

**AVALONfs**

# Complaints Handling Policy & Practice Note

Version: 1.0

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Reach: *Australia*

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<b>Responsibility</b>	<b>(1) Compliance Officers</b> <b>(2) Board of Directors</b>
<b>Reporting</b>	<b>(1) Board Meetings</b> <b>(2) As needs basis</b> <b>(3) Regulator – within time frames for significant breach</b>

## Preamble

Complaints handling (dispute resolution) is not only a requirement by law in Australia, it is also an essential business practice.

As a general statement, complaints are mostly a feedback mechanism to the business which provides the business with an opportunity to learn and improve the operation.

This policy describes the mechanisms within AVALON<sup>fs</sup> Pty Ltd (the Company) in relation to complaints handling.

This policy is relevant to the size and nature of the financial services business conducted by the Company and is approved by management and the Board.

The Compliance Officer will oversee the implementation of the Policy. This policy will be reviewed at least annually to ensure that it continues to comply with Australian laws.

## What is the purpose of this policy?

The Company requires a complaints policy to:

- provide standardised way of dealing with client/investor complaints;
- have a set process in relation as to the recording and reporting of client complaints;
- have a systematic approach to reviewing client complaints as means to improving client service and satisfaction;
- have a systematic approach to reviewing complaints in order to improve the overall business process and identify issues before they become systemic and potentially reportable.

## Why do we need this Policy?

The Company requires this Policy to:

- provide the Company client/investor with the best possible service including a transparent process for resolving any issues they may have;
- The regulators both in Australia require companies operating within the financial services area and are licenced in Australia to have a documented processes for dealing with customer complaints, where those customers are retail clients.

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## Policy/Procedure:

This Policy is based on the concepts of:

- Open, honest and cooperative business relations with clients and investors;
- The provision of a complaints handling process for all clients and investors;
- Fair dealing in the resolution of complaints or disputes.
- Fostering the highest possible standard of client/investor relations.

## Our client service approach

As the Company is committed to the highest level of client satisfaction it is not expecting to receive a significant number of complaints, provided that we deliver consistent and excellence in service, and meet our obligations under our agreement with our clients and investors.

It is recognised that ultimately a dissatisfied client is likely to terminate their arrangements with us, and may do this without making any formal complaint. In this instance the Company will endeavour to ascertain why that client has left, and if it was service related, treat it internally as if it were a complaint for resolution.

## Internal reporting of complaints

Upon receipt of a complaint the staff member receiving the complaint will promptly ensure that the Compliance Officer is made aware in line with the processes detailed in Annexure A – Complaints Handling Procedures.

## Dealing with complaints

In the event that we receive a complaint from a client/investor, or a client/investor's adviser, we will follow the following processes detailed in Annexure A.

We will treat all complaints in the same manner, whether they are:

- made in writing, over the phone, by email, or in person;
- made by a client/investor, or on its behalf by an adviser or consultant; and
- directed to a staff member of the Company, or received by a staff member of a third party service provider.

## Resolving complaints

- In all cases, the Company will endeavour to respond to and resolve the complaint within the timeframes detailed in the Complaints Handling Procedures;
- Review any dispute resolution provisions in the terms of the agreement with the client – this may set out the manner in which we are required to respond to and resolve the complaint, and when we may be obliged to pay compensation to a client.
- Consider the client, our relationship with the client, and the nature of the complaint in determining the most appropriate way to address each complaint. Any one of the following means of communication may be an appropriate means of resolving the complaint:
  - phone call, letter, presentation, payment of compensation for a genuine error etc.

## Annexure A

### COMPLAINTS HANDLING PROCEDURES

#### Preamble

The Company has developed internal complaints handling procedures which it believes to be compliant with the relevant dispute handling legislation within Australia and is relevant for the Company having regard for:

- (a) The size and type of our business;
- (b) the financial services offered by our AFSL;
- (c) the nature of our client base; and
- (d) the likely number and complexity of complaints.

#### 1. General

the Company recognises the benefits provided by dealing with complaints internally, as opposed to having the complaint go an external complaints process, including:

- (a) the ability to resolve complaints quickly and directly;
- (b) the ability to identify and address recurring and systemic problems leading to corresponding improvements in the service and products provided;
- (c) the capacity to provide solutions rather than have remedies imposed by independent third parties; and
- (d) the improved levels of consumer satisfaction.

Accordingly, and where possible, the Company will make all reasonable endeavours to resolve complaints internally.

#### 2. Aim of Procedure

This procedure aims to:

- (a) ensure clients and investors have easy access to an inexpensive complaints handling process;
- (b) enhance client and investor confidence in the Company's services; and
- (c) give important feedback to the Company about the level of client and investor satisfaction.

This procedure is intended to be used when a client or investor makes a complaint about:

- (a) the services and products received or recommended by the Company; or
- (b) the operation of the Company in general.

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## 3. Procedures

### 3.1. Receiving Complaints

All complaints are to be dealt with promptly and in a professional manner.

On receiving a complaint from a client or investor by any means, the staff member will take the following steps:

- A. Thank the client or investor for the call or contact and re-assure them of the Company's commitment to dealing promptly with the matter;
- B. In any first contact inform the client or investor that it is the Company's policy to respond to the client or investor within 48 hours either addressing the issue, or with an estimated (and compliant) timeframe in which to address the complaint;
- C. Complete a Complaints Form and submit it to the Compliance Officer asap;
- D. the Compliance Officer must then:
  - a. Log the complaint into the Company's complaints register;
  - b. Decide, with the engagement of the appropriate staff member, the course of actions necessary to resolving the complaint and record these actions into the complaints register and assigning the agreed actions to the appropriate company officer or staff member;
  - c. Diarise the dates necessary to complete the actions and achieve the agreed timeframes with the client but within 30 days at a maximum;
  - d. Keep the client or investor informed of the progress as agreed or as detailed in 3.2 below.

### 3.2. Complaint Procedure Rules for complaint handling.

All of the above 3.1 A through D will be completed with that agreed with the client or at least within these timeframes and actions. These MUST be diarised to avoid a breach of the laws surrounding complaints handling and therefore the need to report a breach of these rules.

1. Within fourteen (14) days of receiving a complaint, send an acknowledgement of having received the complaint to the complainant by letter;
2. Within forty-five (45) days of receiving a complaint, make a determination on the complaint; and
3. within fourteen (14) days of the determination of a complaint, the Company must give to the complainant:
  - (1) a written notice of that determination and advice of any action the Company has, or will, take in respect of the complaint; and

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- (2) advice that the client or investor may complain to the external dispute resolution scheme if they are dissatisfied with the outcome of the complaint.

### 3.3. Resolved Complaint

- A. The Compliance Officer will determine if it is appropriate for the complaint to be confirmed with the client or investor by a particular staff member, and in what format the final response will take (i.e. by phone or in writing). The Compliance Officer may consider this in conjunction with an RM or a Company Officer;
- B. When resolved, the Compliance Officer will confirm that the complaint has been resolved and the appropriate procedures have been followed and finalise the entry within the complaints register.

### 3.4. Unresolved Disputes and External Dispute Handling

- A. If the complaint remains unresolved the Compliance Officer will:
  - a. Inform the client or investor of the decision to stand by its assessment of the complaint;
  - b. If the client or investor is retail, inform the client or investor of their rights under external dispute processes as per 3.5 below.
  - c. Take notes as to any further comments or correspondence in relation to the client or investor's attitude, behaviours and comments.

### 3.5. Process for referring complaints to External Dispute Resolution Bodies.

The Company's processes for referring retail investor complaints will include:

- (a) providing in a disclosure document details of the internal complaints handling procedure and the details for the Company's external complaints resolution scheme with a brief description of its role; and
- (b) where a complaint is unable to be resolved by the Company's internal complaints resolution scheme, the final letter advising the client of the outcome of their complaint will contain the details for the external dispute body (E.G The Financial Ombudsman Service (FOS) see Section 4 below) and a brief description of FOS's role.

### 3.6. Financial Ombudsman Service (FOS)

The Financial Ombudsman service is the Company's ASIC approved external dispute resolution service. FOS is a free service to the investor designed to handle complaints and help resolve disputes. If the dispute cannot be resolved through the FOS case manager to the satisfaction of the complainant, it can be referred for a determination to an adjudicator if it is less than \$30,000, or a panel if it is over \$30,000. Any determination made by the adjudicator or panel is binding

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## 4. Complaints Received by External Contractors

The Company may engage external contractors to assist in the discharge of some its responsibilities.

As a general rule, any complaints received by external contractors relating to the Company will be referred directly to the Company to be handed in accordance with this procedure.

If the Company is satisfied that a particular external contractor is equipped to deal with complaints on the Company's behalf, the Company may establish procedures with that contractor in this regard.

## 5. Staff Training

All officers and staff will be made aware of the complaints handling procedures as part of their induction training. Staff are required to confirm their understanding of this policy on an annual basis.

## 6. Remedies available for resolving complaints

The Company will seek and commits to ensuring that remedies are fair and impartial and within the laws and regulations governing the services provided.

The Company does not anticipate there being many instances where financial remedies will be required.

The Company envisages the majority of any complaints will be of an administrative nature and accordingly will be capable of remedy by correcting the Company's records or systems.

In the event a financial remedy is deemed necessary, for example where a client or investor has suffered direct loss or damage caused as a result of a direct breach of an obligation of the Company, the Company will seek to ensure that any compensation provided will be fair.

In considering the appropriate remedy, the Company will have regard to the applicable legal principles, its contractual relationship with its insurer, relevant codes of conduct, concepts of fairness and relevant industry best practice.

## 7. Recording, analysing and monitoring

### 7.1. Recording of Complaints

All complaints received will be recorded in the Complaints Register by the Compliance Officer as described in Section 3.1 above.

Each staff member receiving a complaint will be required to complete a Complaints Form. (Attachment A)

### 7.2. Complaints Report

The Compliance Officer will be required to complete a Complaint Reports as part of the overall compliance reporting regime to the Board.

The purpose of the Complaint Reports is to record sufficient detail of the particulars surrounding a complaint so that the appropriate remedial action may be instigated at the earliest opportunity. The Complaints Report template is Attachment B.

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### 7.3. Complaints Register and Status

The Complaints Register records information about the complaint. Every complaint must be recorded and managed to a resolution

The status of 'open' indicates that the complaint is as yet unresolved.

The status of 'closed' indicates that the complaint has been resolved to the clients satisfaction or that the Company has come to the conclusion that the complaint is either frivolous or outside the agreement or contracted terms.

In the case of a retail client the Company would have provided that client or investor with the details of an external dispute body at the time an FSG and SOA were provided, and again when the decision to 'close' the complaint as detailed in the previous paragraph.

### 7.4. Analysis of complaints and reporting

Complaints will be reviewed by management to ensure adequate handling and documentation and to see whether it has been caused within the business operations due to a procedural or system based error or a training issue.

If the complaint is identified as an administrative, that is part of the overall control environment, the Compliance Officer will report the issue within the Issue and Breach Register and the relevant reports and gain from the business a commitment to have the process or system amended to ensure the issue cannot reoccur. (See also Issue and Breach Management Policy.)

The Compliance Officer will provide quarterly reports to the Board.

Where required, the Board will forward a report to the appropriate business area which will include any actions requested by the Board to be taken to ensure these incidents are not repeated.

## 8. Disclosure documents

### 8.1. Retail Clients

All disclosure documents (e.g. FSG, SOA etc) issued by the Company to retail clients will include a section identifying both the internal complaints handling procedure and external dispute resolution schemes available to a client or investor.



## Attachment A

### Complaints Form Template

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Staff Member recording complaint \_\_\_\_\_

Complaint Lodged Date: \_\_\_\_\_

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Name of client/investor \_\_\_\_\_

How received: Telephone/Email/Letter/Face to Face

Is it resolved? Yes/No

Is it a retail Client? \_\_\_\_\_ Yes/No

Complainant Type – (e.g. Investor/Organisation etc) \_\_\_\_\_

Complaint Type – (e.g. Admin error, investor returns etc) \_\_\_\_\_

Business Area responsible if known \_\_\_\_\_

Brief Description of the complaint including its affect:

Actions to date including its resolution if resolved:

Likely Resolution:

In your opinion was there a breakdown in the business process that caused the client/investor to make the complaint? Yes/No

If Yes, please provide an explanation of what you believe to be the issue:

## Attachment B

### Complaints Report Template

(SAMPLE ONLY ) Avalon uses a sophisticated application to record and manage all complaints

Entity \_\_\_\_\_ Compliance Officer \_\_\_\_\_

Complaints report Date: \_\_\_\_\_

Number of complaints received for period \_\_\_\_ No. Closed \_\_\_\_ No. Outstanding \_\_\_\_

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No.1x          Name \_\_\_\_\_ Status \_\_\_\_\_ -Staff Member \_\_\_\_\_

Date received: \_\_\_\_\_ How received: \_\_\_\_\_ Date resolved \_\_\_\_\_

Complainant Type – (e.g. Investor/Organisation etc) \_\_\_\_\_

Complaint Type – (e.g. Admin error, investor returns, etc) \_\_\_\_\_

Business Area responsible \_\_\_\_\_ Known Issue? \_\_\_\_\_

Regulator contact: Yes/No                      Is this going to an external resolution body? Yes/No

Brief Description of the complaint including its affect:

Actions to date including client notification details:

Likely Resolution:

Is this a control weakness involved?

Is this a systemic or likely to be a systemic issue? (Provide reason why not):

If this was a missing or broken control, what has been, or is being done to rectify the Issue?

Issue No: \_\_\_\_\_ Breach? Yes/No

