

# Rules on handling customer complaints in Safe Connect

## I. General Provisions

1. The present rules of handling customer complaints in Safe Connect (hereinafter referred to as the **Rules**) are aimed for all natural persons and legal entities intending to lodge a complaint regarding services provided by Safe Connect UAB and/or Safe Connect Ltd (hereinafter collectively referred to as the **Company**) and/or regarding agreements concluded or to be concluded with the Company by a current or potential customer of the Company, the aggrieved third person or a representative thereof (hereinafter referred to as the **Complainant**).
2. The Procedure has been prepared in accordance with (i) the Law on Payments of the Republic of Lithuania, Law on Payment Institutions of the Republic of Lithuania and the Resolution of the Bank of Lithuania of 6 June 2013 "On the adoption of the rules for the handling of complaints by financial market participants", No. 03-105, as well as in accordance with (ii) the UK Payment Services Regulations 2017 [Dispute Resolution, Provision 101]. Definitions used in these Rules shall be construed and read as they are defined in the latter laws and regulations unless expressly stated otherwise.
3. Complainants, if they consider that a Company has violated their rights related to provision of financial services or their interests protected under the law, shall address the Company in writing or other means specified in these Rules and specify their requirements and the facts giving rise to the dispute. Information submitted by e-mail or post in a manner allowing to prove the fact of information submission, complies with the requirement to submit information in writing.
4. The Company shall handle the Complainants' complaints free of charge.

## II. Lodging of complaints

5. The complaint shall be submitted in writing and signed personally by the Complainant or the Complainant's representative.
6. If the complaint is filed and submitted by the Complainant's representative, the complaint must be accompanied by the documents confirming the representative's identity and proof of representation.
7. A complaint must:
  - Be easily legible and clearly specify the circumstances of the issue;
  - Be expressed in the Lithuanian or English language;
  - Contain clear requirements and requests.
8. The following data must be indicated in the complaint:
  - Name, surname/company name, date of birth or personal number/number of the company the rights whereof have been violated;
  - Name, surname, personal number or date of birth, address and other contact information of the person that has submitted the complaint (contact address, if it is different from the residential address, telephone number);
  - Date of occurrence and the reasons for addressing the Company, i.e. which rights and contracts have been violated and the grounds of the violation, if such exist, as well as the preferred ways to eliminate the violation; documents evidencing the specified circumstances must be attached. If the

circumstances specified in the complaint are related to a particular contract concluded with the Company, the date and/or the number of the contract (if they are known to the Complainant) must be specified;

- The preferred method for receiving a response.
9. Company shall refuse to accept and examine the complaint and shall specify to the Complainant the responsible person/institution for dealing with such complaint (where relevant), where:
    - complaints concern the activity which is not regulated by the special laws and is not supervised by the supervisory authority (i.e., is not related to the provision of financial services);
    - complaints concerning activity for the performance of which the Company is not responsible.
  10. Company shall not accept anonymous complaints, except when the issues raised in an anonymous complaint have a material impact on Company's activities or good repute or otherwise requires attention from the Company.
  11. The Company shall have the right to refuse handling of unsigned and illegible complaints, complaints with insufficient data for the identification of the Complainant, complaints of a defamatory, insulting content, or in violation of moral norms, and which incite national, racial, religious or social strife, coercion or discrimination.
  12. The Complainant shall lodge a complaint no later than 3 months from the date on which he/she/it became aware or ought to have been aware of the violation of their rights or the interests protected by law. Overdue complaints may be rejected by the Company.
  13. The Company shall have the right to refuse repeated handling of complaints, with which the same person or entity addresses the Company regarding the same issue without specifying any new requirements and/or circumstances grounding the complaint and without submitting any new documents evidencing the circumstances of the complaint and allowing doubts with regard to the justification of the previous written response submitted by the Company. Such a repeated complaint shall be registered and, within the period specified by the law, the Complainant shall be informed that his/her/its complaint has been already handled, and the details on the previous responses together with the procedure for appealing against the responses of the Company shall be provided to the complainant.
  14. All complaints must be submitted in a way that they can be tied to the identity of the Complainant and meet the requirements for the content as described in items 7-8. In case the latter shortcomings exist, the complaint shall be revised by the Complainant upon request by the Company. The complaint should be considered to have been submitted on the day a revised complaint is re-submitted to the Company. The term for submission of a regulatory response to a complaint which does not meet the content requirements specified in items 7-8, shall be calculated only after the Complainant fulfils the justified requirement to revise the complaint.
  15. A complaint received by the Company after 4 p.m. (EEST) on the working day of the Company, shall be considered to have been received on the following working day of the Company.

16. The complaint shall be addressed to Safe Connect UAB or Safe Connect Ltd and sent by e-mail to the e-mail address [complaints@yapily.com](mailto:complaints@yapily.com) or sent by post directly to the Company at the address provided on the Company's website [www.yapily.com](http://www.yapily.com).

### **III. Handling of complaints and submission of responses**

17. Company follows the following basic principles when investigating all complaints:
  - conflicts of interest are avoided when handling the complaints and all necessary measures are taken to identify and solve any conflicts of interest;
  - human rights are respected, and principles of fairness, reasonableness, objectivity and impartiality are always followed when dealing with investigation of complaints;
  - complaints are handled by a sufficiently competent employee who was not involved in the subject of the complaint;
  - the investigation process is reasonably documented, and the responsible employee is at all times able to demonstrate the scope and contents of the investigation (if needed);
  - personal data of the Complainants is processed and kept in accordance with the applicable legal requirements and Privacy Policy of the Company.
18. Company shall seek to resolve the complaint by the end of the next business day.
19. The complaint regarding unauthorised transactions, i.e. payments unknown to the Complainant or allegedly unlawful payments performed with Complainant's credentials, etc. shall be dealt with as a matter of priority and the Company shall endeavour to respond to them as soon as possible.
20. The complaint shall be handled and the response shall be submitted to the Complainant as soon as possible, but not later than within 15 (fifteen) working days as of the day of submission of the complaint, unless the laws and other service-related legal acts specify another term.
21. In an event where further documents or information are required to investigate the complaint or due to other reasons outside of Company's control the response cannot be submitted within 15 (fifteen) working days, a non-final response shall be submitted within this period. It shall specify the reasons for the delay and the term before which the Complainant will receive the final response, which shall not exceed 35 (thirty-five) working days as of the day of submission of the complaint.
22. Responses to complaints shall be drafted in the Lithuanian or English language, i.e. as a general rule, the same language in which the complaint has been submitted.
23. Response which expresses disagreement with the complaint shall be extensive, motivated, well-grounded and submitted to the Complainant in writing by email, unless a different channel for submission is indicated in the complaint (e.g. sending an answer by mail). The response to the complaint sent at the address provided by the Complainant is deemed to have been received by the Complainant on the next business day. The response sent by post shall be sent as a registered consignment.
24. If the Company does not satisfy or partially satisfies the Complainant's requirements, in all cases the Company shall submit a document-based written response and

specify other means to defend complainant's interests, measures and institutions dealing with dispute settlement.

25. The Complainant that is not satisfied with the response to the complaint shall have the right to refer the matter to the competent court of the Republic of Lithuania or England and Wales respectively. If the response of the Company does not satisfy the Complainant, who is a consumer (e.g. end-user) (hereinafter referred to as the Consumer), or if the Consumer did not receive the response within 15 (fifteen) working days, the Consumer shall have the right to address their complaints to the respective financial ombudsman institution. This right of the consumer shall be indicated in the response provided to the Complainant.
26. Consumers may address their complaints with regard to the Safe Connect UAB to the Bank of Lithuania in three different ways:
  - Through the electronic dispute settlement facility E-Government Gateway;
  - By completing a consumer application form and sending it to the Supervision Service of the Bank of Lithuania at Žalgirio g. 90, LT- 09303 Vilnius, email: frpt@lb.lt;
  - By filing out a free-form application and sending it to the Supervision Service of the Bank of Lithuania, Žalgirio g. 90, LT-09303 Vilnius, email: frpt@lb.lt.
27. Consumer's claim to the Bank of Lithuania shall be submitted in Lithuanian language within 1 (one) year after receiving a response that is not satisfactory, or if the Company does not respond to the Consumer's complaint within the 15 business days.
28. Addressing Company first is a precondition for the Consumers to apply to the Bank of Lithuania.
29. Customers that are not Consumer are still eligible to address the Bank of Lithuania with a request to protect their rights and legitimate interests which are considered to have been violated. Such complaints may be submitted in writing or by electronic means at the following addresses: (i) Totorių str. 4, 01121 Vilnius, info@lb.lt, and/or (ii) Žalgirio str. 90, 09300 Vilnius, e-mail: frpt@lb.lt). Complaints must be submitted in Lithuanian or English languages.
30. Both consumers and legal entities may address their complaints with regard to Safe Connect Ltd to the Financial Ombudsman Service UK within 6 (six) months as of the date the Consumer addressed Safe Connect Ltd regarding the extra-judicial complaint handling.
31. The Complainant shall have the right to appeal against the decision of the Company to the courts in the Republic of Lithuania in line with the procedure established by laws irrespective of whether the Complainant has used the procedure of extra-judicial settlement of disputes with the Company. In order for the Complainant to have the right to appeal against the decision of the Company to the courts of England and Wales, the Complainant has to undergo the extra-judicial procedure as a mandatory procedure.

#### **IV. Record keeping**

32. Incoming complaints are recorded in an electronic complaint Logbook of a respective Company that contains the following verified data:
  - Full name of the Complainant;

- Address of the Complainant indicated in the complaint or otherwise known to the Company;
  - Date and method of receipt of the complaint;
  - Complaint registration number;
  - Substance matter of the complaint (brief content);
  - Company's services or products with regard to which the complaint has been lodged;
  - Employee appointed to handle the complaint;
  - Date of response to the Complainant;
  - Final outcome of investigation of the complaint.
33. Complaints shall be registered on their receipt date or the first following business day if the complaint was submitted at a non-business day or after the working hours.
34. Initial input and registration in the complaint Logbook shall be made by the Customer Service employee who has received / accepted the complaint. Further inputs and supplements shall be carried out by employees responsible for handling the complaints and preparation of the replies to the customers.
35. The Company shall keep the complaints of the Complainants, the material relating to their investigation, the document containing specific complaints (Complaints), the reply given to the complainant and other correspondence for 3 years from the date of submission of the final reply to the complainant in the Safe Connect UAB and for 3 years from the date of the receipt of the complaint in the Safe Connect Ltd.

#### **V. Consumer Awareness**

36. Company will publish information on lodging complaints via our website and will provide the details of the process for any complaint made to the Company. The complaints lodging procedures for our customers will allow customers to understand their rights to complain, how to complain, and the rules around submitting a complaint, so customers know what to expect from the Company, and how they can escalate their complaint should they be dissatisfied with our final response or should they otherwise be unhappy with Company's service.
37. The information published and submitted to the customers shall be clear, precise, up-to-date and shall cover the following:
- Information that must be specified in the complaint;
  - Contact information whereto the complaint must be addressed;
  - Time limit during which the Company would investigate the complaint;
  - Information about the customer's right to apply to a competent institution to further examine the complaint.
38. The customers can request information on how to complain, free of charge, from our Customer Services at any time.

#### **VI. Management Information and Reporting Requirements**

39. In the event that a complaint is filed due to unauthorised access to data stored in the Company's systems, the person responsible for dealing with complaints shall inform the staff member responsible for the safety of the Company IT systems, Information Security Officer and/or the third party who would evaluate the complaint within the context of information system security (cyber security).

40. Company has management controls to ensure complaints are handled effectively, and systemic or thematic issues are remedied. For this purpose, the Chief Compliance Officer will:
- collect information on similar complaints relating to the same product or service, analyze this information in order to establish the main reasons of such complaints and priorities for elimination thereof;
  - assess if the circumstances giving rise to a certain type of complaints may also result in complaints relating to other services or products;
  - assess if reasons for the complaints can be eliminated and determine course action for such elimination;
  - where applicable, eliminate the main reasons of the complaints being submitted, or initiate relevant processes for such elimination;
  - ensure that information on repetitive or systemic reasons of complaints is regularly provided to the senior management.
41. Company's Board shall periodically review information on complaints received as per above. Such reviews shall be presented to the Board by the Chief Compliance Officer on at least semi-annual basis to ensure that root causes and patterns are identified, lessons are learned, and appropriate changes are applied to operational procedures.
42. Records of analysis and decisions taken by the Board in response to the reports submitted in accordance with the above as well as information about the management decisions relating to the elimination of the operational deficiencies identified shall be stored by the Company for at least 3 (three) years and shall be submitted to the supervisory authority as requested.

#### **VII. Regulatory reporting**

43. For each calendar year, Safe Connect Ltd must submit to the Financial Conduct Authority (FCA) report on complaints received in the previous 6 months – before the 31<sup>st</sup> of March and 30<sup>th</sup> of September via the FCA's Firms on Line electronic reporting system. This report should specify the total number of complaints received by the Safe Connect Ltd which were not settled by the end of next business day after the receipt of the complaint.
44. Company shall collect and store information about the number of complaints received, classified by the reasons of complaints and examination results (number of the complaints received, examined, satisfied, and partially satisfied) and submit such information to the Bank of Lithuania upon request.