

## COMPLAINTS HANDLING

### Policy

Deal with complaints in a fair and efficient manner

### Complaints Procedures

Praxis Luxembourg SA (PLux) is required by law and regulation to have in operation, and ensure compliance with, a written procedure for the effective consideration and proper handling of complaints.

A "complaint" is for the purpose of this policy defined as any expression of dissatisfaction by a client of PLux, whether orally or written or otherwise, about a service provided or withheld by PLux or about the behaviour of any employee or officer of PLux. A complaint is not necessarily founded on valid arguments.

Through its Regulation CSSF N° 16-07 from 11 November 2016<sup>1</sup> ([http://www.cssf.lu/fileadmin/files/Lois\\_reglements/Legislation/RG\\_CSSF/RCSSF\\_No16-07eng.pdf](http://www.cssf.lu/fileadmin/files/Lois_reglements/Legislation/RG_CSSF/RCSSF_No16-07eng.pdf)) the Commission de Surveillance du Secteur Financier ("the CSSF") addresses the issue of customer complaint handling. This Regulation states that a Professional of the Financial Sector "*should have in place an appropriate internal structure and precise instructions concerning the receipt and handling of customer complaints*".

Praxis' policy is set out in its agreements with its clients. The firm undertakes to look into all complaints carefully and promptly. Where the firm has given less than satisfactory service, it undertakes to do everything reasonable to put this right, and where the client is not satisfied, the client can contact the firm's Managing Director. And ultimately, resolve to turn to the CSSF for an out-of-court complaint resolution.

Unless there are unusual circumstances, or where the complaint is an insurance claim against Praxis, all complaints should be resolved within 3 months of receipt. However, as per Règlement CSSF N° 16-07 the complainant has the right to appeal the CSSF if he feels that he has not obtained a satisfactory response from PLux within one month, so efforts should be made to resolve any situation within a month after having formally received the complaint, if at all possible.

Definition of Responsible Persons:

Group Managing Director	Simon Thornton
PLux Managing Director	Martina Schumann
CSSF Designated Officer	Robert Kimmels
Compliance Officer	Bakary Sylla

<sup>1</sup> See also the CSSF Circular 17/671 as modified by the CSSF Circular 18/698

## COMPLAINTS HANDLING

1. Praxis' complaints handling procedures have four elements:
  - Receipt of Complaint (3)
  - Out-of-Court complaint resolution procedure before the CSSF
  - Investigation (4)
  - Keeping the client informed (5)
  - Complaints Monitoring (10)

### Receipt of Complaint

2. If you receive a complaint by telephone, consider the general points on defusing complaints in section 16. Listen carefully to the complainant and take detailed notes so that you will be able to consider the complaint and resolve it on the same day, if possible. If the complaint has come through the CSSF, you are to refer it immediately to the CSSF Designated Officer.

As you may not be responsible for dealing with the complaint, if the complainant contacts you again, you should listen sympathetically, inform the complainant that the complaint is being looked into, provide the name of the Director, Manager or Team Leader who is addressing the complaint and ask the complainant if they would like the Director, Manager or Team Leader to contact him/her.

If the complainant has resolved to raise the matter to the CSSF, the latter will in a first stage address a letter to the CSSF Designated Officer. He is to notify the daily management immediately and the Board of PLux without undue delay of the CSSF involvement.

The procedure aims at facilitating the resolution of complaints against professionals without judicial proceedings. Provided that all the provisions have been observed, thus the complaint deemed receivable, the CSSF will provide reasoned conclusions within a period 90 days from the reception date: such conclusions may be different from the order of a court applying legal provisions, the conclusions are not binding to the parties and the parties may eventually refer the later before a court if they fail to reach an agreement after the CSSF issued its reasoned conclusion.

### Investigation and Resolution of Complaints

3. The Director is the primary person responsible for considering and investigating the complaint promptly and fully EXCEPT where the complaint is about the Director. If the complaint is about the Director, the Managing Director will review the Complaints Monitoring Form – Initial Report and consider whether an independent director should handle it.

The primary function of the investigation is to resolve the complaint with the client either by establishing, with the client's agreement, that the complaint has no substance, or by taking remedial action to the client's



satisfaction. This is subject to section 15 [Potential Insurance Claims Against Praxis], those instances where there might be a potential insurance claim against the firm.

### Keeping the Client Informed

4. In order to minimise the risk of the complaint escalating it is important to keep the client informed about the progress of the complaint investigation and resolution.
  - Acknowledgement letter (6)
  - Holding Response (7)
  - Final Response (8)

The Director can delegate responsibility for preparing a response to the complaint to the relevant Team Leader. In such cases, the Team Leader is responsible for ensuring that appropriate letters are drafted for the Director's signature.

It is vitally important that the complaint is defined, understood, and answered accurately as quickly as possible (16).

### Acknowledgement Letter

5. Within 3 business days of receipt of a complaint that has not already been resolved, the complainant shall be sent an Acknowledgement Letter – it should include the date of receipt of the complaint and details of the person responsible for addressing the complaint.

Where the complaint may lead to a potential insurance claim against the firm, the Director should firstly speak with the Group Managing Director, and only send the letter once he has authorised the acknowledgement.

### Holding Responses

6. Subject to section 15 (Potential Insurance Claims against Praxis), and where it may take some time to resolve the complaint, a Holding Response should be sent. The first Holding Response should be sent no later than one month after the formal receipt of the complaint, but preferably 15 days after the formal receipt of the complaint. This response should address the following points:
  - The reason why the complaint has not yet been resolved,
  - If appropriate, a request for further material/ information from the complainant,
  - The time frame within which PLux expects to resolve the complaint,
  - Any intermediate action that has been taken to resolve the complaint,
  - Highlight the possibility for the client to appeal to the CSSF if he feels that his complaint has not been treated satisfactorily within one month after formal filing thereof (refer to the relevant section of the CSSF website and indicate how an appeal with the CSSF can be filed).

At times, more than one Holding Response might be appropriate and not more than 1 month should elapse between communications. Take care to explain the reasons for any delay (17).



## Final Response

7. Subject to section 15 (Potential Insurance Claims against Praxis), the Final Response should indicate whether the complaint has been rejected (if so, reasons should be included – for example, client has not provided essential information/ documentation that has been requested on more than one occasion), or whether the firm is offering redress (this does not mean that the firm has accepted the complaint). There should be included a closing “cordiality” paragraph along the lines that the firm looks forward to continuing to provide an excellent service to the client.

If the complaint has not been assessed as a potential insurance claim, any concession made should include wording to the following effect: *“As a gesture of goodwill and without admission of liability we are prepared ...”*.

THE FINAL, SUBSTANTIVE RESPONSE TO THE COMPLAINT MUST INCLUDE THE FOLLOWING WORDING:

“Unless and until Praxis Luxembourg S.A. has received an indication that this response is unsatisfactory, we shall be entitled to treat the complaint as settled and resolved after the expiry of four weeks from the date of this response.”

Where the complaint has been assessed as being a potential insurance claim, the draft Final Response should be forwarded to the Group Managing Director for consideration.

The Final Response should include wording on the possibility for the client to appeal to the CSSF if he feels that his complaint has not been treated satisfactorily within one month after his formal filing thereof, and that his request must be filed with the CSSF within one year after his filing with PLux. (refer the client to the relevant section of the CSSF website and indicate how an appeal with the CSSF can be filed).

[http://www.cssf.lu/fileadmin/files/Lois\\_reglements/Circulaires/Hors\\_blanchiment\\_terrorisme/cssf17\\_671\\_upd\\_230818.pdf](http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/Hors_blanchiment_terrorisme/cssf17_671_upd_230818.pdf)

If the complaint did not result in a satisfactory answer, and if PLux decides to have recourse to the out-of-course complaint resolution procedure with CSSF, the complainant (client) must be informed of this decision and must be provided with the copy of the Regulation CSSF N° 16-07, or the reference to the CSSF website, as well as the different means to contact the CSSF to file a request.

8. Where the Director has given a substantive response in relation to a complaint, unless and until the firm has received an indication from the complainant that the response is unsatisfactory, the firm shall be entitled to treat the complaint as settled and resolved after the expiry of four weeks from the date of its response.

## Complaints Monitoring

9. In order to ensure that complaints are dealt with efficiently and in a timely way the Compliance Department monitors the complaints resolution process. This monitoring process has four elements:
- Complaints Monitoring Form (11)
  - Complaints Handling Progress Reports (12)
  - Closing a Complaint (13)
  - Reporting to the Board (14)



### Complaints Monitoring Form – Initial Report

10. Where you receive a complaint that you cannot resolve to the client's satisfaction on the day of its receipt, you are required to:

- Immediately complete a *Complaints Monitoring Form – Initial Report* (Group Intranet); and
- Provide the *Complaints Monitoring Form – Initial Report* to the Team Leader who deals with that client;
- make a diary note in Acufund or elsewhere to review the complaint on a weekly basis, with the first review 14 days from the date of receipt of the complaint.

After receipt of the *Complaints Monitoring Form – Initial Report*, the Team Leader shall provide the original to the Compliance Department within one business day of its receipt. The Team Leader and/or Director may add additional comments to the Form.

The Compliance Department shall log the complaint in the Complaints Log.

### Complaints Monitoring Form – Resolution Report

11. The Director is to provide the Compliance Department with a completed *Complaints Monitoring Form – Update/Resolution* as soon as the complaint has been satisfactorily resolved (see also 9), attaching any relevant documentation.

The Compliance Department shall log the complaint resolution in the Complaints Log.

### Complaints Monitoring Form – Updates

12. If the complaint is not resolved quickly, the Director shall provide the Compliance Department with updates on the progress of the complaint, attaching any relevant documentation.

The Compliance Department and the CSSF Designated Officer shall meet and consider unresolved complaints on a weekly basis. If the Compliance Department has not received a written update (*Complaints Monitoring Form – Update/Resolution*) prior to this meeting and more than one month has passed since the complaint was made, he will request one from the Director.

If the complaint remains unresolved 1 month after its receipt, the Compliance Department shall inform the CSSF Designated Officer so that he can review the complaint – prior to this, if the Compliance Department has not received a recent written update (*Complaints Monitoring Form – Update/Resolution*), he will request one from the Director.

If the complaint remains unresolved 2 ½ months after its receipt, or cannot be resolved, the Compliance Department shall inform the CSSF Designated Officer in writing.

### Reporting Complaints History to the Board

13. The Compliance Officer shall table the Complaints Log at the quarterly Board Meeting. The CSSF Designated Officer shall then sign off on the finalisation of the complaints in the Complaints Log.



## Potential Insurance Claims

14. If at any time the Team Leader/ Director considers the complaint might result in an insurance claim against the firm he/ she shall immediately inform the Group Managing Director in writing.

Where notification has been made to the insurers, the firm must act in accordance with the advice given by the insurers, otherwise cover could be affected. The Group Managing Director must provide written approval to all correspondence PRIOR to it being sent.

## Defusing Complaints

15. The practical steps set out below may help to defuse complaints. In many instances complaints cover a number of areas and it is vital that all aspects of a complaint are dealt with fairly and reasonably. In order to maintain client goodwill it is also imperative that complaints are dealt with in a timely manner.

General points to bear in mind include:

- Complaints are often construed - and sometimes presented - as personal criticism. Do not assume an adversarial stance, as objectivity and reasoned judgement may disappear.
- See the matter from the client's viewpoint. Think how you would feel if the positions were reversed.
- Try to resolve the problem speedily. If it cannot be resolved in one day, or it has been referred by the CSSF, you are to complete the *Complaint Monitoring Form (11)* and provide it to the Team Leader.
- Subject to section 15 and where appropriate, the Director (or other member of staff as appropriate) shall meet the client in person. Letters can seem impersonal and telephone conversations may be misunderstood. A meeting may open stormily as the client vents his anger. Do not be drawn on individual issues until you have heard all that the client has to say. The subsequent discussion may be more reasonable and objective if the client has vented his anger, provided that you have maintained an attitude of reasonable concern over the complaint.
- However emotionally a complaint is presented, the client still often holds a reservoir of goodwill. A genuine apology or offer from the Team Leader/ Director to make amends **without admitting liability** may resolve the problem. This approach should never be taken, however, where there is a potential insurance claim against the firm.
- Only the Group Managing Director may make or authorise another director to make an admission of liability. This will only occur where the Director has given careful consideration to the facts AND held detailed discussions with the Group Managing Director.

## Delay in Responding to a Complaint

16. Subject to section 15, explain to the client the reason for any delay. Agree (and confirm in writing) a realistic estimate of the likely time-scale for completion and keep to it.

If the delay is caused by the firm, and there is a possibility that there will be a claim for damages, you should refer the matter to the Group Managing Director so that the insurers may be made aware of the potential claim. If there is no such possibility, the Director should apologise to the client and consider appropriate compensation, but should



never admit liability except where he/ she has carefully considered the facts AND held detailed discussions with the Principal Dealing.

Where a third party causes the delay, let the client know this and the efforts that you are making to progress matters. If the delay appears to be caused by the client's failure to supply information, check that the client is aware of what is required.

### Quality of Responses

17. Define the precise reasons why the client is dissatisfied and concentrate on these, so that the complaint does not become too wide-ranging and unfocused to be defused. If the firm has not provided the level of service that the client could reasonably expect, be open and frank with your Director about it so that he/ she can consider whether it is appropriate to make a suitable apology or offer of amends. The Director will firstly need to consider the facts and hold detailed discussions with the Managing Director in relation to any perceived admission of liability.

If you find that there are no grounds for complaint, do not dismiss it out of hand. Discuss it first with your Director. Your Director may wish to contact the client him/herself, or might ask you to go through it with the client again and explain why what happened did happen. If the Director asks you to contact the client, make sure that the client understands what you are saying and try not to introduce too many technical terms if this is likely to cause confusion. Where there has been both good and bad service provided, the whole position should be discussed with the client. Explain where you do not agree with the client and give your reasons; say where you agree and disagree, and put forward positive proposals to rectify the matter. Do not make any admission of liability.

**Always make a detailed file note of your conversations.**

### Relations with the CSSF

18. As a general rule, and not only within the context of client complaints, all employees of PLux are bound to co-operate with the CSSF in an open and honest manner. Any questions from the CSSF should be dealt with rapidly and answered as completely as possible.

In principle, the CSSF will address the CSSF Designated Officer in all its communications. If you receive a telephone call from a person at the CSSF relating to complaints, ask whether you can transfer the call to CSSF Designated Officer. If a complaint involves the actions (or lack thereof) of the CSSF Designated Officer, this role will be temporarily taken over by the Plux Managing Director, and the CSSF will have to be advised accordingly.

19. If a client has filed an appeal in respect of a complaint with the CSSF, the latter will notify Plux that it has received such and will demand a formal reply within one month. It is the responsibility of the CSSF Designated Officer that this reply is made within the imposed deadline.
20. The CSSF Designated Officer shall provide on an annual basis to the CSSF an overview of all complaints received during the past year. This overview shall include the number of complaints, classed by type, and a concise explanation of each complaint and measures taken. The Complaints Log will be the basis for this overview. As per article 3 of the CSSF Circular 17/671, the overview of all complaints received during the past year must be delivered to the CSSF no longer than 1<sup>st</sup> March of each year.



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