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COMPLAINTS MANAGEMENT FRAMEWORK

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ALEXANDER FORBES GROUP COMPLAINTS MANAGEMENT FRAMEWORK



Purpose

The purpose of the Group Complaints Management Framework is to demonstrate Alexander Forbes's fair treatment of its customers by ensuring that we make it easy for them to complain by not creating any post-sale barriers. This framework is created in line with the conduct of business reform and, in particular, the revised Policyholder Protection Rules. This ensures that Alexander Forbes acts with due skill, care and diligence when dealing with its policyholders, members and corporate as well as individual customers.

Alexander Forbes is committed to Customer First and Striving for Excellence by supporting the complaints management framework and complaints handling procedure. The voice of the customer provides invaluable customer insights and we value the feedback received from customers through complaints to improve our customer experience, service, processes and product offering.

Application

This framework applies to all Alexander Forbes employees as well as the following entities in the Alexander Forbes Group:

- Alexander Forbes Limited and its subsidiaries:
 - Alexander Forbes Financial Services
 - Alexander Forbes Health
 - Alexander Forbes Life
 - Alexander Forbes Retail Holdings
 - Alexander Forbes Financial Planning Consultants
 - Alexander Forbes Individual Client Administration Services
 - Alexander Forbes Fiduciary Services
- Alexander Forbes Risk and Insurance Services
 - Alexander Forbes Insurance Company Limited
 - Alexander Forbes Administration Services
 - Alexander Forbes Direct
- Alexander Forbes Investments Holdings

Definitions

‘Complainant’ means a person who submits a complaint and includes a:

- a) policyholder or the policyholder’s successor in title
- b) beneficiary or the beneficiary’s successor in title
- c) potential policyholder whose dissatisfaction relates to the relevant application, approach, solicitation or advertising or marketing material
- d) fund member and non-member spouses
- e) employers, trustees or principal officers
- f) individual or corporate investors

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 (f).

‘Goodwill payment’ means a payment by Alexander Forbes to a complainant as an expression of goodwill. This is aimed at resolving a complaint where Alexander Forbes does not accept liability for any financial loss to the complainant as a result of the matter complained about.

‘Rejected’ in relation to a complaint that has not been upheld and Alexander Forbes regards the complaint as finalised after advising the complainant that it doesn’t intend to take any further action to resolve the complaint. It includes complaints regarded by Alexander Forbes as unjustified or invalid, or where the complainant does not accept or respond to Alexander Forbes’s proposals to resolve the complaint.

‘Complaint’ means any expression of dissatisfaction, whether justified or not, relating to the service, a product, or an agreement with any of our businesses or our service providers.

‘Compensation payment’ means a payment by Alexander Forbes to a complainant to pay the complainant for a proven or estimated financial loss acquired as a result of Alexander Forbes’s contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of the complaint, where Alexander Forbes accepts liability for having caused the loss concerned, but excludes any:

- a) goodwill payment
- b) payment contractually due to the complainant in terms of a policy
- c) refund of an amount paid by or on behalf of the complainant to the insurer where such payment was not contractually due

Note: The above includes any interest on late payment of any amount referred to in (b) or (c).

‘Upheld’ means that a complaint has been finalised in that:

- a) the complainant has explicitly accepted that the matter is fully resolved, or
- b) it’s reasonable for the insurer to assume that the complainant has accepted that the matter is fully resolved, or
- c) all undertakings made by Alexander Forbes to resolve the complaint have been met

‘Query’ means a request to Alexander Forbes by or on behalf of a customer or client for information regarding our products, services or related processes, without any expression of dissatisfaction with Alexander Forbes or its products or service or its service providers.

‘Service request’ means a request to Alexander Forbes by or on behalf of a customer or client to carry out a transaction or action or administer a change in relation to any product or service, without any expression of dissatisfaction with Alexander Forbes or its products or service or its service providers.

Policy statement

Alexander Forbes is committed to effective complaints handling and values feedback from complaints.

We adhere to the following Alexander Forbes service commitment:

We never let the sun set on a complaint and we take ownership of the complaint.

We aim to acknowledge **100%** of our complaints within one working day.

We manage expectations by providing regular feedback until resolution.

We take ownership, conduct root cause analysis and hold our colleagues accountable for actions and feedback.

Allocation of responsibilities

The board of directors of Alexander Forbes is responsible for effective complaints management. It approves and oversees the complaints management framework.

Alexander Forbes complaints managers are responsible for making decisions or recommendations on complaints resolution. They are empowered to make fair, impartial and objective recommendations as the complaints handling function is centralised and not part of the business entity. The complaints managers are not subject to a conflict of interest. They ensure fair treatment of customers, have appropriate complaints handling experience, knowledge, skills and training regarding the complaints received in respect of the legal and regulatory landscape. All Alexander Forbes employees are responsible for logging any complaint received. Business units are accountable to ensure that their employees log complaints.

Performance standards

The effectiveness of complaints handling employees is monitored on an ongoing basis and is reported on monthly in order to maintain Alexander Forbes's service commitments, complaints standards and targets. Performance standards are aligned to customer service standards, complaints acknowledgement and resolution targets. Customer satisfaction is measured as a performance standard to ensure customers are satisfied with the resolution of their complaints.

Service providers

A process is in place for managing complaints relating to service providers who provide Alexander Forbes with policy or related services.

Alexander Forbes ensures that:

- ✓ service providers have adequate complaints management processes in place to ensure fair treatment of complainants
- ✓ it monitors and analyses aggregated complaints data in relation to complaints received by the service provider and their outcomes
- ✓ there are effective referral processes between Alexander Forbes and the service provider for handling and monitoring complaints that are submitted directly to either of them and require referral to the other for resolution
- ✓ complainants are appropriately informed of the process being followed and the outcome of the complaint

Internal complaints handling procedure

Information about how and where to complain is well publicised to customers, employees and other interested parties.

The complaints handling procedure is available on the following platforms:



our
website



policyholder and
member
documentation



our regional
offices

Front-line employees are aware of the complaints handling procedure and the contact details of complaint-handling employees.

We make it easy for customers to complain

Complaints are dealt with free of charge.

Customers can log a complaint using the following channels:

the web

social media

telephone

email

fax

walk-in

letter

through any
Alexander Forbes
employee

We have a dedicated complaints contact centre from Monday to Friday, 08:00 to 17:00, excluding weekends and public holidays.

Any Alexander Forbes employee can log and immediately resolve a complaint on behalf of a customer using our intranet.

A unique reference number is allocated to each complaint. This can be used by the complainant to track the progress of their complaint at all times. Complaints that require investigation are referred to complaints handling employees for investigation,

resolution, root cause analysis and implementation of management action plans in collaboration with business.

Complaints are acknowledged and investigated timeously and the complainant is kept informed throughout the process.

Complaints are acknowledged within a single working day.

We aim to resolve 80% of complaints within four working days.

Communication

Communication with complainants is in simple, plain language. We communicate throughout the complaints process.

Communication and engagement with business will be conducted to improve logging of complaints, to highlight trends and to create awareness and training. The communication will include ombud complaints, trends and outcomes.

The complaints handling procedure advises complainants of the turnaround times for resolving complaints, the internal complaints escalation and review process if the complainant is not satisfied with the outcome and the relevant ombud's office details.

If a complaint is upheld, Alexander Forbes will provide a remedy.

Alexander Forbes undertakes to provide fair, reasonable and appropriate levels of redress to complainants without delay and within agreed turnaround times. Remedies may take the form of either or a combination of the following:

- **Explanation:** this form of resolution entails providing information about the decision-making process or relevant policies or legislation and providing reasons for a decision
- Apology in writing
- Changing policy or practice to prevent similar incidents in future
- Compensation payment for any financial loss suffered by a complainant
- Fee refunds for services not provided
- Goodwill payment as an expression of goodwill aimed at resolving a complaint

If a complaint is rejected, Alexander Forbes will provide complainants with:

- adequate reasons for the decision made
- the internal complaints escalation and review process and timelines
- the relevant ombud's details.

Personal information related to complaints is kept confidential.

The personal information of complainants is kept confidential and only processed for the purpose of resolving the complaint.

Complaints internal escalation and review process

The internal complaints escalation and review process takes into account the interest of all parties involved, including the fair treatment of complainants.

Complainants may escalate their complaint to the group senior complaints manager at **complaintescalation@aforbes.com** if they feel they've been treated unfairly or if they are not satisfied with the resolution of their complaint.

The group senior complaints manager will manage the escalation and review process. If the complaint is rejected, the complainant will be advised of the decision within 10 working days and referred to the relevant ombud's office.

If the complaint is upheld, the group senior complaints manager will make a recommendation to the business entity head for a final decision. Full and final redress will be made within 10 working days and the complainant will be informed accordingly.

Decisions made are reported monthly to business and group executive committees and quarterly to the board.

Claims committees

Complaints relating to rejected or disputed insurance claims are to be escalated to the Alexander Forbes Insurance and Alexander Forbes Life Claims Committees for a decision. Group Complaints is represented on the committees. If Group Complaints disagrees with the decision taken by the committee, the complaint will be escalated by the group senior complaints manager to the managing director of Alexander Forbes Insurance and Alexander Forbes Life for a decision.

Recording keeping, monitoring and analysis

The Alexander Forbes complaints management system (CMS) has been developed to ensure efficient and secure recording of complaints. CMS is reviewed yearly to ensure it is easy to use, improves reporting and meets regulatory reporting requirements.

The following complaint details are to be recorded in CMS for each complaint:

- a) all details of the complainant and the complaint
- b) copies of all relevant evidence, correspondence and decisions
- c) the complaint categorisation
- d) progress and status of the complaint

Alexander Forbes categorises complaints in the following complaints categories:

- a) the design of a policy or service
- b) information provided to policyholders
- c) advice
- d) policy performance
- e) customer service (including withdrawal benefit payments from pension or provident funds)
- f) policy accessibility, changes or switches
- g) complaints handling
- h) insurance risk claims
- i) POPI and PAIA complaints
- j) fraud
- k) medical aid complaints
- l) withdrawal benefit payments

CMS allows Alexander Forbes to provide the following complaints data:

- a) complaints received
- b) complaints upheld
- c) rejected complaints and reasons for the rejection
- d) complaints escalated by complainants to the internal complaints escalation process
- e) complaints referred to an ombud and their outcome
- f) number and value of compensation payments made
- g) number and value of fee refunds
- h) number and value of goodwill payments made
- i) complaints outstanding

Complaints data is analysed on an ongoing basis to identify, manage and report:

- conduct risks and compliance breaches
- improve outcomes and processes for its customers
- prevent recurrences of poor outcomes and errors.

Trends and management action plans are provided in reporting.

Complaints records are to be kept for a minimum of five years from the date that the complaint has been resolved by Alexander Forbes, an ombud or a regulatory office.



Prescription

A complaint will not be considered if three or more years have passed from the date on which the complainant became aware, or should reasonably have become aware, that he or she had cause to complain, excluding any time-barring period referred to in contractual documents.

Proactive complaints management

Proactive management includes monitoring business operational statistics and customer touchpoints to pre-empt customer impacts and to mitigate them.

Systemic issues are dealt with to proactively manage customer expectations and to avoid an increase of complaints. Affected customers are identified, internal business stakeholders agree to a management action plan with resolution and the resolution is communicated proactively to affected customers to avoid an influx of complaints. Root cause analysis is conducted to ensure that there is no recurrence of the systemic issue. These are reported monthly and quarterly.

Engagement with ombud

Alexander Forbes is committed to building trusted relationships with regulatory bodies, for example the statutory and voluntary ombud schemes, industry bodies and the Financial Sector Conduct Authority. We undertake to have open and honest communication and to fully cooperate with any of these offices to resolve customer complaints. We try to resolve a complaint with the customer before a final determination or ruling is made by an ombud or through our internal escalation process, without delaying a complainant's access to an ombud.

The relevant ombud's details are provided in the following platforms:

- ✓ complaints handling procedure on our website
- ✓ policy and member documentation
- ✓ on receipt of a complaint and when a complaint is rejected or a claim is repudiated

We'll monitor determinations, publications and guidance issued by any relevant ombud with a view to creating awareness and training and identifying failings or risks in our services, processes or products.

Reporting

Alexander Forbes reports on all customer and regulatory complaints.

Quarterly reporting is provided to the social, ethics and transformation board committee meeting and monthly reporting to the group, institutional and retail executive committees as well as management committees and the group risk committee respectively.

Review

The complaints management framework will be reviewed yearly to ensure that customer and legislative requirements are addressed.

Board approval will be obtained for any amendments to the complaints management framework.

The complaints management framework and complaints handling procedure must be subjected to yearly compliance or internal or external audit monitoring to ensure efficiency of dealing with unfair or poor customer outcomes and that it meets regulatory requirements.