

Lockton SA Complaints Resolution Policy

1. Introduction

Lockton South Africa requires all group businesses to have a policy in place for dealing with complaints from customers in accordance with local regulations and to treat them fairly.

Customers should expect the same standards from Lockton South Africa wherever they conduct their business.

2. Guiding Data Retention Principles

This procedure applies to all Directors, Partners and Employees (collectively referred to as Associates in this policy) and agents who work on behalf of Lockton South Africa (Pty) Ltd (Lockton SA).

Lockton SA has decided to follow the same procedures for all complaints with no differentiation between different size or type of clients. Therefore, these procedures apply to all complaints against all business units of Lockton SA, subject to eligibility conditions for the FAIS Act being met.

3. What is a Complaint?

A complaint is any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience.

While the definition of complaint is very wide, simple “grumbles” about minor issues not being quite right are not necessarily complaints (and in scope of this procedure) but nonetheless must be addressed and remedied appropriately. The key component that separates mere “grumbles” from complaints is that there could be some form of detriment suffered. This can be a delicately balanced decision and importantly, the complaint (and its potential impact) must be assessed from the client’s perspective, considering their situation.

4. Who is an Eligible Complainant?

Any person or entity whether an individual or a commercial client, Insurer and/or Underwriter.

The FAIS Act, 2002 definition of a complaint means, subject to section 26(1)(a)(ii), a specific service rendered by a financial service provider or representative to the complainant on or after the date of commencement of this Act, and in which complaint it is alleged that the provider or representative:

- a. has contravened or failed to comply with a provision of the Act and that as a result thereof the complainant has suffered or is likely to suffer financial prejudice or damage
- b. has willfully or negligently rendered a financial service to the complainant or which has caused prejudice or damage to the complainant, or for which is likely to result in such prejudice or damage
- c. or has treated the complainant unfairly.

5. Procedures

Overall responsibility for the management of complaints and ensuring compliance with the regulation lies with Lockton SA Compliance Team.

5.1 Receipt of Complaint

A complaint may be received in writing (including by email) or verbally by any Lockton SA Associate from any person or their representative with whom Lockton SA has dealings or who may have reason to bring a complaint (including, for example, persons covered under a group policy even if they are not named on the schedule or have had no other involvement in the arrangement or administration of the insurance policy providing cover).

Complainants must not face significant or unreasonable barriers to making complaints. Complaints handling is free of charge to all customers. Under no circumstances must a customer be required or requested to use a particular method to lodge a complaint.

Immediately when a complaint is received by Lockton SA it must be referred to the Lockton SA Compliance Team before any response or referral is made.

5.2 Complaint Handling

All complaints should be notified to the Lockton SA Compliance Team immediately on receipt thereof (but no later than 24 hours after receipt) either by telephone or email. The Lockton SA Compliance Team will consult with the relevant business and advise on the action to be taken. The Lockton SA Compliance Team is required to determine the complaint within the parameters and guidance set out in 5.4, below.

The notifications should include the following:

- Full name, ID, claim number (if applicable) and policy number.
- Short description of the complaint.

On receipt of a complaint an acknowledgement will be sent to the complainant in writing within 5 working days after it has been received.

Once a decision has been made it will be communicated to the complainant in writing. If, however within six weeks of receipt of a complaint, the FSP (Lockton SA) has been unable to resolve the complaint to the satisfaction of the complainant, the FSP (The Lockton SA Compliance Team) will inform the complainant that:

- The complaint may be referred to the Ombud for Financial Services Providers if the complainant wishes to pursue the matter; and
- The complainant should do so within six months of receipt of such notification.

The FAIS Ombud's role is to resolve disputes between FSPs and their customers in a procedurally fair, informal, economical, and expeditious manner. The FAIS Ombud's jurisdiction is limited to violations which occurred on or after 30 September 2004 and to claims not exceeding R800 000.00.

5.3 Complaints Recording and Reporting

All complaints received must be recorded on the Lockton SA Complaints Register which will be maintained by The Lockton SA Compliance Team.

- The following information is required:
- Date of complaint and the date it was received.
- Name and designation of complainant

- Policy/Claim Number
- Insurer (Binder or Market)
- Full details of complaint
- Acknowledgement of the complaint
- Action taken to resolve the complaint
- Outcome of the complaint
- Referral to the Ombud.

Other details will be completed as the complaint is investigated and resolved.

If there is evidence of circumstances that might give rise to a claim against Lockton SA, the Lockton SA Compliance Team will ensure that the CEO and KI are made aware of the details. The response to the client in these circumstances remains subject to the time limits and other requirements of this procedure.

The Complaints register will be tabled at monthly Compliance meetings for discussion and resolutions are to be noted for further action to be taken.

The Complaints register will only be provided to Insurers on request.

5.4 Assessing Complaints and Determining Redress

In assessing the merits of complaints received the following should be considered:

- a) Decisions whether to uphold or decline a complaint must be made using the “balance of probabilities” standard of proof (was a circumstance more likely than not), and not the “beyond all reasonable doubt” test, as the latter can constitute an unreasonable barrier to redress. This standard also applies to the assessment of whether upholding or declining the complaint is fair; if upholding is more likely to be fair than not, then the complaint should be upheld.
- b) In addition to (a) account must be taken of the relative financial and bargaining strength of the complainant when determining whether to uphold or decline the complaint and what an appropriate redress is. The loss of a small amount (for example in bank fees or an unexpected excess) may not be significant to a large corporate client but may be to a vulnerable consumer – and an offer of redress should consider this aspect.
- c) The Lockton SA Compliance Team must be impartial when handling complaints.
- d) The nature of the complainant.
- e) All evidence available and the circumstances of the complaint.
- f) The complexity of the product and the relative likely knowledge of the client.
- g) Similarities to other complaints received.
- h) Appropriate analysis of decisions of any ombudsman concerning similar complaints. Where the Ombud has ruled in a similar case, this should be taken as a precedent and be followed.
- i) The level of redress offered (if the complaint is upheld) must be commensurate to with detriment suffered and if possible, aim to put the client in the position they would have been, had the circumstances of the complaint not arisen. Redress can be difficult to assess for distress or inconvenience, but this should not be a barrier to making an offer.
- j) Even if a complaint is not upheld, it may be appropriate to offer the client some form of redress, to acknowledge any distress or inconvenience the client may have suffered in bringing the complaint (this is especially important if the decision to uphold or decline has been a delicately balanced one).

5.5 Analysis of Causes of Complaints

Lockton SA is required to analyse the causes of individual complaints to identify root causes common to types of complaint.

Where there is a common cause bringing about certain types of complaints Lockton SA will consider the processes involved and the changes required to minimise further complaints from the same cause.

Causes of complaints identified shall be considered to determine whether they equally apply to other clients, processes, or products and whether similar mitigating action is required.

Regular reporting (monthly) of complaints received and the analysis of causes will be provided by the Lockton SA Compliance Team for discussion at relevant boards or committees.