

## Press Release

**STRICTLY EMBARGOED UNTIL 08H00 ON Friday, 10 November 2017**

### **FAIS Ombud releases its Annual Report for the financial year 2016/2017**

The Office of the FAIS Ombud shall this week officially release its 2016-2017 Annual Report. The Annual Report provides a review of the performance of the Office of the FAIS Ombud as well as reports on its financial affairs.

“Through hard work and commitment, we have once again managed to achieve all our business goals for the year under review. We are proud of our achievements but we have also identified several opportunities to build on what we have achieved.” says Ms Noluntu Bam, Ombud for Financial Services Providers. The Annual Report for the 2016/2017 financial year reflects an increase in the number of new complaints received by the Office from 9891 in the previous financial year to 10 846 in the 2016/2017 financial year. This is the first time that this Office has received more than 10 000 complaints within one financial year and also marks the first time that the Office has resolved more than 10 000 complaints in a financial year having resolved 11 025 complaints.

The quantum of settled / determined cases also showed an increase from R 50. 2 million in 2015/2016 to R 58. 3 million in 2016/2017. Of the 10 846 complaints received, a total of 3794 complaints were dismissed and 4639 were referred to the appropriate fora. . “Lest our efforts are misinterpreted as inadequate because of the increased numbers of dismissals and referrals to other fora, we should look at the process that underpinned the 3 794 dismissed complaints and the 4 639 referred elsewhere” said Ms Bam. “The 3794 complaints were dismissed after applying the legal rigour that the circumstances of each case warranted.”

Complainants who are not satisfied with the decision to dismiss their complaint have the right to lodge an informal appeal for review by a more senior person who is likely to be an Assistant Ombud or Team Resolution Manager.” “The process of informal appeals mirrors that of lodging complaints in that it is simple, informal and flexible. People from all backgrounds can be accommodated, therefore.”

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Fairness in Financial Services: Pro Bono Publico

Ms Bam says, “As we grow in the business of resolving complaints, we realise that technical abilities on their own are not sufficient and that unless our service is underscored by transparency, accountability and sharing, we are not going to be successful in delivering on the effective service to our customers. Our service has to mirror the values of the organisation.”

In this regard we consider the complaint brought by Peter J Harten v Walter Kranz Insurance Brokers CC and Walter Kranz a matter that was determined by this Office. Mr Harten a director of Harten and Associates was rendered paraplegic in a bicycle accident on 3 August 2008. After a neurologist had confirmed the permanent nature of his disability Mr Harten lodged a claim against his policy, and received a pay out of R300 000 when he had been expecting R900 000. It was complainant’s case that the insurance benefit had been significantly reduced as a result of the negligence of the respondent, and he looked to the respondent to compensate him for the shortfall of R600 000.

“When the complainant initially filled his complaint the matter had not been fully investigated and had not been determined in terms of section 28(1) of the FAIS Act. The complaint was summarily dismissed on the basis that there was no reasonable prospect of success.” said Ms Bam. “The complainant was dissatisfied with this outcome and made representations to this Office to investigate the complaint and make a determination. The complaint was again dismissed. The complainant thereafter approached the Board of Appeal (the Board). The Board having considered the complainant’s written submissions, agreed that it would be appropriate for the complaint to be referred back to this Office for consideration.

Ms Bam acknowledges the many entities and individuals who assist the Office in carrying its business.

The FAIS Ombud’s Annual Report launch takes place on Friday 10 November 2017 at the CSIR Convention Centre in Pretoria.