

## DISPUTES RESOLUTION POLICY



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## VERSION CONTROL

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Version Number	Date Updated	Notes
1	1 August 2018	Original document prepared and finalised.
2	23 May 2019	Amendments to policy.
3	13 June 2019	Amendments to policy.
4	30 September 2019	Amendment to policy.
5	2 July 2020	Amendment to policy.
6	16 July 2020	Amendment to policy.
7	14 July 2021	Amendments to policy.

## SECTION A – INTRODUCTION

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### 1. PURPOSE

- 1.1 The purpose of DebtCo Pty Ltd T/AS Francom Credit Solution's ("**FCS**") Dispute Resolution Policy ("**Policy**") is to ensure client complaints are dealt with promptly, fairly and consistently.
- 1.2 This Policy represents FCS' commitment to fair and transparent dealings in the financial marketplace.
- 1.3 This Policy is drafted to comply with the *ACCC Debt Collection Guidelines* and the *ASIC Regulatory Guide 165: Licensing: Internal and external dispute resolution* and FCS and obligations under the Australian Standard AS ISO 10002-2006.
- 1.4 This Policy reflects FCS' voluntary obligation to be a member of an ASIC External Dispute Resolution ("**EDR Scheme**"), the Australian Financial Complaints Authority ("**AFCA**").

### 2. POLICY STATEMENT

- 2.1 The benefits of effectively resolving client complaints through an Internal Dispute Resolution ("**IDR**") procedure with broad coverage include:
  - (a) the opportunity to resolve complaints quickly and effectively;
  - (b) the ability to identify and address recurring or systemic problems, which can lead to product and service improvements;
  - (c) the capacity to provide fast solutions to problems rather than have remedies imposed by an external body;
  - (d) improved levels of client confidence and satisfaction;
  - (e) gaining insights and knowledge to assist in future development of company policies and procedures; and
  - (f) gaining insights and knowledge to assist in the development of content for future management and staff training programs.
- 2.2 Wherever possible, complaints should be resolved directly with clients through the IDR procedures. It is better, for all parties, to have a complaint dealt with at the earliest possible stage because it:
  - (a) prevents complaints from becoming entrenched;
  - (b) preserves client relations; and
  - (c) is often the most efficient and cost-effective way for an organisation to deal with complaints.

### 3. AIMS

- 3.1 To resolve minor complaints during the client's initial contact with Francom Credit Solutions
- 3.2 To action all other complaints, written and telephone, within ten (10) calendar days of them being received.
- 3.3 To resolve all complaints and provide a final response within later than forty-five (45) calendar days of receipt.

## **4. DEFINITIONS**

4.1 **Complaint** means any expression of dissatisfaction that:

- (a) is conveyed to FCS in writing or by telephone; and
- (b) relates to the provision of a product or service provided by FCS.

4.2 **FCS** means DebtCo Pty Ltd T/AS Francom Credit Solutions.

4.3 **Final Response** means a written response to the complainant informing them of:

- (a) the final outcome of their complaint or dispute;
- (b) their right to take their complaint or dispute to an EDR Scheme (being, AFCA); and
- (c) the name and contact details of the relevant EDR Scheme (being, AFCA) to which they can take their complaint or dispute.

4.5 In this policy, the CEO is also the IDR Manager.

## **SECTION B – PROCEDURES**

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### **5. RECEIVING COMPLAINTS**

5.1 FCS' employees must immediately refer clients wishing to make a complaint to the IDR Manager. This ensures that wherever possible, the complaint will be investigated by a staff member not involved in the subject matter of the complaint.

5.2 On receiving a complaint, the following information must be recorded:

- (a) date of complaint;
- (b) name of complainant;
- (c) contact details of complainant;
- (d) format of complaint (phone/email/letter/fax);
- (e) preferred contact method of complainant (phone/email/letter/fax);
- (f) details of the complaint; and
- (g) classification of the complaint (Refer to section 6).

5.3 Once the complaint is received, the IDR Manager must acknowledge receipt of the complaint using the preferred contact method of the complainant in a timely manner and attempt to resolve the complaint within ten (10) calendar days of it being received.

### **6. COMPLAINTS RECEIVED OVER THE PHONE**

6.1 The following procedure must be followed when a complaint is received orally:

- (a) Identify yourself, listen, record details and determine what the complainant wants;
- (b) Confirm the details received;
- (c) Empathise with the complainant in a courteous manner;

- (d) Explain the courses of action available;
- (e) Do not attempt to lay blame or be defensive;
- (f) Resolve the complaint if possible or commit to presenting the complaint to the IDR Manager in a timely manner, irrespective of who will ultimately handle the complaint;
- (g) Don't create false expectations;
- (h) Inform the complainant of the name and contact details of the person who will be formally dealing with the complaint (i.e. the IDR Manager);
- (i) Refer the matter immediately to the IDR Manager (even if you resolved the matter);
- (j) Record the details in the complaints register.

## **7. CLASSIFICATION OF COMPLAINTS**

- 7.1 Level 1 – the least serious complaints. The complaint could not be resolved at first contact with the client. Some complaints at this level will require the assistance of other employees at FCS. The complaint can be resolved without escalating it to the CEO.
- 7.2 Level 2 – more serious complaints. The CEO must be informed of the complaint. The CEO may provide input where necessary to help resolve the complaint.
- 7.3 Level 3 – the most serious complaints. This type of complaint will require the involvement of both the Managing Director, the CEO and the Ethics and Compliance Committee.

## **8. RESPONSIBILITY FOR AND INVESTIGATION OF COMPLAINTS**

- 8.1 At first instance the Operations Manager is responsible for dealing with complaints.
- 8.2 If the Operations Manager is unable to resolve the complaint within ten (10) calendar days, the details of the complaint must be immediately forwarded to the CEO, who has overall responsibility for FCS' IDR processes.
- 8.3 The CEO is to review the circumstances involving the complaint and attempt to provide the client with a written response to help resolve the complaint and provide a final response to the complainant, within forty-five (45) calendar days of receipt of the initial concern or complaint (except for a complaint or dispute relating to hardship).
- 8.4 If the CEO is unable to resolve the complaint within forty-five (45) calendar days, a letter or email must be provided which:
  - (a) informs the client of the reasons for the delay;
  - (b) provides the client with monthly updates on the progress of the complaint;
  - (c) specifies a date when a decision can be reasonably expected; and
  - (d) includes a copy of the Credit Guide.

## **9. RESPONDING TO COMPLAINTS WITHIN APPROPRIATE TIME LIMITS**

- 9.1 Complaints referred to the IDR Manager must be responded to in the same manner as they are received unless otherwise requested by the client. For example, a telephone complaint must be initially responded to with a telephone call.

- 9.2 The time and date of all telephone calls to the client made in connection with a complaint must be recorded with other details about the complaint outlined in section 5.2.
- 9.3 The client must receive a communication in their preferred contact method at least once every five (5) business days after the initial complaint is made until the complaint is resolved within the appropriate timeframes outlined in section 9.4.

9.4

TYPE OF COMPLAINT	MAXIMUM TIMEFRAME TO RESPOND
<b>For complaints involving applications for hardship relief or request for postponement of enforcements proceedings made.</b>	Twenty-one (21) calendar days.
<b>For complaints involving default notices.</b>	Twenty-one (21) calendar days.
<b>For all other complaints.</b>	Forty-five (45) calendar days.

- 9.5 A final response is not required to be provided when a complaint (except for a complaint relating to hardship) is resolved to the complainants complete satisfaction by the end of the fifth (5th) business day of receipt and if the complainant has not requested a response in writing.
- 9.6 A final written response must be provided for all complaints relating to hardships. Please refer to FCS' Hardships Policy for further details.

## 10. RESOLUTION OF COMPLAINTS

- 10.1 When an outcome is reached for a complaint, the client needs to be advised of the final response by email or letter, unless the complaint is resolved to the complainant's complete satisfaction by the end of the 10<sup>th</sup> business day after the complaint was received and the complainant has not requested a response in writing (see clause 14.3).

## 11. COMPLAINTS REGISTER

- 11.1 A Complaints Register is to be compiled and managed by the IDR Manager and Operations Manager.
- 11.2 A copy of the Complaints Register is to be provided to the Managing Director prior to the quarterly meeting of the Ethics and Compliance Committee.
- 11.3 The IDR Manager must maintain a hard copy record of the Complaints Register in the office of the Managing Director.

## 12. IDENTIFYING AND RECORDING SYSTEMIC ISSUES

- 12.1 The IDR Manager should aim to identify any systemic issues or recurring complaints as a result of compiling the Complaints Register.
- 12.2 Where any systemic issues or recurring complaints are identified, these should be addressed to the Managing Director by preparing a report to accompany the Complaints Register. The issues will be included in the Compliance Report presented at the next meeting of the CEO and Managing Director of FCS. This will encourage the identification of compliance issues or risks, which can be investigated to determine their causes and then rectified.
- 12.3 Further to clause 12.2, the CEO and Managing Director will provide the Ethics and Compliance Committee with a list of the compliance issues or risks that have been identified

and investigated, so that the Ethics and Compliance Committee can be informed of the alleged systemic issues.

## **SECTION C – REMEDIES**

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### **13. TYPES OF REMEDIES AVAILABLE FOR RESOLVING COMPLAINTS**

- 13.1 If the IDR Manager is of the opinion that a complaint requires a remedy (e.g. compensation), the matter must be referred to the Managing Director to make a determination.

## **SECTION D – INTERNAL STRUCTURES AND REPORTING REQUIREMENTS**

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### **14. RESOLVING COMPLAINTS**

- 14.1 Once the complaint has been resolved, the client must be notified.
- 14.2 A final response must be provided to the client in writing and within forty-five (45) days and inform the client:
- (a) that FCS internal dispute resolution process in relation to the client’s complaint/dispute has concluded;
  - (b) of the *final* outcome of their complaint or dispute at IDR with details of what the final decision is (the word *final* should be given prominence);
  - (c) of their right to take the complaint or dispute to EDRS;
  - (d) of the name and contact details of the relevant EDRS to which the client can take their complaint; and
  - (e) of the time limit to lodge a dispute with the relevant EDRS.
- 14.3 A final response is not required when a complaint or dispute is resolved to the complainant’s complete satisfaction by the end of the 10<sup>th</sup> business day after the complaint was received and the complainant has not requested a response in writing.
- 14.4 Level 1 complaints – this should be affected by the same method that the complaint was originally made (e.g. by telephone or email), unless otherwise requested by the client. Details of the time and date of any telephone calls must be recorded, together with the information about the complaint.
- 14.5 Level 2 and 3 complaints – a formal email or letter must be sent to the client notifying or confirming (as appropriate) the resolution of their complaint. A copy of all correspondence must be maintained in the Complaints Register.
- ### **15. DUTY OF CARE TO CLIENTS AND STAFF**
- 15.1 The IDR process should not involve the release of information in relation to FCS generally, or clients or staff individually, that contravenes any of FCS’s policies in relation to confidential information or the contractual and privacy protection obligations of FCS. Further information and advice on this matter can be obtained from the CEO.
- 15.2 Responses to IDR matters that contain personal information on clients or staff must be provided to the Managing Director for final approval, prior to publication or release.



## **SECTION E – EXTERNAL DISPUTE RESOLUTION**

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### **16. EXTERNAL DISPUTE RESOLUTION (“EDR”) SCHEME**

- 16.1 FCS is a member of the Australian Financial Complaints Authority (“**ACFA**”). AFCA is an EDR Scheme approved by ASIC.
- 16.2 This external and impartial service is available to clients free of charge. It has jurisdiction to hear and resolve any dispute that is not resolved by FCS’ IDR process.
- 16.3 The external and impartial process will apply the law and may take into account what is fair in all the circumstances to both the client and FCS.
- 16.4 FCS has a Credit Guide for clients that includes reference to the availability of this EDR mechanism.
- 16.5 FCS will inform ASIC in writing within three (3) business days if it becomes aware that:
- (a) it failed to renew its AFCA membership; or
  - (b) its AFCA membership was terminated because of failure to pay membership fees, non-compliance with the Terms of Reference or a decision of that scheme.

## **SECTION F – CONCLUSION**

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### **17. TRAINING**

- 17.1 Employees of FCS who deal with clients, not just complaints handling staff, need to have an understanding of the IDR procedures. Consequently, all employees of FCS will receive regular training and information about the IDR process. This training will be scheduled and conducted at the discretion of the CEO.

### **18. DOCUMENT RETENTION AND AUDIT**

- 18.1 Managers, CEO, officers or employees of FCS are required to retain copies of all Complaints Handling documents in accordance with FCS document retention procedures. These files are to be maintained at the premises of FCS. A copy must also be provided to the Managing Director for storage and inspection by ACCC/ASIC as required.
- 18.2 The Complaints Register is provided to the Managing Director on a monthly basis and a hard copy is kept on file.

### **19. POLICY REVIEW**

- 19.1 This Policy will be reviewed regularly by the CEO, having regard to the changing circumstances of FCS. Any amendments to this Policy will be advised by email and any updates to this Policy will be advised to FCS’ staff for application thereafter.

Issued by DebtCo Pty Ltd T/AS Francom Credit Solutions

29 July 2021

**EXAMPLE:**

## FRANCOM CREDIT SOLUTIONS COMPLAINTS REGISTER

#	1	2	3	4	5
DATE					
CLIENT NAME					
DESCRIPTION OF COMPLAINT					
REMEDY IF SOLVED IMMEDIATELY					
TO WHOM MATTER WAS REFERRED TO IF REQUIRED					
FEEDBACK/RESOLUTION DECISION					
ADDITIONAL COMMUNICATION WITH CLIENT					
COMPENSATION PAID IF ANY					
SEVERITY RATING (1-3)					
THREATENED BREACH/ACTUAL BREACH OF ACL (Y/N)					
COMPLAINT RESOLUTION DATE					