GCI FINANCIAL LIMITED

Complaints Reporting Procedure

October 2024

Version 4.0

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1. What is considered a “complaint”?

Whenever a complaint is received it should be handled with complete courtesy, promptness, and professionalism.

It is important to understand that there are varying degrees of complaints, from a simple telephone request received from an existing client, which technically could be considered as a complaint, to a letter of criticism or claim of a compliance breach from another financial institution. The Compliance Officer shall also act as the Complaints Log Handler.

Both of the above instances could be considered as “complaints”, and both need to be addressed, but they should not be logged in the same manner. Below is an example of two types of “complaints”, and the corresponding solutions:

Example 1:

A new member of staff visits a long-term client at his offices. After the visit the client telephones our office and politely informs us that when the new member of staff visited him at his office, he parked his car in the directors’ parking spot. He asks that in future he should park his car in the area further around the corner.

Solution 1:

This is very simple and would be considered an ‘informal complaint’. Whoever received the call would let the Complaints Log Handler, **(‘CLH’)** know and the CLH would inform the new member of staff where to park in future. The CLH could then call back the client and offer apologies and inform him that it will not happen again.

Example 2:

The Financial Service Commission writes a strongly worded letter to the Company stating that the Company has been involved in very serious material breaches in its identity verification compliance procedures.

Solution 2:

This is very serious and would be considered as a ‘formal complaint’. It would require documenting and recording all actions taken in the complaint file, from receiving the letter from Financial Service Commission and every single response and counter-response between the involved parties until the matter is fully resolved. And then a final outcome is detailed in the complaint log.

However, what is dependent on whether a complaint is informal or formal is the way the complaint is brought to the attention of the Company. If complaint 1 (above) was brought to the attention of the Company in written form, then it would have to be processed through the formal channel of complaints and be documented in the complaint log. It is only when a complaint comes in a non-written form that it can be handled in an informal manner, should the client so wish it to be.

2. Why is it important to properly report and log “complaints”?

As mentioned, not all complaints require the same procedure to get to the final solution, however when a complaint is submitted in a formal manner it must be recorded. It is very important to record complaints in a written form, the main reasons include the following:

Company monitoring: this provides us with the opportunity to highlight areas in our company procedures that may be either failing or not appropriate. We can then rectify the situation accordingly.

Personal monitoring: complaints regarding an employee provide an indication on his/her professionalism and enable the Company to evaluate weakness of its staff and to remedy it by providing appropriate training.

Compliance: It is an important compliance requirement that all complaints are identified, reported, and logged in a specifically designated file, and resolved through the proper channels.

3. How does the Company follow a complaint procedure?

When an initial written formal complaint is made, this is the first official correspondence pertaining to a complaint and should be immediately noted in the Complaints Log. The complaint will then be allocated a unique reference number, and a copy of all correspondence with regards to that complaint should be kept in the complaints file.

In the event that a complaint is received by GCI Financial Limited, **(‘the Company’)** irrespective of its source, the following steps will be followed:

Informal Complaints

When a complaint is received by telephone or in person, this will be deemed an informal complaint. This is because there is no official written record of the complaint being made and therefore it should not be considered as a formal complaint.

If an informal complaint is received then the complainant will be advised that in order to formalise the complaint, it would have to be communicated in writing.

If the complainant does not wish to make a formal complaint, then the staff member who received the complaint should inform the Complaints Log Handler at the Company of the situation and then further discuss possible solutions to the problem.

Once the problem is solved, the Company shall ensure that the complainant is satisfied with the proposed solution.

Formal Complaints

When a written complaint is received by the Company, the details must immediately be entered into the Complaints Log. Then the CLH or an appropriately senior officer must be informed of the situation, and possible solutions discussed.

Once the problem has been resolved, the complainant should be contacted in writing and provided with a written explanation detailing the action which has been taken to remedy the situation. The Company should also ensure that the complainant is satisfied with the solution proposed to him.

Request written acknowledgement from the complainant that the complaint has been fully resolved and that the matter is now declared over.

The most important aspect of handling complaints is to ensure that the complainant is completely satisfied with the solution. The complaint cannot be considered resolved if the complainant is still unsatisfied with the solution proposed to him. The CLH must be kept informed at all times of the latest developments. Advice may also be sought from the Complaints Log Handler.

Any complaint due to error or failure to follow company procedures must be highlighted and then steps must be taken to understand the reason why the error occurred and thereafter rectify the problem.

Any complaint received shall be handled and dealt with within a maximum of 15 days unless this is not technically feasible. In such case, the CHL shall duly inform the person who submitted the complaint about the issue.

Any complaints that identify bad faith, fraud or malpractice must be immediately reported to the CLH. The latter shall then initiate an internal investigation, and if need be, disciplinary action may need to be taken.