



COMPLAINTS HANDLING PROCEDURE

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CONTENTS

1. INTRODUCTION	3
2. TREATING CUSTOMERS FAIRLY	3
3. DEFINITION OF “COMPLAINT”	3
4. DEFINITION OF “ELIGIBLE COMPLAINTS”	4
5. RECEIPT AND LOGGING OF COMPLAINTS	5
6. INFORMAL COMPLAINTS	5
7. FORMAL COMPLAINTS	6
8. FINANCIAL OMBUDSMAN SERVICE (FOS)	7
9. ONLINE DISPUTE RESOLUTION (ODR)	7
10. RECORD KEEPING, ANALYSIS AND REPORTING	8
11. HANDLING OF 3RD PARTY COMPLAINTS	8
12. RECOMMENDATIONS FOLLOWING A COMPLAINT	9
APPENDIX 1 - COMPLAINTS RECORD	10
APPENDIX 2 - INFORMAL COMPLAINTS RESOLUTION LETTERS	12
APPENDIX 3 – FORMAL COMPLAINTS PROCEDURE	13
APPENDIX 4 - COMPLAINTS REGISTER – FORMAL LOG	14
APPENDIX 5 – COMPLAINTS REGISTER – INFORMAL LOG	15
APPENDIX 6 - RECOMMENDATIONS FOLLOWING COMPLAINTS	16
APPENDIX 7 - RECOMMENDATION FOLLOWING COMPLAINT (RFC) LOG	17
APPENDIX 8 REFERRING COMPLAINTS TO LLOYD’S	18



1. INTRODUCTION

It is recognised that all clients have the right to complain and therefore we have put in place appropriate complaints handling procedures to deal with any complaints we receive. **It is important to note that clients are able to make a claim free of any charge.** Accordingly, this document outlines the procedures to be followed so as to ensure a speedy resolution of any complaint made to us. In this regard, all complaints should be fully resolved within 8 weeks of receipt.

Only appropriately trained staff will deal with complaints, this will generally be the person responsible for compliance so as to ensure as much objectivity as possible. However, it will be ensured that persons subject to the complaint are not those tasked with dealing with the complaint.

2. TREATING CUSTOMERS FAIRLY

In accordance with our commitment to treating customers fairly and the FCA's rules we will:

- Investigate complaints competently, diligently and impartially
- Assess fairly, consistently and promptly:
 - The subject matter of the complaint
 - Whether the complaint should be upheld
 - What remedial action or redress (or both) may be appropriate
- Record and analyse all complaints whether reportable to the FCA or not and whether about the firm or third party (e.g. an insurer) to identify and act upon any weaknesses.

Important Note: Delegated Underwriting

When a complaint is received in respect of a policy that was arranged under a delegated binding authority agreement, it is important to check the circumstances under which the complaint may be handled internally, and when it must be referred to the insurer to investigate and resolve.

If the complaint is to be referred to the insurer, the complaint should be forwarded to the insurer immediately, along with any relevant supporting documentation.

Complaints about policies under a Lloyd's binding authority also have additional requirements that must be observed, as set out in Appendix 7 – Referring a complaint to Lloyd's.

3. DEFINITION OF "COMPLAINT"

A complaint is:

"Any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service, which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience."

Complaints can be made verbally or in writing (including by electronic communication). We cannot insist that complaints be put in writing but in some cases it would be helpful to suggest that the complainant sets out the relevant information formally.



Furthermore, to comply with FCA RMAR reporting requirements, complaints will be categorised within one of the following categories:

- Advising, selling and arranging
- Terms and disputed sums /charges
- General admin / customer service
- Arrears related
- Other*

* The 'other' category should only be used in exceptional circumstances when none of the specific categories are appropriate.

It is also important to record the product or service type, for FCA reporting purposes, as one of the following:

- Payment Protection Insurance (“PPI”)
- Other general insurance
- Critical Illness
- Income protection
- Other pure protection (e.g. Life)
- Credit Broking (Premium Finance)

The person responsible for compliance is responsible for categorising complaints in the Complaints Register.

4. DEFINITION OF “ELIGIBLE COMPLAINTS”

All complaints received will be treated in the same way, whether they meet the definition of an eligible complaint or not. However, it is important to identify whether a complaint is eligible for FCA reporting processes.

The FCA defines an ‘eligible complainant’ as follows:

An eligible complainant must be a person that is:

- (1) a consumer (including a professional person acting outside of their business or profession);
- (2) a micro-enterprise (an enterprise which employs fewer than 10 persons and has a turnover or annual balance sheet that does not exceed €2 million);
- (3) a charity which has an annual income of less than £1 million at the time the complainant refers the complaint to the respondent; or
- (4) a trustee of a trust which has a net asset value of less than £1 million at the time the complainant refers the complaint to the respondent.



5. RECEIPT AND LOGGING OF COMPLAINTS

The procedures for recording all complaints (both informal and formal) are as follows:

1. Upon receipt of a complaint, whether received orally or in writing at any time in the insurance process, the individual who receives the complaint should immediately complete a Complaints Record (Appendix 1), attaching all relevant documents¹ and additional sheets where necessary.
2. Determine whether the complaint is a formal or informal complaint (discussed in detail in subsequent sections of this Policy) and enter the details from the Complaints Record in the corresponding Complaints Register (Formal Log - Appendix 4, Informal Log – Appendix 5) and report the matter to the person responsible for compliance.
3. The person responsible for compliance will then assess the validity of the complaint.
4. The person responsible for compliance will investigate the complaint or refer it to another board director for investigation if that is deemed more appropriate.
5. The person responsible for compliance will also ensure action and time taken in responding to a complaint is documented in the Complaints Register so that results can be relayed to management. These records and logs will be accessible by all staff.

6. INFORMAL COMPLAINTS

DETERMINING IF A COMPLAINT IS “INFORMAL”

Complaints should only be dealt with in the informal process if it is likely that the complaint can be resolved to the complainant’s satisfaction within 3 business days. This can be determined by the following factors:

- The complainant has confirmed that their concern is fully resolved.
- It is clear that the actions taken have fully resolved the subject matter of the complaint.

If it transpires that a complaint cannot be resolved satisfactorily within the 3-day period, then the complaint should be dealt with under the Formal Complaints process.

The informal process is most appropriate for simple complaints that do not involve more complex issues of disclosure, coverage, or claims. Complaints should only be dealt with under the informal process if they meet the following criteria:

- It does not relate to a specific contract of insurance or premium credit arrangement;
- No compensation is being sought to resolve the complaint;
- The complaint does not involve a claim;
- The complaint does not involve an underwriting issue;
- The complaint does not relate to a complaint that has been previously dealt with;

¹ Relevant documents will include letters and emails from the client or file notes of any telephone conversations.



- There is no threat of escalation to Lloyd's, the Financial Ombudsman Service, the Information Commissioners Office or the media, and does not threaten legal action.

HANDLING INFORMAL COMPLAINTS

The matter must be investigated and resolved by a person other than the person who is the subject of the complaint.

Once the complaint has been resolved, the appropriate letter from Appendix 2 must be sent to the complainant. If the complaint requires remedial action to correct the complaint, or for redress to be made to the customer, then this must be actioned promptly.

If the complainant subsequently makes contact to escalate the complaint then this must automatically be dealt with under the Formal Complaints process.

7. FORMAL COMPLAINTS

This applies to any complaint ("eligible", in accordance with the above definition, or otherwise) that cannot be resolved under the informal process, where a complaint is received concerning the actions of the firm as a broker (and agent of the customer), or where it is permissible under a delegated underwriting authority for the complaint to be handled internally.

HANDLING AND INVESTIGATING FORMAL COMPLAINTS

The formal complaint handling procedures are as follows:

1. The person responsible for compliance will acknowledge the receipt of the complaint to the complainant within 5 working days of first notification. This acknowledgement will confirm:
 - If it is decided that a complaint requires further investigation:
 - The contact details of the person dealing with the complaint – generally the person responsible for compliance; and
 - The complaints procedures (as detailed in Appendix 3).
 - If it is decided that the complaint does not warrant further investigation the customer must be informed appropriately, and reasons given for the decision.
2. Arrangements will be made for the complaint to be fully investigated by the appropriate person - generally the person responsible for compliance.
3. A written response will be made to the complainant within 20 working days.
4. If a full response cannot be made within 20 days, the client will be given reasons for the delay and a timetable by which they can expect to receive a reply.
5. A written response will be made to the complainant within 40 working days (eight weeks).
6. If a full response cannot be made within 40 days, the client will be given reasons for the delay and a timetable by which they can expect to receive a reply.
7. Once the complaint has been fully investigated, the response will either be to:



- Accept the complaint and, if appropriate, offer some form of redress; or
- Give reasons why the complaint is rejected; or
- A combination.

If the complaint requires remedial action to correct the complaint, or for redress to be made to the customer, then this must be actioned promptly.

8. The complainant will be advised that they may escalate the matter if they are not satisfied with the response to:
 - a. The Group CEO
 - b. The Financial Ombudsman Service
 - c. Lloyd's (if applicable)
 - d. The insurer (if applicable)
9. If the complainant accepts the written response, confirmation will be sought from the complainant that the matter can be considered closed. The complainant will be made aware of their right to complain to the ombudsman at any time in the future if they are dissatisfied.

8. FINANCIAL OMBUDSMAN SERVICE (FOS)

Set up by Parliament, the Financial Ombudsman Service is the UK's official expert in resolving problems with financial services.

If a business and a customer can't resolve a complaint themselves, the FOS can give an unbiased answer about what's happened. If they decide someone has been treated unfairly, the FOS has legal powers to put things right.

<http://www.financial-ombudsman.org.uk>

The customers' right to have disputes referred to the FOS should be included in Initial Disclosure Documents and Policy Documents, including contact information.

9. ONLINE DISPUTE RESOLUTION (ODR)

Any consumer buying on-line insurance has the option to register their complaint via the European Commission's online dispute resolution platform using the following link:

<https://webgate.ec.europa.eu/odr/main/index.cfm?event=main.home.chooseLanguage>

The link should be clearly detailed within the 'complaints' section of any website as an alternative complaints process. All IDD/Toba documents and email footers for online consumer business, must also state the same details.



10. RECORD KEEPING, ANALYSIS AND REPORTING

RECORD KEEPING

The person responsible for compliance will maintain the Complaints Register and monitor the progress made with each complaint until the complaint is resolved.

The Complaints Register will include details of all open complaints reported, when they were received, what the client classification is, where the relevant files are held and details of all other material developments until each complaint is resolved. The Complaints Register will also retain the records of each complaint for six years from the date of the expiry of the policy/cover to which the complaint relates.

ANALYSIS

The person responsible for compliance will periodically review the Complaints Register to establish whether there are any trends or common reasons leading to customer complaints for example, unclear policy conditions or systemic failings in sales or operational processes.

Where such issues are identified, these will be raised with management and an action plan will be developed and implemented to address the issue.

Following the implementation of the action plan, the person responsible for compliance will continue to monitor complaints to determine if the action taken has been effective.

REPORTING TO THE FINANCIAL CONDUCT AUTHORITY

The person responsible for compliance will include relevant complaints in a mandatory report to the Financial Conduct Authority.

REPORTING TO INSURERS

Where business is written under a delegated binding authority agreement, complaints will need to be reported to insurers. Depending on the nature of the binding authority agreement, this may be for the insurer to handle in each instance, or periodically in report format depending on the insurers' requirement.

If insurers require a "nil" return on a periodic basis, the person responsible for compliance will provide this confirmation to insurers at the frequency and in the format agreed with insurers.

11. HANDLING OF 3RD PARTY COMPLAINTS

If it is considered that another Authorised Firm or a Regulated Financial Institution is entirely or partly responsible for the subject matter of a complaint then the complaint, or relevant part of it, may be referred to the other Authorised Firm or Regulated Financial Institution.

In such cases the following action will be taken:

- Inform the complainant promptly and in writing that the complaint will be referred, either entirely or in part, to another Authorised Firm or Regulated Financial Institution, and obtain the written consent of the complainant to do so;
- If the complainant consents to the referral of the complaint, the complaint will be referred to the other Authorised Firm or Regulated Financial Institution promptly and in writing;



- Inform the complainant promptly and in writing that the complaint has been referred and include adequate contact details of any individual at the other Authorised Firm or Regulated Financial Institution responsible for handling the complaint; and
- Continue to deal with any part of the complaint not referred to the other Authorised Firm or Regulated Financial Institution, in accordance with the normal procedures.

To the extent that the referral of any complaint as envisaged above entails the transfer of personal information; this will only be done in accordance with our registration under the Data Protection Act 1998.

12. RECOMMENDATIONS FOLLOWING A COMPLAINT

Complaints should, in some cases, lead to changes in procedure. If any member of staff wishes to recommend a change they should complete a Recommendation Following Complaint (RFC) Form (Appendix 6) and send this to the person responsible for compliance. The person responsible for compliance should review the form, update the RFC Log (Appendix 7) and discuss the recommendations with relevant management.

**APPENDIX 1 - COMPLAINTS RECORD**

Complaint Log No.:			
Customer Name:		Staff Member Who Took Complaint & Is Completing This Form:	
Account No.:		Product:	
Date Complaint Received:		Date Complaint Resolved:	
Reason For Complaint:			
Provide Details Of Complaint:			
How The Complaint Was Made (Phone/Email/Letter/In Person etc.):			
Has The Complaint Been Resolved As An Informal Complaint?	Yes / No (Delete As Appropriate)	Date Informal Resolution Letter Issued:	



Actions Taken To Resolve The Complaint:

Staff Signature:		Date:		Print Name:	
Compliance Signature:		Date:		Print Name:	

Compliance Use Only

Actions Taken/Final Outcome:

(Please give a summary of actions/correspondence, complete the appropriate Complaints Register, then file this report both on the customer's file and with the relevant Complaints Register)



APPENDIX 2 - INFORMAL COMPLAINTS RESOLUTION LETTERS

LLOYD'S BUSINESS

“While we consider this matter to be resolved, in the unlikely event that you remain dissatisfied I am obliged to inform you that as your insurance is provided by Underwriters at Lloyd’s you are entitled to refer the matter to the Complaints team at Lloyd’s. Full details of Lloyd’s complaints procedures are available at www.lloyds.com and the Complaints team’s contact details are as follows:

Lloyd’s
Fidentia House
Walter Burke Way
Chatham Maritime
Chatham
Kent
ME4 4RN

Tel: 0207 327 5693
Fax: 0207 327 5225
Email: complaints@lloyds.com

Alternatively, you now have the right to refer your complaint to the Financial Ombudsman Service (FOS), free of charge – but you must do so within six months of the date of this communication. If you do not refer your complaint in time, the FOS will not have permission to consider your complaint and so will only be able to do so in very limited circumstances (for example, if the FOS believes that the delay was as a result of exceptional circumstances). Further details regarding the FOS can be obtained from their website at www.financialombudsman.org.uk. Alternatively, the FOS may be contacted at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Tel: 0800 023 4 567

Should you refer the matter to Lloyd’s this will not affect your right to refer the matter to the Financial Ombudsman Service following Lloyd’s review.

10 NON – LLOYD’S BUSINESS

While we consider this matter to be resolved, in the unlikely event that you remain dissatisfied I am obliged to inform you that you now have the right to refer your complaint to the Financial Ombudsman Service (FOS), free of charge – but you must do so within six months of the date of this communication.

If you do not refer your complaint in time, the FOS will not have permission to consider your complaint and so will only be able to do so in very limited circumstances (for example, if the FOS believes that the delay was as a result of exceptional circumstances). Further details regarding the FOS can be obtained from their website at www.financialombudsman.org.uk. Alternatively, the FOS may be contacted at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Tel: 0800 023 4 567



APPENDIX 3 – FORMAL COMPLAINTS PROCEDURE

OUR COMPLAINTS POLICY

We are committed to providing high quality insurance services to all of our clients. In the event that a problem occurs we are committed to ensuring that there is an expedited review of the complaint, the result of which will be reported upon promptly.

OUR PROCEDURE IS AS FOLLOWS:

Upon receipt of any complaint the person responsible for compliance will issue a letter of acknowledgement within 5 business days of the initial notification stating the name of the appointed individual who will be dealing with the complaint.

The person responsible for compliance will then provide a written response to you within 20 business days of receipt of the complaint. However, if the complaint is sufficiently complicated to warrant longer investigation or it requires a review of further information and a response cannot be given within 20 business days, we will inform you in writing of the reasons why we have been unable to resolve the complaint and when you can expect to receive a final response from us.

Note that for business insured with Lloyd's you may refer the matter to the Lloyd's Complaints team if you have not received a full response after 2 weeks.

If a final response is not ready within 40 days, we will again notify you as to why this is and when you should expect to receive a final response. You may be able to refer the matter to the Financial Ombudsman Service if you have not received a final response within 40 days.

If you are still not satisfied once we have made our decision on the complaint, you may write to us again. We will then arrange for the CEO to review our decision within 10 business days.

This Complaints Procedure does not affect any right of legal action you may have against the parties concerned.

If we consider that another Authorised Firm or a Regulated Financial Institution is entirely or partly responsible for the subject matter of a Complaint, we may refer the Complaint, or the relevant part of it, to the other Authorised Firm or Regulated Financial Institution.

In such cases we will:

- (a) inform you promptly and in writing that we would like to refer the Complaint, either entirely or in part, to another Authorised Firm or Regulated Financial Institution and obtain your written consent to do so;
- (b) if you consent to the referral of the Complaint, we will then refer the Complaint to the other Authorised Firm or Regulated Financial Institution promptly and in writing;
- (c) inform you promptly and in writing that the Complaint has been referred and include adequate contact details of any individual at the other Authorised Firm or Regulated Financial Institution responsible for handling the Complaint; and
- (d) continue to deal with any part of the Complaint not referred to the other Authorised Firm or Regulated Financial Institution, in accordance with our normal procedures.

To the extent the referral of any complaint as envisaged above entails the transfer of personal information; we will do so only in accordance with our registration under the Data Protection Act 1998.

All records will be kept for a period of six years.



APPENDIX 4 - COMPLAINTS REGISTER – FORMAL LOG

Complaint Log No.	Date Received	Time	Name	Contact Number	Product Category	Product Provider	Details	Owner	Address to Customer's Complaint	Status Open/Closed	Date Resolved	Complaint Type * See Key	Complaint Upheld? Yes/No	Redress Value *See Key	RFC No. (if raised)
Formal Complaints Log Key													Redress Total		

- Complaint Types for FCA reporting:**
1. Advising, Selling & Arranging;
 2. Information, Sums/Charges or Product Performances;
 3. General Admin/Customer Service;
 4. Arrears Related;
 5. Other

Redress Value:
 The Redress value must be recorded regardless of a claim being upheld or declined.
 For FCA reporting purposes **RECORD ONLY THE COMPENSATION AMOUNT PAID** to the customer.
 The compensation amount paid to the customer excludes return of premiums for FCA reporting purposes.



APPENDIX 6 - RECOMMENDATIONS FOLLOWING COMPLAINTS

Recommendation Following Complaint (RFC) Form **RFC Number:** _____

Staff can use the RFC to recommend improvements to service following or in anticipation of complaints.

Complaint date and file ref:

Summary of complaint (see file correspondence for detail):

Recommendation/s to prevent or reduce future complaints:

Referred to: _____ Date: _____

Submitted by _____

Outcome

Reviewed on (date): _____ Reviewed by _____

Action:



APPENDIX 8 REFERRING COMPLAINTS TO LLOYD'S

Complaint Handling

Lloyd's operates a two stage complaints handling process in accordance with the attached Lloyd's Code for Underwriting Agents: UK Personal Lines Claims & Complaints Handling (update June 2016). The process to follow where a complaint has been received when business is written through a Lloyd's syndicate is as follows:

Under the terms of the agreement with AXIS Managing Agency Ltd (AXIS) authority has been granted to Mercury Trade Credit BV to deal with complaints under the SUMMARY RESOLUTION COMMUNICATION process (SRC).

In the event that we receive an eligible complaint (definition as set above) from a Lloyd's policy holder, where we can resolve the complaint within 72 hours, a SRC must be sent to the complainant within 5 business days of receipt. A complaint is treated as resolved where the complainant has indicated acceptance of a complaint response. The SRC template, which includes full rights for referral to Lloyd's, MUST be used in all circumstances.

Within 7 days of the complaint being received, the complaint MUST be notified to AXIS for forwarding onto Lloyd's using the Complaint Notification Template. The complaint notification template can be obtained from the Lloyd's website and located via this link:

www.lloyds.com/complaintshandling.

The complaint notification should be sent to Axis complaints department at complaints@axiscapital.com. As well as a copy of the complaint and of the SRC. [COMPANY] should maintain full records of all correspondence relating to the complaints.

AXIS has not granted authority for Mercury Trade Credit BV to deal with formal Stage 1 complaints. In the event that Mercury Trade Credit BV is unable to resolve the complaints within 72 hours details of the complaint MUST be referred to AXIS immediately to allow them to draft a Stage 1 response within 10 working days of notification of the complaint. It will be the responsibility of AXIS to provide the customer with an acknowledgement of the complaint and with a copy of Lloyd's leaflet 'How We Will Handle Your Complaint'. It will also be the responsibility of AXIS to notify Lloyd's of all Stage 1 complaint details in accordance with Lloyd's requirements.

Mercury Trade Credit BV will assist, where required with all aspect of the investigation. This may include locating telephone conversations, sending documents and/or correspondence held between us and the customer.

Where the complainant continues to be dissatisfied with the Stage 1 response produced by AXIS the policyholder has the right to refer the complaint to Lloyd's for a Stage 2 review.



Under the Stage 2 review Lloyd's will look at the circumstances of the complaint in full and will issue a Final Response within a maximum period of 8 weeks from the date of the original complaint.

Should the complainant still remain dissatisfied they can refer the complaint to the Financial Ombudsman.

Complaint Reporting

In addition to the above notifications to AXIS on a case by case level Mercury Trade Credit BV will provide AXIS with details of all complaints received (formal and informal) within 10 working days of the end of each quarter.