



A U S T R A L I A N
ADVICE NETWORK

Complaints Policy

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Contents

1.0 Purpose	3
2.0 Policy commitment	3
3.0 Policy	4
4.0 Complaints handling process	5
5.0 Adviser contributions	8
6.0 Complaints monitoring and reporting	9
7.0 Training	9
8.0 Non-Compliance with this policy	9
9.0 Review	9
Appendix 1 – Deed of Settlement	10

1.0 Purpose

The purpose of this policy is to provide Australian Advice Network's staff and advisers of its financial services licensees ("licensees") with a clear and consistent understanding of the legislative requirements and Australian Advice Networks business requirements applicable to complaints management.

As holders of an Australian Financial Services Licence, Australian Advice Network has an obligation to comply with the regulatory requirements in relation to complaints management. In order to meet our compliance obligations and to ensure that complaints are managed in an effective manner, our complaints management framework has been developed in accordance with our legislative and regulatory requirements, the recommendations in ASIC Regulatory Guide (RG) 165, Australian Standard for "Customer satisfaction-Guidelines for Complaints Management in organisations" (AS ISO 10002-2006), and the Australian Standards for Complaints a Handling (AS) 4269-1995.

This policy has been developed to provide a framework for complaints management. The main objectives of this policy are to ensure that we have an effective complaints management framework in place to:

- Acknowledge and record complaints in a timely manner;
- Assess and investigate complaints to determine appropriate resolutions, which may include assessment of any appropriate compensation;
- Monitor complaints to track the progress of their resolution; and
- Report complaints to management, and the Australian Advice Network Board.

Australian Advice Network makes a firm commitment to each and every client of its licensees to provide quality client service, research and advice. Australian Advice Network is committed to ensuring it retains oversight of complaints received and to the efficient and effective resolution of complaints received in relation to financial product advice and services its licensees offer.

2.0 Policy commitment

Australian Advice Network is committed to ensuring clients are consistently positioned to make informed and appropriate decisions when receiving personal, general and risk based advice, and to do so with confidence.

Our policies and procedures ensure that we are not only operating within the regulatory guidelines, but that we are also constantly striving to be the best adviser services business in Australia, with our clients at the centre of what we do.

Accordingly, the policies and procedures incorporated within this document have been carefully designed so that all of our clients can be confident in receiving a high quality advice experience, oriented around their best interests.

We will continue to monitor and adapt our policies and procedures as we continuously work to develop and grow our business, for the benefit of all stakeholders, with a firm focus of providing an ongoing valuable and reliable high quality customer experience.

3.0 Policy

3.1 Who does this policy apply to?

This policy applies to all officers and employees of Australian Advice Network and to advisers of its licence.

3.2 Definitions

3.2.1 Complaint or dispute

Australian Advice Network adopts the Australian Standard definition of a complaint, namely:

“An expression of dissatisfaction made to Australian Advice Network, related to its products (e.g. **the provision of advice**), or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.”

3.2.2 Service related complaint

A service related complaint is one where the client complains about the way an Australian Advice Network adviser or their employees conduct themselves or their business. Examples of service related complaints include:

- A client complains because the adviser was late for an interview;
- A client complains alleging the adviser was rude; and
- A client complains that their phone calls were never returned.

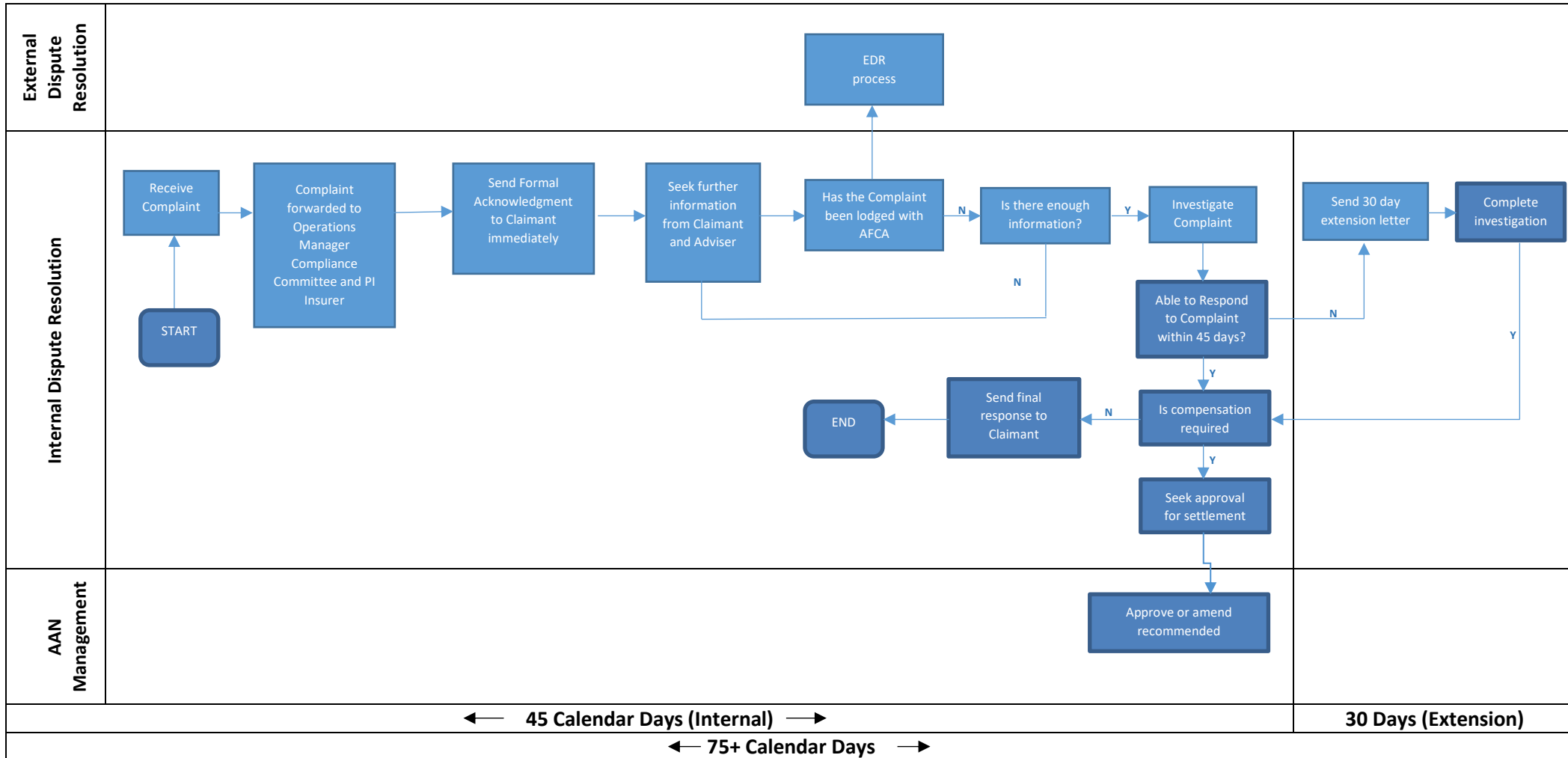
Service complaints do not include any complaints where the customer alleges they've suffered a financial disadvantage.

3.2.3 Advice related complaint

An advice related complaint is one where the client complains about the advice they have been provided which has caused them to suffer a financial disadvantage. Some examples of advice related complaints are:

- I was not told of fees and charges;
- I was told I'd get a return of 10%;
- I wasn't told I could lose my money;
- I only wanted a short term investment;
- I didn't know my money was locked up;
- I've missed out on social security benefits because of your advice;
- My accountant told me that your recommendations have increased my tax assessment;
- You didn't follow my instructions to apply dollar cost averaging and the market has gone up;
- You failed to advise me of the benefits I was losing by exiting my old insurance policy;
- You ticked the wrong box on my application form and you invested me into an incorrect investment;
- You didn't get back to me for your promised 6 month review where we were going to invest the second half of my funds; and
- You disclosed my situation to my spouse / partner etc [privacy issue]

4.0 Complaints handling process



4.2 Who can make a complaint?

Complaints can be made by any person or third party, on behalf of the clients or directly to the adviser. In these cases the Privacy Act 1988 (Cth) precludes Australian Advice Network from talking to these parties without explicit permission given directly by the client. (Note, a relative with an Enduring Power of Attorney, representing an incapacitated client, obviously falls outside of this requirement as does their solicitor when the complaint is on appropriate letterhead). Even when that permission is received, extreme care must be taken.

4.2.1 Non Client Initiated complaints

In circumstances where compensation is to be offered to a client (for example processing errors) and the client is not making a formal complaint. It is AAN's policy that once the compensation amount is determined a formal Deed of Settlement will be drawn and signed by the client. Once the signed Deed of Settlement is received by the adviser the settlement can be paid to the client.

This incident needs to be recorded via the complaints notification form which will be reported to AAN for inclusion on the licensee complaints register.

4.3 Complaint notification and acknowledgement

Complaints can be lodged verbally or in writing through the following channels:

- Phone | 07 5551 0855
- Email | info@australianadvicenetwork.com.au
- Mail | Operations Manager, Australian Advice Network, PO Box 5318, Robina TC QLD 4213

To assist Australian Advice Network in handling complaints in a timely and efficient manner we ask the client to provide the following to us:

- Full name and contact details;
- Investor/account number;
- Service/Product provider;
- Adviser's name;
- Provide all supporting documentation; and
- Clearly identify the resolution they are seeking.

Once a complaint is received, it will be acknowledged immediately. A copy of the complaint will be forwarded to the adviser (if complaint came directly to AAN), the Compliance Committee and Professional Indemnity insurer.

Advisers should not handle any complaints, but rather forward them immediately (within 24 hours of receiving complaint) to the Operations Manager using the Complaint Notification Form.

4.4 Client acknowledgement

An Acknowledgement letter will be sent to the complainant immediately. The letter will address the following;

- Contact details of the Operations Manager;
- Overview of the complaints handling process; and
- Expected timeframes for response.

4.5 Adviser notification

A complaint notification email will be sent to the related active adviser within 48 hours of receiving a complaint. If however, the adviser is inactive, the Operations Manager will notify the inactive adviser within 7 calendar days. The notification will include a copy of the original complaint letter, supporting licensee documents and requesting the following information to be provided within 7 calendar days of receiving the notification:

- A written response addressing the allegations
- The complete client file including:
 - Client data forms;
 - Client risk profile;
 - All Advice document(s);
 - Authority to proceed(s);
 - File notes;
 - Application forms;
 - Relevant product disclosure statements;
 - Product provider correspondence; and
 - Any other relevant information.

4.6 Complaints management tool

All complaints received will be registered in the licensee Complaints Register.

4.7 Complaints assessment and investigation

Each complaint will undergo an investigation which will be managed by the Operations Manager. The purpose of the investigation is to analyse the validity of the complaint, assess any potential liability and to determine an appropriate resolution. We are committed to ensuring fairness to the complainant, advisers and employees throughout the investigation process.

Complaints will also be assessed to determine whether a potential incident has occurred. Where a potential incident has been identified, such matters will be notified as per the Breach and Incident Management Policy.

4.8 Complaint resolution

The types of remedies available may include, but are not limited to:

- Rejection of the complaint;
- Monetary compensation;
- A letter of apology; and
- Provision of free services (e.g. review of client's file).

Any settlement amount recommended must be approved by the CEO and reported to the Board.

A response letter (and Deed of Settlement if applicable see Annexure 1 for example), prepared by the Operations Manager and reviewed by the CEO will be issued to the complainant within 45 days detailing the proposed resolution. Included in this response letter are the details of the external dispute resolution scheme available to the complainant should they disagree with the resolution offered.

Where Australian Advice Network is unable to provide a final response within 45 days an extension letter will be sent to the client informing them of:

- The reasons for the delay
- Their right to take their complaint to EDR
- The contact details for the EDR

A complaint is considered closed when:

- The complainant accepts the resolution offered and any required remediation activities have been completed (e.g. compensation paid); or
- When there is no further dispute or response from the complainant for three months after the response letter or date of last correspondence was issued; or
- The complaint has been determined by the Australian Financial Complaints Authority (AFCA) and no further action is required from Australian Advice Network and
- Australian Advice Network has the option to close a complaint within 30 days if the client fails to provide information that has been specifically requested to complete the investigation. The complaint will be reopened immediately if the information is provided.

If a complaint is closed due to the complainant not providing the required information, it can be reopened once the complainant has provided the requested information.

4.9 External dispute resolution

Australian Advice Network are members of the Australian Financial Complaints Authority (AFCA), the financial services external disputes resolution scheme. We will provide in writing details of how to access the relevant external disputes resolution scheme to all claimants.

If a claimant is not fully satisfied with our response, they have the right to take their complaint directly to AFCA. Contact details for AFCA are:

Phone: 1800 931 678 (free of charge)
Email: info@afca.org.au
Mail: Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001

5.0 Adviser contributions

Australian Advice Network advisers are required to exercise appropriate skills and judgement in conducting their duties. Excesses apply to the Australian Advice Network Professional Indemnity Insurance and it is not designed as a safety net for advisers who fail to discharge their obligations to Australian Advice Network, contravene the law or abuse their relationship with their clients.

In the event that an adviser requests a transfer to a new licensee, the new licensee/adviser will be required to sign a Transfer Agreement that will set out the guidelines for any future complaints/claw backs that may arise.

6.0 Complaints monitoring and reporting

The Operations Manager will monitor the complaints register on a regular basis to:

- Track progress of outstanding complaints; and
- Identify any recurring and systemic issues.

A complaints status report will be provided regularly to the Compliance Committee and as required to the Australian Advice Network Board. The report will include the following items:

- Status of complaints
- Information on claims paid
- Trend analysis
- Location of claims

6.1 Reportable incidents

Systemic and significant issues identified through the complaints process may become a reportable incident or breach depending on the severity. Please refer to the Breach and Incident Management Policy for further information on the breach and incident process.

7.0 Training

The Operations Manager will have the appropriate training and expertise to resolve complaints on behalf of Australian Advice Network. Strict adherence to the procedures set down in our Complaints Management Policy is expected from all staff and advisers and will be monitored to ensure that clients are receiving accurate and thorough complaints advice.

The Operations Manager is also required to adhere to the continuing professional development requirements as per ASIC RG146 and FASEA guidelines.

8.0 Non-Compliance with this policy

If you fail to report an advice related complaint you may be subject to disciplinary action. You should note that clients will usually phone Australian Advice Network if they are unhappy, so the licensee will eventually find out about unreported complaints.

Disciplinary action could include the termination of a relationship or employment contract with AAN if the breach is considered serious.

In addition to other specific measures referred to in this policy, non-compliance with this policy will be classified as an incident and will be dealt with as per the Breach and Incident Policy.

If you are uncertain about how this policy applies to a particular circumstance, or you have any questions about the policy, speak with the Operations Manager.

9.0 Review

This policy will be reviewed at least annually, or when changing circumstances warrant.

Appendix 1 – Deed of Settlement

Deed of Settlement

Date

Parties

<PRACTICE ENTITY NAME> <ABN xxxxxxx> TRADING AS <PRACTICE NAME>

(We/Us)

And <Client Name>

<address>

<address>

(You)

Recitals

- A. We are a licensed and authorised financial advisor carrying on business at <enter location>, <enter state>.
 - B. You requested we take up a <enter transaction>.
 - C. <enter summary of error or complaint details>
 - D. <enter summary of resolution>
-

Operative Part

1. In reliance upon your assurances and undertakings contained in this Agreement, We agree that We will pay to You the sum of \$<enter settlement amount> in full and final satisfaction of any dispute between us. We will make that payment within two (2) business days of your signing this Agreement and providing it to Us.

Deed of Settlement

Executed and delivered as a Deed.

**EXECUTED BY <PRACTICE ENTITY
NAME> <ABN xxxxxxx>** in accordance with
section 127 Corporations Act (Cth)

Director

< Name>

Print Name

**Signed Sealed and Delivered by <client
names(s)>** in the presence of:

<Client Name>

Signature

<Client Name>

Witness Signature

Witness Name