



LICENSEE PROGRAM

Complaints resolution



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OVERVIEW

As holders of an Australian Financial Services (AFS) Licence Your Beacon is committed to an open and transparent culture of corporate compliance.

Your Beacon consists of:

| Licence Number | Type of Licence | Company |
|----------------|---------------------------------------|---------------------|
| 519834 | Australian Financial Services Licence | Your Beacon Pty Ltd |

For the purposes of this policy, these companies will be known hereon as Your Beacon.

Your Beacon is actively committed to the complaints management framework and takes all reasonable steps to ensure its representatives comply with financial services laws as required by the Corporations Act 2001 (Cth).

Development of this Complaint Management Policy is seen as a vital component of Your Beacon' Compliance Plan, Policy & Procedures and Risk Management Policy.

PURPOSE

The purpose of this policy is to provide Your Beacon' staff and advisers with a clear and consistent understanding of the legislative requirements and Your Beacon's business requirements applicable to complaints management.

As holders of an Australian Financial Services Licence (AFSL), Your Beacon 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 "Client Satisfaction-Guidelines for Complaints Management in organisations" (AS/NZ ISO 10002-2014).

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 Your Beacon Board.

Your Beacon makes a firm commitment to each and every client of its licensees to provide quality client service, research and advice. Your Beacon 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. The complaints handling process forms an integral part of Your Beacon' Compliance Program.

POLICY

As a privately-owned network of advisers in Australia, Your Beacon is committed to ensuring consumers 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 client experience.

This policy applies to all officers and employees of Your Beacon and to advisers of its licensee.

DEFINITIONS

Complaint or dispute | Your Beacon adopts the Australian Standard definition of a complaint, namely: “An expression of dissatisfaction made to Your Beacon, 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.”

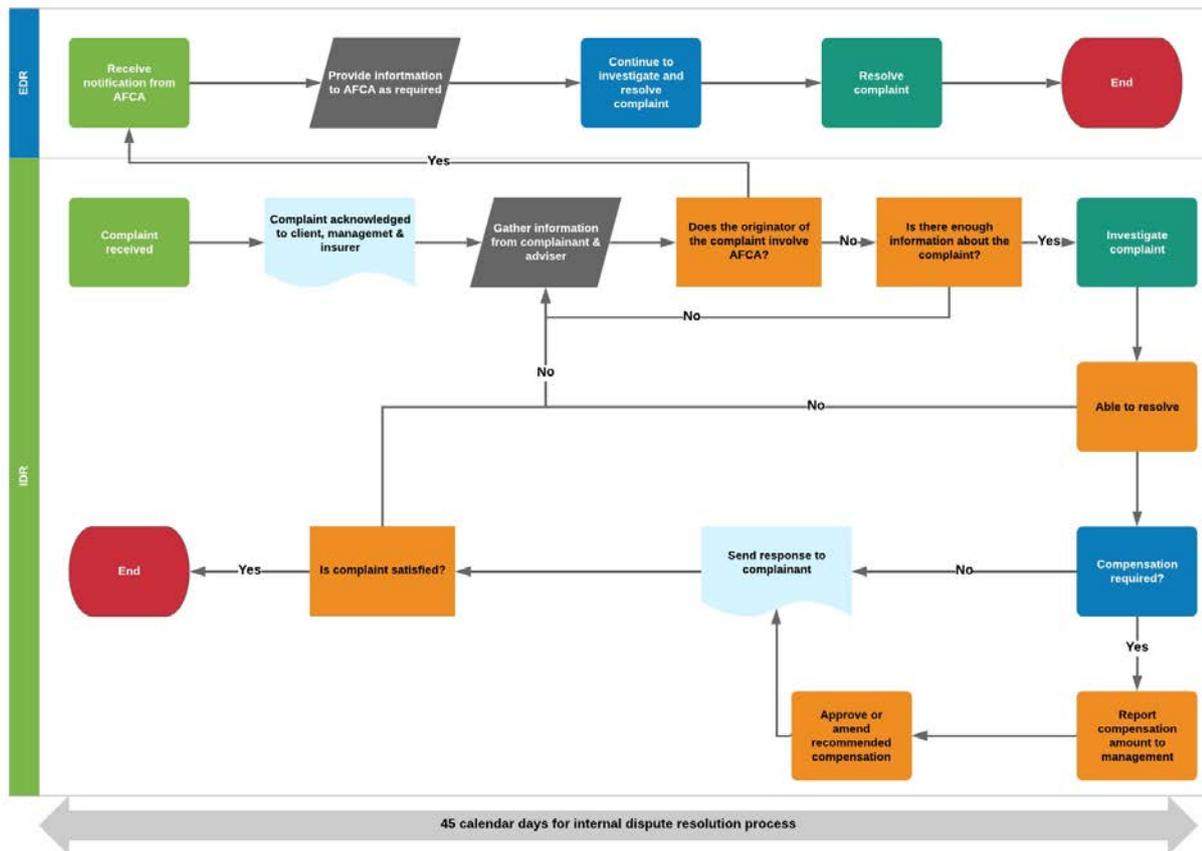
Service related complaint | A service related complaint is one where the client complains about the way a Your Beacon adviser or their employees conduct themselves or their business. Examples of service related complaints include:

- 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 client alleges they've suffered a financial disadvantage.

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].



COMPLAINTS HANDLING PROCESS

INTERNAL DISPUTE RESOLUTION PROCESS

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 Your Beacon 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.

We may need to take extra care with clients who have special circumstances and/or needs such as:

- Clients with little or no understanding of English; or
- Clients with a disability or specific needs.

Your Beacon will provide assistance to these Clients if they wish to make a Complaint. Any enquiries or requests from Clients with special circumstances and/or needs regarding the making of a Complaint should be referred to the Professional Standards Manager. The Professional Standards Manager will assess the situation and arrange for necessary assistance to be provided to the Client.

The role of Financial Advisers and other staff

We provide training to all staff and representatives in the elements of complaint handling which are relevant to their roles and responsibilities within Your Beacon.

We encourage staff to regard client complaints as an opportunity to ensure that the client feels important and appreciated and to demonstrate their commitment to excellent service and respect for clients. The objective

should be to turn the client's frustration into satisfaction. Also, depending on the nature of complaint, early resolution may be achieved, and this assists us to 'salvage' the relationship of trust with the client. Also, non-action may result in an errors and omissions/professional indemnity claim or a breach of financial services laws which is reportable to ASIC so staff must prioritise the handling of every complaint.

There are certain steps that staff should always follow when speaking to a complainant. These include:

- Listen to what the complainant has to say;
- Be open, helpful and communicate clearly;
- Empathise with the complainant, without making admissions;
- Never blame the complainant, or another person in the organisation;
- If the complainant has poor communication skills, offer them the opportunity to have an interpreter or representative speak on your behalf;
- Obtain full relevant facts. Write them down and read them back to the complainant. Ask the necessary questions in a polite and even-handed manner to obtain the most detailed response;
- Confirm the information received to ensure that it is correct;
- Attempt to resolve the problem with an explanation or information;
- Ask the complainant if they are satisfied;
- If the complaint cannot be resolved immediately (or within 5 business days), tell the complainant that there is a person in the organisation who is dedicated to resolving client problems and that the matter can be referred to them to see if they can help the client further. Seek to obtain the client's agreement to this. Tell the client the name of the Complaints Officer and that the Complaints Officer will contact them within 48 hours;
- Immediately complete a Client Complaints Form, and provide it to the Complaints Officer, or the back up if not available; and
- Keep the complainant informed of the progress of the complaint. Don't wait for them to make contact. If you have handed the complaint to the Complaints Officer, they will be responsible for this.

When a client complains, staff should:

- Try to remain calm even in the most demanding or confrontational situations. Help the client maintain your control, no matter how angry they are;
- Treat the client courteously and fairly at all times;
- Be convincing in your expressions and actions to earn client trust;
- Listen to the client – while they are not always right, a dissatisfied client is a serious concern;
- Be patient if the client communicates poorly. Help them to get their meaning across;
- Understand when to disagree and be firm without antagonising the client;
- Always say "Thank you";
- Explain why you appreciate the reasons for the complainant calling;
- Apologise for the mistake – if it is clear there has been error;
- Promise to follow up on the problem immediately;
- Ask for the necessary information;
- Correct the mistake promptly;
- Check client satisfaction; and
- Prevent future mistakes.

MAXIMUM TIMEFRAMES AND RESPONSIBILITIES

The following table is our system for dealing with and reporting client complaints and disputes, and the time frames within which they should be dealt with. The time frames set out here are the maximum advisable.

| Step | Who | Time frame |
|--|---|--|
| <p>If a client contacts us and we determine that they have a grievance about their situation, we then note this as a complaint.</p> <p>All staff and representatives are trained to identify a complaint.</p> <p>Notify Complaints Officer.</p> | Staff member or Financial Adviser concerned | Immediately |
| Contact the client to acknowledge the complaint in writing and request/obtain further information about the complaint and inform the client about the options available to them. | Complaints Officer | Immediately and no later than within 48 hours of initial complaint |
| If the complaint involves a privacy issue, notify Professional Standards | Staff member or Financial Adviser concerned | Within 48 Hours |
| Enter the details of the complaint into the Client Complaints Register. This register includes details of what can be done to resolve the matter and the timetable for resolution. The Complaints Officer will then coordinate activities aimed at resolving the complaint. | Complaints Officer | Within 48 Hours |
| <p>If complaint received directly by Your Beacon, provide a copy of the complaint to the representative and request a full copy of the client file and a statement in response to the complaint.</p> <p>Representative to provide file and response within 5 business days.</p> | Complaints Officer | Within 48 Hours |
| Notify the Professional Indemnity Insurer about the complaint. | Complaints Officer | Within 24 hours of initial complaint |
| Investigate the complaint and devise a solution. Telephone and correspond with the client to achieve resolution. | Complaints Officer | Within 45 days of receipt of complaint |
| If problem resolved, confirm with the client in writing. Enter the details in the Client Complaints Register noting the resolution of the complaint, the redress or remedy agreed with the client and any other outcomes (in terms of business improvements and remediation measures). | Complaints Officer | Within 45 days of receipt of complaint |
| <p>If the problem cannot be resolved within 45 days of the initial complaint:</p> <ul style="list-style-type: none"> Advise the client of the reasons for the outcome; | Complaints Officer | Within 45 days of receipt of complaint |

| | | |
|---|--|--|
| <ul style="list-style-type: none"> • The reasons for the delay and the status of the investigation etc.; • Advise the client of the courses of action available to them and the name and contact details for AFCA, i.e. external dispute resolution scheme; and • Notify the professional indemnity insurer. | | |
| Report to the Business Diligence Committee as to the status of all complaints recorded in the Client Complaints Register which remain unresolved. | Complaints Officer | Each month |
| If the problem is not resolved, again consider whether to notify the professional indemnity insurer. | Complaints Officer | Within 4 weeks after initial complaint (unless the policy is due to expire, in which case before expiry) |
| Respond to the Complaints Officer's requests for information. | All advisers contacted by the Complaints Officer | Within 3 working days |
| If the Complaints Officer cannot resolve the matter within 45 days and the matter is referred to EDR: <ul style="list-style-type: none"> • Respond to EDR's requests for information; and • Take any action required by the EDR. | Complaints Officer | Within the timeframes required by the EDR body |

NOTIFICATION AND ACKNOWLEDGEMENT

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

- Written – letter, email, fax
- Verbal – over the phone
- Personally – made during meeting with the complainant
- Via a third party – legal representative, EDR organization (AFCA)

To assist in handling complaints in a timely and efficient manner we ask the client to provide:

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

On receipt of a complaint

Received directly by adviser

1. Written Complaints must be scanned and emailed to the Complaints Officer at compliance@yourbeacon.net.au on the same business day as received.
2. Your Beacon must notify the PI Insurers within 48 hours of receipt of the complaint.
3. All Complaints (verbal, written, personal) must be recorded in your Complaints Register and must be dealt with as follows:
 - a. Those that can be resolved at the point of call are entered into your Complaints Register with ***No Action Required Complaint*** recorded the same business day the call was taken.

- b. Those that cannot be resolved at the point of call are entered into your Complaints Register and forwarded to the Complaints Officer for *Action Required Complaint* the same business day the call was taken.
4. Complaints that come via a regulator or representative bodies must be forwarded to the Complaints Officer on the same business day as received.
5. Formal acknowledgement of the complaint to be provided to the complainant in writing within 48 hours of receipt (refer appendix 1)
6. The Complaints Officer will record the complaint in the Claims Management Database & create a task for follow up in the approved software.

Received by Your Beacon

1. A copy of the complaint will be sent to the adviser within 48 hours of receipt.
2. PI Insurers notified within 48 hours of receipt.
3. Complaints Officer to record the complaint in the Claims Management Database on the day of receipt.
4. The adviser must provide a full copy of the client file to the Complaints Officer within 5 business days together with a detailed response to the allegations contained in the complaint.

ASSESSMENT AND INVESTIGATION

Each complaint undergoes an investigation which is managed by the Complaints Officer. 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.

Clients and other complainants must be given a proper opportunity to make their case and supply relevant information or ask for information from us which is relevant to their complaint. Once a decision has been made, we will advise the client or complainant and give written reasons for our decision. The Complaints Officer will refer to relevant laws, codes and ASIC policy which relate to the complaint and the decision reached by Your Beacon. If necessary, the Complaints Officer can seek legal advice or an opinion on the basis for the decision and the operation of relevant laws.

Your Beacon is committed to giving equal treatment to all clients and being sensitive to the needs and differences of clients. This must be reflected in our complaints handling process. To this end the key elements of an objective assessment of a complaint include:

Openness | ensuring clients understand our process, the process is clearly followed by staff and both clients and staff are kept informed of the progress of the complaint. This is to prevent anxiety and undue stress to our staff and our clients.

Fairness and Impartiality | ensuring no bias is shown against the client and the emphasis is on resolving the complaint and not assigning blame. Having a third party who has not personally been involved in the conduct which is the subject of the complaint assists Your Beacon to achieve a fairer and more equitable assessment of the complaint.

Accessibility | ensuring that the Complaints Officer is the primary point of contact and conduit for information about the complaint. The client and the staff member can approach him or her for information about status and to communicate important and relevant information whilst the complaints resolution process is underway and the complaint is being assessed.

Completeness | ensuring that the complaints resolution process promotes an outcome where all relevant facts and information have been collected and assessed and neither party is disadvantaged by being excluded from

the information gathering process. Where possible we will check with the client and the employee involved and endeavour to get an accurate account of the facts.

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.

In order to monitor complaints and use the information to identify and address recurring or systemic issues, Your Beacon records the information in the following way:

- Maintenance of an incidents register that may contain complaints;
- Review of the incidents register at least quarterly for details of all complaints, including those that have been resolved; and
- Professional Standards assessment of complaints that identifies any recurring or systemic issues, as well as remediation to reduce further incidence (e.g. training, process variation).

Findings of the assessment and investigation will be recorded in the Complaints Register.

Collection of information

Some of the information relating to a client complaint may be held on our files and in our records. Care is required whenever collecting, disclosing or using this information because it is important to preserve client confidentiality and comply with our privacy law obligations.

Our records must be preserved in accordance with our records management procedures and before disclosing our records to a client, lawyer, PI insurer or anyone else, check with the Complaints Officer to ensure it is appropriate to provide the information to the person who has requested it.

Confidentiality is paramount and unless you are certain that is appropriate and lawful to disclose information regarding a complaint or details from a client's file, don't do it!

Declining consideration of the complaint

It will be rare for Your Beacon to be in a position where it is not required to give full consideration to a complaint. However, Your Beacon can do this in the case where:

- Your Beacon has given the client a written request for further information relating to the complaint which is critical to its further consideration and the client has refused to provide information to enable Your Beacon to properly consider it; or
- The substance of the complaint or dispute has been considered by the Complaints Officer and the Professional Standards Manager through Your Beacon's internal complaints resolution process.

Where Your Beacon declines the complaint, the complainant will be provided with details of our EDR process.

Early resolution

Our advisers are an important part of early resolution of complaints. If the complaint is due to an error or oversight which can be fixed easily, you must attempt to resolve the problem within 5 business days of receiving the complaint (except for a complaint or dispute relating to hardship, a declined insurance claim, or the value of an insurance claim as these types of complaints must go to a final decision).

It is likely that service-related complaints which are simple errors, oversights or mistakes can be resolved on this basis while advice-related complaints may be more complicated and require more time than 5 business days to assess and investigate and determine an appropriate resolution/outcome.

Service-related complaints are vital to us improving our client service standards and understanding more fully the service requirements of our clients. Taking on board constructive feedback about our services

demonstrates our commitment to clients and resolving these types of complaints demonstrates our commitment to resolving complaints in a client-focused way.

More complicated complaints might involve an advice-related complaint as this requires analysis of advice given and determining whether it was suitable based on our professional duties of acting in the client's best interests and giving them appropriate advice. Often this requires the Complaints Officer or another senior financial adviser in the group to review the client file and make an assessment of whether appropriate advice was given. This is likely to take longer than 5 business days.

Don't allow any complaint to languish as this will mean that even very simple service-related complaints which could be easily remedied would have to be escalated through our full internal dispute resolution process. Besides, it is likely to inflame the situation and the client's feelings of dissatisfaction and frustration if we can't resolve simple errors, mistakes and oversights quickly and professionally.

Please note – No financial payments are to be made to the client without prior approval from the complaints officer. In any instance where financial payments are required, a Settlement Deed will be required and the insurers notified of the payment.

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 Complaints Officer, Managing Director and relevant Professional Indemnity Insurer **prior** to any offer being made to the complainant.

A formal response letter 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. A copy of the relevant External Dispute Resolution Scheme brochure is provided with the formal response.

Where Your Beacon 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
- There is no further dispute or response from the complainant for six (6) months after the response letter or date of last correspondence was issued; or
- The complaint has been determined by the External Disputes Resolution Scheme and no further action is required from Your Beacon; and
- Your Beacon 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 the complainant not providing the required information, it can be reopened once the complainant has provided the requested information.

EXTERNAL DISPUTE RESOLUTION

Your Beacon is a member of the Australian Financial Complaints Authority (AFCA), external disputes resolution scheme. As part of the final response to the complainant Your Beacon is obliged to provide details of how to access the relevant external disputes resolution scheme to all complainants. A copy of the relevant External Dispute Resolution Scheme brochure is provided with the formal response.

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

| | |
|---------|--|
| | AFCA |
| Phone: | 1300 780 808 |
| Fax: | (03) 9613 6399 |
| Online: | www.afca.org.au |
| Email: | info@afca.org.au |
| Mail: | GPO Box 3, Melbourne VIC 3001 |

Types of Complaints Handled by Applicants can include:

- An individual (including a trustee or legal personal representative);
- A small business (whether a sole trader, company, partnership, trust or otherwise);
- A club or incorporated association – if the club or incorporated association carries on a small business;
- A body corporate of a strata title or company title building which is wholly occupied for residential or small business purposes;
- A corporate trustee of a self-managed superannuation fund or a family trust – if the trust carries on a small business; or
- A policy holder of a group life or group general insurance policy – if the dispute relates to the payment of benefits under that policy.

The complaint must relate to a contract or obligation arising under Australian law and involve:

- A legal or beneficial interest in a financial product;
- Provision of a financial service;
- An entitlement or benefit under a life insurance policy;
- A guarantee or security for, or repayment of, financial accommodation.

In addition, any complaint may be brought to the respective External Dispute Scheme (EDS) where the member has agreed with the complainant that the complaint can be referred to the EDS.

Some types of disputes are excluded from AFCA's terms of reference including disputes about:

- **Confidentiality and privacy** – unless it is part of a broader dispute or relates to the provision of credit, collection of a debt or credit reporting;
- **Fees, premiums and charges** – Unless it relates to non-disclosure, misrepresentation or incorrect application of the fee, premium or charge or concerns a breach of any legal obligation or duty;
- **Actuarial factors** that influence premium rates or standard terms of life insurance;
- **Decisions to refuse to insure** – unless the decision was made indiscriminately, maliciously or on the basis of incorrect information;
- **Investment performance of a financial investment** other than as a result of non-disclosure or misrepresentation;

- **Courts or tribunal matters** – where the dispute has already been dealt with by a court, other tribunal or external dispute resolution scheme or the applicant has already commenced legal proceedings; and
- **Companies** (including groups of related companies) with more than 20 employees – or more than 100 employees for manufacturing groups.

The EDS can also refuse to deal with disputes if there is a more appropriate forum for the dispute or the complaint is frivolous, vexatious or lacks substance.

Monetary Limits – The EDS has monetary restrictions on the quantum of the complaints that can be dealt with together with maximum amounts that can be awarded. The following table sets out the monetary restrictions on AFCA’s jurisdiction as at 1 November 2018.

| Type of Claim | Compensation amount limit per claim | Monetary restriction on AFCA’s jurisdiction |
|--|-------------------------------------|---|
| Income Stream Insurance Claim on a Life Insurance Policy dealing with income stream risk or advice about such a contract If the claim is in excess of this monthly limit, the monthly will apply unless: <ul style="list-style-type: none"> • The total amount payable under the policy can be calculated with certainty by reference to the expiry date of the policy and/or age of the insured; and • That total amount is less than \$500,000 | \$13,400 per month | Amount claimed by Complainant must not exceed \$1 million |
| All claims relating to the provision of financial services (EXCLUDING Superannuation Complaints) | \$500,000 | Amount claimed by Complainant must not exceed \$1 million |
| Superannuation Complaints | No Monetary Limit | None |
| Claim for indirect financial loss | \$5,000 | Not applicable |
| Claim for non-financial loss | \$5,000 | Not applicable |

The EDS can award interest, but not punitive, exemplary or aggravated damages. If the CEO considers that the complaint is frivolous or vexatious, it may be dismissed.

Members are bound to abide by EDS decisions (unless the complainant has exercised other rights of review which result in a different decision). The complainant is not bound by the EDS decision.

ADVISER CONTRIBUTION

Your Beacon advisers are required to exercise appropriate skill and judgement in conducting their duties. The Your Beacon Professional Indemnity Insurance is not designed as a safety net for any adviser who fails to discharge their obligations to Your Beacon, contravene the law or abuse their relationship with their clients. Advisers will be required to contribute to any settlement of a claim up to the PI excess, where indemnity is granted. If indemnity is not granted by the Insurer, the adviser will be responsible for 100% of any settlement amount.

MONITORING AND REPORTING

All complaints received must be recorded in the Claims Management Database. The Compliance Manager will monitor the database on a regular basis to:

- Track the progress of outstanding complaints;
- Report the status of all complaints to the Business Diligence Committee on a monthly basis
- Identify any recurring and systemic issues
- Identify any breaches and report (where appropriate)

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.

RECORD-KEEPING, ANALYSIS AND REPORTING

All complaints received must be recorded in the Complaints Register. The Complaints Officer will monitor the Complaints Register on a regular basis to:

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

Analysis

Complaints are analysed in the context of the following indicators:

- Average time taken to resolve complaints;
- Categories of complaint, such as clerical error, poor advice or poor service that are relevant to your business;
- Proportion of complaints that become disputes;
- Proportion of disputes resolved in the client's favour;
- Percentage of complaints successfully resolved without reference to an EDR scheme;
- Proportion of disputes referred to an EDR scheme;
- Proportion of disputes resolved by the EDR scheme in the client's favour; and
- Average cost of resolving disputes.

The Complaints Officer prepares quarterly trend analysis reports in respect of each indicator and the details of the report are discussed at the Business Diligence Committee. The reports for each year are to be reviewed and by the Professional Standards Manager and Managing Director.

Reporting

A complaints status report will be provided monthly to the Business Diligence Committee. The report will include the following items:

- Status of complaints;
- Information on claims paid;
- Outstanding adviser contributions; and
- Trend analysis.

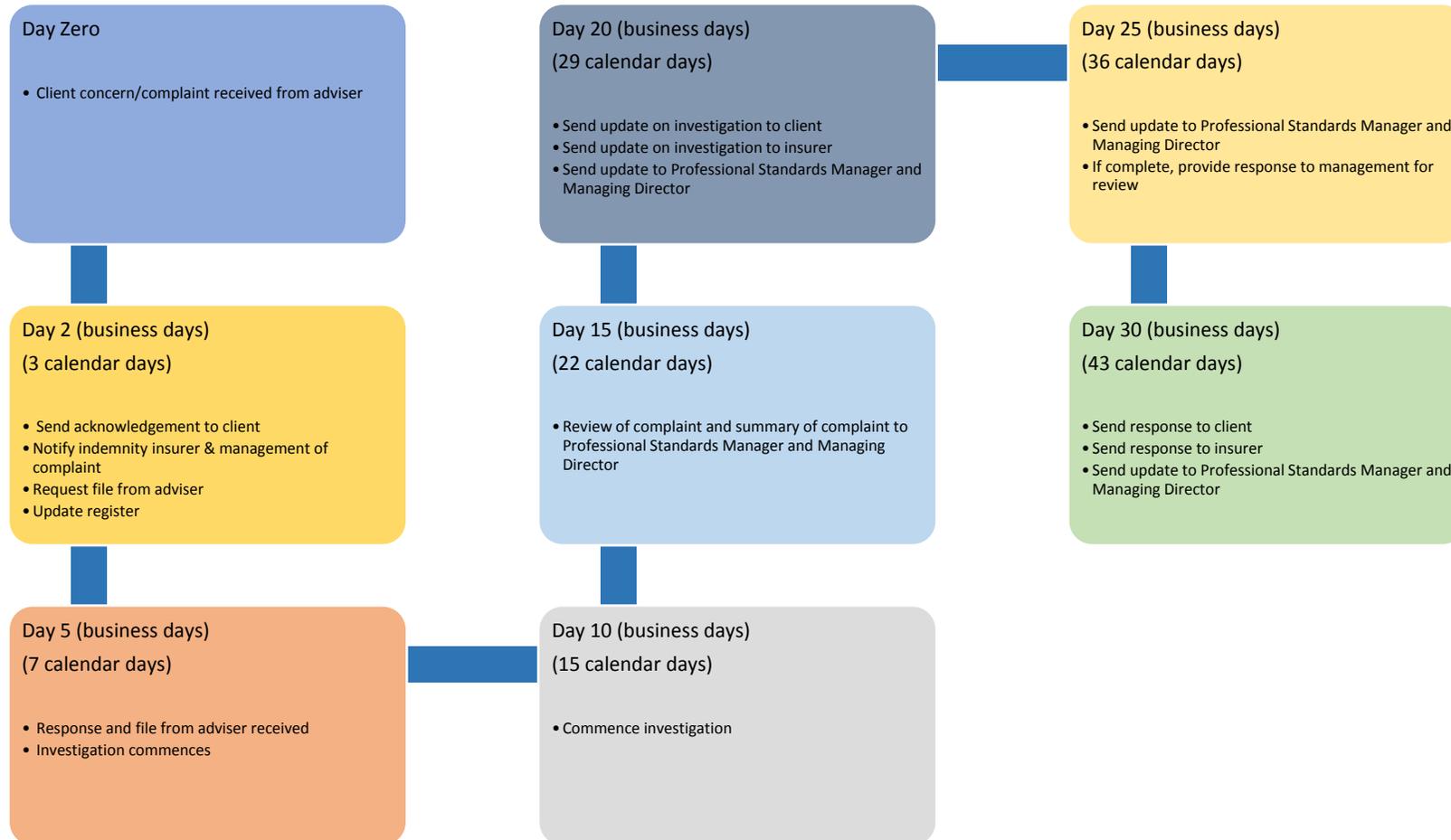
As part of the monthly Business Diligence Committee, the Complaints Officer is required to provide a report which details complaint resolutions, unresolved complaints and reoccurring issues that have the potential to become breaches or systemic issues for the business.

The Complaints Officer is required to attend these meetings to answer questions and provide additional information about complaints and the complaints resolution system.

It is an ongoing objective of Your Beacon to improve its complaints resolution processes and where possible reduce the number of complaints and those complaints which are not resolved.

OVERVIEW OF COMPLAINTS RESOLUTION PROCESS

The process below has assumed the complaint has been received on the 3rd of July 2017 which was a Monday.



Reportable incidents

Systemic and significant issues identified from individual complaints through the complaints process may become reportable as an 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.

The Complaints Officer will work with other personnel within Professional Standards to identify any systemic issues arising from complaints. For example, if particular complaints are caused by a professional failure on the part of Your Beacon it may be necessary consider additional training, education, policies and procedures and controls to prevent future incidents and losses for clients.

Compensation Arrangements

Pursuant to the Corporations Act, Your Beacon is required to have appropriate arrangements for compensating retail clients for losses they suffer as a result of a breach or complaint by a licensee or its representatives. Our professional indemnity insurance is the key way in which we manage our financial responsibilities in the circumstances where our negligence or breach of professional duty causes a loss to clients for which we must compensate them.

ROLES AND RESPONSIBILITIES

| Role | Key Responsibilities |
|-------------------------------------|---|
| All officers, adviser and employees | <ul style="list-style-type: none">• Promptly report any complaints received to the Client Relations Team.• Assist with early resolution and the collection of initial information about the complaint• Positively and proactively participate in the complaints resolution process as directed by the Complaints Officer. |
| Professional Standards Manager | <ul style="list-style-type: none">• Overall responsibility to ensure that the complaints policy and procedures comply with all regulation mentioned throughout this policy;• Participate in resolving complex complaints and identifying the necessary resources and organisational support and systems for the complaints handling system. |
| Your Beacon's Board | <ul style="list-style-type: none">• Approve any changes to the Complaints Resolution Policy;• Approve compensation in accordance with the delegations of authority policy;• Provide support and commitment for complaints handling process;• Ensure Your Beacon has the appropriate resources and organisational support and systems for the complaints handling system including training, reporting and record-keeping;• Promote the importance of complaints resolution and client satisfaction and retention. |
| Business Diligence Committee | <ul style="list-style-type: none">• Review Monthly Claims Report• Consider recommendations from the Compliance Manager relating to settlement of claims• Consider updates and amendments to the Complaints Policy |

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| Complaints Officer/Professional Standards | <ul style="list-style-type: none"> • Reporting incidents and breaches to relevant authorities; • To assess and investigate the complaints and provide a response and resolution to the complainant within 45 days; • To determine compensation payable up to a certain value and then to determine other claims above that value with the Managing Director and Your Beacon’s PI insurer; • To acknowledge complaints immediately and not later than within 48 hours and facilitate the orderly and timely resolution of the complaint until a final decision can be reached; • To assist complainants by supplying information about the IDR and EDR systems available to them; • To collaborate with relevant staff to achieve the objectives of the complaints resolution policy and promote the importance of complaints resolution and client satisfaction; • To ensure that information on the complaints register is current and accurate; • To notify when applicable the PI insurer of any new complaints; and • To prepare management and monthly reporting and undertake complaints analysis to evaluate areas for improvement in the complaints policy and the service provide by Your Beacon |
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TRAINING

Professional Standards has the appropriate training and expertise to resolve complaints on behalf of Your Beacon.

Strict adherence to the procedures set down in our Complaints Resolution Policy is expected from all staff and advisers and will be monitored to ensure that clients are receiving accurate and thorough complaints advice.

Professional Standards is also required to adhere to the continuing professional development requirements as per RG146.

NON-COMPLIANCE

If you fail to report an advice related complaint you may be subject to disciplinary action. You should note that clients will usually phone Your Beacon if they are unhappy, so Professional Standards will eventually find out about unreported complaints.

Disciplinary action could include the termination of authorisation with Your Beacon 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 Professional Standards.

REVIEW

This policy will be reviewed at least annually, or when changing circumstances warrant. This policy and adherence to this policy will be reviewed annually as part of the overall compliance audits Your Beacon.