

*Momentum Investments*

# Complaints Resolution Policy and Procedure



## Document information

<b>Policy level:</b>	Executive Committee approved
<b>Applicable principal risk:</b>	Regulatory
<b>Principal risk owner:</b>	Chief Executive Officer(s)
<b>Effective date:</b>	1 December 2012
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<b>Policy co-ordinator:</b>	Momentum Investments Regulatory Compliance Department
<b>Adopted by:</b>	Board of Directors

# 1. Purpose of the FAIS act

## Protection of consumers

The Financial Advisory and Intermediary Services Act (“FAIS Act”) protects consumers by regulating financial advice and intermediary services provided by financial services providers (“FSP”s), ensuring that consumers are adequately informed about the products they purchase and the product suppliers in order for them to make informed decisions.

## Regulation of advice-giving activities

The FAIS Act requires a FSP to be equipped with the necessary skills, qualifications and experience (“fit and proper” requirements) in order for the FSP to obtain its FAIS licence and to provide a financial service suited to the client’s needs. The key individuals and representatives of the FSP have to comply with similar fit and proper requirements in order to oversee the advisory, intermediary and other financial service activities of the FSP and its representatives/key individuals.

## Transparency

In terms of the FAIS Act, the FSP must:

- Disclose to the client that it holds a licence to provide such service;
- Provide all the necessary information regarding the FSP, financial service, product and the product supplier;
- Advise the product supplier of the contractual status of the financial adviser (where applicable);
- Provide details of remuneration and commission;
- Confirm all verbal advice in writing within 30 (thirty) days of having provided such advice.

# 2. Introduction

The Complaints Resolution Policy and Procedure has been formulated in terms of Part XI of the General Code of Conduct for Authorised Financial Services Providers and Representatives as published in Board Notice 80 of 2003 and published in the Government Gazette dated 8 August 2003.

The object of this policy is to ensure that complaints are handled in a timely and fair manner and that complaints are investigated and responded to promptly.

# 3. Scope

## This policy is applicable to:

**Momentum Asset Management (Pty) Ltd (FSP 623)**

**Momentum Wealth (Pty) Ltd (FSP 657)**

**Momentum Outcome-based Solutions (Pty) Ltd (FSP 19840)**

**Equilibrium Investment Management (Pty) Ltd (FSP 32726)**

**Momentum Alternate Investments (Pty) Ltd (FSP 34758)**

**Momentum Collective Investments (RF) (Pty) Ltd - Registration number: 1987/004287/07**

**Metropolitan Collective Investments (RF) (Pty) Ltd - Registration number: 1991/003/741/07**

(Collectively referred to as „the company“), who are authorised Financial Services Providers in terms of the Financial Advisory and Intermediary Services Act, 2002 (“FAIS”).

## 4. What constitutes a complaint?

The FAIS Act provides consumers with a platform to address their complaints in a fair and procedurally correct manner.

In terms of the FAIS Act, a complaint must relate to a financial service rendered by an FSP or its representative/key individual to the complainant, in which it is alleged that the FSP or representative/key individual:

- I. Has contravened or failed to comply with any provision of the FAIS Act and that as a result thereof, the complainant has suffered or is likely to suffer financial prejudice or damage; or
- II. 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
- III. Has treated the complainant unfairly.

A complaint must not relate to the investment performance of a financial product, unless such performance was guaranteed expressly or implicitly or such performance appears to be deficient as to raise a prima facie presumption of misrepresentation, negligence or mal-administration on the part of the company or its representatives/key individuals.

A complaint means a complaint relating to a financial service rendered by the company or any of its representatives/key individuals on or after the commencement of the FAIS Act, being 1 October 2004.

Employees must report all complaints to the registered Compliance Officer of the company. The contact details of the registered Compliance Officer are as follows:

Regulatory Compliance

Email: [mi.regulatorycompliance@momentum.co.za](mailto:mi.regulatorycompliance@momentum.co.za)

## 5. FSP's responsibilities

In terms of the provisions of the FAIS Act, the Codes to the FAIS Act and the Rules of the Ombud for Financial Services Providers, the company must:

- I. Maintain records of complaints for a period of 5 years;
- II. Handle complaints from clients in a timely and fair manner; and
- III. Take steps to investigate and respond promptly to such complaints.

All employees of the company must be aware of the Complaints Resolution Policy and Procedure. Responsibility is placed on all line managers to ensure that their employees are fully aware of and understand this policy.

Employees must immediately report all complaints received in writing to the Manager: Compliance.

Annexure "A" hereto must be used to report all complaints. The Manager: Compliance will inform the relevant managers and/or employees of the complaint, and will request additional information relating to the matter, as required, until the complaint has been resolved.

## 6. Lodging of a complaint

- 6.1 Complaints must be submitted in writing and contain all relevant information. Copies of all relevant documentation must be attached to Annexure A.
- 6.2 If the complaint is made via telephone, the employee must request the complainant to lodge the complaint in writing (at least on an e-mail). Investigation of the complaint will only begin once the complaint has been received in writing by the company. The complainant must be advised of this by the relevant employee.

## 7. Once a complaint has been lodged

- 7.1 The relevant employee must immediately refer the complaint to the Manager: Compliance once he/she has received the complaint in writing from the complainant. The employee must also provide the complainant with the contact details of the Manager: Compliance.
- 7.2 The Manager: Compliance will acknowledge receipt of the complaint in writing within one week of receipt of the complaint. The acknowledgement of receipt will include the contact particulars of staff to be involved in the resolution of the complaint.
- 7.3 The Manager: Compliance will record the complaint in the complaints register and will ensure that the complaint has been recorded internally by the relevant staff. The Manager: Compliance will also report the complaint to the CEO of Momentum Investments Division.
- 7.4 After receipt and recording of the complaint, the Manager: Compliance will forward the complaint as soon as practically possible to the relevant staff appointed to consider its resolution and ensure that:
  - 7.4.1 The complaint receives proper consideration;
  - 7.4.2 Appropriate management controls are available to exercise effective control and supervision of the consideration process; and
  - 7.4.3 The complainant is informed of the results of the consideration.
- 7.5 The Manager: Compliance must inform the complainant of the results of the consideration process within 6 (six) weeks of the date of receipt of the initial complaint from the complainant:
  - 7.5.1 Where a complaint is resolved in favour of the complainant, the company must ensure that a full and appropriate level of redress/compensation is offered to the complainant without any delay.
  - 7.5.2 Where the complaint is **not resolved in favour** of or to the satisfaction of the complainant, the Manager: Compliance will send a letter to the complainant that addresses all the issues and which sets out the reasons for the decision and which states that:
    - i. The complainant may refer the complaint to the Office of the Ombud for Financial Services Providers if the complainant wishes to pursue the complaint, together with the contact details of the Ombud; and
    - ii. The complainant should do so within 6 months of receipt of such information

## 8. Monitoring and reporting

The Manager: Compliance will ensure that complaints are monitored to ensure that all regulatory deadlines are met and will ensure that the Complaints Register is adequately maintained.

## 9. Rules on proceedings of the office of the ombud for financial services providers

The Financial Sector Conduct Authority ("FSCA") has published the Rules on Proceedings of the Office of the Ombud for Financial Services providers, 2003 and a copy of these rules and the FAIS Act is available from the FSCA and from the Office of the Ombud. The FSCA's contact numbers are 0800 20 37 22 or +27 12 428 8000, or visit their website at [www.fsca.co.za](http://www.fsca.co.za) for a copy of these rules and the FAIS Act.

### Contact details of the ombud for financial services providers:

The FAIS Ombudsman's objective is to consider and dispose of complaints in a procedurally fair, informal, economical and expeditious manner with reference to what is equitable in all circumstances.

The Ombud will only proceed to investigate an officially received complaint once he/she has notified all interested parties of the particulars of the complaint in writing, and is satisfied that all parties are provided with the opportunity to submit a response.

The contact details of the FAIS Ombud are as follows:

Name:	Advocate Nonkumbulo Tshombe
Physical Address:	Kasteel Park Office Park Orange Building, 2 <sup>nd</sup> Floor 546 Jochemus Street Erasmus Kloof Pretoria 0048
Telephone Number:	+27 12 762 5000 / +27 86 066 3274
E-mail:	<a href="mailto:info@faisombud.co.za">info@faisombud.co.za</a>
Website:	<a href="http://www.faisombud.co.za">www.faisombud.co.za</a>



## Reporting of complaint

<p><b>Complainant's full name, ID Number</b></p> <p><b>and contact details <i>(to be completed by the employee)</i></b></p> <p><b>Please indicate which company <i>(to be completed by the employee)</i></b></p>	<p>Momentum Asset Management (Pty) Ltd Momentum Wealth (Pty) Ltd Momentum Outcome-based Solutions (Pty) Ltd Equilibrium Investment Management (Pty) Ltd Momentum Alternate Investments (Pty) Ltd Momentum Collective Investments (RF) (Pty) Ltd Metropolitan Collective Investments (RF) (Pty) Ltd</p>
<p><b>Summary of complaint:</b> <i>(This should be received in writing and should be attached)</i> <i>(to be completed by the employee)</i></p>	
<p><b>Date received</b> <i>(to be completed by the employee)</i></p>	
<p><b>Complaint initially received by</b> <i>(to be completed by the employee)</i></p>	
<p><b>Date reported to manager:</b> <b>Compliance</b> <i>(to be completed by the employee)</i></p>	
<p><b>Date of acknowledgement to client</b> <i>(to be completed by the Manager: Compliance)</i></p>	
<p><b>Date of final letter to client</b> <i>(to be completed by the Manager: Compliance)</i></p>	
<p><b>Complaint resolved/dissmissed or unfounded</b> <i>(to be completed by the Manager: Compliance)</i></p>	