

## **SF3-ZA FAIS Complaints Resolution Policy**

**Effective Date: 02.12.2024**

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**CHIEF EXECUTIVE OFFICER**

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**CHIEF FINANCIAL OFFICER**

**Date of Executive Board Committee approval:**

**25.11.2024**

**Owner: Insurance Business, SF3-ZA-V-5**

Print out for information only.

Current regulations are available in the Intranet under: [SF3-ZA Guidelines and Instructions.](#)

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Significant changes are to be marked in yellow.

## 1. DEFINITIONS

<b>BMW Finance</b>	means BMW Financial Services (South Africa) (Pty) Limited, an Authorised Financial Services (FSP no. 4623) and a Registered Credit Provider NCRCP2341.
<b>Complaint</b>	<p>means an expression of dissatisfaction by a person to BMW Finance or, to the knowledge of BMW Finance or to BMW Finance's service provider relating to a financial product or service (as defined by FAIS) provided or offered by BMW Finance's Insurance Administrator/s or the Insurer which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to financial products/ services, a customer query, that</p> <ul style="list-style-type: none"> <li>a) BMW Finance's Insurance Administrator or the Insurer or its service provider has allegedly contravened or failed to comply with an agreement, a law, a rule or a code of conduct which is binding on the Insurer or to which it subscribes;</li> <li>b) BMW Finance's Insurance Administrator or the Insurer or its service provider's maladministration or wilful or negligent action or failure to act, has caused the person harm, prejudice, distress or substantial inconvenience or financial loss(es); or</li> <li>c) BMW Finance's Insurance Administrator or the Insurer or its service provider is being accused of allegedly having treated the person unfairly.</li> </ul>
<b>Complainant</b>	<p>means a person who submits a Complaint and includes a–</p> <ul style="list-style-type: none"> <li>a) client;</li> <li>b) person nominated as the person in respect of whom a product supplier should meet financial product benefits or that persons' successor in title;</li> <li>c) person that pays a premium or an investment amount in respect of a financial product;</li> <li>d) person whose dissatisfaction relates to the approach, solicitation marketing or advertising material or an advertisement in respect of a financial product, financial service or related service of the provider,</li> </ul>

	who has a direct interest in the agreement, financial product or financial service to which the Complaint relates, or a person acting on behalf of a person referred to in (a) to (d).
<b>FAIS</b>	<p>means Financial Advisory and Intermediary Services Act 37 of 2002. FAIS affects the way in which a Financial service provider ("FSP") conducts business and interacts with Consumers, and guides Consumers in their daily dealings with their chosen product provider.</p> <p>FAIS regulates the activities of all FSPs who give advice or provide intermediary services to Consumers of certain financial products.</p> <p>FAIS requires that FSPs be licensed and created a professional code of conduct with specific enforcement measures. All FSPs must ensure that they comply with the legislation, and with certain specific fit and proper requirements as stipulated in the act.</p>
<b>Insurer</b>	means a person or company that underwrites an insurance risk or means a person licensed to conduct insurance business under the Insurance Act of 2017.
<b>Reportable Complaint</b>	<p>means any Complaint other than a Complaint that has been –</p> <ul style="list-style-type: none"> <li>a) upheld immediately by the person who initially received the Complaint;</li> <li>b) upheld within the provider's ordinary processes for handling client queries in relation to the type of financial product or financial service complained about, provided that such process does not take more than five business days from the date the Complaint is received; or</li> <li>c) submitted to or brought to the attention of the provider in such a manner that the provider does not have a reasonable opportunity to record such details of the Complaint as may be prescribed in relation to reportable Complaints</li> </ul>
<b>Service Provider</b>	means a party appointed by BMW Finance for the rendering of administrative and underwriting services
<b>TCF</b>	Means Treating Customers Fairly (is an outcomes based regulatory and supervisory approach designed to ensure that specific, clearly articulated fairness outcomes for financial service consumers are delivered by regulated financial firms
<b>Upheld</b>	means that a Complaint has been finalised wholly or partially in favour of the Complainant and that –

	<p>the Complainant has explicitly accepted that the matter is fully resolved; or</p> <p>it is reasonable for the provider to assume that the Complainant has so accepted; and</p> <p>all undertakings made by the provider to resolve the Complaint have been met or the Complainant has explicitly indicated its satisfaction with any arrangements to ensure such undertakings will be met by the provider within a time acceptable to the Complainant.</p>
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## 2. INTRODUCTION

In terms of Section 17(1) (a) of the General Code of Conduct for Authorised Financial Services Providers and Representatives ("the General Code of Conduct") a Financial Services Provider ("FSP") must establish, maintain, and operate an adequate and effective Complaints management framework, in order to ensure the effective resolution of Complaints and the fair treatment of Complainants.

The Complaints management framework must be based on the following outcomes:

- Is proportionate to the nature, scale and complexity of the provider's business and risks;
- Is appropriate for the business model, policies, services, and clients of the provider;
- Enables Complaints to be considered after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of Complainants;
- Does not impose unreasonable barriers to Complainants; and
- Must address and provide for the matters as contained in Part XI of the General Code of Conduct.

In order to achieve the abovementioned outcomes, BMW Financial Services has adopted this FAIS Complaints Resolution Policy ("the Policy") which outlines the BMW Financial Services commitment towards the fair, transparent and effective resolution of Insurance Complaints. BMW Financial Services will also ensure that the Complaints Management Framework is regularly reviewed in order to ensure the effectiveness of same.

## 3. SCOPE

The Policy is intended to handle Complaints in respect of financial products/ services as defined by the FAIS Act and specifically the financial products provided under the BMW Insurance, ALPHERA Insurance and MINI Insurance brands.

## 4. TCF STATEMENT

### Company statement on Treating Customers Fairly

Fair treatment of Customers is central to the development and continuing success of our business for the benefit of all our stakeholders including present, prospective, and future customers, associates, business partners and shareholders. Accordingly, we hold our customer values at the core of our decision making.

## 5. INSURANCE BUSINESS OPERATING MODEL

BMW Finance has appointed third party providers to render financial services through two business models;

1. BMW Finance has appointed a broker to render financial services to its clientele in respect of more complex financial services such as comprehensive vehicle insurance.
2. For less complex Value-Added Products, BMW Finance is a shareholder in a cell-captive structure of a licensed insurer in terms of the Insurance Act No.18 of 2017. In this structure, BMW Finance's financial products are underwritten by an Insurer and administered by either a non-mandated intermediary, underwriting manager or administrative FSP (hereinafter referred to as an "Insurance Administrator").

Therefore, for both business models, BMW finance does not render financial services and the financial product agreement is between the customer (insurance policy holder) and the Insurer. As such there is no contractual relationship between BMW Finance and the customer.

## 6. RESPONSIBLE AND ADEQUATE DECISION MAKING

Any person in the organisation that is responsible for making decisions or recommendations in respect of Complaints generally or a specific Complaint must –

- Be adequately trained;
- Have an appropriate mix of experience, knowledge and skills in Complaints handling, fair treatment of customers, the subject matter of the Complaints concerned and relevant legal and regulatory matters;
- Not be subject to a conflict of interest; and
- Be adequately empowered to make impartial decisions or recommendations.

## **7. COMPLAINTS PROCEDURE**

Customers may submit a Complaint directly to BMW Finance or their Insurer.

### **7.1 Complaints to BMW Finance**

Complaints with regards to financial products/ services against BMW Finance must be submitted in writing, verbally or face to face (contact details provided further below). If BMW Finance receives a complaint related to a financial product/ service from a complainant, same will be referred to either the Insurer or Insurance administrator (whichever applies) to provide a detailed written response to the complainant.

**7.1.1 The insurer will acknowledge receipt of the Complaint in writing to the Complainant within one working day of receipt thereof.**

**7.1.2 The insurer will attempt to resolve the Complaint within a reasonable period and advise the Complainant, in writing, of the outcome of the Complaint.**

**7.1.3 In an event that the Complaint cannot be resolved, the Insurer will advise the Complainant in writing of the reasons why the Complaint could not be resolved and what further steps are available to the Complainant.**

**BMW Finance and the Insurer will keep a record of the Complaint and maintain such record as required by legislation.**

### **7.2 Complaints to the Insurer**

The Complaint may be sent directly to the Insurer who will acknowledge receipt of the Complaint in writing to the Complainant within one working day of receipt thereof.

BMW Finance will provide the necessary assistance to the Insurer in respect of any of the above and promptly furnish all documents / information and give all representations required to enable the Insurer to defend any such legal proceedings, claims, potential claims, Complaints or potential Complaints.

The Insurer will ensure that BMW Finance is kept up to date with all outstanding Complaints and the results of any resolutions reached with Complainants.

## **8. CUSTOMER COMPLAINTS FROM REGULATORY AUTHORITIES AND/OR INDUSTRY OMBUD SCHEMES**

If the Complaint has not been resolved to the Complainant's satisfaction, the Complainant may refer the matter to the relevant Regulatory Authorities/Industry Ombud Schemes for resolution. The Complainant may also seek legal advice from an attorney regarding any legal action that may be taken.

### **8.1 Customer Complaints sent to the Insurer**

All Complaints lodged against the insurer with the relevant Regulatory Authorities/Industry Ombud Schemes, stated in the policy schedule and all legal proceedings in respect of the Insurer, the Policies and/or the Insurance Business will be dealt with exclusively by the Insurer.

The Insurer will ensure that BMW Finance is kept up to date with all outstanding Regulatory Authorities/Industry Ombud Schemes cases and the results of any outcome reached with Complainants.

### **8.2 Customer Complaints sent to BMW Finance**

If BMW Finance receives a complaint pertaining to a financial product/ service from Regulatory Authorities/Industry Ombud Schemes, same will be referred to the Insurer to provide a detailed written response to BMW Finance.

The Compliance Specialist will co-ordinate and facilitate the response to the Regulatory Authorities/Industry Ombud Schemes as per the process detailed in the "Complaints Management – Regulatory Authorities and Industry Ombud Schemes Procedure Manual".<sup>1</sup>

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<sup>1</sup> Annexure A



## 9. CONTACT DETAILS

### **BMW Financial Services (South Africa) (Pty) Ltd**

Postal address: P O Box 2955, Pretoria, 0001  
Tel: 0800 600 555  
E-Mail: [Complaints@bmwfinance.co.za](mailto:Complaints@bmwfinance.co.za)

### **Financial Advisory and Intermediary Services (FAIS) Ombudsman**

Postal Address: PO Box 41, Menlyn Park, 0063  
Tel: 012 762 5000  
E-Mail: [info@faisombud.co.za](mailto:info@faisombud.co.za)

### **National Financial Ombud Scheme South Africa (NFO)**

Postal Address: P.O. Box 32334, Braamfontein, 2017  
Tel: 0860 800 900  
E-mail address: [info@nfosa.co.za](mailto:info@nfosa.co.za)

### **FSCA (Financial Sector Conduct Authority)**

Postal Address: P.O. Box 35655, Menlo Park, 0102  
Tel: (012) 428 8000  
E-mail address: [info@fscs.co.za](mailto:info@fscs.co.za)

## 10. MONITORING

This Policy will be reviewed every **3 years** to ensure compliance with applicable changes to BMW Group Regulations and local laws.

## 11. ANNEXURES

<b>Annexure A</b>	<b>Complaints Management – Regulatory Authorities and Industry Ombud Schemes Procedure Manual</b>
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## 12. DOCUMENT CONTROL

### BMW Financial Services (South Africa) (Pty) Ltd.

#### Record of Revisions

#### Version Control

<b>BMW Group</b>	<b>Document class:</b>	<b>Doc.-No.:</b> <optional>
	<b>Range of validity:</b> BMW Financial Services (South Africa) (Pty) Ltd	<b>Version:</b> 3.0
	<b>Name of Document:</b> FAIS Complaints Resolution Policy	<b>Status:</b> Final  Valid from 01 April 2023
	<b>Coordinated with (person, dept, circle):</b>	SF3-ZA Guidelines Working Group ("GWG")

Version	Content of Changes	Written by Dept. code Date	Reviewed by Date	Released by Date
1.0	Initial version	SF3-ZA-F-C June 2018	SF3-ZA: GWG June 2018	SF3-ZA EXCO October 2018
2.0	Definition of "what is not a Complaint" deleted as it conflicts with the definition of "Complaint" and deleted the reference to "member", previously (e).  Clause 4 - Scope -Deleted "under FAIS" as PPR does not allow narrow definitions. 1.6 – deleted "financial products" and replaced with "insurance products"	SF3-ZA-V-5 May 2020	SF3-ZA: GWG May 2020	SF3-ZA EXCO May 2020

	Clause 7 - 2nd paragraph was updated to read better and reference to both long term and short-term ombudsman was removed and included reference to policy schedule			
3.0	Updated version: migrated to new template. editorial update – to move from SF1-ZA to SF3-ZA, numbering and formatting updated accordingly	SF3-ZA-V-5 April 2023	SF3-ZA: GWG 12 April 2023	SF3-ZA EXCO 17 April 2023
4.0	Amended to include Ombud complaints received by BMW Finance	SF3-ZA-F-C November 2024		