



Dispute Resolution Policy

Entity: Integrity Financial Planners Pty Ltd **(IFP)**

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Version:

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1	October 2021	New Policy

1 Background and purpose of document

1.1 Background

- (a) Under s912A(1)(g) of the Corporations Act (**Act**), an Australian Financial Services Licensee (**AFSL**) is required to (amongst other requirements) have a dispute resolution system complying with s912A(2) of the Act if it provides financial services to retail clients.
- (b) AFSLs must have in place a dispute resolution system that consists of:
 - (i) an internal dispute resolution (**IDR**) procedure that complies with standards and requirements made or approved by ASIC; and
 - (ii) membership of the Australian Financial Complaints Authority (**AFCA**).
- (c) AFSLs must also comply with their IDR procedure.
- (d) *Regulatory Guide 271: Internal dispute resolution (RG 271)* sets out ASIC's requirements relating to the IDR systems the Licensee is expected to have.

1.2 Purpose and framework

This policy (**Policy**) is developed by the Licensee for the purposes of enabling the Licensee to meet its obligations under the Act and ASIC guidance.

1.3 Responsibility

A Responsible Manager and the Directors of the Licensee (or its delegate with appropriate experience and seniority) will be responsible for ensuring that the Licensee:

- (a) meets the requirements of this Policy; and
- (b) reviews this Policy on an annual basis (unless more immediate updates are required due to legislative or regulatory change).

2 Internal dispute resolution procedure

2.1 Overview

- (a) The Licensee's IDR process will deal with, at a minimum, complaints made by all retail clients. Retail clients include small businesses as defined by section 761G(12) of the Corporations Act.
- (b) Wherever possible, a Responsible Manager will seek to resolve complaints or disputes directly with the clients through the IDR procedures.
- (c) In accordance with RG 271, the Licensee:
 - (i) adopts the definition of 'complaint' in AS/NZS 10002:2014;
 - (ii) satisfies the IDR Standards in Part E of RG 271; and
 - (iii) has a system for informing complainants or disputants about the availability and accessibility of the EDR scheme provided by AFCA.

2.2 Definition of 'complaint'

- (a) The Licensee adopts the definition of complaint under AS/NZS 10002:2014 as 'an expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.'
- (b) ASIC interprets a response or resolution as implicitly expected where the complainant raises the expression of dissatisfaction in a way that implies that they reasonably expect the Licensee to respond and/or take specific action (RG 271.30).
- (c) A complaint will not need to expressly state the word 'complaint', or be in writing, to trigger the Licensee's IDR process (RG 271.30-31).
- (d) A complaint may include the following expressions of dissatisfaction:
 - (i) posts on a social media channel or account controlled by the AFSL subject of the post, where the author is both identifiable and contactable; and
 - (ii) complaints about a matter that is the subject of an existing remediation program or about the remediation program itself (such as delays or lack of communication).

2.3 IDR Standards

The Licensee adopts and satisfies the IDR Standards in Part E of RG 271

- (a) **Top-level commitment:** Senior management is actively interested and supports complaint management. The Licensee does this by ensuring:
 - (i) a Responsible Manager oversees the IDR process;
 - (ii) it has adequate resources, including training and support to staff managing complaints;
 - (iii) it ensures that all staff are aware of, and educated about, IDR procedures
 - (iv) it establishes and promotes a complaint management policy and procedure;
 - (v) it implements information technology systems and reporting procedures; and
 - (vi) it establishes clear roles and responsibilities for the management of complaints.
- (b) **Visibility:** The Licensee publicises information about how and where complaints may be made by:
 - (i) publishing its complaints policy online and makes it available in hard copy on request;
 - (ii) including information about its IDR procedures through disclosure in the financial services guide and product disclosure statements. The Licensee will also ensure that its contact details and the contact details

of its authorised representatives are set out in the statement of advice. The Licensee's contact details are also available on its website for the retail client to register any complaints.

- (iii) ensuring that all staff who deal with customers, not just complaints management staff, have an understanding of the IDR process.
- (c) **Accessibility:** The Licensee has simple and accessible arrangements for making complaints or disputes. As such, complaints do not need to be in writing and can be made by phone, email or in person. At the time the complaint is made, the staff or Responsible Manager will assist the complainant to make their complaint if required. The IDR process must be easy to understand and use, including by people with disabilities or language difficulties. The Licensee trains staff to proactively identify, support and assist people who need help to make a complaint. The Licensee allows representatives to lodge complaints on behalf of complainants, such as by friends or family (RG 271.139).
- (d) **Charges** - Materials explaining IDR procedures will be provided free of charge to complainants and complainants will not have to pay to access the complaints or disputes handling process.
- (e) **Resources** – The IDR process must be resourced so that it operates fairly, effectively and efficiently.

A Responsible Manager will be responsible for managing complaints and disputes. The Responsible Manager will ensure that staff who deal with customers have an understanding of the complaints handling and dispute resolution procedure.

The Licensee will regularly review whether the IDR process is adequately resourced, taking into account the following:

- (i) if the number and seniority of staff is sufficient to deal with complaints in a fair and effective manner within IDR timeframes;
 - (ii) whether the staff have appropriate authority to be able to resolve complaints, and whether staff need further or ongoing training;
 - (iii) the need to have sufficient resources to offer some complainants or disputants assistance to make their complaint or dispute if needed;
 - (iv) documentation processes;
 - (v) specialist support if required;
 - (vi) technological resources or
 - (vii) the adequacy of resources also relates to documentation, specialist support, materials and equipment, computer hardware and software, and finances.
- (f) **Responsiveness** - As a general rule, the Licensee aims to acknowledge receipt of a complaint or dispute immediately (or in any event, within 24 hours of receiving the complaint). An IDR Response compliant with clause 3.3 below

will inform the complainant that the complaint will be resolved within 30 days.

- (i) If a final response to the complainant or disputant cannot be provided within 30 calendar days due to complexity of the complaint or circumstances beyond the Licensee's control, the Licensee will provide the complainant with an IDR Delay Notification compliant with clause 3.3 below.
 - (ii) The Licensee encourages complaints to be resolved, wherever possible, at the first point of contact, and the complaint register records and monitors the volume of complaints resolved at first point of contact through the complaints register.
 - (iii) The Licensee may triage complaints based on severity or urgency.
 - (iv) The Licensee considers a broad range of possible remedies when attempting to resolve complaints, including explanations, apologies, assistance, refunds and compensation. Further remedies can be found at RG 271.161.
 - (v) The Licensee ensures complaint resolution outcomes are implemented in a timely manner when a complaint is closed.
- (g) **Objectivity and fairness** - Each complaint or dispute will be addressed in an equitable, objective and unbiased manner through the complaints or disputes handling process.
- (i) The Licensee has processes and systems in place to ensure it complies with obligations under privacy laws when dealing with complaints.
 - (ii) Complaints lodged by complainants who display unreasonable or challenging conduct should be managed in an equitable manner.
- (h) **Policy and procedures** – The Licensee has a readily accessible complaints policy and internal complaint management procedure, including on its website in an accessible location. Material that explains its IDR processes are provided free of charge to complainants.
- (i) The Licensee regularly reviews the adequacy of complaint management documentation, including the complaints policy and internal procedure.
- (i) **Data collection, analysis and internal reporting** - The Licensee maintains a complaints register to record its management of complaints or disputes. All records will be stored electronically and a Responsible Manager will ensure the complainant's personal information remains confidential.
- (i) The complaints register records the complaints and how they are managed, including when they are received, their nature, the time taken to acknowledge complaints, the time taken to resolve or finalise complaints, complaint outcomes, possible systemic issues, complaints escalated to AFCA and number of complaints open and closed at any time.

- (ii) The complaints register enables a Responsible Manager to monitor the progress of complaints, the performance of the IDR process and identify possible systemic issues and areas where product or service delivery improvements are required, as well as matters that need to be reported to ASIC under s912DAA of the Corporations Act.
 - (iii) The Licensee provides reports about complaints data regularly to senior management and the board.
- (j) **Continual improvement** - The IDR process will be reviewed every 3 years by senior management. The Licensee may engage an independent review if required.
- (i) Regular compliance audits identify and address issues of non-conformity with RG 271 and internal requirements.

2.4 Outsourcing IDR processes

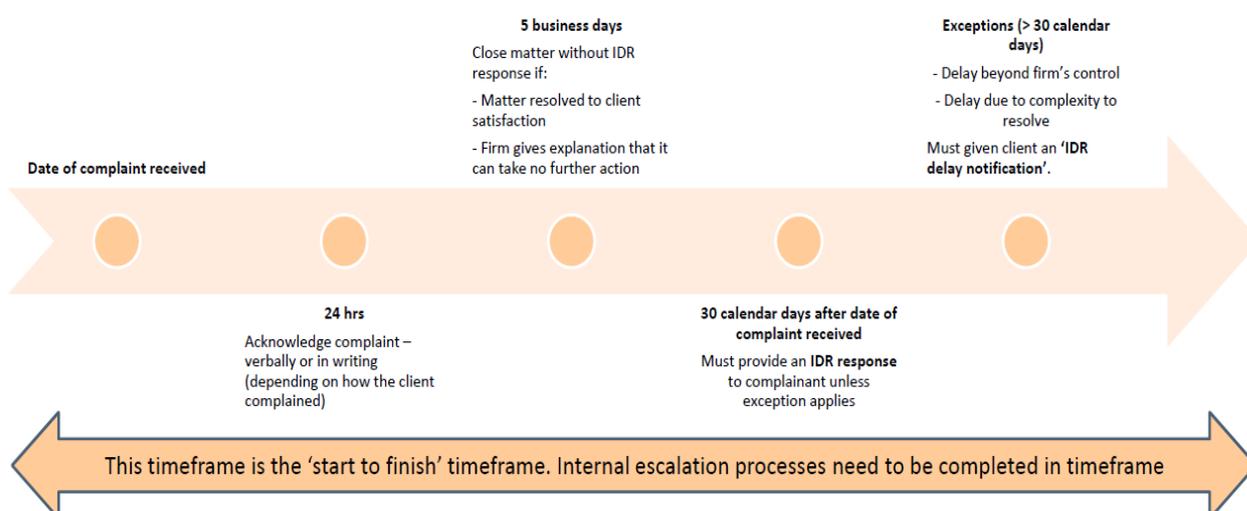
- (a) Where part or all of the IDR process is outsourced, the Licensee remains responsible for ensuring the IDR processes comply with the requirements in RG 271.
- (b) The Licensee ensures:
 - (i) it has measures in place to ensure that due skill and care is taken in choosing suitable service providers;
 - (ii) monitors the ongoing performance of service providers; and
 - (iii) appropriately deals with any actions by service providers that breach service level agreements or fall short of their obligations

3 Handling of complaints

3.1 General principle

- (a) The Licensee adopts the IDR Standards in Part E of RG 271.
- (b) Accordingly, the IDR procedures allow adequate opportunity for both the complainant and the Licensee to make their case and to obtain information to make a decision in relation to the complaint.
- (c) A complaint or dispute will be investigated by a Responsible Manager (if the Responsible Manager is not the provider of the advice that is the subject of the complaint). In investigating the complaint, the Responsible Manager will adopt a customer-focused approach (including being helpful, user-friendly and communicating in plain English), and be open to feedback and show commitment to resolving complaints or disputes by its actions.

TIMELINE FOR MANAGING COMPLAINTS



3.2 Complaints are dealt with in an equitable, objective and unbiased manner.

This will help to ensure that the complaint handling process is fair and reasonable.
Dealing with complaints

- (a) If a written complaint is received, it must be recorded in the complaints register by the responsible manager.
- (b) A written acknowledgement of the complaint will be sent to the complainant within 24 hours (or one business day) and the letter will:
 - (i) inform the complainant that the complaint will be resolved within 30 days;
 - (ii) will outline the dispute resolution process and the availability of an external dispute resolution scheme, including relevant contact and membership details, should the matter not be resolved to the person's satisfaction.
 - (iii) include documentation from the EDR scheme outlining their complaints handling process.
- (c) Within 10 calendar days from acceptance of the complaint, a Responsible Manager must review and consider the complaint and seek all appropriate supporting information and advice. Any request for additional information or clarification must clearly state that the complainant's response is required within 10 calendar days to comply with the stipulated response times.
- (d) Once the supporting information is received, a Responsible Manager will then consider the complaint and seek appropriate advice, where necessary, within 7 calendar days.

- (e) In accordance with RG 271.166, each complaint or dispute will be addressed fairly, objectively and without actual or perceived bias through the complaints or disputes handling process. When considering the appropriate remedy, the Responsible Manager will have regard to the Licensee's legal and regulatory obligations, any relevant codes of conduct and achieving a fair and equitable outcome.
- (f) Where appropriate, the Responsible Manager may consider providing the client with a remedy, which may include:
 - (i) an apology;
 - (ii) rectification and remediation;
 - (iii) offer to review the client;
 - (iv) additional disclosure;
 - (v) refund or compensation;

The Responsible Manager will obtain legal advice if necessary.

- (g) Unless this role is subsequently delegated to an appropriately qualified person, the responsible manager is responsible for:
 - (i) maintaining contact with the complainant to keep them informed of the progress of their complaint;
 - (ii) ensuring that the complaint is continued until either a final decision is made, or the complaint is dropped by the complainant;
 - (iii) keeping Directors, Responsible Managers' and Senior Staff of the Licensee informed of the status of the complaint;
 - (iv) maintaining the documentation and records, including copies of all enquiries, information, documentation, investigations and decisions; and
 - (v) liaising with the Licensee' professional indemnity insurer (if required).

3.3 Responding to the client

- (a) Within 30 calendar days of receiving the complaint, a Responsible Manager will provide the complainant with a written communication (**IDR Response**) informing them of:
 - (i) the final outcome of their complaint at IDR;
 - (ii) their right to take the complaint to AFCA if they are not satisfied with the IDR response; and
 - (iii) the contact details for AFCA.
- (b) If the AFSL rejects or partially rejects the complaint, the IDR response must clearly set out the reasons for the decision by:
 - (i) identifying and addressing the issues raised in the complaint;
 - (ii) setting out the AFSL's finding on material questions of fact and referring to the information that supports those findings; and

- (iii) providing enough detail for the complainant to understand the basis of the decision and to be fully informed whether to escalate the matter to AFCA or another forum.
- (c) An IDR Response may consist of, among others (see other remedies provided by ASIC in RG 271.161), the following:
 - (i) accepting the complaint and offer redress (if appropriate); or
 - (ii) not accepting the complaint but offer redress; or
 - (iii) rejecting the complaint and give reasons for rejecting the complaint.
- (d) The AFSL is not required to provide a complainant with an IDR Response within 30 calendar days if:
 - (i) there is no reasonable opportunity for the AFSL to provide the IDR response, because either:
 - (A) the resolution of the individual complaint is particularly complex; and/or
 - (B) circumstances beyond the AFSL's control are causing complaint management delays; and
 - (ii) before the 30 calendar days expires, the AFSL gives the complainant an IDR Delay Notification, informing them of:
 - (A) the reasons for the delay;
 - (B) their right to complain to AFCA if they are dissatisfied; and
 - (C) the contact details for AFCA.
- (e) A complex complaint may involve for example, a transaction from more than 6 years ago which requires reconstruction of accounting information.
- (f) Circumstances beyond the AFSL's control may include, for example, a complainant's illness or delays in waiting on information to be obtained by third parties.
- (g) The AFSL also does not need to provide an IDR Response to a complainant if the firm closes the complaint by the end of the fifth business day after receipt because the firm has:
 - (i) resolved the complaint to the complainant's satisfaction; or
 - (ii) given the complainant an explanation and/or apology where the firm can take no further action to reasonably address the complaint
 unless:
 - (iii) the complainant requests a written response; or
 - (iv) the complaint is about hardship, a declined insurance claim, the value of an insurance claim or a decision of a superannuation trustee (not usually applicable to the Licensee).
- (h) When responding to a complaint, the Responsible Manager will give written reasons for their decision on the complaint, and adequately address the

issues that were raised in the initial complaint. Where appropriate, the written reasons should refer to applicable provisions in legislation, codes, standards or procedures.

3.4 Review and analysis of complaints

- (a) Complaints are a key risk indicator for systemic issues within the AFSL. A systemic issue is a matter that affects or has the potential to affect, more than one client. This may include, for example:
 - (i) defective disclosure documents;
 - (ii) a systems issue that produces errors;
 - (iii) a documented procedure that does not comply with legal requirements; and
 - (iv) a procedural weakness that is liable to recur.
- (b) The Licensee promotes a culture of compliance that encourages and enables all staff to escalate possible systemic issues they identify from individual complaints.
- (c) The Responsible Manager will be responsible for reviewing the complaints register on an annual basis (unless the frequency of the complaints increases).
- (d) The Responsible Manager will review the register to monitor the performance of the IDR process, identify any systemic issues or common trends amongst the complaints, and identify matters that are likely to need to be reported to ASIC under section 912DAA of the Corporations Act. In doing so, the Responsible Manager will have regard to ASIC's regulatory expectations in *ASIC Regulatory Guide 256: Client review and remediation conducted by advice licensees*.
- (e) The Responsible Manager will promptly escalate all possible systemic issues to the Directors of the AFSL and Compliance Committee for investigation and action. The outcome of any investigation, including actions taken, will be reported on to the Directors of the AFSL and Compliance Committee.

3.5 External dispute resolution schemes

- (a) In accordance with the requirements of the Corporations Act, the Licensee is a member of AFCA.
- (b) If membership with this scheme is changed or cancelled, the Responsible Manager will notify ASIC within 3 days of becoming aware of the alteration.
- (c) The renewal date for AFCA membership will be diarized by the responsible manager.
- (d) The Licensee must provide details of how a complainant can access AFCA in a range of disclosure documents, including:
 - (i) Financial Services Guides; and
 - (ii) Product Disclosure Statements.

4 Maintaining adequate professional indemnity insurance

4.1 Maintaining adequate professional indemnity insurance

- (a) Under s912B of the Corporations Act, the Licensee must have arrangements for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of their obligations under chapter 7 the Corporations Act. The Licensee is required to obtain PI insurance cover that is adequate, considering the nature of the Licensee's business and its potential liability for compensation claims (reg 7.6.02AAA).
- (b) The Licensee will hold professional indemnity insurance in accordance with the requirements of *ASIC Regulatory Guide 126: Compensation and insurance arrangements for AFS licensees* and will:
 - (i) review adequacy of the cover it holds on an annual basis; and
 - (ii) renew its cover in consultation with its professional indemnity insurance broker.

4.2 Specific considerations relating to adequacy of cover (Table 4 of RG 126)

Subject matter	Minimum requirement specified by ASIC
Amount of cover	<p>The cover should have at least a limit of \$2 million for any one claim and in the aggregate where the licensee has total revenue from financial services provided to retail clients of \$2 million or less.</p> <p>For the purposes of this minimum requirement, the Licensee's revenue is to be calculated to include the revenue any authorised representatives receive from providing financial services to retail clients.</p> <p>Where the revenue is greater than \$2 million, the minimum cover should be approximately equal to actual or expected revenue from financial services provided to retail clients (up to a maximum limit of \$20 million).</p> <p>Revenue may be calculated based on the financial year ended prior to taking out the insurance policy and reassessed on each policy renewal.</p> <p>The Licensee will retain records of how it determined what amount was adequate for them.</p>
Scope of cover	<p>The policy must indemnify the Licensee against liability for loss or damage suffered by retail clients because of breaches of Ch 7 (financial services) of the Corporations Act by the Licensee or its representatives. This includes liability:</p> <ul style="list-style-type: none">(a) for fraud or dishonesty by officers, employees and other representatives of the Licensee (although fraud cover is not required for sole traders or for companies that have one

	<p>director who is also the company's only financial adviser or representative, the only shareholder and only employee of the company); and</p> <p>(b) under EDR scheme awards.</p> <p>The policy must be a contract of PI insurance. This means it must cover negligence, fraud and other misconduct (relating to retail clients) ordinarily covered by a contract of PI insurance.</p>
Exclusions	<p>The policy must not have the effect of excluding:</p> <ul style="list-style-type: none"> (a) EDR scheme awards; (b) loss caused by the conduct of representatives generally; (c) fraud and dishonesty by officers, employees and other representatives (although fraud cover is not required for sole traders or for companies that have one director who is also the company's only financial adviser or representative, the only shareholder and only employee of the company); (d) claims for misrepresentations about services; (e) claims arising from incidents that have been notified to ASIC (e.g., through a breach report on the basis that, by merely making the notification, the licensee has admitted liability and as a result the insurance policy will not cover the claim).
Persons covered	<p>The policy must cover the acts of the Licensee and all of its representatives (either under the policy or separately covered by a policy under which the licensee has a right of indemnity).</p> <p>The Licensee will take into account all of its representatives (i.e., not just authorised representatives) when considering the type and extent of cover that will be adequate. A client will generally have the same remedies against the licensee as it has against its representatives.</p>
Automatic reinstatements	<p>The policy must include at least one automatic reinstatement unless the limit is at least twice the minimum amount of cover.</p>
Excess and deductibles	<p>The excess amount will be set at a level that the Licensee can confidently sustain as an uninsured loss, taking into account the licensee's financial resources.</p>

Legal costs	Defence costs must be 'in addition' to the minimum limit or the level of cover must be sufficiently increased to take into account these costs.
EDR scheme awards	The policy must cover EDR scheme awards. Note: If the policy does not cover agreed decisions (mediated settlement) reached through the EDR scheme, or has lower sub limits, the Licensee will effectively be self-insuring to cover any difference between the PI coverage and the EDR scheme award.
Fraud/dishonesty/infidelity	The policy must cover fraud/dishonesty/infidelity by officers, employees and other representatives of the licensee (although fraud cover is not required for sole traders or for companies that have one director who is also the company's only financial adviser or representative, the only shareholder and only employee of the company).
Approved product list	Where applicable, the policy must be able to cover legitimate switching cases where a client is being switched from a fund or product that is not on an approved product list to another fund or product that is on an approved product list.
Retroactive cover	If the licensee had an immediately previous PI insurance policy, the policy must provide retroactive cover to the earlier of: <ul style="list-style-type: none"> (a) the retroactive date specified in the immediately previous PI insurance policy; or (b) the commencement date of the first PI insurance policy in the series of continuous policies.