

Complaints handling and Dispute Resolution Policy

1. Introduction

This document describes the dispute resolution and complaint handling process implemented by Paul Melling & Associates Pty Limited to meet its Corporations Act obligations. The Responsible Managers are responsible for this process, however, where possible, the Responsible Managers will not manage the dispute resolution and complaint handling process in relation to themselves.

This document has been prepared on the basis that the roles of adviser and Responsible Manager are distinct in the dispute handling process.

Where appropriate, the Licensee or Responsible Manager may contract a person external to the licence to investigate a client complaint and possibly mediate a resolution. This course of action would be considered where an immediate resolution (5 days) could not be reached between the adviser and the client, or where the licensee has not yet determined to reject the complaint.

In the industry, the terms 'complaint' and 'dispute' are used to varying degrees. For the purposes of this policy, these terms have the same meaning.

2. Legislation

The Corporations Act (paragraph 912A(1)(g)) requires Paul Melling & Associates Pty Limited to have:

- (a) an internal dispute resolution procedure which:
 - (i) complies with standards, and requirements, made or approved by ASIC (sub paragraph 912A(2)(a)(i)); and
 - (ii) covers complaints against the licensee made by retail clients in connection with the provision of all financial services covered by the Company's AFS licence (subparagraph 912A(2)(a)(ii)); and
- (b) membership of the AFCA scheme (subparagraph 912A(2)(c))

ASIC has issued detailed guidance in relation to complaints handling in *ASIC Regulatory Guide 271: Internal dispute resolution (RG 271)*.

3. Overview

The Australian Standard on Complaints Handling (AS/NZS 10002:2014) has been used as a benchmark in preparing this dispute resolution and complaint handling process.

Paul Melling & Associates Pty Limited is committed to providing a process that offers an equitable and simple solution for complainants, that is easy to access and which facilitates communication between Paul Melling & Associates Pty Limited and the complainant. Through this process Paul Melling & Associates Pty Limited seeks to provide a prompt and effective resolution for any complaint or dispute that may arise.

4. Definition of a complaint

The Australian Standard on Complaints Handling (AS/NZS 10002:2014) has defined a complaint as:

'An expression of dissatisfaction made to or about an organisation, related to its products, services, staff or handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.'

Not included in the definition are the following matters:

- Employment related complaints raised by staff
- Comments made where no response is expected, such as feedback from surveys and simple notifications (e.g. your phone does not divert to voicemail)

Paul Melling & Associates Pty Limited must deal with all complaints though it should be noted that the AFCA rules apply to retail clients only. Retail clients will include small business clients, defined as clients having less than 100 employees.

5. General Guidelines

The following guidelines have been put in place for handling complaints.

5.1 Dealing with the client's feelings.

The ability to listen and empathise will help to reduce tension and open channels of communication.

- Acknowledge the complainant's feelings
- Do not offer excuses, or argue with the complainant
- Keep the complainant informed of the progress
- Verbal communication is essential and face to face contact is preferable

5.2 Dealing with the specifics of the complaint.

- Establish the facts by asking questions and confirming details
- Set a timetable for an agreed course of action
- Maintain file notes of conversations and actions taken
- Establish the client's expected outcome

6. Response Times

Paul Melling & Associates Pty Limited will endeavour to respond to complaints as soon as possible. To ensure that Paul Melling & Associates Pty Limited is responsive to any complaints or disputes that may arise from a retail client, Paul Melling & Associates Pty Limited has established time limits within the dispute resolution and complaint handling process.

The process ensures that the Company will within **30 calendar days**:

- accept the complaint and where appropriate offer redress; or
- offer redress without accepting the complaint; or
- reject the complaint with reasons

7. External dispute resolution authority

Paul Melling & Associates Pty Limited is, as required by law, a member of the Australian Financial Complaints Authority (AFCA) as external dispute resolution scheme:

Website: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call)
Address: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

8. Systemic and recurring problems

The relatively low level of complaints anticipated and the involvement of the Responsible Manager allows systemic or recurring problems to be easily identified and addressed.

9. Visibility and access

The Financial Services Guide advises clients to initially contact the adviser if they have a complaint. If it is not satisfactorily resolved within 5 working days, the client is asked to contact the Compliance Manager. Full contact details are supplied in the Financial Services Guide.

If the complainant does not get a satisfactory outcome within 30 days then the client is advised that they have a right to direct the complaint to AFCA. Full contact details are provided in the Financial Services Guide.

The Financial Services Guide also states that complaints can be made to or information about rights obtained from The Australian Securities and Investments Commission (ASIC). The freecall Infoline phone number and e-mail address are both provided.

Paul Melling & Associates Pty Limited is fully committed to ensuring that all clients wishing to make a complaint can do so easily. Where additional assistance is required, for example for persons with a disability or language difficulties, Paul Melling & Associates Pty Limited will work with the complainant to determine what assistance is required on a case by case basis.

10. Record Keeping & Reporting

Paul Melling & Associates Pty Limited maintains a Complaints Register that is updated on an ongoing basis. Paul Melling & Associates Pty Limited will report complaints at the next Compliance Committee meeting.

It is a requirement for all information relating to the complaint to be securely stored in the appropriate internal folders and maintained for a minimum of 7 years.

11. Review of Complaints Handling Procedures

Paul Melling & Associates Pty Limited will review this policy and the complaints handling procedures at a minimum on an annual basis to ensure they remain fit for purpose and in line with regulatory requirements.

Where relevant, Paul Melling & Associates Pty Limited will consider whether a compliance audit should be undertaken to assess the appropriateness of this policy and/or specific complaints handling requirements.

The regular review must also consider:

- The suitability, effectiveness and efficiency of the IDR Process
- Assess whether systemic issues are being promptly identified and addressed
- Assess whether remedial action is prioritised and effective
- Identify improvements to be made
- Assess consumer satisfaction (e.g. through surveys)

12. Commitment

Paul Melling & Associates Pty Limited's commitment to effective complaints handling is demonstrated through:

- its documentation of policies and procedures;
- dissemination of these documented policies and procedures;
- allocation of resources for the handling of complaints; and
- the involvement of the Responsible Manager/Licensee in most complaints

13. Procedures

13.1 Complaints handling framework

The main levels of authority in our complaints handling system are:

- Advisers
- Licensee/Responsible Manager or outsourced investigator

Where possible the adviser will endeavour to resolve the complaint. If this is not possible within 5 days the complaint will be escalated to the Responsible Manager who will decide the action to be taken.

13.2 How can clients make a complaint?

Clients are free to choose the manner in which they lodge a complaint which may be:

- Verbally either in person or via phone
- In writing, which includes letter and email
- Complaints made via social media if:
 - The post/complaint is made on a social media channel or account owned or controlled by the Licensee; and
 - The author is both identifiable and contactable.

Where a complaint is made verbally and cannot be addressed simply, it is recommended to confirm the nature and object of the complaint with the client in writing as part of the initial acknowledgement.

Where a general comment is made by someone on third party social media channels or if the client is not identifiable, this would not be considered a complaint.

For complaints made via social media channels, it is paramount that any response provided must ensure that the client’s privacy is protected at all times.

13.3 Complaints handling Procedure

Timing	Action
Day 1	<ul style="list-style-type: none"> • Confirm person responsible for handling complaint • Record in complaints register and initiate in complaint file • Determine the basis for the complaint and record in complaint file • Initiate the breach management process if required <p>Where the Licensee intends to make a PI Insurance claim for any settlement payment, the RM should notify the insurer before admitting liability or making an offer. Representatives must not admit liability or make a settlement offer without approval of the RM</p>
Day 1	<p>The receipt of the complaint must be acknowledged within 24 hours, or 1 business day) or as soon as practicable after receiving it.</p> <p>This acknowledgement notes that the complaint has been received and who is looking after the complaint (Annexure A).</p>

<p>Day 5</p>	<p>Where a complaint is closed within 5 business days from receipt of the complaint, a formal IDR response (as explained in section 5.4 below) is not required if, by the end of the fifth business day after receipt:</p> <ul style="list-style-type: none"> • The complaint is resolved to the complainant’s satisfaction; or • By providing the complainant with an explanation and/or apology when the firm can take no further action to reasonably address he complaint <p>For example, this may address a complaint that the client had not received the expected email, or other minor matters of such nature</p> <p>In such a situation, though, an IDR Response must be provided if the client requests a written response.</p>
<p>Day 14</p>	<ul style="list-style-type: none"> • Prepare a summary of the complaint and address each issue raised. Documentation should be collected to support the response on each issue. • Collect further information from the client as required • Determine proposed resolution of the complaint • Respond to client as per guidance below • Assess whether the complaint is similar to others previously received and whether the complaint may represent a systemic issue • Any complaints that are not resolved immediately are included on the quarterly Compliance Report • Clients may approach the Australian Financial Complaints Authority (AFCA) where their complaint is not resolved to their satisfaction within 30 calendar days. <p>In exceptional circumstances, the licensee may request that additional time be provided to respond to the complaint. This may only be used in situations where:</p> <ul style="list-style-type: none"> □ The nature of the complaint is extremely complex, e.g. going back 6 years or more and requiring reconstruction of events; or □ Where the response is reliant on circumstances beyond the Licensee’s control, e.g. waiting on reports from a third party. <p>In such a situation, the Licensee must notify the complainant via an ‘IDR delay notification’ that informs the complainant of the reasons for the delay, their right to escalate the matter to AFCA and the contact details for AFCA.</p> <ul style="list-style-type: none"> • Ensure the Complaints Register and Complaint File are maintained through the process • Ensure the PI Insurer is notified of progress on a regular basis and no liability is accepted / settlement offered without their approval

13.4 Complaints Response Requirements

The formal response to the complaint is known as an 'IDR Response' and is a written communication from Paul Melling & Associates Pty Limited to the complainant, with the following information:

- The final outcome of the complaint;
- The right to escalate the complaint to AFCA if they are not satisfied with the response; and
- The AFCA contact details.

Where Paul Melling & Associates Pty Limited rejects or partially rejects the complaint, the IDR response must include the reasons for the decision, including:

- Identifying and addressing the issues raised by the complainant;
- Setting out the findings on material questions of fact and referring to the information that supports those findings (material that may be attached to the response if required); and
- Providing enough detail for the complainant to understand the basis for the decision and to be fully informed when deciding whether or not to escalate the matter to AFCA.

The content of the IDR response will depend on the nature and complexity of the complaint.

A sample IDR Response letter has been included in Annexure B.

13.5 Finalisation of the Complaints Process

For accepted settlement offers

- Confirm with the clients the acceptance of the terms
- Provide a Deed of Release with the Closure letter where a Deed of Release is required
- Pay settlement on returned of signed client Deed of Release
- Update Complaints Register and ensure all documents maintained on file
- Report outcome in the quarterly Compliance Report

For rejected complaints / settlement offers

- If possible, engage with the complainant to determine as to the reasons the response has been rejected, provide additional explanation as require or consider mediation to resolve the complaint.
- Update Complaints Register and ensure all documents maintained on file
- Report outcome in the quarterly Compliance Report, including information that the matter may be escalated to AFCA

13.6 Internal remedies

Each complaint is dealt with individually on its merits.

In general, where there is a monetary impact on the client, Paul Melling & Associates Pty Limited's policy is to provide compensation that will at least put the client back into their original financial position had they not received financial advice. Compensation will generally include an allowance for the loss of earnings.

As part of the complaint handling, the conduct of the adviser will also be considered and remedial action may be taken. Possible remedies are the scheduling of a special compliance review or restrictions on the advice they can provide.

13.7 Outsourcing of complaints handling

Generally, Paul Melling & Associates Pty Limited aims to respond and resolve complaints internally.

Where the nature of the complaint is complex or where there are concerns in relation to conflicts of interest, Paul Melling & Associates Pty Limited may nominate an external specialist to assist with the resolution of the matter. In this situation, Paul Melling & Associates Pty Limited remains responsible for ensuring that all complaints handling requirements are met.

This includes situations where the PI Insurer may be involved in resolving the complaint.

Annexure A – Complaint Acknowledgement Letter

<<Date>>

<<Name>>

<<Address 1>>

<<Address 2>>

Dear <<Name>>,

Re: Complaint <<insert reference as relevant>>

This letter is to formally acknowledge your correspondence dated <<date>> and advise that the matter is presently under consideration. I will be in contact with you <<specify time period>> to discuss the issues you have raised. Please note that no fees apply to the complaints handling process.

To expedite matters please advise if you require assistance with any matter such as understanding forms or documents. If for any reason, (e.g. visual impairment, literacy skills, English as a second language, unable to attend meetings due to invalidity, health, distance or other barrier, unable to converse due to speech or hearing difficulties), you experience any difficulty in the complaints process please notify me so that I may be of assistance to you.

Please note I am required to inform you that if we have not resolved this matter to your satisfaction within 30 days you may refer your complaint the Australian Financial Complaints Authority (AFCA):

Website: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (freecall)
Address: GPO Box 3, Melbourne VIC 3001

The Australian Securities and Investments Commission (ASIC) also has a Freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

In the interim, any further queries or requests should be directed to me at << address >> and contact numbers stated below.

Yours sincerely,

<<Name>>

<<Title>>

Annexure B – Final Complaint Response Letter

<<Date>>

<<Name>>

<<Address 1>>

<<Address 2>>

Dear <<Name>>,

Re: Complaint <<insert reference as relevant>>

WITHOUT PREJUDICE

Further to our <<letter/discussion>> on <<insert date>>, we wish to advise our investigations into your complaint are now complete.

Background Information

<<Insert considerations>>

Resolution

<<insert explanation – then select the below>>

<<If complaint is rejected:

<<If complaint is accepted:

We trust that the explanation we have provided above has assisted you in understanding what occurred. >>

<<If complaint is rejected:

While we appreciate this is not the outcome you were seeking, we trust that the explanation we have provided above has assisted you in understanding what occurred. If you feel that we have not correctly understood the situation, or if there is additional information that you wish to present, please feel free to contact us.>>

Our internal dispute resolution process has finished. If you are not satisfied with our final response, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA):

Website: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

Paul Melling & Associates Pty Limited

Yours sincerely,

<<Name>>

<<Title>>