissatisfied in a timely and cost-effective manner;
- It provides information that can lead to improvements in service delivery; and
- Where complaints are handled properly, a good system can improve the reputation of an organisation and strengthen public confidence in an organisation's administrative processes.

6. REQUIREMENTS FOR THE FRAMEWORK

The framework will be maintained and operated adequately and effectively to ensure:

1. Proportionality

An effective complaint handling system should be fit for the purpose for which it is applied. It shall therefore be tailored and varied to fit Alivio Financial Services (Pty) Ltd's circumstances, taking the following aspects into consideration:

- The number and demographics of Alivio Financial Services (Pty) Ltd's customers and how they generally interact with the company;
- The type of products and services offered by Alivio Financial Services (Pty) Ltd;
- The number of business units operational within Alivio Financial Services (Pty) Ltd;
- The number of complaints received by Alivio Financial Services (Pty) Ltd;
- Alivio Financial Services (Pty) Ltd's risk management strategy, as complaints are an important way of monitoring and mitigating any risks;
- The value which Alivio Financial Services (Pty) Ltd wishes to derive from complaints to improve its operations over time, including management information; and
- The cost of operating a complaint handling system suited to Alivio Financial Services (Pty) Ltd's needs.

2. Accessibility

- Complaints will be handled at no charge and will be stated in Alivio Financial Services (Pty) Ltd's Customer Complaints Submission Process information provided to customers;
- Information about the complaints submission process shall be available in a variety of forms of communication and languages appropriate to the needs of the customer;
- Complaints and supporting documentation provided by a customer during the complaints submission or resolution processes shall be accepted in a number of ways including in person, telephonically, in writing via email, fax, postal system, and where appropriate, access to translating and interpreting services for non-English speaking clients, shall be provided;
- Alivio Financial Services (Pty) Ltd's Customer Complaints Submission Process shall be accessible to customers living in regional and remote areas of South Africa, including persons with disabilities and persons from culturally and linguistically diverse backgrounds.

3. Customer centredness

- Alivio Financial Services (Pty) Ltd is open to feedback and committed to seeking appropriate resolution of complaints and addressing policy and process inadequacies highlighted by such complaints;
- Alivio Financial Services (Pty) Ltd values the benefits of an effective complaint handling system and supports the process.

4. Responsiveness

- Alivio Financial Services (Pty) Ltd provides guidance to staff on how to respond to and prioritise complaints through Alivio Financial Services (Pty) Ltd's Complaints Handling & Resolution Policy & Procedure, which sets out the processes and procedures to be followed when resolving complaints;
- Alivio Financial Services (Pty) Ltd's Complaints Handling & Resolution Policy requires complaints to be acknowledged promptly, then assessed and investigations prioritised;
- The policy provides for appropriate and timeous communication with clients;
- The Policy is designed to achieve effective and timely resolution of complaints within acceptable turn-around times;
- The Policy requires that employees keep complainants informed of progress throughout the process and of the outcome thereof;
- The Policy provides for the prompt addressing of complaints in order of urgency in accordance to strict timelines;
- The Policy provides that employees know and have access to the person who is empowered and has the authority to make decisions in order to resolve complaints.

5. Objectivity and fairness

- Alivio Financial Services (Pty) Ltd's Complaints Handling & Resolution Policy provides for complaints to be dealt with on their own merit and in an equitable, objective and unbiased manner, avoiding or disclosing and mitigating any conflicts of interest or potential conflicts of interest;
- The Policy provides for the escalation of complex or unusual complaints by frontline staff, when merited;
- The Policy does not impose any unreasonable barriers to complainants;
- The Policy enables complaints to be considered after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of complainants;
- The Policy ensures that complainants are given sufficient time to present and submit their complaints;
- The Policy provides for a requirement to keep the complainant informed throughout the process;
- The Policy ensures that complainants are provided with clear reasons for decisions on the outcome of complaints;
- The Policy provides for effective and efficient management of complaints in accordance with regulatory requirements.

6. Employee training and Review

- Alivio Financial Services (Pty) Ltd's employees who are those frontline employees responsible for first port of call, direct communication and liaison with customers shall be well trained and thoroughly aware of Alivio Financial Services (Pty) Ltd's complaints submission processes and procedures;
- Alivio Financial Services (Pty) Ltd's employees are trained and regularly retrained on its complaints resolution processes and procedures, in accordance with the requirements of its Complaint Handling & Resolution Policy;
- Alivio Financial Services (Pty) Ltd's Policy further makes provision for a thorough internal review process in which the decision-maker's decision is reviewed by a suitably experienced colleague or superior before a complaint is finalised;

7. Employee performance standards, remuneration and rewards strategies

- Alivio Financial Services (Pty) Ltd does not support the incentivisation of employees assigned with the task of resolving customer complaints, whether resolved in favour of the company, or not;
- Alivio Financial Services (Pty) Ltd supports incentive schemes that promote the fair treatment of clients by its employees.

8. Confidentiality

- The personal information of the complainant and any persons who are the subject of a complaint shall be kept confidential and only used for the purposes of addressing the complaint and any follow-up actions.

9. Remedy

- Alivio Financial Services (Pty) Ltd's Complaints Handling & Resolution Policy makes provision for mechanisms designed to enable appropriate remedies where complaints are upheld, to which staff are familiar with;
- The Policy makes provision for standard remedies to be provided by empowered employees for various pre-determined scenarios or sets of circumstances;
- Remedies shall be followed up and promptly acted on.

10. Recording & categorisation of complaints

- The Complaints Handling & Resolution Policy provides for a tried and tested recording of all complaints on a centralised software application;
- The Policy lists the statutory complaint categories as well as any additional categories Alivio Financial Services (Pty) Ltd has included for categorisation of all complaints received.

11. Accountability and decision-making

- Alivio Financial Services (Pty) Ltd's Complaints Handling & Resolution Policy includes the names of the staff members responsible and specifically assigned to deal with complaints;
- Where a complaint is upheld, the remedy shall be carried out without undue delay and within agreed timeframes;
- Where a complaint is rejected, the complainant is provided with clear and adequate reasons for the decision and informed of the escalation and review procedure.

12. Continuous improvement

- Alivio Financial Services (Pty) Ltd's Complaints Analysis & Improvement Policy makes provision for the monitoring of each complaint as an opportunity to demonstrate Alivio Financial Services (Pty) Ltd's commitment to client-centredness and an improved customer experience;
- It improves overall effectiveness of Alivio Financial Services (Pty) Ltd by implementing the necessary prevention measures after conducting relevant root cause analyses;
- Actual or proposed improvements to processes, procedures and practices are required to be included in Alivio Financial Services (Pty) Ltd's governance reporting and operational planning process.

13. Escalation and Review

- Alivio Financial Services (Pty) Ltd's Customer Complaints Submission Process includes the procedure for escalation of unresolved complaints, which is accessible to customers from Alivio Financial Services (Pty) Ltd's website;
- This procedure is designed to be simple and easy for customers to activate, free of complication and unnecessary burden;
- The procedure makes provision for an unresolved complaint to be allocated to an impartial, senior functionary for higher level deliberation and final determination;
- In the event that Alivio Financial Services (Pty) Ltd wishes to appoint an independent 3rd party for managing the escalation and review process, or assessing a specific complaint, such unresolved escalated complaints will be assigned accordingly;
- The procedure prioritises a balanced approach and fair treatment of complainants.

14. Engagement with Ombudsman schemes

- The Complaints Handling & Resolution Policy provides for the effective engagement with any of the Ombudsman schemes.

15. Reporting of Complaints

- The Complaints Handling & Resolution Policy enables appropriate and relevant reporting to the Authority and the public, as required.

16. Record keeping

- Alivio Financial Services (Pty) Ltd's Complaints Handling & Resolution Policy provides for the safeguarding and preservation of complaint data, information and supporting documentation for a minimum of 5 years.

17. Policy review

- The effectiveness of the complaints handling system will be monitored through quality assurance processes and reported to Alivio Financial Services (Pty) Ltd's governing body;
- The Compliance Handling & Resolution Policy is reviewed on a bi-annual basis.

18. Allocation of responsibilities

- Complaints handling and resolution is an important role in an organisation and should be recognised as such by its governing body;
- The persons responsible for complaints handling and resolution within Alivio Financial Services (Pty) Ltd are the most important factor in ensuring that Alivio Financial Services (Pty) Ltd's complaints resolution process is optimally responsive to complainants.
- Alivio Financial Services (Pty) Ltd's complaints handling persons shall be empowered to make decisions, or to have access to someone who can make decisions;
- Complaints shall be handled by persons with the necessary skills and authority to resolve or investigate complaints and, where appropriate provide remedies or recommendations;
- Where possible, complaints are best handled by people at the point of service delivery. These individuals should be able to resolve complaints at first contact and should record complaint details for further analysis.
- More serious complaints, or complaints that cannot be resolved by front-line staff, should be referred to more senior staff or designated Complaints Handling Officers for investigation, resolution or other appropriate action.
- All employees should be made aware of their responsibilities in providing information to help investigate and resolve complaints, and to implement actions to provide remedies or systemic improvements arising from complaints.

This framework shall be evaluated and reviewed on an annual basis to ensure the standards remain high and any changes or improvements are promptly incorporated.