



RESERVE BANK OF FIJI

Capital Markets Supervision Policy Statement No. 3

Minimum Guidelines on Complaints Management

**NOTICE TO THE CAPITAL MARKETS PARTICIPANTS LICENSED
UNDER THE CAPITAL MARKETS DECREE 2009**

October 2010

1.0 Introduction

- 1.1 This Policy will be issued under Section 5(r) of the Capital Markets Decree 2009 (“Decree”) as part of the Reserve Bank of Fiji’s (“RBF”) standards governing the activities of the Capital Markets Participants (“Participants”) in Fiji.
- 1.2 The Policy outlines the minimum requirements for the management of complaints by the Participants, which includes the licensed persons, approved issuers, listed companies and any other person(s) approved by the RBF to undertake capital markets activities.
- 1.3 The Policy has been finalised following consultation with the Participants.

2.0 Objectives of this Policy

- 2.1 The objective of the Policy is to ensure that the Participants have in place an effective and efficient complaints management framework whereby complaints received from investors, unit holders and other stakeholders are addressed promptly and satisfactorily.
- 2.2 With an effective and efficient complaints management framework, the commitment of each Participant to address complaints satisfactorily shall be enhanced. It should also boost the confidence and satisfaction of investors, unit holders and other stakeholders. The Policy shall also enable the Participants to make improvements to their products and/or services.
- 2.3 This Policy allows investors, unit holders and other stakeholders to lodge complaints in writing, or in person, or verbally, either as an individual person or a party, or through an authorised representative, in relation to the products and/or services provided, or fails to provide, including the possible unfair or unreasonable conduct by a Participant.

3.0 Minimum Requirements under this Policy

- 3.1 The minimum requirements for the Participants under this Policy include:
 - a. Complaints Management Framework that governs and establishes complaints management policies and procedures; and
 - b. Operational Procedures for Complaints Management that outlines the minimum requirements for handling of complaints.

4.0 Complaints Management Framework

4.1 Roles and Responsibilities

- a. The Board of Directors of the Participants (“Board”) or proxy shall be responsible for establishing an effective and efficient complaints management framework. The Board or proxy shall approve the encompassing complaints management policies and key procedures.
- b. The Senior Management of the Participants (“Senior Management”) shall be responsible for implementing and maintaining the complaints management policies and procedures approved by the Board or proxy.
- c. The Board or proxy and Senior Management shall take appropriate steps to ensure that the complaints management function is subject to regular internal audit.

4.2 Complaints Management Function

- a. A dedicated complaints management function shall be based at the Participant's head office, which shall also provide oversight of the complaints management at its agencies.
- b. Agencies whose resources permit shall have complaints handling staff that can perform other responsibilities. For agencies with limited resources, complaints should be redirected to the nearest head office in a timely manner.
- c. Unresolved complaints at the agencies should be escalated to the appropriate personnel as stipulated in the delegation of authority.

4.3 Delegation of Authority

- a. Senior Management shall establish a clearly articulated delegation of authority for complaints handling staff, which should consider the relevance, complexity and sensitivity of complaints.
- b. Such delegation of authority shall include, but not be limited to the names and positions of Senior Management and staff handling complaints including the nature of complaints they are to handle. This includes complaints that may possibly be referred to legal practices or other complaints investigatory entities.

4.4 Escalation Chart

- a. To supplement the delegation of authority, an escalation chart that illustrates the escalation procedure for complaints, beginning from persons receiving complaints at the front desk to Senior Management, with timelines, must be drawn up.

4.5 Resources and Training

- a. The complaints management function should be adequately equipped with resources and facilities necessary to enable it to properly conduct its function.
- b. Senior Management and complaints handling staff should be well versed with the complaints handling process, including the approved complaints handling policies and procedures. Adequate and relevant training shall be provided to complaints handling staff.
- c. An awareness program on complaints management should be conducted for all Participants' staff and the general public.

4.6 Conflict of Interest

- a. Staff investigating complaints should not be involved, either directly or indirectly, in the subject matter of complaints. Each Participant should implement measures deemed necessary to ensure that any conflict of interest that complaints handling staff may face is effectively alleviated.

4.7 Confidentiality

- a. Personally identifiable information of complainants should be available and used only for the purposes of addressing the complaint and should be actively protected from disclosure, unless the complainant expressly consents to its disclosure.

4.8 Reporting and Record keeping

- a. Complaints received at the Participant's head office and/or agencies must be recorded.
- b. Agencies whose resources permit must keep a Complaints Register. All complaints should be recorded in a Master Register to be maintained at the Participant's head office.
- c. The Register should, at least, include the date complaint was received and resolved; name and contact details of the complainant or authorised representative; name of staff(s) handling the complaint; brief description of the complaint, its progress and the outcome.
- d. A summarised report on all complaints handled should be submitted quarterly to the Board or proxy and the RBF within twenty-one working days from the end of each quarter.

5.0 Operational Procedures for Complaints Management

5.1 Receiving and Acknowledging Complaints

- a. The Participants shall accept complaints from investors, unit holders and other stakeholders, or their authorised representatives in writing, in person, verbally, or through other reasonable means. Special arrangements shall be made for complainants with special needs.
- b. All complaints received shall be acknowledged in writing as soon as practicable but not exceeding seven working days.

5.2 Visibility and Accessibility

- a. The Participants shall put in place necessary measures to ensure that the complaints handling process, in particular, information on how and where to lodge a complaint is well publicised. Information about the complaints process, flexibility in lodging complaints and special arrangements and/or support for complainants with special needs should be readily accessible.
- b. Where possible, the Participants shall ensure the accessibility of a prescribed complaint form via its website, or through published brochures, pamphlets.

5.3 Complaints Resolution and Monitoring

- a. Every reasonable effort should be made to resolve complaints as soon as practicable but not exceeding twenty-one working days except if legal proceedings are required.
- b. For complaints that:
 - i. are resolved, the decision must be conveyed to the complainant as soon as practicable.
 - ii. cannot be resolved, the complainant must be advised of the same with reasons.
 - iii. require legal proceedings, relevant parties must be informed accordingly.
 - iv. the RBF refers to a Participant, an appropriate response must be provided as soon as practicable but not exceeding seven working days.
- c. The Participants shall require complainants to submit relevant and complete documentation for the purposes of investigating complaints.
- d. The Participants must provide an update on the status of a particular complaint when requested by the complainant or the RBF.

- e. Where a complainant is dissatisfied with the outcome or the manner in which the complaint was handled, the Participants must advise him/her of internal and/or external review options.
- f. Regular internal reporting on complaints handled must be carried out within the complaints management function and to the Senior Management for review.

6.0 Oversight by the RBF

- 6.1 Each Participant must submit to the RBF copies of its complaints management policies and procedures within twenty-one working days of approval by its Board. The policies and procedures must be submitted to the RBF within the same timeframe if they are revised.
- 6.2 The RBF will assess the Participant's compliance with this Policy on the Minimum Guidelines on Complaints Management through prudential consultations, including on-site examination and off-site supervision.

7.0 Implementation Arrangements

- 7.1 This Policy on the Minimum Guidelines on Complaints Management applies to the Capital Markets Participants licensed under the Capital Markets Decree 2009.
- 7.2 This Policy comes into effect from 01 December 2010.

Reserve Bank of Fiji
October 2010

SCHEDULE

Interpretation -

1. Any term or expression used in this Notice that is not defined in this Notice:
 - (a) which is defined in the Decree shall, unless the context otherwise requires, have the meaning given to it by the Decree;
 - (b) which is not defined in the Decree and which is defined in any of the RBF's Policy Statements shall, unless the context otherwise requires, have the meaning given to it by those policy statements; and
 - (c) which is not defined in the Decree or in any of the RBF's Policy Statements shall, unless the context otherwise requires, be interpreted in accordance with generally accepted accounting principles.
2. In this Notice, unless the context otherwise requires:

‘Board of Directors’ refers to the persons duly appointed as Directors on the Board of a Participant.

‘Complaint’ means the expression of dissatisfaction by investors, unit holders or other stakeholders arising from potential financial loss or the performance of poor services, including those due to possible error or negligence of a Participant.

‘Complainant’ refers to investors, unit holders or other stakeholders or an authorised representative who lodges a complaint with a Participant.

‘Customer Representative’ refers to an individual, agency or legal entity, who with the consent of an investor, or a unit holder, or other stakeholder, acts on his/her behalf, or in its name.

‘Decree’ means the Capital Market Decree 2009, unless otherwise specified.

‘Senior Management’ refers to the Executive Management or the highest tier of management of a Participant.