

# Company Law Today

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Graeme Fraser & Vel Fraser

Outline of General Details of

FSP Breach of FAIS and General Code

Body of Cases 2017 - 2020 thus far

# Ombud

for Financial Services

## Legislative Framework

- "FAIS" Financial Advisory and Intermediary Services Act 37 of 2000
- "FSOS" Financial Services and Ombud Scheme Act 37 of 2004
- "STIA" Short Term Insurance Act 53 of 1998
- "FSP" Financial Services Provider
- "GCC" General Code of Conduct
- Rules on Proceedings of Office of FSP Ombud

## General Code of Conduct s2

The Financial Services Provider at all times must render financial services honestly, fairly with due skill and diligence in the interests of clients and with the integrity of the Financial Services Industry.

## General Code of Conduct s 3(1)(a)(i)

The FSP must at all times render adequate and appropriate advice to a client in the circumstances of the particular financial service a factually and reasonably assumed level of knowledge by the client.

85 %

- capital lost in secondary fund
- costs realised but uncalculated
- developer waiting period nondisclosure
- exorbitant commission nondisclosure
- failure to honour STIA claims
- high yields promised [30%]
- investment book 'lost' in holding company
- funds locked in unregistered Trust account
- means weak for onerous premiums nondisclosed
- transfer funds from stable unit trust non-notified

75 %

- application, contract forms incomplete
- contractual deficiency
- failure to account for client's full details
- failure to point out material terms
- failure to respond to Ombud for details
- non-disclose new market schemes untested
- non-informed of new agent or FSP partner
- non-notify of premiums, fees and costs
- regular FSP contact unmaintained
- sharp declines non-notified
- transfer of funds non-notified

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0800 111 509 to report fraud to the Ombud