



AFA Pty Ltd

ABN 83 067 084 333

Dispute resolution plan

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## Dispute Resolution Plan

### 1. Introduction

1.1 This *Dispute Resolution Plan* of AFA Pty Ltd ACN 067 084 333 (**AFA**) sets out how AFA intends to meet its various obligations as the holder of an Australian financial services licence (**AFSL**) as contained in:

- (1) section 912A(1)(g) of the *Corporations Act 2001* (**Corporations Act**), being the obligation to have a dispute resolution system complying with section 912A(2) of the *Corporations Act*; and
- (2) the conditions in its AFSL especially in relation to membership of one or more external dispute resolution schemes (**EDR**).

### 2. Receiving and dealing with complaints

2.1 All non-claim complaints will be dealt with in accordance with AFA's *Policy for Handling of Customer Complaints* (**Complaints Policy**) attached to this document as **Annexure A**.

2.2 The Complaints Policy sets out procedures AFA has established relating to:

- (1) receiving and dealing with complaints;
- (2) the nature and method of providing remedies to complainants;
- (3) time frames for the resolution of complaints;
- (4) referral of complaints to EDR;
- (5) recording complaints; and
- (6) using complaints records to identify recurring or systemic issues.

### 3. Information to clients on dispute resolution

3.1 AFA will make the Complaints Policy available to its clients on request.

3.2 It will also detail the procedures it has in place for the resolution of complaints (including referral to EDR) in any disclosure document it issues.

### 4. Membership of ASIC approved EDR

4.1 AFA is a member of the Insurance Brokers Disputes Limited (member number 6010486).

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**5. List of Annexures**

5.1 *Annexure A: Complaints Policy*

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## **Annexure A**

### **POLICY FOR HANDLING CUSTOMER COMPLAINTS**

#### **1. General**

- 1.1 AFA acknowledges the right of customers to complain if they are not satisfied with either the product or the service they have received.
- 1.2 All customers shall be informed of their right to complain and the method(s) by which a complaint can be made.
- 1.3 AFA is committed to the efficient, courteous and fair resolution of customer complaints.
- 1.4 AFA will at all times have an appointed officer responsible for ensuring complaints are satisfactorily resolved. The Operations and Compliance Manager is the current appointee.
- 1.5 Every complaint will be investigated and dealt with on its merits. The complaints handling procedure is attached as Attachment A.

#### **2. Fairness**

- 2.1 The complaints process shall recognise the need to be fair to both the complainant and AFA.
- 2.2 AFA's complaints handling process shall be based on the complainant's right to:
  - (1) be heard;
  - (2) not incur a charge for making a complaint (subject to statutory requirements);
  - (3) know whether AFA's relevant product or service guidelines have been followed;
  - (4) provide and request all relevant material to support the complaint;
  - (5) be informed of the criteria or processes, including the avenues for further review, applied by AFA in dealing with complaints;
  - (6) be informed of AFA's response to any complaint;
  - (7) be informed of AFA's decision and the reasons for that decision;
  - (8) know that the complaint is being reviewed independently to the extent possible; and

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(9) confidentiality, if requested.

2.3 AFA shall have the right to:

- (1) amass sufficient detail about the complaint to enable it properly to investigate and respond to the complaint;
- (2) place all relevant material before the person investigating the complaint; and
- (3) be informed of the decision and the reason for the decision.

### **3. Responsiveness**

- 3.1 AFA will endeavour to resolve all complaints in the shortest time possible, and in any event within 15 days of notification.
- 3.2 AFA will endeavour to agree a resolution to a complaint at the first contact between it and the complainant.

### **4. Remedies**

- 4.1 AFA shall provide remedies in respect of complaints by taking into account what is fair and reasonable in the circumstances, legal obligations and good industry practice.
- 4.2 The remedy should be chosen after considering all aspects of the complaint. These may include:
  - (1) refund of premium;
  - (2) apology; or
  - (3) goodwill gesture.
- 4.3 In the event that a complaint is due to the error of AFA or one of its officers, AFA will take immediate action to correct the situation which will include, where appropriate, ensuring that a customer does not incur a financial loss as a direct result of the error.
- 4.4 On occasions it may be expedient for AFA, entirely at its own discretion, to incur expense to resolve quickly complaints that do not have merit, however it will not admit any liability in doing so.

### **5. Recording and Analysing Complaints**

- 5.1 Every dispute or complaint received by AFA, regardless of merit, must be logged.
- 5.2 The log will contain the following details:

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- (1) date of complaint;
  - (2) policy number (if an existing customer);
  - (3) name of complainant and contact details;
  - (4) particulars of the complaint (whether it be in relation to business practice, service or product);
  - (5) measures taken to resolve the complaint and dates on which these occurred;
  - (6) if the complaint cannot be resolved internally, the date on which it is referred to the external dispute resolution scheme; and
  - (7) date and details of final resolution.

5.3 The complaints log will be reviewed by the Compliance and Risk Manager quarterly and will form part of the Compliance and Risk Manager's quarterly report to the Board so that AFA can determine the causes of complaints and whether remedial action is warranted.

5.4 If the complaints log reveals systemic complaints, AFA will consider:

- (1) redesigning products and services;
- (2) changing organisational practices and procedures;
- (3) retraining staff on product and service delivery;
- (4) reassessing consumer information needs; and
- (5) assessing the performance of after-sales service.

## **6. Disputes**

6.1 It is preferable to direct efforts towards satisfying the complaint rather than allowing it to remain unresolved and escalate into a dispute.

6.2 Where a solution to a complaint cannot be found after more than one attempt, the customer will be advised of AFA's membership of the Insurance Brokers Disputes Limited (**IBD**). It will be up to the complainant whether they wish to have the complaint referred to IBD, to which AFA will have no objection.

## **7. Review**

7.1 The complaints handling process will be reviewed no less frequently than every 12 months.

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## **Attachment A: Complaints Handling Procedures**

### **1. General**

- 1.1 These guidelines are for processing written or oral complaints, including telephone complaints.

### **2. Processing oral complaints**

- 2.1 The steps are:

- (1) Identify yourself, listen, record details and determine what the complainant wants.
- (2) Confirm the details received.
- (3) Empathise with the complainant in a courteous manner.
- (4) Explain the courses of action available.
- (5) Do not attempt to lay blame or be defensive.
- (6) Resolve the complaint if possible or commit to doing something immediately, irrespective of who will ultimately handle the complaint.
- (7) Ensure that the customer is informed the complaint is receiving attention, without creating false expectations.
- (8) Check whether the customer is satisfied with the proposed action and, if not, advise alternative courses of action.
- (9) Provide acknowledgment; for example, a thank-you letter or telephone call.
- (10) Follow up as appropriate and monitor to ensure the customer remains satisfied as well as receives feedback.

### **3. Processing written complaints**

- 3.1 In principle, this is the same as processing oral complaints. However, in this situation, a response should be promptly given in writing.

### **4. Minimising disputes**

- 4.1 Handling a difficult customer and the customer's complaint efficiently needs patience and skill to avoid an initial "negative" situation becoming even more negative and degenerating into a dispute.

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4.2 The two main elements in a complaint situation that need to be effectively handled to minimise the likelihood of a dispute are:

- (1) Dealing with the customer's feelings:
  - (a) Listen – this is the first step in reducing the tension.
    - (i) Acknowledge the customer's feelings – denying that the customer is, or has the right to be, upset may antagonise the customer.
    - (ii) Empathise – relieves tension and opens the channels of communication.
    - (iii) Do not offer excuses or argue with the customer.
- (2) Dealing with the specifics of the complaint:
  - (a) Ask the necessary questions in a polite and even-handed manner – to obtain the most detailed response.
  - (b) Agree on a solution – without appearing to dictate terms in order to avoid the likelihood of re-raising tension.
  - (c) Set a timetable.
  - (d) Take action on the agreed solution.