

Complaints Procedures

1. Introduction

In consideration of MAG being dually regulated by the FCA and the IVASS, the purpose of this document is to set out MAG internal complaints procedures in line with both the UK and the Italian regulators requirements regarding complaints procedures.

2. Overview of MAG's complaints handling procedures

MAG's complaints handling procedures aim to:

- deal with complaints in a timely and efficient manner;
- ensure the process is consistent and fair and that complainants' receive appropriate redress for a justified complaint;
- ensure that only people of appropriate skill and experience are involved in dealing with each complaint;
- meet regulatory requirements and guidelines on complaints handling procedures; and ensure that complaints statistics are used effectively so that both systemic and one-off issues are properly addressed to avoid future recurrence.

3. Definition of a "Complaint" under the FCA and the IVASS regulations

The Financial Conduct Authority (FCA) has defined a complaint as 'any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of an eligible complainant about the provision of, or failure to provide, a financial service'.

In particular, a complaint involves an allegation that the complainant has suffered, or may suffer, financial loss, material distress or material inconvenience. A complaint does not, however, include a normal query from a complainant that goes no further than an initial discussion.

It is important to remember that a complainant can make a complaint verbally, by fax, letter or e-mail.

The IVASS definition of complaint is a declaration of dissatisfaction in writing with an insurance company, an insurance intermediary or a registered intermediary relating to a contract or an insurance service.

On the contrary, requesting information, clarifications, damages or seeking for the contract execution are not to be considered complaints.

4. Definition of an "Eligible Complainant"

For your information, an "eligible complainant" is defined as:

An eligible complainant must be a person that is:

- individuals acting for purposes outside their trade, business, or profession
- "micro-enterprises" (which are smaller business that have a turnover or annual balance sheet of not more than €2m and fewer than ten employees)
- a charity with less than £1m annual income
- a trustee of a trust with net asset value of less than £1m

Non-eligible complainants are all other complainants who do not fall within the FCA's definition of an eligible complainant.

Currently MAG's clients are other regulated intermediaries or corporate clients, who fall into the non-eligible complainants' category, however any complaint received must be treated seriously and appropriate steps taken to ensure that the complaint is properly addressed.

MAG has applied for exemption on the grounds that MAG has no eligible complainants. However, in the interest of "best practice" our internal complaints handling procedures will meet with the FCA rules and guidance as set out in the FCA handbook under the Dispute Resolution Complaints (DISP section).

Where a person is an eligible complainant this enables him to complain to the Financial Ombudsman Service (FOS) when he feels that he has suffered or may suffer financial loss, material distress, or material inconvenience as a result of a firm's wrongful act or omission. The FOS will make a levy on each broker through the FCA, however as MAG has no eligible complainants it has applied to the FOS for an exemption.

5. Receipt of Complaints

As a complaint can be made by any reasonable means (e.g. by telephone, letter, fax, e-mail or in person), all employees of MAG MUST be alert to the possibility of receiving a complaint as well as the procedures for handling a complaint.

It is important to realize that in most cases the complainant just wants his problem to be resolved quickly and efficiently. Do not let angry or rude complainants upset you. The best way of dealing with all complainants is to listen to them patiently, to be courteous to them at all times and to empathize with them. Most complainants will calm down if they believe that you really want to resolve their problems.

The following is a list of points that should be adhered to when speaking with a complainant regarding a complaint:

- Clearly identify yourself to the complainant;
- Listen carefully and record all relevant details;
- Find out exactly what the complainant wants and confirm the details;
- Get all of the facts and check that the complainant understands the situation;
- Always be polite – do not argue or make excuses.

Upon receipt of a complaint, the staff member receiving the complaint must forward it to the Compliance Officer immediately who will then log this complaint in the centralized complaints log and track the progress of the investigation into the complaint.

In accordance with IVASS requirements, the "Complaints Office" is responsible for handling complaints. Any written complaint received by an employee must be promptly sent to the "Complaints Office" of MAG Group at ufficioreclami@magitaliagroup.com together with any documents attached to the complaint.

Should the complaint be against another intermediary that places the premiums on the insurance market and with whom a collaboration relationship has been established pursuant to art. 22 D.L. 179/2012 - defined by the provision as "Competent Intermediary", the "Complaints Office" sends the complaint within 15 days of receipt to the intermediary with whom the collaboration took place, providing the intermediary with all relevant information and documentation attached to the complaint.

6. Logging complaints

A centralized complaints register is maintained by the Compliance Officer, who will enter the details of all complaints received in whatever form. These complaints must be sequentially numbered. No complaints should be deleted.

The following information must be entered into the complaints register on receipt of a complaint:

- The complaint number;
- The complainant's name;
- The date the complaint was received;
- The complaint code;
- The nature of the complaint;
- The type of complaint;
- Whether the client is consumer or commercial;
- Account handler;
- The name of the staff member responsible for dealing with/investigating the complaint;
- Date PI insurer notified (if applicable);
- The dates of the acknowledgement letter, of when the final response is due and when the final response were sent;
- Outcome;
- Compensation paid including ex-gratia;
- Binder/lineslip (if applicable);
- Comments.

If a member of staff is unsure of whether a matter should be reported as a complaint, the matter must be referred to the Compliance Officer immediately for clarification.

7. Handling Complaints

When responding to complaints (whether verbal or written), it is important to bear in mind that one of MAG's main objectives is to maintain goodwill. Complaints should therefore be handled fairly, consistently and promptly and care must be taken to avoid the development of blanket rules in the assessment of complaints. Each complainant communication must be assessed on a case-by-case basis to determine whether it is to be reported as a complaint.

8. Investigating Complaints

In order to conduct a full inquiry into the complaint, the Compliance Officer investigating the complaint should first establish the complainant's concern: the relevant facts must be discovered and all employees involved must be spoken to in order to ensure that nothing is missed or overlooked.

Background information should also be gathered to understand the complainant relationship, such as whether the complainant has any other policies with MAG, the value of the relationship and whether the complainant has had difficulties in dealing with MAG in the past. This information should be kept in a file that relates specifically to that complaint and referred to in the complaints register.

A record of information gained from other departments should be kept in relation to a complaint that has been dealt with to ensure that there is a proper audit trail.

Examples of the types of information that are commonly obtained during the investigation stage are:

- Details of conversations with the complainant;
- Print-outs of information gathered from MAG's systems (eg screen prints);
- Details of information obtained from other departments (eg copies of e-mails); and
- Additional correspondence from the complainant.

9. Time limits for dealing with a complaint

MAG aims to resolve complaints at the earliest possible stage. However, the following time limits apply to complaints from eligible complainants from the time the firm receives the complaint:

We must issue a final response to all complaints within eight weeks

The time limits for dealing with a complaint do not apply:

- If the complaint does not involve an allegation that the complainant has suffered, or may suffer, financial loss, material distress or material inconvenience; or
- If the complaint has been resolved to the close of three business days after the date of receipt of the complaint.

Within 8 weeks of receiving a complaint

Within eight weeks of the receipt of a complaint, MAG must send the complainant either:

1. a final response which:
 - Accepts the complaint and, where appropriate, offers redress; or
 - Offers redress without accepting the complaint; or
 - Rejects the complaint and gives reasons for doing so.

In accordance to IVASS regulations, a feedback needs to be provided to customers or to any interested parties within 45 days of receipt of the complaint. The feedback must contain simple and easily understandable language.

To provide the customers or the interested parties with a response to the complaint, the "Complaint Office" will cooperate with the company departments involved in handling the process towards which the complaint is referred. The relevant department will need to provide the "Complaint Office" with all the relevant documentation to enable the "Complaint Office" to prepare the case.

When the complaint is rejected or when it is only partially accepted, the customers or the interested parties must be provided with a clear explanation of the reasons at the basis of the decision and they must be informed that before involving the judicial authority, they can contact IVASS – Intermediaries Supervision Service (Via del Quirinale Quirinale, 21 – 00187 Rome) by attaching the documentation relating to the complaint.

It is important to clarify that since the time-frame requirements in relation to the IVASS time limits for dealing with a complaint differs from the one set out from the FCA, the appropriate regulation will apply depending on who the complainant is.

Closure of the complaint

If the complainant does not accept the proposed action, the matter should be referred to the Chief Executive Officer (“CEO”) or his delegate for further investigation.

All correspondence must be kept by the Compliance Officer, who will ensure compliance with the FCA’s requirement that records of complaints are kept for a minimum period of 3 years from the date of receipt of the complaint.

What to include in the final response

It is in the firm’s best interests to set out its position, and to include:

- An apology or expression of regret - this is simply an acknowledgement of an unhappy complainant;
- A summary of the complaint;
- A summary of the outcome of the firm’s investigation;
- Any offer to settle the complaint;
- Length of time the offer will remain open;
- A clear statement that the letter is a final response and that, if the complainant is dissatisfied with the final response, he, if eligible, may refer the complaint to the FOS within 6 months.

In addition, final response letters should:

- Be written in clear, plain language;
- Avoid, where possible, cross-references to other correspondence that might not be available to the complainant, and
- Include a copy of relevant correspondence if the letter has to refer to previous correspondence.

10. Lloyd’s Insurance Company

All complaints are to be handled in compliance with the requirements set in the CAAs and by Lloyd’s Regulation.

- Within 48 hours from receipt of the complaint, the complaint handler has to send acknowledgment of receipt to the complainant.
- Within 45 days from receipt of the complaint, the complaint handler has to send a final response to the complainant.

The final response shall be agreed with the Leader Underwriter of the policy and must contain the referral rights to the Regulator of Competence.