

# Self-assessment tool: Complaints handling

## Why this matters

As a financial advice provider, it is important that you resolve any client complaints in a fair, timely and transparent way. You must belong to an approved Dispute Resolution Scheme ('DRS'), and keep records of all complaints, including the date the complaint was received and any action you took. If no action was taken, then you need to record the reasons why.

Use this self-assessment tool to see if you're ready to complete the complaints handling section of your Class 1 or Class 2 FAP full licence application. It should help you identify areas of strength or weakness in your full licence preparation so you can seek further help or advice and address any gaps before you apply. \*

| Are you ready?   | Yes/No | Steps still required |
|--|--------|----------------------|
| <p><b>WHAT TO CONSIDER</b></p> <p><b>Do you know what information you need to provide to your clients both before and after a complaint is received?</b></p> <p>A complaint relating to your financial advice service is defined in <a href="#">Regulation 229F(4) of the Financial Markets Conduct Regulations 2014 (FMC Regulations)</a> as an expression of dissatisfaction made to you or to a person engaged by you, relating to:</p> <ul style="list-style-type: none"> <li>• your financial advice service (including any regulated financial advice given to a retail client by you or on your behalf); or</li> <li>• the complaints handling process itself</li> </ul> <p>where a response or resolution is explicitly or implicitly expected.</p> <p>There is specific information about your complaints process that you must make publicly available (for example, on your website), and when the advice is given. <a href="#">Schedule 21A of the FMC Regulations</a> sets out these details.</p> <p>Once a complaint is received, <a href="#">Section 229F of the FMC Regulations</a> sets out the information that you must provide to the complainant. This includes:</p> <ul style="list-style-type: none"> <li>• An overview of your internal complaints process.</li> <li>• A statement to the effect that the complainant has access to a free, independent dispute resolution service if the complaint is not resolved to the complainant's satisfaction using your internal complaints process.</li> <li>• The name of, and contact details for, your dispute resolution scheme.</li> </ul> <p>You must provide this information within two days of receiving the complaint and if it is not practicable to do so, as soon as practicable after that time. The information need not be given if the complaint has been resolved to the complainant's satisfaction within two days.</p> |        |                      |

| Are you ready?   | Yes/No | Steps still required |
|--|--------|----------------------|
| <b>PROCESS</b>   |        |                      |
| <p><b>Do you have an internal process for resolving client complaints and have you communicated it to your team?</b></p> <p>At a minimum, your complaints handling process is likely to include:</p> <ul style="list-style-type: none"> <li>• The definition of a complaint (as provided in Regulation 229F(4) of the FMC Regulations)</li> <li>• A clear explanation of when complaints must be reported (to whomever in your firm is nominated to receive them – this could be you yourself, if you're a sole adviser business (Class 1 licence applicant)) and details of how you will ensure this happens.</li> <li>• How you record and classify complaints in a way that helps you identify trends in complaints.</li> <li>• How you investigate and address any issues identified, including details about under what circumstances a complaint would be provided to your external dispute resolution scheme (DRS).</li> <li>• How you ensure complaints are acknowledged as soon as reasonably practical.</li> <li>• How you retain consistent and organised records of complaints to assist with internal reporting and to enable you to respond to any requests for complaints data to be provided to the FMA.</li> <li>• Details of how you record all complaints. This should include the date each complaint was received, and the action taken.</li> </ul> <p>Hint: Talk to your DRS – they can provide guidance to you and your team on effective complaints handling and may have templates for you to tailor to your specific business.</p> |        |                      |

| Are you ready?   | Yes/No | Steps still required |
|--|--------|----------------------|
| <b>DOCUMENTATION</b>   |        |                      |
| <p><b>Have you documented your complaints handling process?</b></p>  |        |                      |
| <p><b>If not, can you explain how you will ensure you meet the requirements set out in the FMC Regulations and Standard Condition 2?</b></p> |        |                      |

| Are you ready?  | Yes/No | Steps still required |
|---|--------|----------------------|
| <b>REGULAR REVIEW</b>   |        |                      |
| <p><b>Do you regularly review your complaints handling process, and update it as needed?</b></p> <p>Hint: It's good practice to ensure your complaints handling process is reviewed at least every three years; it's also a good idea to include a version control reference on your document when you update it. This should include the date when it was last reviewed.</p> |        |                      |

## Ready to take the next step? Start your draft full licence application online on the FMA website

Remember, you don't have to complete your application in one sitting. Make a start, complete what you can, and then return to fill in any gaps.

### Need more help?

- For more information about who must use a DRS and how to choose one, visit the [Financial Service Providers Register](#) website.
- For a useful introduction to the financial disputes resolution process, including a customer case study, visit the [Consumer website](#)
- For help and advice on effective complaints handling, talk to your DRS
- For more information about your duties and obligations as a financial advice provider, visit the [FMA website](#)
- For full details of your internal complaints obligations see Standard Condition 2 in the [Standard Conditions for full FAP licences](#) and [Regulation 229F of the FMC Regulations](#)
- Contact us: 0800 434 566 or [questions@fma.govt.nz](mailto:questions@fma.govt.nz)

*\*Please note that this self-assessment tool is designed to help you prepare to apply for your Class 1 or Class 2 full licence. Completion of this form does not provide any guarantee that you will be granted a full licence. To apply for a licence, you will need to complete the full licence application form on the [FMA website](#). Your application will then be assessed by our licensing team.*