



# Complaints Policy and Procedures

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# Ocean Underwriting. Complaints Policy and Procedures.



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# Ocean Underwriting. Complaints Policy and Procedures.



## 1. Internal Complaints Policy

### 1.1 Introduction

Ocean Underwriting's Internal Complaints Policy spells out the way in which the business will manage complaints regarding the business.

A complaint is "any expression of dissatisfaction, whether oral or written, and whether you consider them to justified or not, about a service or activity relating to Financial Services offered, provided or withheld by us, which implicitly or explicitly requires a response or resolution. It applies to both internal and external clients

For the purposes of this policy, clients include prospective clients, agents, brokers, insurers and intermediaries that the business deals with.

Our clients have the right to complain about products and/or services purchased, and to have that complaint promptly and fairly dealt with.

Complaints can provide us with feedback about products and/or services being offered.

Receiving a complaint gives us the opportunity to assess the impact on the market of certain products and/or services. Effective handling of complaints contributes to the improvement of services and products of the business.

An effective Internal Complaints system is a mandatory requirement for Licensing under the Corporations Act 2001 (The Act) in cases where the business deals with Retail Clients.

It is important to note that the AFCA Rules extend to cover clients that fall outside of the "Retail Client" definition within the Corporations Act. The AFCA rules define 'small business' as a business that had less than 100 employees at the time of the act or omission by the financial firm that gave rise to the complaint. A small business includes a primary producer, if that primary producer is also a small business. This is a slightly broader coverage than is defined by the Retail Client definition under the Corporations Act.

ASIC have issued RG271 Internal Dispute Resolution RG271 - Internal Dispute Resolution that provides further detailed guidance on ASIC's dispute resolution requirements and expectations.

It is also a requirement for membership of any External Dispute Facility that the business has a formal documented Internal Dispute Facility.

This policy has the full support of the board and all senior management and is seen as a key component in ensuring the long-term success and viability of the business.

Our procedures for handling complaints are based on Australian Standard AS ISO 10002 – 2014 to ensure we meet our Licence obligations.

The following statistics highlight the importance of resolving customer dissatisfaction promptly and effectively:

Only 4% of dissatisfied customers actually complain.

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25% of customers are not satisfied with the service they receive.

An unhappy customer will tell 9 or 10 people about the incident.

If a customer complains and their dispute is resolved quickly, 95% will do business with you again.

All complaints received by the business are to be documented to enable the business to learn, adjust and improve its services and products.

Specifically, the cause and extent of all complaints is to be included as a critical input into the annual business planning process.

The Complaints Officer is responsible for the day to day implementation of this Policy and procedures however the Responsible Manager(s) retains ultimate responsibility for the effective handling of complaints and ensuring the effective application of our complaints handling procedures.

The compliance by the business with this Complaints Policy is a key component of our Risk Management Policy and Procedures and is included in our Compliance Policy and Procedures.

All staff and Authorised Representatives must be familiar with and comply with this Policy and Procedure, understand the importance the business places on the effective operation of our Policies and Procedures and are encouraged to look for improvements to our procedures.

Any Distributors appointed by Us must be made aware that we have a Complaints system and that they are required to advise Retail Clients about our Complaints System when they first deal with them.

## 2. Updates

These Policy and Procedures are updated on a regular basis. Any material changes to these Policy and Procedures will be advised by management either via Email or at our regular Staff meetings.

This document and associated forms etc. are accessible in soft copy via our computer network. We do not store these documents in hard copy. All information can be immediately accessed on the computer network and will always be guaranteed to be up to date.

When you see an opportunity to improve a procedure kindly make a suggestion to your manager/supervisor as we all have a responsibility to improve our standards, individually and as a Company.

## 3. Documentation

The Complaints Handling Procedures are based on the following documentation:

- Complaints Overview Training Resource (Complaints Overview)
- A Complaints Form (Complaints Form).
- A Complaints Brochure (Complaint Brochure)
- A Complaint Register – Internal

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- General Insurance Code Of Practice (General Insurance Code of Practice 2020)
- General Insurance Code of Practice – Hardship Guidance (General Insurance Code of Practice - Guidance Hardship Cases (March 2018) )
- Insurance Brokers Code of Practice (Insurance Brokers Code of Practice).
- AFCA Rules - AFCA Rules
- AFCA Operating Guidelines – AFCA –Operational Guidelines To The Rules.
- AFCA Insurance Broker Complaint Approach - AFCA Insurance Broker Complaints Approach
- ASIC RG271 - RG271 - Internal Dispute Resolution

## 4. Review

The Complaints Policy will be reviewed annually as part of the Business Planning process or after any identified failure of the process.

We will also review the annual AFCA reports to identify emerging trends and causes of complaints and review our various Policies and Procedures accordingly.

## 5. Avoiding Complaints

Although this policy has been designed to provide guidance in the event of a dispute the business aims to avoid disputes.

The following suggestions will help us avoid disputes:

- Ensure that you clearly understand what it is that the client requires us to do for them.
- Document and confirm all coverage instructions or other commitments made by us to the client in writing.
- Ensure that the client is aware of the ramifications of Non-Disclosure or Misrepresentation.
- Make sure that the client is aware when purchasing a Financial product that they are aware of what the product provides / covers / performs and what it does not.
- Do not make service promises or commitments to clients that the business is not able to meet. Honesty is the best policy.
- Be especially careful in insurance claims situations not to give the client false or overly optimistic expectations about the claims outcome.
- Ensure that all decisions that negatively impact the client have been fully considered and provide a clear and unambiguous explanation for the decision to the client and provide information on the options available to them.
- Do not delay in giving the client bad news.

Examples of the common type of complaints handled by the AFCA include:

- Inadequate time given to the client for renewal, especially involving significant premium increases, coverage limitations or declination.
- Failure to address reinstatement of cover after a total loss.
- Misunderstandings about the inception of cover and extent of cover at the time of New Business.

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- Problems with refunds of premium, commission and fees after cancellation.
- Incorrect placement or issuing of cover.

## 6. Complaints Handling Principles

### 6.1 Overview

In developing the procedures detailed below and in applying them to individual complaints received the following principles have been adopted as critical to the effectiveness of the process.

Where our procedures would appear to not be consistent with or in a given set of circumstances the outcomes of our procedures are inconsistent with the following procedures, we should review our procedures.

### 6.2 Empathy

All complaints should be treated with empathy and our first response to any client who expresses dissatisfaction with our products or services should be one of spontaneous regret. Expressing regret at the client's dissatisfaction with something we have done or not done is not an admission of wrongdoing.

### 6.3 Commitment

The senior management of the business has a commitment to a fair and efficient resolution of complaints received. Clients have a right to complain and have their concerns addressed and rectified.

### 6.4 Objectivity and Fairness

Our process will be fair to both the complainant and the business. Clients are not to be adversely treated as a result of making a complaint. Staff and representatives will not be treated adversely due to referring a client's complaint to the complaint's process.

We should manage complaints objectively and without actual or perceived bias. This requires that our IDR processes allow adequate opportunity for each party to make their case and wherever possible, the complaint is considered by staff not involved in the subject matter of the complaint.

### 6.5 Confidentiality

Information provided by complainants will be handled in accordance with the Australian Privacy Act (Privacy Act) and the Australian Privacy Principles (Australian Privacy Principles) and where considered necessary some or all information in regard to a complaint may be kept confidential from our staff/representatives in cases where the sharing of such information may be to the disadvantage of the client who lodges a complaint with us.

Staff and representatives who raise a complaint with us will have the option to have their involvement in the complaint kept confidential where it is reasonably practicable to do so. Where a complaint cannot be actioned / settled due to this confidentiality restriction, we will advise the staff or representative and agree an appropriate strategy accordingly.



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## 6.6 Resources

There shall be adequate resources for complaints handling with enough level of authority to quickly resolve the matter.

## 6.7 Visibility

Our complaints handling policy is to be well publicised to clients and staff and shall include information to consumers about the right to complain – refer to Notice Requirements Section 8.2 below.

## 6.8 Access

We must ensure that the complaints handling process is accessible to all and information is readily available on the details of making and resolving complaints. This includes allowing clients to make a complaint in person, in writing, by email, fax, and by telephone.

## 6.9 Assistance and Information

We will provide all reasonable assistance to complainants in the formulation and lodgment of their complaint. This assistance will be provided by the Complaints Officer.

We will, where necessary, inform clients about ways that a relative or friend might help with a complaint if clients have difficulty expressing themselves (either due to physical or mental impairment, or language barriers, etc.).

Where complaints relate to clients with disabilities, we will make all reasonable additional efforts to assist them with their complaint including voluntarily engaging third parties (at our cost) to assist the client in lodging and negotiating their complaint.

Where complaints or queries relate to non-English speaking clients, we will make all reasonable additional efforts to assist them with their complaint including voluntarily engaging interpreters (at our cost) to assist the client in lodging and negotiating their complaint.

We will only ask for and take account of relevant information in considering a complaint.

We will offer the client access to information that we have relied on in assessing the complaint.

We will provide the complainant with access to the information requested except in special circumstances, such as where this would breach any laws (e.g. Privacy) or prejudice us in relation to the complaint.

If we are not able to provide information requested by the complainant, we will explain the reasons for this.

## 6.10 Responsiveness

All complaints shall be dealt with quickly and the complaints shall be treated courteously and within any timeframes set down by the External Complaints Body we are members of as well as any standards set down by relevant Industry Codes.

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### 6.11 Charges

Subject to statutory requirements, there are no charges or fees to the complainant for having a complaint dealt with under our procedures.

### 6.12 Authority and Capacity

The people involved in handling a complaint must have the necessary authority and capacity to determine and implement remedies.

We will immediately initiate action to correct any identified error or mistake in dealing with the complaint.

### 6.13 Remedies

We should consider a broad range of possible remedies when attempting to resolve complaints. Remedies may include:

- An explanation of the circumstances giving rise to the complaint;
- An apology;
- Provision of assistance and support;
- A refund or waiver of a fee or charge;
- A goodwill payment;
- A payment of compensation;
- A waiver of a debt;
- Replacing damaged or lost property;
- Correcting incorrect or out-of-date records;
- Repairing physical damage to property;
- Changing the terms of a contract;
- Ceasing legal or other action that may cause detriment; and
- Undertaking to set in place improvements to systems, procedures or products.

### 6.14 Data Collection

We will use a formal documented process for the systematic recording of complaints and their outcomes.

### 6.15 Health, Safety and Support

We will support staff involved in complaint management ensuring staff are not required to accept or be subject to unreasonable conduct by complainants protecting the identity of staff where required; and providing access to internal debriefing sessions or employee assistance programs.



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## 6.16 Triaging Complaints

When a complaint is received, complaint management staff should assess and prioritise complaints according to the urgency and severity of the issues raised. Example of matters that should be prioritised include where:

the complainant is experiencing domestic or financial abuse;

the complainant has a serious or terminal illness; or

a delay in addressing the complaint could adversely affect the complainant's basic living conditions.

## 6.17 Postponement of Action

Where appropriate, we should postpone actions that could adversely affect the complainant until the complaint has been finalised and an IDR response has been provided regarding the postponement of legal proceedings or other enforcement action while we are considering a hardship notice or request to postpone enforcement proceedings.

## 6.18 Systemic, Recurring and Major Complaints/Problems

All complaints shall be classified and analysed for the identification and rectification of systemic and recurring problems.

All complaints regarding representatives that are considered to involve major / serious matters are to be immediately referred to the Responsible Manager(s) for review and the likely engagement of external independent consultants to fully investigate and review the circumstances of the incident and report to the Responsible Manager(s) or Board of Directors.

## 6.19 External Dispute Facilities

All businesses with an AFS Licence that deal with Retail Clients must be members of the Australian Financial Complaints Authority (AFCA) [www.afca.org.au](http://www.afca.org.au). Clients that qualify to have a matter heard by AFCA should be made aware of the service when we are unable to satisfactorily resolve the complaint with the client.

## 6.20 Supporting Vulnerable Customers

Ocean Underwriting is committed to supporting vulnerable customers, ensuring they receive fair and appropriate treatment throughout the complaints process. A vulnerable customer is defined as someone who, due to personal circumstances, is especially susceptible to harm, particularly when interacting with financial services. This includes but is not limited to:

- Age related vulnerabilities (elderly or young clients)
- Physical or mental health conditions
- Financial Hardship
- Domestic Violence
- Language or literacy barriers
- Natural disasters affecting their ability to engage with services

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## Identification and Response

Vulnerability may be identified through direct disclosures, behavioral indicators, or third-party referrals. Ocean Underwriting staff will:

- Use clear and accessible communication.
- Offer flexible complaint resolution options.
- Provide additional support, such as involving family members or interpreters when required.

## Recording and Access

Vulnerabilities identified will be recorded securely and accessible only to relevant staff members (Compliance Team, Complaints Officer) to ensure appropriate support and privacy.

## 6.21 Root Cause Analysis of Complaints

Ocean Underwriting will conduct **quarterly root cause analysis** of complaints to:

- Identify trends or systemic issues.
- Improve internal processes.
- Ensure compliance with **ASIC RG271** and Lloyd's requirements. Findings will be reviewed by senior management and incorporated into training and procedural updates.

## 6.22 Complaints Handling Training

All **Complaints Officers, frontline staff, and underwriters** must complete complaints handling training:

- **Induction training** for new employees.
- **Annual refresher training** for all relevant staff. (via Lloyds and ANZIIF)
- **Regulatory updates** as needed. Training will include complaint identification, handling processes, vulnerability awareness, and compliance with **Lloyd's complaints procedures**.

## 7. Which dispute process to use

If Ocean Underwriting is acting as an agent of the insurer, complaints related to policy coverage will be referred to the insurer's dispute resolution process. For Lloyd's placements, complaints must be referred to:

Lloyd's Australia Limited  
Level 9, 1 O'Connell Street, Sydney NSW 2000  
Telephone: (02) 9223 1433

The Delegated Claims Administrator (DCA) must always refer to the Binding Authority Agreement for guidance on full complaints handling and notification processes, as well as any bespoke arrangements agreed with the insurer.

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Facsimile: (02) 9223 1466

The client will be advised whether the dispute will be handled by either Lloyd's Australia or the Complaints Department at Lloyd's in London.

Examples of matters that would be referred to the insurers Internal Disputes Process include any disputes:

Where we are denying/reducing part or all of a clients claim for whatever reason.

Regarding the documentation produced by the insurer or in accordance with the insurers instructions.

Arising out of any act or omission on our behalf that has been made following instructions from the insurer.

Examples of matters that would be referred to our Internal Dispute Process include any disputes:

Where we have failed to provide the appropriate response or service expected from us.

Regarding the documentation produced by ourselves.

Arising out of any act or omission on our behalf that is not related to the insurers instructions.

## **8. Australian Financial Complaints Authority (AFCA)**

### **8.1 Overview**

There is a General Insurance Code of Practice (General Insurance Code of Practice 2020) and a Guidance Note on Hardship Assistance (General Insurance Code of Practice - Guidance Hardship Cases (March 2018) ) that governs the way insurers operate. All staff should be familiar with the operation of this Code where relevant.

For insurance brokers there is an Insurance Brokers Code of Practice (Insurance Brokers Code of Practice) that AFS Licensees that operate as Insurance Brokers/Intermediaries can subscribe to or follow that governs the way intermediaries operate. All staff should be familiar with this Code where relevant.

The operation of AFCA, the types of clients, products and services covered and the monetary limits that apply are controlled by their Rules AFCA Rules and Operational Guidelines - AFCA – Operational Guidelines To The Rules. Further information is available at [www.afca.org.au](http://www.afca.org.au).

All AFS Licensees that operate in the financial services sector and are not a licensed insurer and deal with Retail Clients must be a member of AFCA.

AFCA offers a way of quickly resolving customer complaints and it aims to prevent costly litigation.

### **8.2 Notice Requirements**

As members of AFCA we must make information about AFCA available to clients and provide information about our in-house complaint handling process.

We must keep copies of the various AFCA Guidelines and provide them on request.

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We will include the following permanent phrase on all renewal notices, invoices, Financial Services Guides and on our website where relevant:

“Clients who are not fully satisfied with our services should contact our Complaints Officer. We are also members of the Australian Financial Complaints Authority (AFCA), a free consumer service. Further information is available from our office or contact AFCA directly on 1800 931 678 or visit [www.afca.org.au](http://www.afca.org.au). We also follow all relevant applicable industry codes.” (For insurance brokers this will be The Insurance Brokers Code of Practice).

In addition under RG271 we are required to have our Complaints Brochure included on our website on or before the 5<sup>th</sup> of October 2021.

## 9. Complaints Officers

We have a nominated Complaints Officer and a designated replacement, who are responsible for the effective implementation and operation of these Policy and Procedures.

The Complaints Officer will be provided with the necessary training to be able to effectively perform this role.

The specific skills, roles and responsibilities of the Complaints Officer include:

- The necessary skill, knowledge, expertise, authority and power to deal with complaints quickly and efficiently.
- Determine the most appropriate dispute process for matters arising out of situations where we are acting as an agent of the Insurer.
- Manage all client complaints and to try to quickly resolve them.
- A working understanding of the AFCA Rules AFCA Rules and the Operating Guidelines - AFCA –Operational Guidelines To The Rules where relevant, and to manage responses to all complaints within prescribed timelines.
- Responsible for the storage and maintenance of relevant forms, reports and procedures including the provision of the annual reports to AFCA and Lloyds where relevant.
- Responsible for the creation and maintenance of the Complaint Register, including collecting / recording and monitoring client feedback on the level of satisfaction / dissatisfaction with the complain process and outcome reached.
- Ensuring the complaints process is reviewed annually as part of the Business planning process.
- Review and analyse complaints trends and provide feedback to senior management as required. This will include feedback on any particular sources of complaints including contractors and authorised representatives.
- Provide relevant and timely complaint data to senior management for presentation at our routine staff meetings and in other business wide communications, to ensure staff / contractors and representatives are aware of the nature of complaints being received, the impact on business performance and the corrective actions required.
- Where the source of complaints would appear to be a training and education issue make relevant recommendations to senior management accordingly.

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- Advise ASIC within 3 days should the business change or cease membership of AFCA where the business deals with Retail Clients.

## 10. Complaints procedures

### 10.1 Definition of an Eligible Complaint

#### Eligible complainants include

- Individual consumers (including policyholders and beneficiaries).
- Small businesses (employing fewer than 100 people).
- Partnerships, corporate trustees, not-for-profits, and strata title bodies where they meet AFCA's eligibility criteria.

Under ASIC Regulatory Guide 271 (RG271) RG271 - Internal Dispute Resolution a complaint is defined as:

“An expression of dissatisfaction made to or about an organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.”

We take a proactive approach to identifying complaints. A response or resolution is ‘explicitly expected’ if a consumer clearly requests it. It is ‘implicitly expected’ if the consumer raises the expression of dissatisfaction in a way that implies the consumer reasonably expects the firm to respond and/or take specific action.

A consumer or small business is not required to expressly state the word ‘complaint’ or ‘dispute’, or put their complaint in writing, to trigger our obligation to deal with a matter according to our Internal Dispute Resolution (IDR) requirements.

We should not categorise an expression of dissatisfaction that meets the definition of ‘complaint’ as ‘feedback’, an ‘inquiry’, a ‘comment’ or similar (and therefore not to be dealt with by our IDR process) merely because:

- The complainant expresses their dissatisfaction verbally;
- We consider that the matter does not have merit; or
- A goodwill payment is made to the complainant to resolve the matter without any admission of error.

We consider the following expressions of dissatisfaction to be complaints:

- Posts (that meet the definition of ‘complaint’ set above on a social media channel or account owned or controlled by Us that is the subject of the post, where the author is both identifiable and contactable);
- Complaints about a matter that is the subject of an existing remediation program or about the remediation program itself (e.g. delays, lack of communication);
- Complaints about the handling of an insurance claim (e.g. excessive delays or unreasonable information requests).



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It can be hard to accurately define a complaint, because in many cases a query can easily escalate into a complaint. The following examples may help you to identify various forms of complaints.

- A written statement from a client regarding an unresolved issue.
- An aggravated telephone conversation where the client hangs up on you without having resolved the particular issue.
- An aggravated meeting where the client is not satisfied with the response given by you.
- We are unable to produce evidence in writing that the situation was handled in the correct manner.
- We do not give advice to the client on how to resolve a problem.
- The client has tried to contact us on numerous occasions with no success or adequate response.
- Where as agent of the insurer we have declined or rejected part or all of a claim.

The easiest way to identify a complaint is to simply ask the client – **“Would you like us to treat this matter as a complaint?”** If the answer is “yes” then the matter should be recorded and managed accordingly.

## 10.2 Compliance with Lloyd’s Timelines and Reporting

Ocean Underwriting follows Lloyd’s mandated complaint resolution timelines:

- Day 0: Complaint received
- 1 business day: Acknowledge complaint and provide complainant with contact details
- 5 business days: If applicable, report complaints to Lloyd’s
- 10 business days: complete Stage One review
- 30 business days: Provide a final response or escalate to AFCA if unresolved

Where an extension is required, the Complaints Officer will inform Lloyd’s Australia and the complainant of the delay, providing an updated resolution timeline.

## 10.3 Action Upon Receipt Of Complaint

### Supplier Related Complaints

If the complaint arises out of policy coverage or a claims issue arising out of a situation where we are operating as an agent or under a binder of an insurer the complaint will usually be channeled into the Insurers Internal Disputes Process. In such cases the insurers’ dispute procedures will usually be followed.

### Complaints Received in Person or via a Phone Call

Confirm with the client the details you have taken. Empathise with the client and be courteous. Avoid laying blame or being defensive. Avoid creating false expectations. Encourage the client to provide full details of the complaint. Where reasonable it is good practice to have the client provide full details of the complaint in writing.

Where relevant use the Complaints Form (Complaints Form) to record the complaint details, especially where the matter is complex or has the potential to involve financial loss. This can be done by opening the document and saving it to a separate folder on your computer network giving it the name of (Complaint No Complaint Form.doc e.g. 07022001 Complaint Form.doc).

Advise the client that the complaint will be followed up within seven (7) working days and is expected to be resolved within twenty one (21) days (fifteen working days where matter relates to a Binder



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placement involving a Retail Client), or such later time that has been agreed with the client.

Give the client the notified date as a **Complaint Number** (e.g. notified date is 7 Feb 2023 ⇒ 07022001).

Where relevant advise the client in writing within 24 hours that the complaint is to be referred to the Complaints Officer, providing the Complaints Officer's name and full contact details and the expected timeframes for resolution of the complaint as well as providing our "What is a complaint" document.

The complaint is then to be referred to the nominated Complaints Officer together with the Complaints Form. If the form has been completed online this can be emailed to the Complaints Officer.

## **Complaints Received via Mail, Email or Social Media Channels**

Upon receipt of the initial correspondence indicating a complaint or dispute from the client the staff member or representative person receiving such correspondence should immediately acknowledge receipt of the complaint with the client.

We will acknowledge the complaint within 24 hours (or one business day) of receiving it, or as soon as practicable.

Acknowledgement of the receipt of the complaint to the client, is best done via a phone call, email or social media channels. When determining the appropriate method of communication, we should take into account the method used by the complainant to lodge their complaint and any preferences they may have expressed about communication methods.

Advise the client that the complaint will be followed up within seven (7) working days and is expected to be resolved within twenty one (21) days (fifteen working days where matter relates to a Binder placement involving a Retail Client), or such later time that has been agreed with the client.

Give the client the notified date as a **Complaint Number** (e.g. notified date is 7 Feb 2001 ⇒ 07022001).

Where relevant advise the client that the complaint is to be referred to the Complaints Officer, providing the Complaints Officer's name and full contact details and the expected timeframes for resolution of the complaint as well as providing our Complaint Brochure ([Complaint Brochure](#))

The complaint is then to be referred to the nominated Complaints Officer together with the Complaints Form. If the form has been completed online this can be emailed to the Complaints Officer.

## **10.4 Complaints Officer Procedures**

Upon receipt of the Client Complaint Form or other advice of a complaint, the Complaints Officer will enter the details into the Complaint Register. This applies to complaints settled within 5 days as well as all other complaints.

Dependent on the nature and circumstances of the complaint the Complaints Officer will:

- Contact the client to advise them they are handling the complaint and the steps involved in settling the complaint.
- Gather full details of the complaint from the client.
- Assess the responsibility of our business in respect of the client's complaint.
- Investigate the circumstances of the complaint including all advice and documentation provided to the client, proposals and other quotation material.
- Consult technical and other staff as appropriate.

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Where the assessment is that we are partially or totally at fault in relation to the matter being complained about canvas with the client the remedies that the client would like to see to rectify the matter.

Wherever possible / practical / reasonable and economical to do so we should attempt to apply the client's preferred remedy to the matter, whether this is a financial payment, additional service, written apology etc.

Be pro active and regularly contact the client on the progress of the complaint.

Make all efforts to resolve the complaint within 30 days (15 days for issues arising out of the operation of a binder) to the mutual satisfaction of the client and the business.

if we close the complaint by the end of the fifth business day after receipt then we must provide the complainant with written confirmation of this.

If we have not closed the complaint by the end of the fifth business day after receipt we must advise the complainant of:

- The current status of the complaint,
- The reasons for the complaint not being finalised and
- The complainants option (where applicable) of referring the complaint to AFCA and how that can be done.

If we have not closed the complaint or made a decision on the complaint by the end of the thirtieth business day after receipt we must advise the complainant of :

The reasons for the delay,

- Inform the complainant of their right to refer the matter to AFCA where applicable,
- Inform the complainant of their right to report the matter to the Insurance Brokers Code Compliance Committee where applicable and how this can be done.

When determining whether a complaint has been resolved to a complainant's satisfaction, we will consider whether:

- The complainant has confirmed (verbally or in writing) that they are satisfied with the action(s) taken by us to the complaint and do not wish to take the matter further; or
- Other circumstances exist that make it reasonable for us to form the view that the complaint has been resolved to the complainant's satisfaction.

In some circumstances, it may be reasonable for us to form the view that an explanation and/or apology is the only action they can take to address the complaint. For example, if the complaint relates only to:

- A commercial decision, such as a refusal to grant additional credit terms on an invoice: or
- A refusal to arrange insurance cover for areas where we lack expertise;

Where required provide a formal IDR response to the complaint including a full explanation of the proposed resolution or options and advise the client of their options of having the matter referred to our independent external consultants (preferred supplier is currently MSM Compliance Services P/L)

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or of taking the matter to AFCA where they are not satisfied with the resolution proposed as per wording below:

- If you are not satisfied with the resolution offered, you can have your complaint reviewed by our independent external consultants who provide a free and impartial review to reach an outcome that is fair to both you and to us. Their contact details will be provided upon request.
- Alternatively you can lodge a dispute with the Australian Financial Complaints Authority (AFCA).. You should be aware that because this is our final decision, if you wish to pursue this complaint further by taking it to AFCA, you will need to do so within 2 years of the date of this letter.
- AFCA is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. We are a member of this scheme and we agree to be bound by its determinations about a dispute.
- Further information on AFCA is available from [afca.org.au](http://afca.org.au) or phone 1800 931 678.

Any ex gratia payments made to resolve a complaint must be duly authorised and include a full and final release from the client.

Where we reject or partially reject the complaint, our IDR response must clearly set out the reasons for the decision by:

- Identifying and addressing the issues raised in the complaint;
- Setting out the financial firm's findings on material questions of fact and
- Referring to the information that supports those findings; and
- Providing enough detail for the complainant to understand the basis of the decision and to be fully informed when deciding whether to escalate the matter to AFCA or another forum.

In conjunction with the Responsible Manager(s) conduct a formal review of the cause of the complaint and review and alter all relevant Business Policies and Procedures to ensure that complaints do not reoccur.

If the review of the complaint indicates a Compliance Breach as set out in our Compliance Policy and Procedures (Compliance Policy and Procedures) the matter is to be entered into the Compliance Breach Register and reported accordingly.

- Complete the applicable section of the Client Complaints Form where a Form has been used to record the complaint and file with the Complaint Register.
- Advise the Compliance Officer of any breaches of our Complaints Handling processes, specifically where we have failed to:
- Acknowledge receipt of a complaint within 24 hrs or as soon as practical.
- Propose a resolution of the complaint within 30 days of receipt or such later time agreed with the client,

Where it is not practical to propose a resolution within 30 days, advise the client of the delay within 30 days and the reasons for the delay and attempt to agree an acceptably mutual timeframe for the resolution of the complaint and provide the standard AFCA advice. Examples of such delays may involve complaints relating to events that occurred a significant time ago, where we are waiting on third party or the complainant information / advice / documentation etc.

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Propose a resolution to an unresolved complaint within 21 days of it being clear that the initial complaint resolution offered to the client is not accepted by the client.

## 11 External Dispute Resolution Procedures

### 11.4 Complaints Officer Referral Responsibilities:

In all cases where the Complaints Officer is unable to satisfactorily resolve the complaint within 30 days, we must follow the processes below:

Advise the complainant of AFCA and their contact details as follows:

#### ***Australian Financial Complaints Authority***

***GPO Box 3, Melbourne, Vic 3001***

***1800 931 678 (the cost of a local call)***

***Email: [info@afca.org.au](mailto:info@afca.org.au), Website: [www.afca.org.au](http://www.afca.org.au).***

Advise the client of the availability of various resources on the AFCA website to assist them in the process of lodging a complaint with AFCA and that they have 2 years in which to register their dispute with AFCA after receiving notice of our final decision on their complaint.

Where there is a potential financial loss associated with the complaint, discuss the matter with the Responsible Manager(s) and agree whether the matter needs to be referred to our Professional Indemnity Insurer and advise them of a possible claim.

### 11.5 Complaints Officer NON-AFCA Responsibilities

If the complaint cannot be resolved and it is outside the scope of AFCA, the Complaints Officer will:

Decide whether the scope of AFCA can be waived to refer the matter to AFCA.

Notify the client the matter is unresolved.

Advise the client of the other options available to them including the Small Claims Tribunal, and Consumer Advice Bureau.

### 11.6 What Happens If The Dispute Goes To AFCA?

The Complaints Officer will provide full co-operation with AFCA including the timely provision of all information and documentation required.

The Complaints Officer, in conjunction with the senior management is to immediately implement any determination of AFCA.

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If the complaint is caused by the conduct of an Authorised Representative, the Authorised Representative is responsible for all fees incurred. Where the complaint is caused by a Distributor, we will generally not seek recompense for any fees incurred.

## 12 Professional indemnity

### 12.4 Introduction

All AFS Licensees are required to have an adequate Professional Indemnity Policy or other ASIC approved arrangements that will support the business to pay compensation to Retail Clients.

The requirement for Professional Indemnity cover is based on the concept of ensuring that our Retail Clients have access to a compensation facility with the requisite financial strength to meet any legitimate claims they may have against us.

### 12.5 RG126 – Compensation & Insurance

ASIC RG126 – Compensation and Insurance ([RG126 - Compensation & Insurance.](#)) provides detailed guidance on ASIC's expectations of AFS Licensees for their Compensation arrangements via either Professional Indemnity or other ASIC approved arrangements.

The table below summarises the key requirements and processes that we must comply with if we decide to use a Professional indemnity (PI) policy to meet our commitments under RG126.

Issue	Outcome
Transitional requirements	A PI policy which provides "Adequate Cover" with an APRA approved insurer.
Adequate Cover	ASIC suggest businesses undertake a documented annual assessment of what is adequate cover in regard to the activities and financial resources of the business. Included in the review should be: <ul style="list-style-type: none"><li>• Any planned changes to business activities.</li><li>• Maximum exposure to a single client.</li><li>• Maximum claim numbers from a single event.</li><li>• Claim numbers expected per policy period.</li><li>• AFCA scheme payment limits,</li><li>• Cash resources and equity available to meet uninsured losses and excesses.</li></ul>

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<p>Coverage Requirements</p>	<p>Following the assessment of “Adequate Cover” the Licensee should arrange a PI Policy that meets the following requirements:</p> <ul style="list-style-type: none"> <li>• Cover that meets or exceeds the self assessment of “Adequate Cover” above.</li> <li>• Sum Insured is a minimum of \$2,000,000 or equal to at least the annual Retail Client income of the business.</li> <li>• Defence costs are provided as an additional benefit over and above the sum insured limits mentioned above.</li> <li>• The policy provides at least one automatic reinstatement.</li> <li>• Cover for all AFCA settlements.</li> <li>• Cover for breaches by both Licensee and Representatives.</li> <li>• Cover for fraud and dishonesty of Representatives, Agents and Employees.</li> <li>• Excesses and deductibles that can be confidently sustained whilst maintaining the Licensees ability to comply with RG166.</li> <li>• Cover for incidents notified to ASIC involving an admittance of liability</li> <li>• Sum Insured to reflect potential for Wholesale Clients to exhaust policy coverage.</li> <li>• Sum Insured to reflect potential for claims arising from non-AFCA scheme payments.</li> <li>• Sum Insured to reflect historical claims patterns and trends and identified compliance risks.</li> <li>• Fraud by the Licensee (as apart from representatives).</li> <li>• Adequate cover based on an assessment of increased representative exposure due to geographical dispersion and the number of representatives.</li> <li>• Cover for losses associated with products not on the Licensees Approved Product List.</li> <li>• Retroactive cover to the expiry date of the previous policy.</li> </ul>
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### 12.6 Management Responsibility

It is the responsibility of the Board or the Responsible Managers to ensure that the level of coverage and excess selected not only meet the minimum legislative requirements but that the cover is adequate given the nature and style of the business and its customers.