

OML CUSTOMER COMPLAINTS RISK POLICY

Level 2 Policy Number

P09.04

Risk Sponsor

OML Chief Operating Officer

Contact

OML General Manager: Product Solutions

Version / Date

Approved 19/02/2019

Effective Date

This Policy was approved by the OML Board Risk Committee. It is effective from xx/xx/2018.

Group Governance Framework

This Policy must be read in conjunction with the requirements of the OML Group Governance Framework (GGF) and the OML Enterprise Risk Management Policy.

Policy Waiver Process

The prescribed waiver process must be followed where a subsidiary can demonstrate justification for specific alternative arrangements to meeting the Policy requirements.

1. What is the purpose of this policy?

This Level 2 Policy is subordinate to the Old Mutual Limited (OML) Level 1 Conduct risk policy, which forms part of the OML Group Governance Framework (GGF) and its objective is to set the Principles and the Standards for the management of risk related to Customer Complaints within OML and its subsidiaries. The OML Enterprise Risk Management (ERM) Policy sets out the overarching principles for the management and escalation of all risks and risk events identified in the ERM Risk Classification Model. This Policy must be read in conjunction with the requirements of the other applicable policies of the OML Risk Policy Suite

Old Mutual Limited (OML) recognises that customers are central to everything we do. A customer's feedback is valued as it allows us to continuously improve our services and processes. Our complaints handling process is designed for the customer's benefit. The objectives of this policy:

- (a) To achieve a uniformed approach to the management of complaints across OML
- (b) To enable a consistent customer experience that reflect the brand promise.
- (c) To clearly outline roles and responsibility for managing complaints and ensure ownership.
- (d) To ensure all complaints are accurately recorded and analysed.
- (e) To enable trend identification in order to ensure continuous improvement of both the complaint handling process as well our products and/or services.
- (f) To manage effective escalation process and service recovery of the highest quality in the shortest possible time.
- (g) To support the delivery of the highest quality service to our customers.

2. Who does the policy apply to?

This Policy is applicable to all Subsidiaries that form part of the OML Group (excluding the Nedbank Group), where Old Mutual as shareholder has effective management control. In instances where Old Mutual as shareholder does not have effective management control, this Policy will apply insofar it has been agreed with the other shareholders. No subsidiary is out of scope of this Policy unless it is expressly indicated. OML sub-entities must ensure that all the requirements of the applicable Level 1 and detailed Level 2 Principles and Standards are implemented and complied with.

3. What risks are managed by this policy?

The main risks managed by the policy include:

- Conduct risk - Services & Complaints Handling risk: Inappropriate customer complaints handling resulting in unfair outcomes to customers.
- Legal and Regulatory risk – Regulatory and Compliance risk: Non-compliance with Regulatory requirements resulting in a breach or regulatory sanction.

- Operational risk – process risk: Poor business practices are not identified and addressed.

4. What risk appetite limits apply to this policy?

The OML Group's risk preferences and appetite limits are set out in the OML Risk Strategy document which describes specific risk preferences and metrics. This Risk Strategy is reviewed at a minimum at least annually by the OML Board and subsidiary risk preferences and appetite limits may need to be adjusted accordingly.

Conduct risk is principles based and is not primarily a Regulatory Compliance risk. Different interpretations of the requirements potentially present a greater risk than rules based regulatory requirements. As a result we have a **Low** or limited appetite for Conduct risk and the requirement is that subsidiaries must consciously apply their minds to the interpretation, decision-making and recording of decision-making regarding Conduct risk. We have **Zero** appetite for systematic unfair customer outcomes arising from any element of the Conduct risk life cycle, including product design to advice and after sales services. We will not tolerate poor decision making or a culture that undermines fair customer outcomes or market integrity

5. What are the minimum mandatory requirements of this policy?

- 5.1 Boards of subsidiaries must receive and review regular reports on the nature and extent of Customer Complaints risk to the business, the occurrence of Customer Complaints risk events (including control breaks) and the adequacy and effectiveness of related controls and/or mitigating management actions.
- 5.2 Subsidiary Exco's are mandated to appoint a Head of Customer Complaints to oversee the implementation of the requirements of this policy and establish the operating model to achieve the objectives of this Policy and the related conduct outcomes.
- 5.3 Subsidiaries Exco's are responsible for developing and an adequate and effective complaints management framework to ensure the fair treatment of Complainants that -
 - is proportionate to the nature, scale and complexity of the entity's business and risks;
 - is appropriate for the business model, policies, services, customers, and beneficiaries of the entity;
 - enables complaints to be appropriately 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, at a minimum, the matters provided for in this policy.
- 5.4 In addition to any requirements set out in this Policy, subsidiaries Exco's must ensure that regulatory requirements are implemented and adhered to. This responsibility may not be delegated to the Compliance Control Function or any other Control Function. Material non-compliance must be reported promptly to the accountable Board and escalated in a timely manner to the designated OML Group owner.

5.5 An OML principle is that consumers do not face unreasonable post-sale barriers imposed by the business to make a complaint. Subsidiaries are responsible for implementing Customer Complaint processes and procedures to manage the following Customer Complaints minimum standards:

- Customers are provided with clear, consistent, readily available information on how to make a complaint.
- The complaints process is appropriate for the target market, product and customer need being addressed and does not result in unfair barriers to complaints.
- Complaints handling staff are adequately trained on complaints handling, resolving complaints and the related internal complaints processes.
- Where complainants request redress, appropriate and fair assessment and treatment of customers is in place.
- Customers are not charged for making a complaint.
- Customer feedback mechanisms provide clear information on the appropriate process for making a complaint.
- Complaints are recorded in a manner appropriate to the nature, scale and complexity of the Business and type of complainant; inclusive of any information required to enable regulatory reporting
- If there is a Conflict of Interest between the individual conducting the complaint management process and the subject of the complaint, it is escalated to a Senior Manager who is responsible for determining an appropriate course of action.
- Complainants are kept informed of the progress of the complaints.
- Customers are provided with timely, clear, fair, unbiased and robust responses to complaints, addressing all material elements raised by the Complainant.
- When a complaints management process has been concluded, appropriate remedial action and/or appropriate redress is offered to customers.
- Customers are provided with clear and relevant escalation processes where they are dissatisfied with the outcomes of the complaints process.
- Business retain all Customer Complaint related documentation and correspondence in accordance to local business policies or regulatory requirements.

- 5.6 Subsidiaries must develop and implement related procedures and processes to collate, analyse and store relevant management information and data to:
- Identify current and forward looking Customer Complaints risk exposures and trends using key risk indicators and related business performance metrics. This will include complaints classification, root cause analyses and the identification of systemic and recurring issues.
 - Inform management decision making and enable proactive management of Customer Complaints risk in relation to the approved OML Group and subsidiary risk preferences and appetite limits.
 - Enable evidenced-based decision-making and reporting to the Subsidiary and OML Group Boards, regulators and other key stakeholders.
- 5.7 Subsidiaries must ensure that procedures are in place to monitor and ensure that the requirements of this Policy are met by the third party. Management retains overall responsibility for the end-to-end delivery of all material business processes, including such an outsourced function's adherence to regulatory requirements.
- 5.8 Subsidiaries must ensure that responsibility and accountability for adherence with this Policy is clearly assigned throughout the organisation. Processes must be in place to ensure that material non-adherence is identified, escalated and remediated in a timely manner. Management must retain and be able to retrieve evidence of the application of the requirements of this Policy
- 5.9 Subsidiaries must ensure that root causes are addressed and actioned and monitor

6. What needs to be escalated?

6.1 Prior Approval:

- 6.1.1 The following items must be escalated to the Executive GM Customer Service and General Manager: Product Solutions before being undertaken at subsidiary level;
- 6.1.2 Any proposed alternative arrangement or material deviation from the minimum requirements listed in section 5 of this policy.

6.2 Escalation:

The following items must be escalated to the Executive GM Customer Service and General Manager: Product Solutions within 2 days after being identified at the subsidiary level:

- Material Customer Complaints risk exposures;
- A breakdown in control(s) which could result in material events or adverse reputational impact.

7. Annexures

Complaints Handling Standard Operating Procedures	 OML COMPLAINTS SOP
Policyholder Protection Rules of 2017	 Government Notice No. 1407 of 2017 (PF)
Definitions	 Definitions