



MORCSA

Mortgage Origination Regulatory Council of South Africa

COMPLAINTS FRAMEWORK

| DOCUMENT MANAGEMENT | |
|---------------------|------------------------|
| Policy Manager | Conduct Committee |
| Implementer | Board / CEO |
| Approval Authority | Board / Membership |
| Implementation Date | 1 February 2025 |
| Next Review Date | 1 July 2025 |
| Amendment History | First Version 20250201 |

1. INTRODUCTION

The Mortgage Origination Regulatory Council of South Africa (“MORCSA”) is an industry representative for financial institutions regulated by the Financial Sector Conduct Authority (FSCA) and in future the Conduct of Financial Institutions Act once enacted.

The Memorandum of Incorporation of MORCSA requires it to devise and implement a “complaints framework” to manage the complaints process.

The Complaints Framework aims to ensure all complaints are handled fairly and consistently and are resolved.

The Complaints Framework is to be read in conjunction with the Code of Good Practice and the Terms of Reference of the Conduct Committee.

2. DEFINITIONS

2.1 **Complainant** means a person who submits a complaint and includes a—

- a. Consumer; or
- b. Member; or
- c. Credit Provider; or
- d. Industry Regulator; or
- e. any person whose dissatisfaction relates to the approach, solicitation marketing or advertising material or advertisement in respect of the mortgage origination services of the Member;

who has a direct interest in the mortgage original service to which the complaint relates, or a person acting on behalf of a person referred to in (a) to (e);

2.2 **Code of Good Practice** means the written document, approved by the Board, setting out, inter alia, the code of conduct (including principles relating to treating customers fairly) that apply to the manner in which Mortgage Origination Services are to be rendered by Members to Consumers, the disciplinary procedures and code that will apply to Members and Key Individuals in the event of a contravention of the Code of Good Practice and all other matters relevant to regulating and monitoring the Industry, it being recorded that the Board shall be entitled and, if required by Applicable Laws and/or the Industry Regulator, obliged to consult with the Industry Regulator in respect of the Code of Good Practice;

2.3 **Complaint** means an expression of dissatisfaction by a complainant to a member relating to any mortgage origination service provided or offered by that member which indicates or alleges, that the member has contravened or failed to comply with the Code of Good Practice or any other obligation imposed on a Member by reason of its or their membership of MORCSA;

- 2.4 **Disciplinary Rules** means the Disciplinary Rules as set out in Part 6 of the Code of Good Practice;
- 2.5 **Member** means a member of MORCSA as more fully set out in its Memorandum of Incorporation;
- 2.6 **Mortgage Origination Services** means the provision by members to consumers of financial services relating to the provision of credit (“financial services” and “credit” both as defined in the FSRA) and includes services entailing the submission of an application, on behalf of the consumer, to one or more credit providers (registered as such in terms of the National Credit Act 34 of 2005, as amended) for financing to acquire or refinance an immovable property, renovations to an immovable property and/or any products that accede to an immovable property by way of a mortgage bond product offered by those credit providers;

3. PURPOSE

The objective of the complaints process is to consider Complaints and to take such disciplinary action in regard to Members as may be appropriate as more fully set out in the Code of Good Practice. MORCSA is not empowered to make any financial award in favour of, or award any damages, to a Complainant.

4. THE COMPLAINTS RESOLUTION PROCESS

- 4.1 MORCSA’s Conduct Committee (who shall also act as the ‘complaint resolution committee’) will consider complaints received in terms of this Complaints Framework.
- 4.2 After consideration of any Complaint received, MORCSA may endeavour to resolve the complaint through mediation/intervention or referring such Complaint to the Member’s internal dispute resolution process (if any).
- 4.3 Notwithstanding the foregoing, and which is the primary purpose of this Complaints Framework, MORCSA will be entitled to commence disciplinary action against any Member in accordance with the Code of Good Practice, as read with the Disciplinary Rules. The Code of Good Practice and Disciplinary Rules are deemed to be incorporated into this Complaints Framework.

5. SUBMISSION OF COMPLAINTS

- 5.1 Consumers shall have a right to lodge a complaint should they feel that any member of MORCSA has contravened or failed to comply with any provisions of any Applicable Laws, the Code of Good Practice or the MOI of MORCSA.
- 5.2 Complaints must be lodged in writing with MORCSA and comply with the requirements set out herein or in the Disciplinary Rules.

6. ACKNOWLEDGEMENT OF RECEIPT OF COMPLAINTS

- 6.1 MORCSA will ensure that the complainant receives acknowledgement of the complaint using email communication **within 72 hours of receipt of complaint**, even if such acknowledgement is an automated response.



- 6.2 The email will indicate that a formal response will be provided within 10 (ten) days of the initial 72-hour communication. Depending on the complexity of the matter, the response time may be extended to 20 (twenty) days.

7. REVIEW AND ESCALATION OF COMPLAINTS

- 7.1 All complaints received via any medium, will be handled internally by the office of the CEO;
- 7.2 The CEO will exercise reasonable care and skill to ensure that the Complaint is resolved amicably and within a reasonable time to the extent possible;
- 7.3 The complainant will be kept informed during the process and of any decision to institute disciplinary proceedings against a Member in terms of the Disciplinary Rules.

8. DISCIPLINARY ACTION

- 8.1 The CEO may, in his sole and absolute discretion, should the complaint relate to the breach of MORCSA's Code of Good Practice by a member, be entitled to refer the Complaint to the Conduct Committee to be dealt with in accordance with the Disciplinary Rules set out in the Code of Good Practice.
- 8.2 The decision to refer the matter for disciplinary action and the final outcome of any disciplinary proceedings will be officially communicated to the complainant.
- 8.3 The making of a Complaint shall not preclude the Complainant from accessing any other Industry Regulator or other bodies' escalation channels including any Ombudsman or the right to institute civil proceedings against any Member.
-

