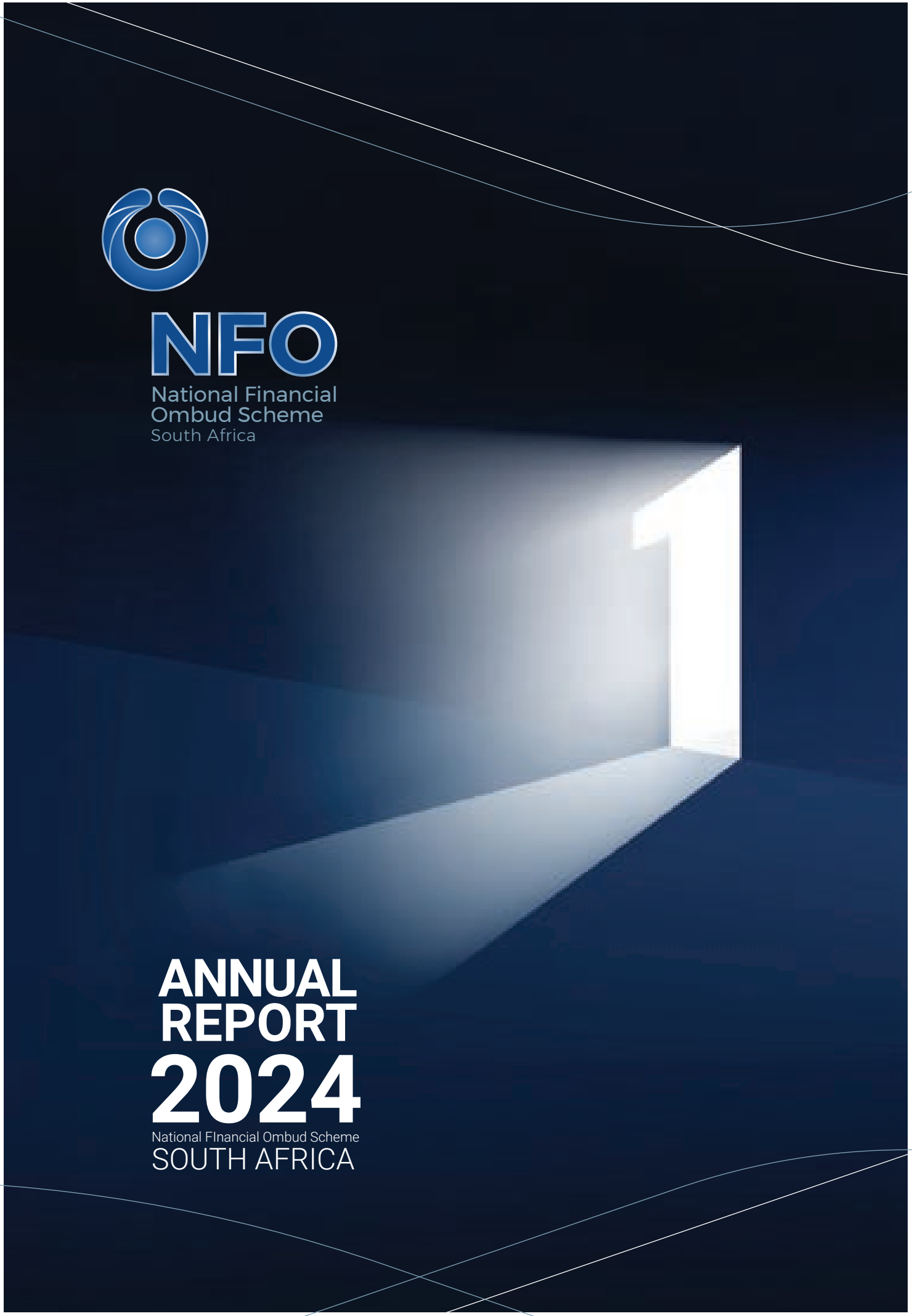
NFO
National Financial
Ombud Scheme
South Africa



ANNUAL REPORT 2024

National FInancial Ombud Scheme
SOUTH AFRICA

Prologue

A New, Unified Ombud Adventure: Through the Doorway and Into the Future.

Around this time last year, the writers of four separate annual reports from four standalone financial ombud schemes had just seen their 'sunset' efforts signed off and published.

The contributors wrote of their optimism and excitement regarding their individual schemes' incorporation into the newly unified National Financial Ombud Scheme South Africa (NFO). They also expressed understandable levels of trepidation.

While the transition was already well underway, there are always uncertainties at the end of one era and the start of another.

What helped the professionals of the new entity in their endeavours, however, was an abundance of experience and expertise in their areas of dispute resolution. Of course, the same could be said of the NFO Board and Management teams tasked with keeping the entire scheme on the right trajectory.

Furthermore, a set of grounding values and principles was firmly in place to buttress the enterprise.

To find out in detail how each division, and the NFO as a whole, tackled their challenges to end this momentous year on a high, and how successful they were, turn the page and read on!

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Introduction

Many organisations, whether in the commercial or governmental sectors, develop a set of principles and ideals that guide their behaviour, both publicly and internally. These guiding principles are particularly vital for not-for-profit organisations, such as the National Financial Ombud Scheme South Africa (NFO) - which is recognised as an industry ombud scheme by the Ombud Council (OC/001/24), and which must adhere to standards of impartiality, fairness, even handedness, and transparency. Failure to uphold these values risks undermining their mandates, vision, and mission statements. While many of these values were inherent in our four legacy Ombud schemes, they have been further articulated and strengthened under the new framework. This enhancement ensures that our commitment to ethical conduct remains clear and actionable, further promoting trust and accountability among all stakeholders.

Our Vision

To be globally recognised as a trusted, world-class Ombudsman scheme, that fosters customer confidence in the financial services sector through prompt dispute resolution at no cost to the complainant.

Our Mission

To transform dispute resolution in the insurance, credit, and banking sector. By uniting the strengths of merged Ombud schemes, we offer free, efficient, and impactful solutions. We are dedicated to empowering consumers through education, protecting their rights, and building trust and transparency in the sector.

Values

Accessibility

We offer multiple communications channels in all South African official languages, and our services are completely free of charge for consumers.

Efficiency

We are committed to providing prompt, effective dispute resolution services.

Fairness

We adopt an equitable approach that balances the rights and responsibilities of consumers and financial services providers.

Independence

We impartially assess each complaint on its facts, and operate without fear or favour.

Openness

We communicate clearly about our operations and achievements, and encourage positive change through sharing lessons learned.

Transparency

We provide clarity around the limits of our jurisdiction and the range of outcomes we can deliver.

Chairperson's Report

Haroon Laher

Chairperson, National Financial Ombud Scheme South Africa (NFO)

YEAR ONE OF THE NFO: BRAVING THE HEADWINDS WHILE TACKLING THE CHALLENGES.

No matter how well-prepared their people, and the levels of planning and details put in place, all organisations are essentially venturing through unfamiliar doorways when facing dramatic change. In the case of the NFO, the amalgamation meant uniting four standalone schemes with differing cultures into one entity as seamlessly as humanly possible. As mentioned throughout this inaugural report, a guiding set of principles is essential for success – to which, the NFO Chairperson adds, is another necessary quality: courage.

As I started thinking about this report, I was reminded of an extraordinary moment which will make its own mark in history for future generations to consider – the recent inauguration of the President of the United States of America. One particular act of bravery stood out on that day: the courage of a pastor who took the stand and delivered a heartfelt prayer for unity and healing, not only in a deeply divided nation, but a deeply divided world. For me what stood out in the pastor Mariann Budde's message was the way she exemplified what it means to be brave. She called for mercy on immigrants and LGBTQ+ individuals. She held her ground and stood bravely amongst those that she knew would be upset by her sermon. Others followed the staid and scripted event, missing an opportunity to be brave by speaking the truth and seeking a just future for all.

Our mission towards an amalgamation of financial ombud schemes was, in itself, an act of bravery. The aim has always been to advocate fairness and integrity through an independent, free, user-friendly, and efficient and trustworthy ombud system for financial consumers to provide redress if they are treated unfairly. This plays a critical role for financial consumers and businesses – and helps to underpin confidence in financial services. Questions were raised about the fragmented ombud scheme, its effectiveness and ability to bring financial consumers into the ombud framework. Bravery required that they are addressed honestly and openly.

The legacy voluntary ombud schemes of the Short-term and Long-term Insurance Ombuds, Banking Ombud and Credit Ombud were successfully amalgamated to form the National Financial Ombudsman Scheme (NFO). Following recognition by the Ombud Council, the NFO commenced operations as a single entity on 1 March 2024. This brave step guarantees fairness and trust for all stakeholders participating in the South African financial system.

Much like the pastor, the NFO is called upon, on a daily basis, to exhibit bravery in all the key pillars that the NFO strives to achieve: firstly, objectiveness, impartiality and independence; secondly, equity and fairness based on the facts; thirdly, free and seamless access to all financial consumers to resolve complaints between them and financial businesses; fourthly, openness allowing decisions to be scrutinised so that lessons can be drawn from them.

I am pleased to report that we achieved a successful integration of the four legacy schemes. We did so with very little interference in our core mission and objectives. During our first year, we delivered significant changes to improve our

service offering to complainants and financial businesses. We are improving and simplifying the entire process in the complaint process, from the time it is raised to the point at which a ruling is delivered. We continue to strive towards improving timelines and quality – and tools initiated internally are showing positive signs and improvements to our timelines and our service quality. We are committed to the service we provide.

At the recommendation of my Board, a dedicated quality assurance department has been established with a commitment to continuously improve the skills and attributes of the staff. This speaks to the way in which staff engage with complainants from the time a complaint is processed, followed by how they deal with the complaint (gathering of all relevant documentation and facts) and concluding by making a fair decision against all the facts. A constant review of cases, particularly those being dealt with by new staff of the NFO, will take place. The objective is to ensure that we constantly improve the skills of our staff, and be proud of our work, at all levels of a complaints process.

In recent years, including the first year of the NFO, we have seen a significant increase in the volume of complaints brought to the NFO with the exception of those falling within the ambit of the Credit Division. My Board resolved on 8 May 2025 to merge the functions and operations of the Credit Division under the leadership of the Lead Ombud of the Banking Division. This will reallocate and adjust the shared services costs between the four Divisions. I assure all stakeholders that this structural adjustment within the organisation will have no impact on our ability to deal with all complaints in a timely, cost-effective manner, as would be expected of the NFO. With the ebb and flow of complaint volumes, we will continuously review our resourcing to meet any increase in complaint volumes.

We believe that developing the skills of our staff will not only enable us to provide the service expected from the NFO, but enable us to retain a talented, diverse and productive workforce serving the needs of financial consumers and businesses. We must ensure that we have the right skills and capabilities amongst the staff so that we have the ability to meet future demands. The well-being, learning and professional development, and work-life balance, of staff remain a priority for the Board, with the Board updated regularly on matters affecting them.

This Board believes in maintaining communication with all stakeholders to foster its mandate and service offering. With fairness and equity at the heart of everything that the NFO does, we will ensure that our financial customers' and businesses' best interests are at the forefront of everything we do. This approach is critical for the long-term success of the NFO as a fair, transparent, independent, efficient and cost-effective forum for alternative dispute resolution.

My Board is proud of the progress and achievements of the NFO. Legacy complaints inherited by the NFO are being addressed and the majority have been closed, despite the difficulty of handling a transition to a new organisation and case management system in 2024. More cases are being resolved timeously, and fewer cases are ending up in the over six-months category. We remain committed to ensure that the stock levels of cases across all divisions remain low.

I am heartened by the fact that our staff remain engaged and satisfied, particularly given the level of change for them during the year and all the reshaping across the organisation. Resignations remain very low, with internal mobility and career progression thriving. I want to extend the Board's thanks and appreciation to all staff for the achievements and successes reached so far. These must be celebrated.

Looking to the future, we expect many challenges. One such challenge is the impact of AI on what the NFO does. Will it improve the service of the NFO for the financial consumers that need and rely on us? Another challenge is the development of a funding model that is fair and reasonable to all in the financial sector. We are committed to ongoing consultation with key stakeholders. In addressing these challenges, we must ensure that we continue to deliver the services that financial customers expect.

Throughout the period of this report, my Board has been committed to the mission of the NFO and taking account of all the stakeholders that are served by the NFO, in what we do and how we do it. I am satisfied that the Board has acted in a way that is aimed at promoting the success of the NFO. The Board had one strategic day and review, addressing key issues that impact on the business of the NFO.

My congratulations and gratitude go to the Head Ombud and Chief Executive Officer, Reana Steyn, for her tireless efforts in driving the amalgamation. I know and understand the challenges and issues that she had to face in the first year. She never wavered on her commitment to serve her staff and all stakeholders of the NFO. Reana has achieved our initial objectives of ensuring a smooth transition into the amalgamation, and responsible stewardship under the new regime. With Reana at the helm, the NFO remains well positioned to discharge its mandate and fulfill its mission.

I want to thank the Lead Ombuds of all four Divisions for their guidance and work during this first momentous year of the NFO. You have helped guide your divisions, navigate difficult discussions and prioritise the needs of those that you serve. You brought stability to the integration process and maintained your eye on the ball. Thank you, Denise, Edite, Howard and Nerosha.

My thanks and appreciation to my Board for their support, dedication and commitment during the year. Your insights and guidance helped us navigate all the challenges. You each brought a unique perspective that strengthened our collective efforts. I believe that we have discharged the mission of the NFO to provide an efficient platform, driven by fairness and independence, within the free alternative dispute resolution regime in South Africa. It has been a privilege to work alongside this board.

Together we celebrated several significant milestones, and the NFO's unwavering in its mission and purpose has been the cornerstone of all its achievements. We will continue to create value for all our stakeholders. Our success depends on the service that meets the needs of all our stakeholders – and are committed to continuing to meet these needs.

As we approach the end of the first year of the NFO, we look forward to the next phase in the evolution of the NFO. With digital technology and artificial intelligence at the core of how we work, we will need to continuously assess how to improve our commitment to our stakeholders.

Bravery in anything we do does not merely mean facing the loudest, or sometimes the most powerful, voices. It requires those involved to listen to the quietest whispers of those who have been wronged. It often means standing firm in our commitment to justice, even when it may be more convenient to remain silent or inactive. Just as pastor Budde sought to unite and heal, the NFO seeks to bridge gaps between financial consumers and financial businesses, ensuring independent and fair outcomes. It takes courage to confront an issue – it is this very courage, carried out through acts of bravery, that will define the NFO in what it does and achieves.

Let's be champions of fairness and justice, remembering that our work makes a huge difference in the lives of our people.

Haroon Laher
Chairperson
National Financial Ombud Scheme South Africa (NFO)

"Everyone can rise above their circumstances and achieve success if they are dedicated to and passionate about what they do"
– Nelson Mandela.

Establish an effective and sustainable world class dispute resolution operating model:

We are committed to creating an efficient, metric-driven operating model that focuses on optimising revenue allocation, managing operational costs, and continuously improving our processes. By implementing an agile approach, we ensure that our systems and workflows remain relevant and aligned with industry needs, driving operational excellence and sustainability.

Head Ombud & CEO's Report

Reana Steyn

Head Ombud and Chief Executive Officer, National Financial Ombud Scheme South Africa (NFO)

As the first CEO of the NFO, Reana Steyn came equipped with a wealth of experience in the South African financial dispute resolution landscape. This experience included her role as Ombudsman for the OBBSA (absorbed into the NFO as its Banking Division). As such, Reana has intimate knowledge of the inner workings of such schemes, as well as stewardship of the new entity's guiding values and principles. Her perspective on crossing the threshold into an opening chapter, and the journey thus far, is invaluable.

CHAPTER ONE OF THE NFO: A JOURNEY PAVED WITH FIRM PRINCIPLES & VALUES.

"It always seems impossible until it's done."
– Nelson Mandela

As I reflect on this first year of the National Financial Ombud Scheme South Africa (NFO), I return often to these words. Not as a well-worn quote to begin a report, but as a quiet truth that accompanied us through each phase of this remarkable journey. For what was once an ambitious vision – spoken of in policy rooms and planning committees – has become something tangible, something real. It has become an organisation built to serve with fairness, grounded in independence, and animated by the unwavering belief that dignity, access, and justice in financial services should belong to all.

The establishment of the NFO on 1 March 2024 did not happen by chance. It was the result of a long, considered process. The seeds were planted as far back as 2017, when the National Treasury published a consultation policy document titled "A Known and Trusted Ombud System for All". That paper asked hard questions about the state of financial dispute resolution in South Africa. It acknowledged the progress that had been made by the individual ombud schemes – but it also confronted the limitations of a fragmented landscape. Consumers, especially those unfamiliar with financial systems, often struggled to navigate a maze of different ombud offices, each with its own mandate, processes, and scope.

In response to this challenge, the 2017 paper proposed a bold but necessary change: to create a single, harmonised ombud scheme for the financial sector – one that would be easier to access, more consistent in its operations, and clearer in its mandate.

Years later, in 2021, the World Bank Group stepped in to lend its expertise. Its diagnostic report on South Africa's financial ombud system became a crucial turning point. The report did more than evaluate the technical capacity of the existing ombud offices: it examined the system as a whole, through the eyes of the people it was meant to serve. It called for greater coherence, stronger governance, and a model that would reflect international best practice without losing the spirit of the South African context. It asked us to imagine an ombud scheme that didn't just resolve disputes, but earned the public's trust – by being impartial, transparent, and truly consumer-centric.

This momentum was brought to a head in February 2024, when National Treasury released its Policy Position Statement: "A Simpler, Stronger Financial Sector Ombud System". That statement marked the culmination of years of research, consultation, and dialogue between government, regulators, industry players, and the ombud offices themselves. It offered not just a policy vision, but a practical

framework for amalgamating four well-respected institutions: the Ombudsman for Banking Services, the Credit Ombud, the Ombudsman for Long-term Insurance, and the Ombudsman for Short-term Insurance.

Each of these offices had a long and proud history of championing fairness within their respective domains. Each brought a culture of rigour and compassion to the work of dispute resolution. And yet, each recognised that the future demanded more than parallel excellence. It demanded unity – without compromise on independence – and a new architecture that could adapt to the increasingly complex and interconnected world of financial services.

And so, the NFO was born – not just from legislation or regulation, but from shared purpose. The Financial Sector Regulation Act provided the legal foundation for this transition, and the Ombud Council played a decisive role in guiding the process. With wisdom and oversight, they helped ensure that the new scheme retained the key principles of independence, accessibility, and fairness. They brought discipline to the process, but also faith – faith in the idea that we could build something stronger than the sum of its parts.

One of the most significant milestones in this journey was the establishment of the inaugural NFO Board – a decision that was neither symbolic nor merely administrative. The Board's role in shaping the governance and strategic direction of the organisation has been profound, ensuring that the transition from multiple independent ombud schemes to a single, unified entity was conducted with integrity, foresight, and a commitment to public interest.

The selection of Board members was a rigorous and consultative process, designed to uphold the independence and credibility of the NFO while drawing from a diverse pool of expertise. Each of the four founding ombud schemes - the Ombudsman for Banking Services, Credit Ombud, Ombudsman for Long-term Insurance, and Ombudsman for Short-term Insurance – played a pivotal role in identifying individuals with deep knowledge of financial sector regulation, consumer protection, and dispute resolution. The process involved extensive deliberation to ensure a balance of technical skill, governance experience, and an unwavering dedication to fairness and accessibility.

Candidates were assessed not only on their professional credentials but also on their ability to embody the core principles of impartiality, transparency, and accountability. It was imperative that the Board reflected a broad spectrum of perspectives, including voices from industry, consumer advocacy, legal and regulatory fields, and governance specialists. This diversity was intentional – ensuring that decision-making remains robust, representative, and attuned to the needs of both financial consumers and service providers.

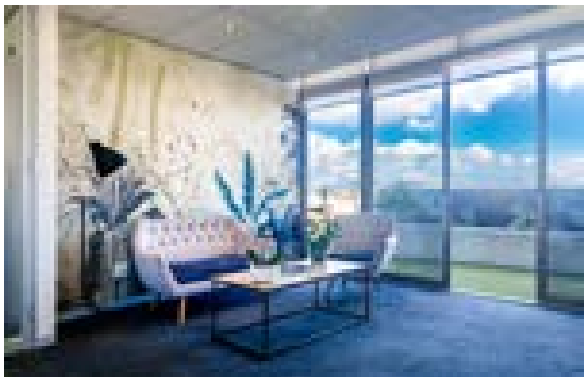
The final appointments resulted in a leadership team that brings together exceptional governance acumen with a deep personal commitment to the values we strive to uphold. It is an inclusive, principled, and forward-thinking Board, whose stewardship has been essential in anchoring our identity as an organisation dedicated to fairness, independence, and putting the interests of consumers first. Their expertise and guidance will continue to shape the trajectory of the NFO, ensuring that our operations remain aligned with the highest standards of ethical oversight and public trust.

As we began operations, we knew that we had inherited more than systems and structures - we had inherited legacies. The people who joined the NFO from the legacy ombud schemes did so with courage and humility. They carried forward the institutional memory and professional integrity of their previous offices, while embracing the challenge of creating something entirely new. To them, and to all our new recruits, I extend not only gratitude but admiration. Your belief in the vision of the NFO has brought it to life.

Of course, no story of this kind is complete without the voices of those who led in their respective spaces and now form part of our integrated leadership. Their reflections are important, because they remind us that this transition is about continuity as much as change.

As we began building this organisation, it was crucial to retain the wisdom and experience of the leaders who had long served South African consumers. Their reflections are a reminder of both where we've come from and where we are headed:

NFO Cape Town Offices



NFO Cape Town Offices

Edite Teixeira-McKinon, Lead Ombud of the Non-life Insurance Division, spoke of this as the start of a new chapter, built on the solid foundations of OSTI's legacy: *"A strong foundation has been set by the legacy ombud schemes upon which we will build a new consolidated financial ombud scheme that will continue to play its part in enhancing consumer confidence in the financial sector."*

Denise Gabriels, Lead Ombud of the Life Insurance Division, highlighted the complexity and success of the merger: *"The recognition of the NFO Scheme marks a significant shift in the financial ombud landscape; the scheme is the successful outcome of a substantial project to amalgamate four previous industry ombud schemes and to develop the governance model, funding, and a single case management system."*

Howard Gabriels, Lead Ombud of the Credit Division, pointed to the importance of people in carrying this transformation forward: *"The amalgamation of the four predecessor financial ombud schemes to create the NFO was a bold and innovative move. Its success will depend on recruiting and retaining people who will promote and protect the rights of stakeholders, whilst developing and implementing the strategy and objectives of the NFO."*

Nerosha Maseti, Lead Ombud of the Banking Division, emphasised the power of unified redress in protecting consumers: *"Bank customers have every right to expect good service and for complaints to be taken seriously. The amalgamation of the Ombudsman for Banking Services into the NFO enhances our ability to address consumer grievances effectively and uphold the standards of fairness and transparency."*

Their words resonate because they reflect the shared values that quietly define who we are. We did not simply merge organisations – we merged principles: a belief in accountability, in respect, in fairness, and in the right of every person to be heard. These values are not painted on our walls; they are the lens through which we interpret every case, every complaint, every question we are asked to answer.

To be a values-based organisation is to place people at the centre – not only the people we serve, but also the people we work alongside. It means showing up with integrity, especially when the answers are difficult. It means being independent in judgement, but compassionate in delivery. And above all, it means remembering that the work we do is not just technical – it is personal. Because behind every complaint is a story, and behind every resolution is the restoration of trust.

As we look ahead, we remain mindful of the road still to be travelled. Becoming a unified organisation was only the beginning. We must now earn the confidence of consumers and industry participants alike – not just through efficient processes, but through principled action. We must demonstrate, again and again, that fairness is not an aspiration, but a daily practice.

In closing, I would like to extend heartfelt appreciation to the many individuals and institutions who helped make the NFO a reality.

To the esteemed Board of the National Financial Ombud, I extend my deepest gratitude for your steadfast guidance, profound wisdom, and unwavering dedication to the public good. Your leadership has been the foundation upon which this institution has been built, ensuring that we remain anchored in fairness, integrity, and accessibility while boldly stepping into a new era of consumer protection.

Throughout this historic transition, your collective vision has served as both a compass – steering us towards meaningful transformation – and a shield, safeguarding the values upon which the NFO stands. You have led with purpose, ensuring that every decision is measured, every challenge met with determination, and every opportunity embraced with the conviction that financial justice must be accessible to all.

Your commitment to upholding consumer rights, strengthening financial governance, and fostering an ombud system that is transparent, accountable, and responsive has been nothing short of extraordinary. This journey would not have been possible without your expertise, your principled approach, and the passion with which you have embraced this responsibility.

As we move forward, your leadership remains our guiding force – ensuring that the NFO continues to evolve, adapt, and thrive in its mission to protect consumers and maintain trust in financial services. On behalf of all those who rely on this institution, I thank you profoundly for your dedication, your resilience, and the unwavering support you have provided in shaping an ombud system that stands as a pillar of fairness in South Africa's financial landscape

To the **Ombud Council**, your stewardship and support have been invaluable. Your role in shaping, regulating, and recognising this new scheme has ensured that we begin from a place of legitimacy and integrity.

To the **staff of the NFO**, both new and longstanding – you are the heart of this organisation. You have carried the work, the values, and the human impact of what we do into a new era, and for that, I am deeply grateful.

To our **stakeholders** – including the **National Treasury**, the **World Bank Group**, and very significantly each of our **Participants** – you are the key players in the country's financial sector – thank you for your insight, your ongoing engagement and support. Your partnership is crucial in making this shared vision real.

And to the most important group of all – **the consumers we serve** – thank you for trusting us with your stories, your challenges, and your hopes. We are here because of you, and we will continue striving to meet the high standard that your trust demands.

With appreciation and resolve,

Reana Steyn
Head Ombud and Chief Executive Officer
National Financial Ombud Scheme South Africa (NFO)

Empowering Consumers through awareness

Our mission extends beyond resolving complaints; it is a pledge to empower consumers. Through education, outreach, and accessible platforms, we aim to equip individuals with the knowledge to navigate the financial landscape with confidence. This commitment is unwavering – it is a high bar but we believe that no individual should feel excluded or forgotten.

A Future of Fairness

Having reflected on the journey that brought us here, we must now look to the NFO's continuing mission of fairness. To the Ombud Council, our dedicated staff, and every stakeholder who has played a role in shaping the NFO thus far, we look forward with the utmost confidence that your shared vision will continue to guide us. We embark on our subsequent stage with persistence, creativity, and adaptability. Step by step, complaint by complaint, resolution by resolution – we will build a future where fairness is not just an ideal, but a reality embedded in every financial transaction. Together, we carry the torch of justice, lighting the way towards a brighter tomorrow.

"Justice cannot be for one side alone, but must be for both." – Eleanor Roosevelt

Values That Illuminate Every Action

At the core of the NFO lies a commitment to its values, also referred to as our grounding principles. They are embedded in every interaction, decision, and initiative we undertake. These principles form the backbone of our organisation:

- **Accessibility** breaks down barriers, welcoming all who seek our assistance, especially vulnerable groups.
- **Efficiency & Responsiveness** ensure timely and effective resolutions, respecting the urgency of each concern.
- **Fairness and Justice** guide us to deliver equitable outcomes and transparent decision-making.
- **Independence** ensures that decisions are made without influence, enabling impartial and just resolutions.
- **Openness** of communications and the results of our endeavours inspire the trust of our stakeholders.
- **Transparency** provides clarity surrounding the limits of our influence and our deliverability.

In addition to the above, the NFO also promises to adhere to the following:

- **Accountability** keeps us steadfast in our commitment to integrity, ensuring we remain answerable for our actions.
- **Confidentiality** provides a safe space for individuals to share their grievances, fostering confidence in our processes.
- **Impartiality** reflects our dedication to treating all parties fairly, creating trust and credibility.

NFO Johannesburg Offices

PR & Communications

In an increasingly interconnected world, the role of the PR and Communications Department is vital in defining the National Financial Ombud Scheme South Africa as a trusted, responsive and professional institution. Over the past year, our efforts have reinforced the NFO's commitment to excellence, transparency, and consumer empowerment, seamlessly linking our organisational values with the public we serve. Across communications, public relations, marketing, and corporate social responsibility (CSR), we have focused on amplifying our mission and strengthening connections, ensuring that every initiative aligns with our core purpose – advocating for fairness in financial services.

The strength of an organisation lies in its ability to communicate clearly, effectively, and with integrity. This year, we recalibrated our messaging to reflect our values of independence, fairness, and accountability, ensuring that both internal and external communications remain transparent and consumer-centric. With input from diverse stakeholders, we established a robust communication framework designed to build trust.

Public perception shapes the success of any institution, and our public relations initiatives have positioned the NFO as a thought leader and a champion of financial fairness. Strategic media partnerships with leading platforms helped amplify our message, increasing positive media coverage and expanding awareness about our role in consumer protection. Community engagement efforts strengthened our connections with local organisations, regulators, and government bodies, ensuring we remain accessible, relevant, and responsive to the needs of the people we serve.

Our marketing efforts have been instrumental in broadening our reach and deepening engagement with consumers. Through integrated campaigns in the press, social media and in person, we leveraged our efforts to enhance visibility and drive greater awareness. Utilising data-driven strategies, we gained deeper insight into consumer behaviours, allowing us to refine our approach so that messaging remains impactful, timely, and relevant.

This year, our consumer education and financial literacy initiatives provided thousands of individuals with the knowledge and tools necessary to navigate financial challenges confidently. Through workshops and collaborative engagements, we ensured that more consumers understand their rights, financial responsibilities, and pathways to resolution when disputes arise.

The NFO stands not only as a protector of consumer rights but also as an institution driven by proactive engagement. As we look ahead, the PR and Communications Department will continue shaping the narrative of fairness and progress, ensuring that financial consumers across South Africa remain informed, empowered, and assured that the NFO is here to serve them.

NFO Johannesburg Offices

Human Resources Department

The Human Resources Department plays a central role in ensuring that the National Financial Ombud is more than just a workplace – it is a thriving, progressive environment where employees feel supported, empowered, and motivated to excel. The NFO's strategic objective to become an employer of choice is not merely an aspiration but a commitment woven into the very fabric of our organisational culture, driven by empathy, adaptability, and innovation.

In a world where uncertainty and rapid change define the professional landscape, the HR Department has remained steadfast in its mission to cultivate a workforce that is resilient, engaged, and deeply aligned with the organisation's values. By implementing forward-thinking policies, dynamic training programmes, and employee-centred initiatives, we continue to enhance workforce satisfaction, professional development, and inclusivity, ensuring that every individual within the NFO has the opportunity to flourish.

The foundation of any successful organisation begins with recruiting the right talent. This year, we strengthened our recruitment processes, ensuring that each new hire seamlessly aligns with our values and mission. Through structured interviews, rigorous skill assessments, and comprehensive reference evaluations, we have built a workforce that reflects excellence, diversity, and dedication. Leveraging multiple recruitment channels, we have reached candidates who bring expertise, innovation, and a passion for consumer fairness, ensuring that our team embodies the integrity and commitment required to drive the NFO forward.

At the heart of workforce success lies continuous learning and development. Our HR Department has refined and expanded training programmes that support professional growth, equipping employees with the skills and knowledge necessary to excel in an evolving financial landscape.

Beyond skill-building, employee wellbeing remains a core priority. Recognising the impact of professional pressures and rapid change, we have introduced policies that prioritise mental health, resilience, and work-life balance. Through open communication channels, mentoring, and Employee Assistance Programmes, we have created a workplace where employees feel supported, valued, and encouraged to thrive. Strong emphasis on conflict resolution and compliance with labour laws has ensured that fair and transparent policies guide every aspect of our workforce interactions, reinforcing trust, inclusivity, and ethical workplace standards.

The NFO's HR approach extends beyond internal structures—it embraces agility, adaptability, and forward-thinking initiatives that position the organisation as a leader in progressive workforce management.

As we look to the future, our focus remains steadfast – building a workplace that is inspiring, uplifting, and conducive to excellence. By nurturing talent, fostering leadership, and ensuring that employee wellbeing remains at the heart of our organisational philosophy, the HR Department lays the foundation for a workforce that is engaged, fulfilled, and prepared to drive success, not just for the NFO but for the communities we serve.

Quality Assurance: Safeguarding Integrity and Excellence

At the National Financial Ombud, the newly established Quality Assurance Department plays a vital role in upholding the integrity of our processes. The foundation of consumer trust rests on our ability to deliver fair, transparent, and consistent resolutions, and this division ensures that every operational aspect aligns with established standards, ethical guidelines, and regulatory requirements.

Through rigorous monitoring, meticulous audits, and evaluation mechanisms, the Quality Assurance team provides continuous oversight, identifying areas for enhancement and fostering a culture of accountability and improvement. Their work is essential in ensuring that every consumer interaction, every dispute resolution, and every procedural decision reflects our unwavering commitment to fairness and excellence.

Quality assurance is not just about systems – it is about people. Recognising that excellence starts at the individual level, the division has focused on empowering employees with the tools, knowledge, and training required to uphold high standards. This forward-looking strategy enables the NFO to address challenges before they escalate, reinforcing our ability to deliver fair and effective consumer resolutions in an increasingly complex financial landscape.

The Quality Assurance Division ensures the implementation of the NFO's values-based approach, which requires that every case is handled with care, precision, and consistency. It not only safeguards the integrity of the NFO but propels us towards an even stronger future – one where financial fairness is not only protected but continuously enhanced.

Delivering Impact: The NFO's Commitment to Fairness in Dispute Resolution

The National Financial Ombud has continued to solidify its role as a pillar of fairness and accountability, ensuring that financial consumers across South Africa receive accessible, transparent, and effective resolution to disputes. Over the past year, the organisation has tackled complex complaints, strengthened consumer trust, and delivered tangible outcomes that reinforce its unwavering commitment to financial justice.

Between 1 March 2024 and 31 December 2024, the NFO handled an impressive 42 833 complaints, a testament to the scale of financial concerns faced by consumers and the institution's ability to address them with diligence and precision. These complaints included 16 952 premature cases, where early intervention and guidance prevented unnecessary delays, and 18 903 formal cases, where investigation, conciliation and rulings ensured that disputes were resolved fairly.

One of the most notable indicators of the NFO's efficiency is that 28 002 cases were successfully finalized during this period. Each resolution represents a consumer who sought fairness and received a well-considered response, ensuring that complaints were dealt with effectively and efficiently, even if the outcome is not what they were hoping for. We firmly believe that the time our staff take to explain and interact with consumers cannot be underestimated, especially in matters where we do not rule in their favour. The NFO is not simply a mechanism for dispute resolution – it is always an advocate for fairness, ensuring that both financial institutions and consumers are held accountable and treated fairly. But when it is necessary, we will ensure that consumer rights are upheld.

The financial impact of the NFO's work cannot be overstated. Over the past year, the organisation recovered a staggering R328 550 212,58 on behalf of consumers, a figure that speaks volumes about the power of independent mediation and the tangible benefits the NFO delivers. This recovery has often helped individuals and families regain lost financial stability, reinforcing the institution's role as a guardian of justice in financial services.

Equally significant is the level of accessibility that the NFO provides. The Contact Centre received a total of 104 791 calls from consumers, demonstrating the high demand for reliable and responsive assistance. Every call is a reflection of the need for financial redress, underscoring the organisation's impact as well as our ability to serve as a critical lifeline for those seeking clarity and resolution.

Ensuring efficiency while maintaining thoroughness is a delicate balance, and the NFO has carefully calibrated its approach to ensure quality remains at the forefront. On average, cases take 115 days to resolve, an indication that while speed is valued, so too is the depth of investigation required to deliver fair outcomes. The NFO's commitment is to continue to improve on our turnaround times whilst providing meaningful decisions rather than rushed, ineffective conclusions.

Consumer satisfaction is a crucial metric, and this year, the NFO achieved a 61% overall satisfaction score. While satisfaction often hinges on case outcomes, this figure reflects the institution's dedication to transparency and a further aim of improving service delivery. Continuous improvement remains a priority, ensuring that consumers receive resolutions that are both fair and impactful.

Breaking down complaint trends, the distribution of cases across financial products highlights key consumer concerns. Motor-related complaints led the way, accounting for 15,61% of cases opened, closely followed by homeowners' insurance at 11,62% and current accounts at 11,23%. Funeral and life insurance also featured prominently, alongside savings accounts and personal loans, underscoring the breadth of consumer disputes managed by the NFO. These patterns not only reveal financial vulnerabilities but also reflect the organisation's commitment to ensuring that no consumer concern goes unheard.

Beyond direct complaints, the NFO also plays a crucial role in addressing broader consumer inquiries, functioning as both an ombud and an information hub. Most inquiries – 55,35% – came from consumers whose issues fell in the domain of another regulator of statutory ombud. Referral of consumers to the correct body reinforces confidence in our organization as a responsive caring institution whilst we continue to strengthen strong collaboration with all other financial oversight bodies. Nearly 22,73% were for non-members, showing the need to growing interest in membership, financial rights, and dispute resolution processes. These figures highlight the organisation's extensive reach and influence beyond direct mediation, ensuring South Africans receive clarity and direction in financial matters.

Examining demographic trends, the data reflects a broad and diverse consumer base engaging with the NFO. Of formal cases opened, 55,55% were initiated by females, with 44,34% by males, and a small fraction – 0,03% – identified as non-binary, while 0,09% preferred not to disclose their gender. This breakdown underscores the importance of inclusivity and accessibility, ensuring all consumers feel equally represented and heard within the financial redress system.

Further insights into age demographics reveal that the majority of complainants fall within the middle-aged categories, with 46-60 years representing 34,63% and 36-45 years accounting for 28,28%. Engagement from younger complainants is notably lower, with under-25s comprising just 2,14%, while older individuals over 70 make up 5,25%. These statistics highlight the challenges faced by different age groups in accessing financial services and resolving disputes, reinforcing the need for continued outreach and tailored engagement across demographics.

Complaints vary across provinces, reflecting regional disparities in financial concerns and consumer access to redress mechanisms. Gauteng leads with 42,18%, demonstrating its position as an economic hub with high financial service engagement. The Western Cape follows at 19,14%, with KwaZulu-Natal at 14,07% and the Eastern Cape at 7,6%, showing the range of financial grievances across urban and rural settings. Smaller contributions from Mpumalanga, North West, Limpopo, and the Free State form part of the collective national picture, with the Northern Cape at 2,09%, reinforcing the importance of ensuring redress reaches even the smallest regions. This geographic diversity highlights the work that we still need to do to ensure that every consumer, regardless of location, has equal access to justice. As Maya Angelou aptly noted, "Diversity makes for a rich tapestry" – and within this financial landscape, every thread matters.

Looking at complaint outcomes, the NFO continues to strike a delicate balance between consumer advocacy and impartial resolution. Credit-related complaints led with a 49% success rate in favour of consumers, highlighting significant challenges in lending and borrowing disputes. Life Insurance followed at 25%, Non-life Insurance at 12%, and Banking at 21%, demonstrating the complexities that shape financial grievances. These figures reinforce the NFO's ability to identify and act on consumer injustices, while also serving as an opportunity to drive further improvements in financial governance and consumer protection.

This year's statistics tell a compelling story—a story of progress, accountability, and unwavering dedication to financial fairness. The NFO has solidified itself as an indispensable institution, ensuring consumers are heard, their complaints addressed, and their financial rights protected. Every case resolved, every inquiry answered, and every amount recovered is a testament to the organisation's commitment to justice and transparency.

The NFO remains resolute in its mission to be accessible, impartial, and relentless in its pursuit of fairness, ensuring that every South African has a voice, every complaint is treated with dignity, and every financial institution is held accountable. With momentum, purpose, and a strong foundation, the NFO continues to drive meaningful change, reinforcing its role as a champion of consumer rights in South Africa.

Deliver impeccable governance standards and ensure stakeholder satisfaction:

We prioritize transparency, accountability, and regulatory compliance. Our commitment to exceptional governance standards underpins our reputation as a trusted and independent authority. We actively engage with stakeholders, seek their feedback, and take proactive steps to address their concerns, ensuring we consistently meet their expectations.

Contact Centre

Shared Services

Overall Statistics

Calls Received

104 791

Total amount recovered for consumers

R328 550 212,58

Total AVE Mar – Dec 2024

R51 550 955,00

Cost per Formal Case

R3, 000 - R8 000

Depending on division

Premature Cases Opened

16 952

Premature Cases Closed

7 624

Formal Cases Opened

18 903

Formal Cases Closed

20 378

Case Openings

Premature Cases Opened	**16 966**
Formal Cases Opened	**18 902**
Total Cases Opened	**35 868**
Less converted from Premature to Formal	**9 561**
Total Registered Cases	**26 294**

Cases Opened per Division

	Premature	Formal
Banking	**9 485**	**5 930**
Credit	**1 099**	**1 410**
Life	**3 210**	**3 504**
Non-life	**3 158**	**8 059**

Cases Opened per Product (Top 10)

Product	Number	Percentage of total cases
Motor	2 884	**15,61%**
Homeowners	2 146	**11,62%**
Current Account	2 074	**11,23%**
Funeral	1 600	**8,66%**
Life	1 241	**6,72%**
Savings Account	1 119	**6,06%**
Personal Loan	1 010	**5,47%**
Commercial	974	**5,27%**
Credit Card	517	**2,80%**
Vehicle Finance	**477**	**2,58%**

Case Closures

Premature cases Closed	**7 624**
Formal Cases Closed	**20 378**
Total Cases Closed	**28 002**

Cases Closed Per Division

	Premature	Formal
Banking	**5 439**	**6 096**
Credit	**487**	**1 553**
Life	**1 268**	**3 870**
Non-life	**430**	**8 859**

Average Time to close cases - working days

(Weighted average taken from new system and legacy system)

Banking	52
Credit	79
Life	152
Non-life	177
Overall Turnaround time	**115**

Findings in favour of Complainant Vs in favour of Participant

In Favour of complainant	19%
In Favour of participant	81%

Amounts Recovered on behalf of Complainants

	Amount
Banking	R29 175 451,14
Credit	R2 355 840,20
Life	R202 854 491,24
Non-life	R94 164 430,00
Total Recovered	**R328 550 212,58**

Calls Received

Calls Received	104 791

% Calls Answered

% Calls Answered	93%

Enquiries Received

	Amount	Percentage
Non Member	1 586	22,73
Policy Cancellation Request	262	3,75
Regulator/Statutory Ombud	3 723	53,35
Other	1 407	20,17%
NFO Total	**6 978**	**100**

Demographics

On formal cases opened

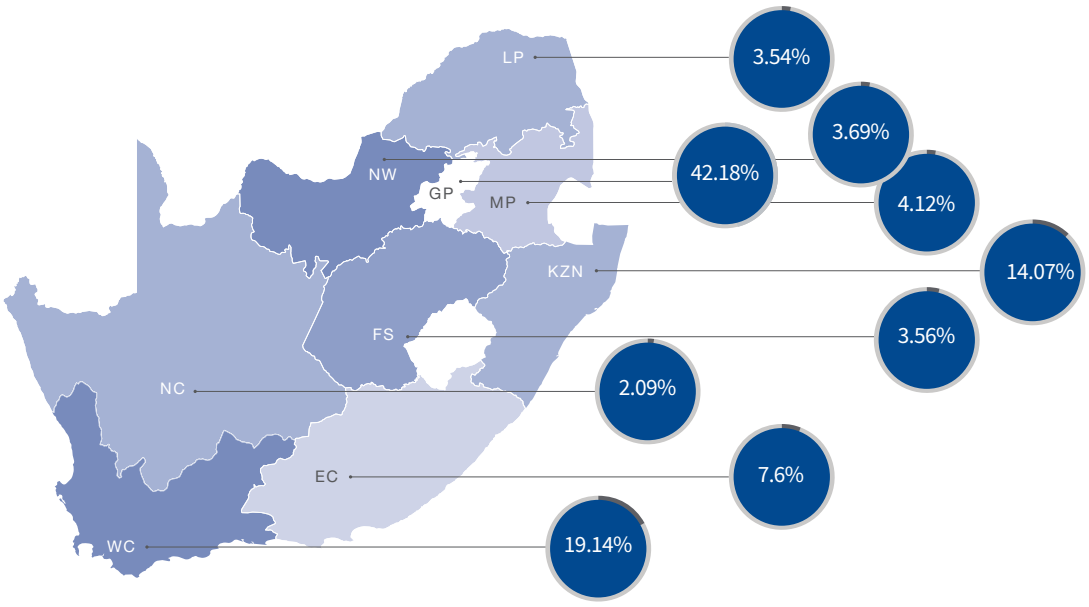
Gender	Percentage
Male	44,34%
Female	55,55%
Non-Binary	0,03%
Prefer not to disclose	0,09%

Age Range of Complainant	Percentage
<25	2,14%
26-35	17,53%
36-45	28,28%
46-60	34,63%
61-70	12,16%
>70	5,25%

Complaints per Race	Percentage
Black	53,53%
White	26,77%
Coloured	10,41%
Asian	9,29%

Salary Range of Complainants	Percentage
0- 80 000	49,63%
80 000 - 250 000	16,63%
250 000 - 500 000	17,51%
500 000 - 1 000 000	10,24%
1 000 000 +	5,99%

Where Complainant Come from	Percentage
Small Town	23,71%
Rural / Farm Area	8,39%
Large Town	15,37%
City	52,53%



Complainant Satisfaction Score

	Overall Score	Found in favour of complainants
Banking	58%	21%
Credit	74%	49%
Life	68%	25%
Non-life	47%	12%
Overall satisfaction score	**61%**	

The findings in favour of complainants have a direct impact on the satisfaction survey scores, as complainants who receive a favourable outcome are more likely to express positive feedback regarding the process. In the Credit division, where 49% of cases were found in favour of complainants, the overall satisfaction score is the highest at 74%, indicating a strong correlation between positive case outcomes and higher satisfaction levels. Similarly, the Life division, with 25% of cases decided in favour of complainants, has a relatively high satisfaction score of 68%.

TCF Outcomes

Only on new system (not all legacy case systems have this information available)

Division	Appropriate Advice	Claim / Switching / Complaint Processes	Fairness / Culture	Information / Disclosure	Product / Service Design	Product Performance and Service Quality	Total
Banking		99	127	823	1 948	1 328	4 325
Credit		32	216	402	86	253	989
Life	23	622	87	66	99	665	1562
Non-life	50	857	388	77	772	1 178	3 322
Total	**73**	**1 610**	**818**	**1 368**	**2 905**	**3 424**	**10 198**

Conversely, divisions with lower percentages of favourable outcomes tend to have lower satisfaction scores. The Non-life Division has the lowest satisfaction score (47%), which aligns with the lowest proportion of cases found in favour of complainants (12%). The Banking Division follows a similar pattern, with only 21% of cases ruled in favour of complainants and a moderate satisfaction score of 58%.

This trend suggests that complainants' perception of fairness and success in their cases significantly influences their overall satisfaction with the NFO process. While other factors such as service quality, communication, and case handling time contribute to satisfaction levels, the likelihood of a favourable outcome remains one of the most impactful drivers of positive survey responses.

Vulnerable Consumers

Vulnerability Category	Between 65 - 75	Between 75 - 85	Blind	Deaf	Death of Partner or Spouse	Divorce
Age	201	66				
Life Event					21	3
Literacy						
Physical Disability			3	2		
Total	**201**	**66**	**3**	**2**	**21**	**3**

How the Complainant heard about the NFO

Internet	37,27%
Participant	7%
Policy Document	18,53%
Radio	2,45%
TV	1,05%
Social Media	4,66%
Word of Mouth	28,94%

Cases Opened Per Channel

Email	66%
Website	33%
Walk-in	1%

Note: Fax, post, social media and WhatsApp are channels that are also available for the submitssion of complaints, however they are seldom used.

Language Barrier (does not understand English)	Mental Disability	Not Financially Literate	Older Than 85	Paralysis	Retrenchment	Wheelchair	**Total**
			20				**287**
					43		**67**
2		6					**8**
	4			1	1	5	**16**
2	**4**	**6**	**20**	**1**	**44**	**5**	**378**

Banking

Nerosha Maseti

Lead Ombud Banking

No matter the experience level of any given financial professional, large-scale integration and restructuring still pose a challenge and create new learning curves. To help make such transitions as seamless as possible, staff need to draw on their own reserves of strength and resilience. They can also lean on the core values and principles of their organisation, including effectiveness, excellence, passion and vision. In this way, as Nerosha Maseti neatly puts it below, "… obstacles became stepping stones."

NEW HORIZONS, NEW MILESTONES.

The 2024 Ombud's Report marks my first report as the Lead Ombud for Banking under the newly established NFO.

The successful integration of four independent ombudsman offices into a single entity marked a significant milestone, enhancing our ability to address consumer banking concerns more efficiently and effectively. Despite major internal changes, including the appointment of a new Lead Ombud and new management, the team adapted seamlessly, handling and resolving complaints at a faster rate than the previous year, all while maintaining a strong commitment to fair outcomes.

"Change is the only constant in life. Once we embrace it, we discover new strengths within ourselves we never knew existed."

This quote resonated deeply with me this past year. It has truly been a life-changing year, both professionally and personally, filled with immense growth, learning, and transformation. I was given the opportunity to take on new responsibilities that pushed me out of my comfort zone, required to tackle complex challenges, lead projects, and make impactful decisions that shaped the direction of the team.

We have emerged on the other side, stronger and more resilient. What seemed like obstacles became stepping stones, shaping us into individuals and a team more capable of tackling whatever comes next…

Key Trends and Achievements.

On page X of this report, the reader will see all the key figures at a glance and the detailed statistics later in this report. Only a few key statistics are highlighted below:

- The Banking Division reported a record number of cases opened, totalling
  15 412. This highlights the growing trust consumers place also in the new Ombud scheme to resolve disputes fairly and efficiently.
- We successfully closed 11 535 cases in 2024.
- On average, the Banking Division took 52 days to resolve a dispute, reflecting our improved efficiency in addressing consumer concerns.
- We recovered R29 175 451,14 for consumers in 2024, demonstrating our commitment to achieving fair outcomes.
- There was a strong focus on vulnerable consumers, with 255 individuals identified and supported throughout their complaints journey with our office. We achieved numerous successes in advocating for their specific vulnerabilities and needs.

Amount Recovered on behalf of complainants

R29 175 451.14

I would like to express my sincere appreciation and gratitude for your outstanding work, and consideration!

To the NFO team that was involved in this; thank you so much for dealing with this matter with such honesty and fairness.

I am deeply grateful."

Complainant Testimonial

More highlights:

Average Turnaround Times

Average for 2024	52 days
Average for 2023	78 days
Average for 2022	67 days

The categories of complaints that kept us most busy were current accounts, personal loans, savings accounts, credit cards, and home loans, in that order.

We continue to identify certain complainants as "vulnerable consumers" and had numerous successes when we brought these facts to the attention of banks.

Vulnerable Consumers Per Category Per Bank

255 complaints were recorded as vulnerable consumers. Top 5 subcategories of Vulnerable Consumers were:

Age 65 – 75	52%
Age 75 – 85	18%
Life Event: Retrenchment:	13%
Life Event: death of life partner/spouse	7%
Age 85+	6%
Mental disability	1%
Not financially literate	2%
Wheelchair	1%

Fraud remained the leading issue in consumer banking complaints, representing 30% of all cases. Complaints related to maladministration and debt-stressed consumers followed as the second and third highest categories, reflecting ongoing financial challenges faced by consumers. These trends align with patterns observed in previous years, where fraud-related disputes consistently accounted for a significant portion of complaints.

Additionally, past reports highlighted the growing impact of financial hardship on consumers, with debt-related complaints becoming more pronounced. In response, our division has strengthened its focus on financial education and proactive engagement with industry stakeholders to drive improvements in consumer protection.

As we move forward, these insights will continue to guide our approach, ensuring that we remain a trusted advocate for consumers while working collaboratively with financial institutions to enhance the overall fairness, transparency, and security in banking services.

Quality Assurance

Our Quality Control Manager, Ronel van Merwe, plays a pivotal role in ensuring that our findings meet the highest standards. With over 20 years of experience as a qualified attorney and working in banking dispute resolution, she is instrumental not only in maintaining the quality of hundreds of cases under her review, but also in providing oversight across all the case work of the team in the Adjudication Department. Her expertise has been crucial in identifying trends, ensuring alignment within the team, and ultimately contributing to the department's overall efficiency and effectiveness.

In addition to her oversight role, Ronel actively trains and imparts her knowledge to the team. We firmly believe that her contributions are vital to maintaining the credibility and reputation of our division and the NFO and we were pleased to learn that this role will be implemented across all divisions of the NFO going forward.

Staff

The past year has been marked by significant change for the banking division, including the uncertainty caused by both the organisational restructure and the appointment of a new Lead Ombud and two new managers.

Staff engagement and communication about the amalgamation took place for at least two years before the official implementation of the merged scheme. To support the transition, staff completed a change management course in preparation for the upcoming changes. As a result, when the amalgamation was implemented, staff were well-prepared and able to adapt effectively. Despite the uncertainty and high caseloads, the Banking Division staff showed remarkable resilience, adaptability, and commitment to maintaining the highest service standards and fulfilling our mandate.

We had one adjudicator moving to the Credit Division, and there was one resignation in the Adjudication Department in December; both positions have since been filled. Additionally, two new legal interns have been appointed. We are supportive of the staff movements across the divisions, as this cross-skilling will be highly beneficial for the NFO in the long run.

The well-being of employees remained a priority in the banking division throughout the year. The following initiatives were implemented to assist with the heightened pressure that staff were under:

- Mental Health Support: Staff participated in a 3-month Change Management course, equipping them to effectively navigate the changes and uncertainties arising from the amalgamation process.
- Flexible Work Arrangements: Staff were required to report to the office only one day a week for team check-ins. This approach supported a healthier work-life balance, which has been particularly appreciated by staff, given the nature of the work in the Ombud's office.
- Training and Development: The Banking Division prioritised staff development through various professional programmes, including leadership training, workshops on navigating hybrid work environments, and sessions focused on effective time management.
- Team-building: Team-building events were held, which helped strengthen collaboration and foster a sense of camaraderie among staff.

Stakeholder Engagement

Over the past year, stakeholder engagement with the Ombud Council, BASA, and individual member banks has been instrumental in strengthening our collaboration and aligning our efforts with the broader objectives of the industry. By working closely with these key stakeholders, we have fostered an open dialogue that focuses on improving the overall customer experience and improved outcomes for consumers.

Regular discussions and shared initiatives have enabled us to address challenges, refine processes, and adapt to regulatory changes effectively.

In addition to our collaborative efforts with the Ombud Council, BASA, and individual member banks, we made a concerted effort to leverage the insights gained from the cases we investigated to raise consumer awareness. By analysing emerging trends and fraud patterns, we were able to create targeted media campaigns that highlighted critical issues such as kidnappings and tap-and-go fraud. Our press release on these topics received widespread coverage, ensuring that consumers were informed about the risks and how to protect themselves. This proactive approach has made a significant impact in educating the public and strengthening consumer trust, contributing to the overall industry goal of ensuring fair outcomes and safeguarding financial well-being.

Word of gratitude

I wish to thank all the members of the OBSSA Board as well as the NFO Board for their leadership, wisdom, and valuable contributions during this past year.

Thank you also to our member Banks for many years of loyal support for this office. This support was instrumental in ensuring a smooth transition from the Ombudsman for Banking Services into the NFO.

After 19 years in the Ombudsman space, it is both an honour and a privilege to lead this division, carrying forward the vision and passion of my predecessor. She is a visionary leader whose leadership not only ensured the continued growth and success of the Ombudsman Office but also inspired those around her to strive for excellence. I am grateful and honoured for the opportunity to continue building on the foundation that she so skilfully built. Thank you, Reana, for your guidance and wisdom over the years and for your assistance this past year in navigating this new terrain.

To the staff, as we reflect on the past year, I am filled with immense pride and gratitude for each and every one of you. Your unwavering commitment, hard work, and dedication have been the driving force behind the achievements we've celebrated. Despite the challenges and the changes that you experienced in the past year, you went above and beyond. It's your passion and resilience that set us apart, and I am deeply grateful for your contributions.

Looking Ahead...

"I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, to look back on the distance I have come. But I can rest only for a moment, for with freedom come responsibilities, and I dare not linger, for my long walk is not ended." – Nelson Mandela Long Walk to Freedom

As we take time to reflect on the successes and learning of the past year, we are mindful that there is a lot more work to be done. I am confident that we will continue to make meaningful progress, inspire change, and achieve new milestones. We will have to embrace the opportunities ahead with the same enthusiasm and determination that have brought us this far.

Together, we can continue to shape a brighter future for our organisation and those we serve.

Here's to another remarkable year ahead!

Case Summaries

"The Overdraft Saga"

In March 2023, the complainant obtained an overdraft facility of R670 000 from the bank. In 2024, the bank reduced the overdraft facility limit by R245 000 as agreed. However, the bank made an additional reduction of R245 000 the following month, which breached the agreement. This unexpected reduction caused severe financial and business hardship, including loss of supplier contracts.

The complainant approached the NFO requesting reinstatement of the overdraft limit to R670 000 and compensation for financial losses amounting to R218 000.

The overdraft reductions were due to the business holding two working capital facilities with two different banks, breaching the responding bank's agreement. The overdraft reductions followed the bank's policy and the terms and conditions of the overdraft facility, and the facility was reviewed annually. Despite being given opportunities to reinstate the overdraft, the required documentation was not provided by the complainant.

The NFO found that the Bank followed its policy regarding the overdraft facility reductions and as no maladministration was found the NFO could not recommend that the bank reinstate the credit facility limit or compensate the complainant.

Principle: Always review financial agreements, especially clauses on facility reductions and renewal terms. Ensure compliance with all banking requirements to avoid unexpected changes to credit facilities.

"Big Difference Between Almost 20 and Almost 30"

The complainant and the bank entered into a Personal Loan Agreement telephonically.

The complainant submitted that during the conclusion of the Personal Loan Agreement, she heard that the applicable interest rate offered by the bank was 19.25% which she accepted. The complainant however later became aware that the interest rate applicable to the Personal Loan Agreement was 29.25%

The complainant approached the bank for an interest rate review as she was of the view that the interest rate was unfairly/unlawfully inflated by the bank and not in line with what was agreed. The bank submitted that the complainant entered into the Personal Loan Agreement, accepted the terms and conditions and agreed to an interest rate of 29.25%. The bank also confirmed that the interest rate of 29.25% was calculated based on the complainant's credit history, conduct of accounts, commitments and affordability.

The interest rate appliable to a credit agreement is set by the bank based on the bank's internal credit granting policies and is within its commercial discretion subject to the maximum rates prescribed in terms of the National Credit Act.

The complainant approached the NFO and as part of the investigation the call recording of the conclusion of the Personal Loan Agreement was requested. On listening to the call it was noted that on more than one occasion the complainant informed the bank consultant that the voice line was not good and that she was struggling to hear. Based on the call it was probable that the complainant did not hear the interest rate correctly.

Consensus is an essential element In terms of South African law of contract. The parties to the contract must have a shared understanding and intention in respect of the terms of the contract – or there must be a meeting of the minds. It is also a requirement in terms of the National Credit Act that banks ensure that consumers generally understand or appreciate the risks, costs or obligations under a proposed credit agreement.

Based on the content of the call recording, the NFO could not conclude that based on balance of probabilities there was a meeting of the minds at the time of the Personal Loan Agreement was concluded.

Having engaged the bank to find an amicable resolution to the complaint, the bank agreed to amend the interest rate on the complainant's Personal Loan Agreement from 29.25% to 19.25% and also credited the Personal Loan Account with the difference between the interest rate of 29.25% and the amended interest rate of 19.25% from inception of the loan.

Principle: Banks should ensure that consumers generally understand or appreciate the risks, costs or obligations under a proposed credit agreement.

"Don't Make Your Problem Mine"

The amount of R1 689.88 was deducted from the complainant's account without any notification to the complainant and the complainant accordingly submitted a fraud complaint to the bank as he had no knowledge of the transaction. Upon investigation it was established that the deduction was done by the bank in connection with a payment made by the complainant.

The complainant made payment of R3 000.00 to a beneficiary at an external bank. A system error occurred which resulted in the payment being reversed and credited back to the complainant's account. The complainant accordingly made the payment of R3 000.00 again. Despite the fact that the initial payment was credited to the complainant's account, as a result of a system error on the part of the bank, the beneficiary received both payments of R3 000.00.

The bank did not inform the complainant of this system error and instead tried to recover the amount of R3 000.00 from his account by deducting the amount of R1 689.88 from the account which was the available balance in the account at the time. The bank proceeded to flag the complainant's account for an amount of R1 310.12 as the outstanding balance due to the bank.

On receipt of the complaint the NFO confirmed that the complainant reinitiated the R3 000.00 payment due to the bank's system error which was no fault of the complainant. We also raised the issue that the bank did not notify the complainant concerning the debit of R1 689.88 and that the bank attempted to recuperate the funds from their own client (the complainant) as opposed to the beneficiary account holder who received the double credit as a result of the bank's system error.

We made a recommendation to the bank to refund the complainant in the amount of R1 689.88 and pursue their claim with the beneficiary account holder for unjustified enrichment. The bank agreed to our recommendation, refunded the complainant and removed the flag from his account regarding the balance of R1 310.12.

Principle: Banks must communicate effectively with their customers when there are system errors and take accountability for these errors.

"Bank Sells House for R10 000.00, Complainant Left Wondering if it was a Yard Sale!"

The complainant held a Home Loan account with the bank, which account was in arrears. The bank exercised its rights in terms of the home loan agreement and proceeded with legal action to recover the full outstanding balance owing on the account. Judgment was granted and the property was declared executable. There was no reserve price set by the court for the sale of the property.

The bank proceeded to sell the property on auction for R10 000.00 and the complainant remained liable for a shortfall of R233 241.90 after the proceeds of the sale had been credited to the account.

When investigating the complaint, the NFO noted that the property had been valued at R590 000.00. The outstanding balance on the home loan account at the time of the sale was R234 541.06. Consideration was also given to the outstanding rates and taxes on the property which amounted to R335 575.12, at the time of the sale.

The NFO was of the view that despite these costs, there was still sufficient value in the property, and that a higher selling price could have been achieved by the bank at the time of sale to ensure that the full outstanding balance was settled by the proceeds.

Whilst the NFO remained cognisant that the court did not set a reserve price and therefore the bank was not in contravention of any court order, the office exercised our equity jurisdiction

and remained firm in its view that it could never be considered fair nor reasonable of a bank to sell someone's home for R10 000.00 when it has a market value of R590 000.00.

It was therefore the NFO's recommendation that the bank write off the full shortfall amount. The bank accepted the recommendation, and the full shortfall of R233 241.90 was written off.

Principle: Selling a home for a fraction of its true value may be seen as a violation of the principles of fairness and reasonableness.

"Wasn't Me"

The complainant approached our office regarding a Personal Loan account held with a bank. The complainant advised that the account was handed over to an external debt collector, who had been receiving payments towards the Personal Loan by someone other than the complainant. The Personal Loan was obtained during 2015 and the complainant submitted that they had not received contact from the bank and/or attorneys for about 10 years regarding the account and disputed that they had made payments to the account.

The bank confirmed that the Personal Loan was obtained during 2015 and submitted that payment was last received on the account during May 2024. Based on the payments made towards the account, the bank disputed the fact that the debt in terms of the account had prescribed in terms of the Prescription Act, 68 of 1969.

The NFO investigated the matter and the submissions made by the complainant that the payments made towards the account had been made by someone else and not by the complainant. It was the bank's submission that the complainant's husband had entered into a payment arrangement with the external debt collector and that the payments credited to the account were being made by the complainant's husband. As the complainant and her husband are married in community of property, the bank argued that the payments made by the husband constituted a valid acknowledgement of debt and had interrupted the running of prescription.

Upon further investigation, the bank was however unable to provide evidence of the arrangement entered into between the complainant's husband and the external debt collector. It was further found that the husband also previously obtained a Personal Loan from the bank and that the account in question was mistakenly listed with the external debt collector as the complainant's husband's account. The husband could therefore have entered into arrangements and made payments, believing that the account to which payment was being made was his account.

Based on a balance of probabilities, the NFO could not conclude that the debt in terms of the account in question had been acknowledged. The complainant did not acknowledge the debt or make payments towards the account and based on the evidence obtained by the NFO, the complainant's husband could have entered into the payment arrangements and made payments under the impression that the payment arrangements were entered into with regards to his Personal Loan account and not the Personal Loan obtained by the complainant.

Our office therefore recommended that the account be closed as the debt in terms of the account indeed prescribed in line with the provisions of the Prescription Act.

Principle: The provisions of the Prescription Act are clear in that it states that – "The running of prescription shall be interrupted by an express or tacit acknowledgement of liability by the debtor." Should a Credit Provider therefore argue that the running of prescription had been interrupted, then they will need to provide concrete evidence that there was an express or tacit acknowledgement of liability by the debtor.

"Access Denied"

A vulnerable complainant compromised his banking credentials, subsequent to which fraudulent online transactions occurred on his credit card, stemming from a transfer of funds from his paid-up mortgage loan account to his credit card.

An access facility was linked to the complainant's mortgage loan account at the inception of the mortgage loan agreement, and even though the complainant settled the outstanding balance on the mortgage loan account prior to the repayment term lapsing, the complainant had not instructed bond cancellation and closure of the account.

The complaint turned on whether any funds should have been accessible from the complainant's mortgage loan account at the time at which the fraud occurred, following the obligations in terms of the mortgage loan agreement being fully discharged and the expiry of the repayment term.

The Bank asserted that in terms of the product rules, the complainant's access facility allowed for withdrawals of the full amount repaid, up to the original loan amount, even after the repayment term had lapsed.

The Bank was unable to furnish the NFO with a copy of the said product rules, and our office proceeded in accordance with a reasonable understanding of the operation of similar products, what was set out in the agreements which the Bank provided, and the law of contract.

The NFO submitted that the funds should not have been available to access, and it is only because they were available that the customer suffered fraud losses. As such, it was recommended that the Bank refund the complainant on the below grounds:

- A mortgage bond is accessory in nature to a mortgage loan agreement. The purpose of the mortgage bond is to secure the bank's rights, which fall away once the obligation to which these rights relate has been settled.

-There is no duty placed on the complainant to instruct closure of the mortgage loan account nor to instruct cancellation of the mortgage bond upon satisfying all payment obligations. The repaid funds, however, should not be accessible on the basis that the account was not closed.

- Proper performance by all parties will discharge any contract and the contract then passes into history. The mortgage loan agreement together with the accessory access facility came to an end by operation of law once the complainant had repaid the loan in the specified time.

Following the recommendation, as a gesture of goodwill, the bank offered to refund the customer all amounts withdrawn from the mortgage loan account as a result of the fraud. The complainant accepted the offer.

Principle: Customers cannot be held responsible for a bank's failure to properly administer their accounts.

Key Statistics

Premature Cases Opened	9 485
Formal Cases Opened	5 930
Total Cases Opened	**15 415**

Premature Cases Closed	5 439
Formal Cases Closed	6 096
Total Cases Closed	**11 535**

Less converted matters (premature to formal) (44%) of premature matters	4 190
Total Registered cases	**11 225**

Stats per top 25 participants

Participant	Premature Cases Opened	Formal Cases Opened	Converted from premature to formal	Total Cases Registered (formal+Premature less converted)	% of total formal Cases opened
FNB	2 158	1 017	718	2 457	17%
Capitec	1 858	1 203	892	2 169	20%
Standard Bank	1 688	998	564	2 122	17%
Nedbank	1 365	881	673	1 573	15%
ABSA	1 182	812	587	1 407	14%
African Bank	476	403	328	551	7%
Tyme Bank	370	315	226	459	5%
Discovery Bank	191	131	90	232	2%
Bidvest Bank	103	96	63	136	2%
Postbank	31	26	19	38	0%
Investec Bank	28	24	15	37	0%
Sasfin Bank	13	9	7	15	0%
Ithala Limited	5	4	4	5	0%
Finbond Mutual Bank	7	1	0	8	0%
Grindrod Bank	2	6	1	7	0%
Grobank/Access Bank	2	2	1	3	0%
Citibank	1	1	0	2	0%
GBS Mutual Bank	1	1	1	1	0%
Ubank	2	0	0	2	0%
State Bank of India	1	0	0	1	0%
Standard Chartered	1	0	0	1	0%
Access Bank	0	0	0	0	0%
HSBC	0	0	0	0	0%
Mercantile	0	0	0	0	0%

Average Time to close formal cases (weighted average over two systems)

52 days

Findings in favour of Participant

79%

Findings in favour of Complainant

21%

Premature Cases Closed	Formal Cases Closed	Amount of cases found in favour of participant	%Findings in favour of participant	Resolved with some benefit to complainant/cases found in favour of complainant	Findings in Favour of Complainant	Bank made Good-will offer in this % of cases
1515	1001	845	84%	156	16%	27%
996	1286	1000	78%	286	22%	21%
1106	997	811	81%	186	19%	13%
726	947	741	78%	206	22%	19%
592	742	645	87%	97	13%	8%
164	476	327	69%	149	31%	10%
150	333	274	82%	59	18%	22%
91	119	91	76%	28	24%	29%
45	96	61	64%	35	36%	5%
16	41	13	32%	28	68%	12%
11	25	17	68%	8	32%	0%
7	12	5	42%	7	58%	0%
0	1	1	100%	0	0%	0%
8	3	2	67%	1	33%	33%
4	4	2	50%	2	50%	0%
0	1	0	0%	1	100%	0%
0	1	0	0%	1	100%	0%
0	2	1	50%	1	50%	0%
1	3	2	67%	1	33%	0%
2	0	0	0%	0	0%	0%
1	0	0	0%	0	0%	0%
2	3	2	67%	1	33%	0%
0	2	1	50%	1	50%	0%
2	1	1	100%	0	0%	0%

Formal Cases Opened Per Product

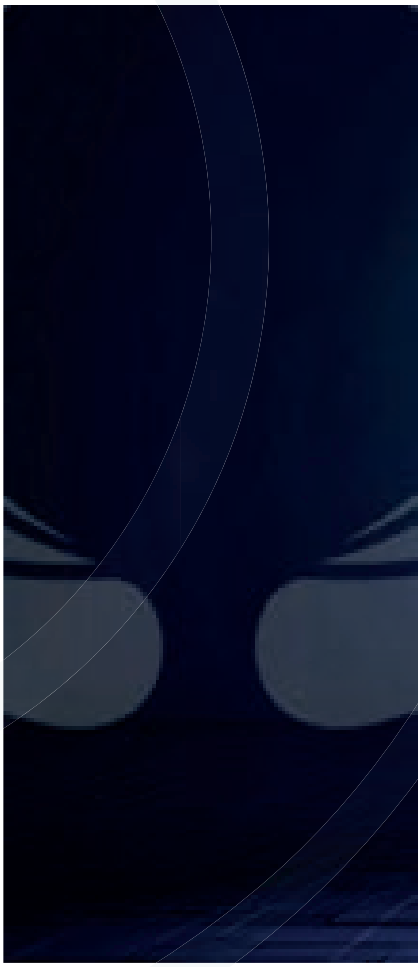
Current Account	35%
Savings Account	19%
Personal Loans	15%
Credit Card	9%
Home Loans	8%
Vehicle Finance	8%
Business Transactional Account	3%
Estate and Trust	2%
Savings and Investments	1%
Insurance	0%
Business Loan	0%

Top 3 Categories for top 3 Products

Current Account	
a. Digital Banking	61%
i. Mobile Banking Fraud	45%
ii. Phishing	27%
iii.Vishing	10%
b. Misconduct	17%
c. Card	8%

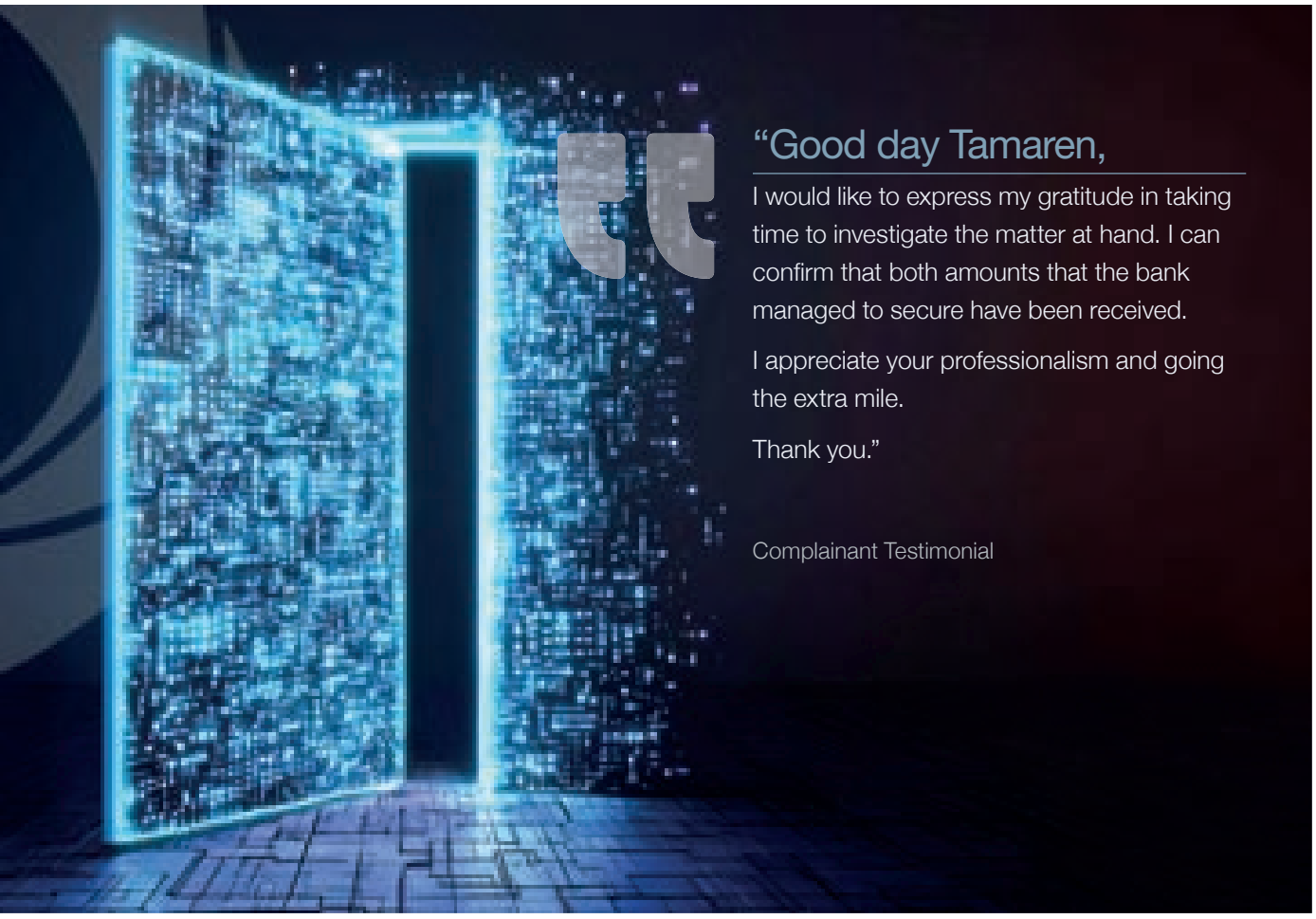
Savings Account	
a. Digital Banking	64%
i. Mobile Banking Fraud	56%
ii. Phishing	19%
iii.Transfer to wrong account	9%
b. Misconduct	22%
c. Card	9%

Personal Loans	
a. Collections	31%
i. Prescribed Debt	28%
ii.Balance dispute	10%
iii.Bank does not want to make payment arrangements	8%
b. Misconduct	30%
c. Credit Information Listing	23%



TCF Outcomes per Product

Product	Appropriate Advice	Claim / Switching / Complaint Processes	Fairness / Culture	Information / Disclosure	Product / Service Design	Product Performance and Service Quality	Total
Business Loan			0,02%			0,09%	0,12%
Business Transactional Account			0,05%	0,23%	1,18%	1,53%	2,98%
Credit Card		0,28%	0,12%	2,47%	3,70%	1,80%	8,37%
Current Account		0,51%	0,05%	2,10%	21,87%	9,43%	34,36%
Estates and Trusts				0,05%	0,18%	1,80%	2,03%
Home Loan		0,35%	0,79%	1,53%	1,57%	2,94%	7,17%
Insurance		0,12%			0,02%	0,16%	0,30%
Motor			0,02%				0,02%
Personal Loan		0,67%	0,72%	9,46%	2,17%	2,94%	15,95%
Savings Account		0,07%		0,55%	13,13%	6,64%	20,39%
Savings and Investments		0,07%		0,07%	0,55%	0,42%	1,11%
Vehicle Finance		0,23%	1,18%	2,17%	0,65%	2,96%	7,19%
Total		**2,29%**	**2,94%**	**19,03%**	**45,04%**	**30,71%**	**100%**



"Good day Tamaren,

I would like to express my gratitude in taking time to investigate the matter at hand. I can confirm that both amounts that the bank managed to secure have been received.

I appreciate your professionalism and going the extra mile.

Thank you."

Complainant Testimonial

Credit

Howard Gabriels

Lead Ombud Credit

Access to credit can be a very handy facility for individuals and companies alike. As with other financial tools, however, it can also be highly contentious. What wasn't contentious was the Credit Ombud's joining the new NFO. That said, like the other divisions, dispute resolution duties had to continue unabated, with an open door policy intact. Happily, the Credit Division could tackle their transition by drawing on NFO's core values, including accessibility, fairness and effectiveness, as summed up in this report by Howards Gabriels.

AWARDING CREDIT WHERE CREDIT IS DUE.

On 1 March 2024, the National Financial Ombud Scheme South Africa (NFO) officially began operations, having been recognised by the Ombud Council as an Ombud with Jurisdiction. This marked the closure of the Credit Ombud, whose recognition was revoked on 29 February 2024. All staff from the Credit Ombud were absorbed into the NFO to ensure continuity in handling credit-related complaints.

A key condition of our recognition was the commitment to finalise all outstanding cases inherited from the Credit Ombud. Between 1 March and 31 December 2024, the Credit Division registered a total of 2 509 cases, comprising 1 410 formal complaints and 1 099 premature complaints. Over the same period, we successfully closed 2 040 cases, including 1 553 formal complaints and 487 premature cases.

Our resolution efforts achieved positive outcomes for complainants in 49% of cases, resulting in financial redress totalling approximately R2.4 million. On average, formal complaints were finalised within 79 days, demonstrating our commitment to both efficiency and fairness.

Significant Outcomes:

Two matters during the reporting period stand out for their systemic impact:

1. Value-Added Services (VAS) and Minimum Payment Calculations.
A serious concern emerged regarding the application of payments on credit accounts where VAS charges (such as airtime or insurance add-ons) were not considered in determining the minimum monthly payments. This led to growing balances despite customers paying what they believed to be the full amount due. Following our intervention and engagement, the affected Credit Provider agreed to write off inappropriate balances and amend its internal policy to ensure VAS charges are included in future minimum payment calculations.

2. Misuse of SAFPS Fraud Listings.
In another pivotal case, a consumer was listed with the South African Fraud Prevention Service (SAFPS) for allegedly fraudulent conduct after defaulting on a rental agreement. Our investigation found no evidence of intent to defraud, only financial distress. We successfully engaged the Credit Provider and SAFPS, resulting in the removal of the listing and a commitment from the Credit Provider to cease similar practices. This outcome reinforces the importance of fairness and context in fraud classifications.

Amount Recovered on behalf of complainants

R2 355 840.21

"I must say

I am impressed with the way the complaint was handled. The constant updates throughout the whole process and the timeous manner in which my complaint was handled…I give you a 10/10."

Complainant Testimonial

Collaborations and Stakeholder Engagement

We formalised a Memorandum of Understanding (MoU) with the National Credit Regulator (NCR), under which complaints lodged with the NCR against NFO Participants are referred to us for resolution. The MoU also includes cooperation in training, consumer education, and research.

Regular engagement with industry stakeholders including the National Clothing Retail Federation (NCRF), Micro Finance South Africa (MFSA), and the Large Non-Bank Lenders Association (LNBLA) has helped strengthen our collaborative efforts and improve accountability within the non-bank credit space.

The Credit Division currently comprises nine dedicated staff members whose professionalism and resilience have been vital in managing the transition. I thank the staff for their resilience during this tough period and their unwavering dedication to serve both consumers and Participants to ensure fairness for all concerned.

Howard Gabriels
Lead Ombud: Credit Division
Credit Division

Case Studies Highlighting the Credit Division's Impact

Case Study 1

"When Proof Fails, Fairness Prevails"

Mr Mahlangu* approached our office alleging an unauthorized transaction of R5,000 on his clothing retail account. He requested a refund claiming the transaction was fraudulent.

Upon our investigation, it was found that although Mr Mahlangu never formally reported the transaction as fraud, a call recording revealed confusion regarding the process. Mr. Mahlangu did not have an email address or smartphone, limiting his ability to engage in the investigation.

His account showed consistent and honest payment behaviour often paying more than the minimum required. Considering his vulnerability and good faith conduct, we recommended that the credit provider refund the disputed amount as a gesture of goodwill and the credit provider agreed and refunded R5,000, plus R1,290 in interest.

Case Study 2

"No Paper Trail, No Payback"

Mr Ngobeni* claimed to have settled his credit account but noticed it was still active and accruing charges. The furniture finance credit provider could only provide internal system notes stating that the account was still open.

We requested formal account statements to support their position. When they were unable to provide any such documentation, we advised that in the absence of credible evidence, the account should be deemed settled. The credit provider accepted our recommendation and the account was closed. A balance of R26,982.72 was written off.

Case Study 3

"Old Debt, New Justice""

Mr Daniels* contacted our office regarding an old debt sold to a third-party debt collector. He had not acknowledged or paid anything towards the debt in over three years and believed it should be removed from his credit profile due to prescription.

In law, a debt prescribes if 3 years has passed from the date of initial default and if one of the following did not interrupt the running of prescription:

- A payment within a 3-year period from the default,
- An express or tacit acknowledgement of the debt; and
- Enforcement action such as being served with a summons, or a judgment being granted.

We confirmed that no payments, acknowledgments, or legal actions had occurred since the initial default. We recommended the debt be written off as prescribed and the credit provider agreed, writing off R63,500 and updating Mr. Dlamini's credit profile.

Case Study 4

"Ghost Payments, Real Debt Write-Offs"

Ms Du Toit* had entered into a cellphone contract with a telecoms provider. The debt was transferred to one collection agency, then sold to another. She insisted she had made payments to the first agency, but these were not reflected in her statements.

We requested statements from the telecom's provider, both collection agencies, and pre-sale documentation. None of the parties could produce records showing payment history or accurate balances.

In the absence of documentary proof, we recommended that the account be closed and the full outstanding balance of R24,449.53 be written off and the Participant agreed.

Case Study 5

"Signed or Sidelined: No Agreement, No VAS, No Debt"

Mr Ramalivhana* raised a complaint about overcharged interest and the addition of Value-Added Services on his building materials credit account. He had not received a signed copy of the agreement and denied agreeing to the VAS products.

The building material credit provider was unable to provide a complete, signed agreement or account reconciliation.

Due to lack of supporting documents and evidence of consumer consent, we recommended the account be closed. The Participant agreed and the full outstanding balance of R11,708.50 was written off and the account marked as paid-up.

*Not real names

Key Statistics

Premature Cases Opened	1 099
Formal Cases Opened	1 410
Total Cases Opened	**2 509**

Premature Cases Closed	487
Formal Cases Closed	1 553
Total Cases Closed	**2 040**

Less converted matters (premature to formal) (37%) of premature matters	530
Total Registered cases	**1 979**

Average Time to close formal cases (weighted average over two systems)

79 days

Findings in favour of Participant

51%

Findings in favour of Complainant

49%

Stats per top 25 participants

	Premature cases Opened	Formal Cases Opened	Converted from premature to formal	Total Cases Registered (Premature+Formal less converted)	% of total formals opened
RCS	145	243	92	296	17%
Edcon Limited (RCS)	74	126	45	155	9%
Builders	2	2	2	2	0%
Game	9	12	3	18	1%
Makro	5	4	2	7	0%
Mobicred	5	12	4	13	1%
NWJ	0	1	0	1	0%
RCS Cards	50	85	36	99	6%
Spitz	0	1	0	1	0%
OPCO 365	107	133	65	175	9%
DMC Debt Management (DMC)	94	121	59	156	9%
Real People Group	8	6	4	10	0%
Real People Home Improvement Finance	1	2	1	2	0%
Evolution Finance	4	4	1	7	0%
MTN SP (Pty) Ltd	113	107	38	182	8%
Home Choice Group	58	97	30	125	7%
Homechoice	29	55	14	70	4%
Finchoice	29	42	16	55	3%
Woolworths Financial Services	52	80	21	111	6%
MBD CREDIT SOLUTIONS PTY LTD	73	73	34	112	5%
TFG	42	70	28	84	5%
Foschini	13	31	11	33	2%
Sportscene	9	12	5	16	1%
Sterns	0	3	0	3	0%
The Fix	2	2	1	3	0%
Total Sports	6	7	4	9	0%
Markham	5	6	3	8	0%
Exact	3	3	1	5	0%
Donna	1	1	1	1	0%
American Swiss	2	4	2	4	0%
(@home	1	1	0	2	0%
Vodacom (Pty) Ltd	40	50	19	71	4%
Bayport Fianancial Sevices 2010 (Pty) Ltd	25	35	19	41	2%
Old Mutual Finance Pty Ltd	35	30	13	52	2%
Cell C Pty Ltd	23	29	15	37	2%
SA Home Loans (Pty) Ltd	22	40	13	49	3%
Truworths Group	20	29	8	41	2%
Truworths	15	25	7	33	2%
Identity	5	4	1	8	0%
Lewis Group	34	28	11	51	2%
Lewis Stores	27	23	9	41	2%
Bears	1	3	1	3	0%
Best Electirc	5	2	1	6	0%
Best Home	1	0	0	1	0%
BMW Financial Services SA (Pty) Ltd	11	23	8	26	2%
S A TAXI DEVELOPMENT FINANCE	14	23	12	25	2%
JD Group	7	21	5	23	1%
Bradlows	3	11	3	11	1%
Connect Financial Solutions	2	5	1	6	0%
Electric Express	0	1	0	1	0%
Incredible Connection	0	1	0	1	0%
Russels	2	3	1	4	0%
Mr Price Group	15	21	6	30	1%
MR Price Home/Sport/Cellular/Money	9	9	4	14	1%
Mr Price Group	6	7	2	11	0%
Sheet street	0	1	0	1	0%
Milady's	0	4	0	4	0%
Atlas Finance	9	20	9	20	1%
Wonga Finance SA	15	20	5	30	1%
Sanlam Personal Loans (Pty) Ltd	17	18	6	29	1%
Rainbow Finance	7	15	5	17	1%
Ok Furnisher	7	12	5	14	1%
House & Home	0	3	0	3	0%
CT International Financiers	12	13	6	19	1%
Pepkor	21	10	3	28	1%
Ackermans	12	3	2	13	0%
Capfin	4	5	0	9	0%
PEP	4	2	1	5	0%
Tanacity Financial Services	1	0	0	1	0%
Volkswagen Financial	7	9	3	13	1%

Premature Cases Closed	Formal Cases Closed	Findings in favour of participant	% Finding in favour of participant	Findings in Favour of Complainant	% Finding in favour of complainant (overturn ratio)
54	286	160	56%	126	44%
23	151	85	56%	66	44%
0	1	1	100%	0	0%
5	17	11	65%	6	35%
3	3	0	0%	3	100%
0	7	0	0%	7	100%
0	1	0	0%	1	100%
23	105	63	60%	42	40%
0	1	0	0%	1	100%
34	123	61	50%	62	50%
30	110	53	48%	57	52%
1	8	5	63%	3	38%
0	1	1	100%	0	0%
3	4	2	50%	2	50%
65	77	32	42%	45	58%
21	119	53	45%	66	55%
12	71	28	39%	43	61%
9	48	25	52%	23	48%
31	97	46	47%	51	53%
36	65	35	54%	30	46%
9	105	43	41%	62	59%
1	48	13	27%	35	73%
3	15	10	67%	5	33%
0	4	2	50%	2	50%
0	2	1	50%	1	50%
1	9	4	44%	5	56%
2	15	8	53%	7	47%
1	8	2	25%	6	75%
0	1	0	0%	1	100%
0	0	0	0%	0	0%
1	3	3	100%	0	0%
15	26	9	35%	17	65%
5	41	24	59%	17	41%
21	34	16	47%	18	53%
3	27	6	22%	21	78%
18	36	17	47%	19	53%
11	38	18	47%	20	53%
8	34	15	44%	19	56%
3	4	3	75%	1	25%
17	54	39	72%	15	28%
14	48	36	75%	12	25%
0	5	2	40%	3	60%
3	1	1	100%	0	0%
0	0	0	0%	0	0%
2	25	14	56%	11	44%
2	18	14	78%	4	22%
2	31	12	39%	19	61%
0	17	5	29%	12	71%
2	7	3	43%	4	57%
0	1	1	100%	0	0%
0	1	1	100%	0	0%
0	5	2	40%	3	60%
9	25	5	20%	20	80%
5	8	0	0%	8	100%
3	14	5	36%	9	64%
0	1	0	0%	1	100%
1	2	0	0%	2	100%
0	16	7	44%	9	56%
10	20	8	40%	12	60%
8	19	4	21%	15	79%
1	16	7	44%	9	56%
1	14	6	43%	8	57%
0	2	1	50%	1	50%
5	8	4	50%	4	50%
27	18	12	67%	6	33%
15	7	5	71%	2	29%
6	10	6	60%	4	40%
4	1	1	100%	0	0%
2	0	0	0%	0	0%
4	3	2	67%	1	33%

Formal Cases Opened Per Product

Business Transactional Account	0%
Credit Card	1%
Credit Information	13%
Current Account	0%
Estates and Trusts	0%
Furniture Loans	4%
Home Loan	2%
Insurance	0%
Micro Loans	6%
Motor	0%
Non Bank Credit	26%
Non-Claim Related Policy Complaint	0%
Personal Loan	9%
Savings Account	0%
Savings and Investments	0%
Short-Term Loans	0%
Store Card/Store Accounts	27%
Telecoms Transaction	8%
Vehicle Finance	4%

Top 3 Categories for top 3 Products

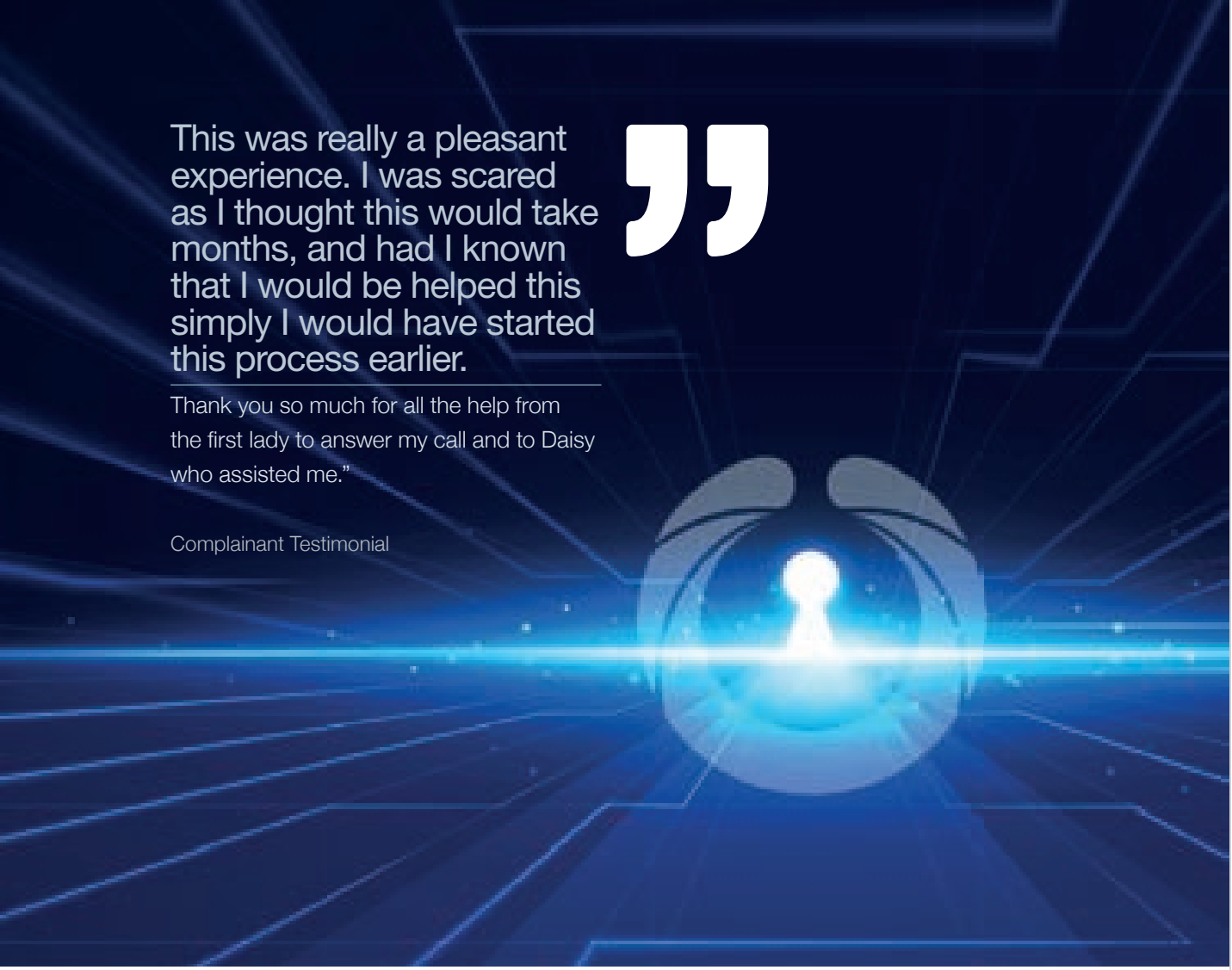
Store Card/Account	
a. Prescription	14%
i. Balance written off	60%
ii. Prescribed debt	32%
iii. Listed on ITC	2%
b. Fraud	13%
c. Contractual Dispute	11%

Non Bank Credit	
a. Prescription	21%
i. Prescribed Debt	72%
ii. Balance written off	16%
iii.Listed on ITC	8%
b. Contractual Dispute	14%
c. VAS and Other products	10%

Credit Information	
a. Credit info not updated/Incorrect	29%
i. Allocation of payment	20%
ii.Balance written off	20%
iii.Debt Prescribed	19%
b. Prescription	24%
c. Payment Profile	21%

TCF Outcomes per Product

Product	Appropriate Advice	Claim / Switching / Complaint Processes	Fairness / Culture
Credit Card			0,31%
Credit Information			4,33%
Current Account			
Estates and Trusts			0,10%
Furniture Loans		0,10%	0,82%
Home Loan		0,41%	0,10%
Insurance		0,10%	
Micro Loans		0,31%	0,52%
Non Bank Credit		0,82%	4,33%
Personal Loan		0,82%	2,06%
Savings Account			
Savings and Investments			
Short-Term Loans			0,10%
Store Card/Store Accounts		0,52%	7,84%
Telecoms Transaction			1,13%
Vehicle Finance		0,21%	0,21%
Total		**3,30%**	**21,86%**



Information / Disclosure	Product / Service Design	Product Performance and Service Quality	Total
0,10%	0,21%	0,62%	1,24%
4,64%	0,31%	2,16%	11,44%
0,31%	0,10%	0,21%	0,62%
			0,10%
1,24%	0,41%	0,93%	3,51%
0,82%	0,31%	0,52%	2,16%
0,10%			0,21%
2,99%	0,82%	2,37%	7,01%
15,46%	2,27%	5,15%	28,04%
3,81%	0,41%	1,44%	8,56%
	0,10%		0,10%
		0,10%	0,10%
0,10%		0,31%	0,52%
7,73%	2,27%	8,45%	26,80%
1,96%	0,62%	1,96%	5,67%
1,65%	0,93%	0,93%	3,92%
40,93%	**8,76%**	**25,15%**	**100%**

Non-life

Edite Teixeira-Mckinon

Lead Ombud: Non-life Insurance

In common with all the NFO's new divisions, the Non-life Insurance team had to contend with a period of transition while carrying out their duties professionally and scrupulously. This phase included implementing the NFO's new hybrid working model, in-house training, new recruit onboarding and teambuilding, all while managing a workload that remained as demanding as ever. Fortunately, the team could rely on the NFO's core values to see them through, including our commitment to efficiency, excellence, integrity and passion. Did the division cross the threshold to success? Read on to find out!

CAREFUL MANAGEMENT WHEN THE REALITY SETS IN.

Staff

Since the official launch of the National Financial Ombud Scheme South Africa (the NFO) on 1 March 2024 a top priority for the division during this first year was to safeguard its human capability, especially during the transition phase into the NFO. The transition into the NFO had to take place with as little or no disruption to the users of the new ombud scheme. Although staff engagement and communication on the amalgamation had taken place for, at least, two years prior to the official implementation of the amalgamated scheme, only on its practical implementation did the reality of the change finally set in for many, and this also needed to be carefully managed.

Initiatives to support a healthy working culture in the division continued, including having regular check-ins with staff, offering individual counselling sessions with a counsellor, and hosting in-person teambuilding events.

In-house training, including the on-boarding of new recruits, and study assistance was provided to staff, as well as external coaching to staff in management roles.

The division's staff started the year by continuing to work one day, at their election, at the office and then, later in the year, working one day per week at the office when the whole team was in the office on the same day to support teambuilding, in line with the NFO's vision for staff connection and the implementation of the NFO hybrid working model.

Several opportunities were provided to staff to advance in their career progression within the division. Of the nine legal interns in the legal internship programme, five were offered a second year of internship. The legal internship programme provides the division with a platform to grow and harvest its own talent.

Fixed-term contracts of employment were also extended by a second year to three adjudicators. A case administrator was appointed executive assistant to the Lead Ombud, two case administrators in the Premature Complaints and Divisional Assessment Department successfully applied for case administrator roles in the Standard Complaints Handling Department (SCH), one NFO Contact Centre agent became a case administrator in the Fast Track Department (FT) and two other contact centre agents successfully applied to be case administrators in the Premature Complaints and Divisional Assessment Department.

Amount Recovered on behalf of complainants

R94 164 430.00

"The process was handled with the utmost professionalism, the party to who the claim was directed responded quickly and it gave me the necessary comfort and confidence that the NFO carries weight and respect. My sincere appreciation to the NFO for assisting me to resolve my complaint speedily."

Complainant Testimonial

The role of the Team Leader of the Premature Complaints and Divisional Assessment Department was expanded to all case administration and case administrators in the division and a new Team Leader role was created for FT and SCH.

With a third consecutive year of an increase in non-life insurance complaint volumes, it became essential to appoint new adjudicators, and five new adjudicators joined the division over the months of April, May and June.

The allocation of casework to address backlogs to a panel of attorneys, launched in 2023, continued during 2024, and it yielded positive results for the division.

Operational Performance

From 1 March 2024, all new complaints were registered on Aptean Respond, the new case management system of the NFO, and the legacy complaints continued to be handled on the former OSTI case management system. 5 931 active legacy complaints were carried over into the NFO, with only 529 still to be resolved by year-end. The target was to not have more than 10% of the active legacy complaints still open by the end of 2024.

The Non-life Insurance Division ended the year with 6% more registered/opened complaints and 5,5% more resolved/closed complaints for the full 2024 year when compared to the full 2023 year. We ended the year with 12 806 registered complaints and resolved 11 089 complaints. For the period March to December 2024, the average turnaround time (TAT) to resolve new complaints on the Respond system was 75 working days, whereas the average TAT for the legacy complaints was 177 working days.

As at the end of the year, there were 5 075 open/active complaints, including the 529 open/active legacy complaints, compared to 5 732 open/active complaints at the end of 2023.

For 2024, the Division recorded a resolved ratio, also known as an overturn ratio, of 16,5%, in line with the previous year's overturn ratio of 16%. The resolved/overturn ratio is an indicator of those complaints where the insurer's decision or approach was changed by the ombud scheme with additional benefit to the insured. The recorded monetary benefit for consumers who approached the division for assistance amounted to R58 186 419,03 on legacy complaints and R49 249 921 on Respond complaints, together totalling R107 436 340 for 2024, compared to R102 800 000,00 in 2023.

Finalised Complaints Trends Analysis

Complaints related to motor vehicle insurance accounted for 42% of all the complaints finalised/resolved during the year. This was followed by homeowners' insurance complaints at 27%, commercial complaints at 14%, household contents complaints at 6% and other types of insurance and non-claim-related complaints, combined, at 11%.

Other types of insurance refer to insurance cover such as, for example, all risks, mobile devices, travel, legal expenses, personal accident, hospital plan, gap medical, water loss, pet etc.

Motor vehicle insurance complaints resolved during 2024 decreased by 2% to 1%, homeowners' complaints increased by 2%, and commercial complaints increased by 2% to 3%. Other insurance and non-claim-related complaints, combined, increased by around 3% while household contents remained consistent with the previous year's trend.

As regards **motor vehicle insurance** disputes, the highest number of complaints considered related to claims for accidents, at 62%, followed by warranty and mechanical breakdown claims, at 18%, and theft and hijack claims, at 9%. When compared to 2023, there was a decrease of around 2% in accident-related motor complaints, an increase of 4% in warranty and mechanical breakdown-related complaints, but theft- and hijack-related complaints remained consistent.

The primary reason for complaints under this category of insurance was claims rejected on an exclusion in the policy, the leading exclusion being the failure to prevent or minimise loss or damage, also known as a lack of due care, or recklessness. These rejections increased by 11% compared to 2023. The other predominant reasons for complaints are disputed claim's quantum, followed by delays, dissatisfaction with repairs, and non-payment of premiums.

While quantum disputes remained consistent with the trend in 2023, delays and dissatisfaction with repairs featured for the first time as prominent trends. Disputes related to the non-payment of premiums increased by 5% in 2024.

Under **homeowners' insurance**, the highest number of complaints finalised during the year related to claims for loss or damage due to acts of nature, at 40%. In 2023, these complaints were at 45%. This was followed by the bursting of water apparatus, at 16%, and theft and burglary, at 8%. Compared to 2023, there was an increase of around 1% in theft and burglary complaints, but the other trends remained consistent.

The primary cause for complaints under this category was the rejection of claims based on gradual deterioration, lack of maintenance, or wear and tear. This was followed by no insured peril and defective design, construction, or materials. Another key cause for disputes related to the quantum of the claim.

Gradual deterioration, lack of maintenance, or wear and tear remained the highest rejection reason in this insurance category, which was also the case in 2023 and increased by 7% compared to 2023. No insured peril increased by 10%, and quantum disputes increased by 4%. Complaints that dealt with the rejection reason of defective design, construction or materials and construction decreased by 17%.

As regards **commercial insurance** disputes, the highest number of complaints resolved related to motor vehicle claims, at 22%. This was followed by buildings combined, at 22%, theft, at 13%, and electronic equipment at 5%.

When compared to 2023, motor vehicle-related complaints increased by 1%, buildings combined increased by 1%, and theft also by 1%. Electronic equipment made its first appearance amongst the most prevalent complaints under this category of insurance.

The primary reason for complaints under this category of insurance was claims rejected due to an exclusion in the policy, primarily the exclusion of gradual deterioration, lack of maintenance, or wear and tear, followed by no insured peril operated, and quantum disputes. This was followed by gradual deterioration, lack of maintenance, or wear and tear, no insured peril operated, and quantum disputes.

Gradual deterioration, lack of maintenance, or wear and tear increased by approximately 6% from 2023. There was a notable increase of around 90% in complaints related to the policy provision of no insured peril operated when compared to 2023. Quantum disputes remained consistent with the trend in 2023.

Under **household contents insurance** disputes, the highest number of complaints closed under this category related to claims for theft and burglary, at 33%. This was followed by accidental damage, at 25%, power surge, at 21%, and acts of nature, at 9%.

Accidental damage complaints increased by 5% when compared to 2023. Power surge complaints were at 24% in 2023, representing a 3% decrease in 2024. This is the second consecutive year that power surge-related complaints have decreased following several years of increases in these types of complaints. Theft and burglary complaints decreased by approximately 1% and acts of nature decreased by 1%.

The primary cause for complaints under this category was claims rejected on a policy exclusion, with the main exclusion being gradual deterioration, lack of maintenance, or wear and tear. In 2023, this exclusion was also predominant. This was followed by no insured event operated, quantum disputes, and criteria for the insured event not met. There was a notable increase of 18% in gradual deterioration, lack of maintenance, and wear and tear. No insured peril increased by 8%, while quantum disputes and criteria for the insured event not met remained consistent with 2023's trends.

As regards **other & non-claim-related disputes, combined**, the highest number of complaints considered related to claims for theft/robbery of mobile devices, at 31%, whereas in 2023, the figure stood at 32%. This was followed by legal expenses, at 16%, non-claim-related policy complaints, at 15%, gap medical, at 10%, and accidental damage to mobile devices, at 9%.

Compared to 2023, complaints related to accidental damage to mobile devices decreased by 2% and gap medical increased by 1%, while legal expenses increased by around 4%.

The primary cause of disputes under this category related to claims rejected on the basis of the non-payment of premiums and criteria for the insured event not met. Other predominant causes for complaints were quantum disputes and cancellation of policies. Non-payment of premium disputes increased by 10% compared to 2023. Quantum disputes remained consistent when compared to 2023, but disputes related to the cancellation and lapsing of policies increased by 11% compared to 2023.

In 2024, 85% of all complaints resolved had identifiable Treating Customers Fairly (TCF) outcomes and a complaint may have more than one applicable TCF outcome. The most prevalent outcomes were as follows:

- 54% of the complainants were not confident that they were dealing with an insurer where the fair treatment of policyholders is central to the insurer's culture.
- 30% did not feel that they were provided with a service from their insurer that was of an acceptable standard.
- 24% felt that they were not provided with products that performed as they had been led to expect.
- 9% felt that they had not received suitable advice taking their circumstances into account.

Formal Ruling Against Participant

During the course of the year only one formal ruling was issued against an insurer. A formal ruling was issued against Dotsure Insurance on 28 February 2024 and the insurer agreed to abide by the ruling on 5 March 2024. Please refer to page 49 for details of this ruling.

Engagement with Stakeholders

Engagement with external stakeholders was ongoing throughout the year, including with the NFO Board of Directors, Ombud Council, and non-life insurance participants, individually and through the SAIA/NFO Non-life Insurance Division Liaison Forum, and at the last Annual General Meeting of the former OSTI held on 31 July 2024.

The former OSTI and OLTI joint Annual Report for 2024 was launched on 26 June. OSTI's Audit and Risk Committee met on 30 May to approve OSTI's 2023 Annual Financial Statements, and the OSTI Board of Directors held meetings on 28 February, 13 June and 5 September.

The Lead Ombud for the Non-life Insurance Division attended the International Network of Financial Services Ombud Schemes Conference in Toronto, Canada, in September.

Two industry workshops were hosted online; one in June canvassing the NFO structure and Rules, and the other in September canvassing complaint trends that had emanated from complaints resolved in the first half of the year as well as case studies on these trends. The Lead Ombud and other staff members of the division actively participated throughout the year in several public relations initiatives of the NFO.

Words of Gratitude

I end my report by extending a word of sincere gratitude to the Non-life Insurance Division for embracing all the change that came with the official launch of the NFO and for their continued hard work, enthusiasm, and commitment.

I thank the former OSTI Board of Directors for its continued support and guidance during the year.

I thank the NFO Head Ombud and CEO, Reana Steyn, for her leadership during a year of immense change for everyone.

I thank the non-life insurance participants for graciously navigating the transition into the NFO and for their continued support.

Edite Teixeira-Mckinon
Lead Ombud: Non-life Insurance Division

"Dear Candace,

Thank you to you and your team for helping me to redeem my money. I don't have words to express my gratitude! Keep doing your great work, it changes lives!

God bless you."

Complainant Testimonial

Case Study 1

"Motor Vehicle Claim Rejected on Misrepresentation"

The complainant lodged a claim with the participant for the loss of the insured vehicle when it was stolen. The claim was subsequently rejected by the participant on the basis that the complainant had misrepresented the regular driver.

The complainant argued that the policy was changed from a single driver policy to an open driver policy and, as such, it was no longer necessary to inform the participant of any changes regarding the driver as the new premium factored in all drivers that could potentially drive the vehicle.

The investigation conducted by the participant established that the complainant's stepson had been the regular driver. However, when the policy incepted, the complainant had noted himself as the regular driver. It was confirmed that the risk vehicle had been bought for the complainant's stepson who, by implication, would drive the vehicle more regularly than any other person.

As the participant had rejected the claim and voided the policy, the participant had to demonstrate on a balance of probabilities that there was a misrepresentation by the complainant regarding the regular driver, that the misrepresentation was material to its underwriting of the risk, and that it was prejudiced by the misrepresentation.

In proving materiality, the participant essentially had to prove that a reasonable, prudent person would consider that the particular information should have been correctly disclosed to the insurer so that the insurer could form its own view as to the effect of such information on its assessment of the risk.

It was established, by means of interviews conducted with the complainant's spouse and stepson, that the vehicle had been, in fact, bought for the stepson. The participant argued that the complainant had had no intention of being the regular driver even prior to the inception of the policy. The complainant had therefore intentionally misrepresented the regular driver.

In Regent Insurance Co Ltd v King's Property Development (Pty) Ltd t/a King's Prop 2015 (3) SA 85 (SCA); [2015] 2 All SA 137 (SCA), the judge held that it must be objectively ascertained whether the non-disclosure materially affected the insurer's risk assessment and then, subjectively, whether the non-disclosure of the material fact induced the insurer to issue the policy or extend the cover on the current terms.

The participant argued that the complainant misrepresented the identity of the regular driver to obtain a more favourable premium. It was also argued that, given the actual regular driver's age, being 21 years of age at the time, the participant would not have accepted the risk at all. Its ability to assess the risk in accordance with its underwriting criteria had been prejudiced by the complainant's material misrepresentation. Consequently, an unacceptable risk had been, instead, accepted. In light of the above, said the insurer, it was entitled to void the policy and refund the premiums.

On considering the merits of matter, our office upheld the participant's rejection of the claim and voidance of the policy.

A material misrepresentation can have dire consequences for policyholders, especially at a time when one is relying on the policy to perform, which is usually when one has suffered damage or a loss.

Kagiso Lekoane
Adjudicator - Non-life Insurance Division of NFO

Case Study 2

"Third-Party Liability Claim Under a Commercial Policy"

Commercial policies cover a great number of different risks and an important one for all commercial entities or businesses is third-party liability. These claims are often for large amounts of money and can be quite complex.

In a complaint that came before our office, the complainant requested assistance with a third-party liability claim, after a fatal shooting incident on a hunting trip, that he had lodged with his insurer, alternatively referred to as "the participant", and which the insurer had repudiated. The widow of the deceased was holding the complainant liable for losses and damages following the death of her husband.

The complainant received a letter of demand from the deceased's widow on 15 February 2023 demanding compensation from the complainant for the reckless and gross negligent action of the complainant in causing the death of her husband with a hunting rifle by shooting him in the back while hunting. While the insured was charged with murder, he pleaded guilty to the lesser charge of culpable homicide on 2 November 2022 of which he was found guilty.

The participant only became aware of the incident following the submission of a claim form by the complainant on 23 February 2023. On 28 February 2023, the participant requested various and specific information from the complainant which was not supplied by the complainant. The complainant did, however, answer one of the questions regarding the underwriting of the policy and a copy of the summons that had been issued by the deceased's widow was also supplied on 29 March 2023. The outstanding information was again requested by the participant on 30 March 2023 and when it was not supplied by the complainant by 6 April 2023, the claim was repudiated in a letter of the same date. The reasons for the rejection were noted as non-disclosure, failing to provide reasonable assistance to the participant, failure to report the incident to the insurer within a reasonable time and reckless disregard of the consequences of the complainant's actions in causing the death of the third party.

Having considered the arguments of the parties along with the rejection reasons, this office issued a Provisional Recommendation in which it was determined that, regarding the rejection based on non-disclosure, the clause relied on by the insurer is normally applied to the underwriting of the policy. It usually refers to information related to the risk that is provided at inception stage and information regarding a change in the risk provided during the subsistence of the policy. It was doubtful whether it could be applied to this specific claim.

What the insurer was implying was that the insured provided false information at claim's stage, however, the difference in versions provided by the insured was found to be minimal and did not have a bearing on the insurer's investigation of the claim.

Regarding the rejection based on reckless disregard for the outcome of the complainant's actions, it was put to the participant that it had decided on the merits of the civil case, which was the task of the civil court and not that of the participant. The insured pleaded guilty to culpable homicide, which means that the insured had not had the intention to kill the third party. The courts are of the opinion that where the degree of recklessness is such that it equates to indirect intent or dolus eventualis, the insurer is placed in a position where it is no longer liable for damage or loss. In this regard the

case of Santam v CC Designing BK (1998) 4 ALL SA 70 (C) was referred to. This was contrary to what the insured was found guilty of in the criminal case, and, in any event, the question of recklessness should be determined by the court out of which summons had been issued.

The rejection based on late notification could also not be upheld as there was no potential or real prejudice to the participant due to the late notification of the incident. The criminal case docket was available and there were no witnesses to interview. It also became apparent that the participant had failed to take the opportunity to consult with the complainant when it had had the opportunity to do so.

While the matter was pending at our office, the participant introduced a new rejection reason, pointing out that the complainant had admitted liability when he pled guilty to culpable homicide. This office found, however, that the civil case and criminal case were two separate matters, and the insured did not admit liability in terms of the civil matter. It would have been contra bones mores to expect the insured to deny any culpability when pleading simply to satisfy the policy requirements. Therefore, the new rejection reason could not be upheld. A Provisional Recommendation was therefore made that the liability claim be accepted by the participant.

The participant, however, did not agree with the Provisional Recommendation and, instead, chose to submit a legal opinion in support of its rejection of the claim. The submissions in the legal opinion were then addressed in a Formal Recommendation issued against the participant.

The legal opinion challenged the monetary jurisdiction of our office to deal with the matter as the claim against the complainant exceeded R12 million. It was, however, pointed out to the participant that the complainant's, and therefore the participant's liability, had not been established by the courts and therefore the claim, at the time, was merely for performance by the insurer in defending the summons issued against the complainant, which was therefore for legal costs only. The settlement of any award by the court would be a separate issue. It was not set in stone that the deceased's widow would succeed with her claim and, accordingly, our monetary jurisdiction did not come into question. Naturally, were the plaintiff to be successful, the claim for compensation would need to be validated by the insurer and then it would likely fall outside of the office's monetary jurisdiction.

It was postulated in the legal opinion that our office should make a decision on the facts of the case against the complainant. It was, however, pointed out to the insurer that it was not the function of our office to determine the liability of the complainant in the legal dispute with the third party.

In our Formal Recommendation, we maintained our view that the participant must assist the complainant in defending the claim made against the complainant by the third party.

The insurer conceded and undertook to assist the complainant in defending the claim and to reimburse the complainant for past legal costs already incurred.

John Theunissen
Senior Adjudicator - Non-life Insurance Division of NFO

Case Study 3

"Lack of Due Care/Recklessness in Motor Vehicle Hijack Claim"

The complainant approached our office for assistance following the rejection of his motor vehicle claim. The participant rejected the claim on the basis of lack of due care or recklessness on the part of the driver, being the complainant. The participant relied on the following policy provisions to reject the complainant's claim:

"2. Your duty of care

2.3. You have a duty to abide by the rules of the road, taking reasonable precaution to avoid or minimise accident damage to or loss of the vehicle;

Your duty of care

22.1. You must, at all times, take all reasonable precautions and steps to:

1. Take reasonable steps (including abiding by the rules of the road) to prevent or minimise accidents, loss, damage, or liability."

The complainant submitted that his vehicle was burnt following a hijacking on the evening of 22 May 2024. He further submitted that on his way home he had parked on the side of the road and had left the engine running with the key in the ignition when he went to relieve himself. He said that he thought it was safe as there was a police station nearby. Upon his return to the vehicle, he was held at gun point by two men, just as he was entering into the vehicle. After a fight between the three men, the perpetrators managed to overpower him, he, in turn, managed to get out of the vehicle and they drove off with the car. It was later recovered in a burnt state.

The participant submitted that at around 19h30, when the incident allegedly happened, it was dark, there were no streetlights on the road, the police station is 500m from the scene of the incident and is not visible from the street. According to the participant, the complainant was 700m from his home, he had passed a plaza and a petrol station and could have stopped at these two places to relieve himself. Furthermore, he had exposed himself to the danger of a hijacking which is a common danger and well known in South Africa.

Our office referred to the case of Santam v CC Designing BK (1998) 4 ALL SA 70 (C) and advised the participant that it bore the onus of proving that the insured was reckless as set out in this case. The test for recklessness was whether the insured was aware of the risk and intentionally reconciled himself with the real possibility of loss, damage, injury and/or death occurring and continued regardless. For the participant to succeed, it had to prove that the insured realised the danger of loss but nevertheless disregarded the danger.

This test is a subjective one; what was the complainant thinking at the time when he decided to park his car on the side of the road to relieve himself? He submitted that he thought it was safe because there was a police station nearby and thereafter proceeded to act in the manner that he did. He was not aware of any possibility of danger or risk of loss. There was no evidence to support the argument that he knowingly courted danger as he did not foresee or realise that there would be danger.

We found that the insured's conduct may have been negligent as a reasonable person would not have left their vehicle engine running, even during the day. However, for the insured to be reckless, his conduct must grossly deviate from that of a negligent person. We did not find this in regard to the

complainant's conduct as one often sees people do this on the side of the road.

The fact that the engine of the car was left running also had no bearing on the loss as the vehicle was not stolen when he was away from. The perpetrators followed him back to the vehicle and held him at gunpoint after he had opened the door and had one leg inside the vehicle. On the information submitted by the complainant, the loss would have occurred even if the vehicle had been switched off and locked, based on how the events of the loss unfolded. Our view may have been different if he had returned to find the vehicle gone.

It makes sense that the complainant would think it was safe to do what he did not only because of the police station nearby but because he is familiar with the road, and it is not too far from his home. Therefore, the thought of danger or loss did not cross his mind, as per his submission.

The fact that the complainant's home was 700m away or that he should or could have stopped at the plaza or garage has little bearing on the rejection reason. It is possible that he was not that pressed when he passed the garage or plaza but by the time he was at the incident scene he could not proceed to drive another 700m to get home because he was too pressed. This speaks to negligence and not recklessness. In our view, the actions of the complainant, under the circumstances, were not reckless.

We recommended that the participant settle the complainant's claim for the loss. The participant conceded to our recommendation and settled the claim.

Zanele Makamba
Adjudicator – Non-life Insurance Division of NFO

Case Study 4

"Wear and tear, gradual deterioration and lack of maintenance – exclusions to cover"

Insurance claims frequently present complex and contentious challenges, with policyholders and insurers (participants) in disagreement regarding the validity and scope of coverage. In the event of a loss, policyholders generally rely on their insurance policy to provide financial protection, facilitating recovery from unforeseen circumstances. However, participants are responsible for evaluating claims in accordance with the specific terms and conditions outlined in the policy, which typically include various exclusions and limitations.

A primary reason for claims being denied involves exclusions related to wear and tear, gradual deterioration, and a lack of maintenance. These exclusions are commonly included in insurance policies to limit the participant's liability for damage arising from natural aging or degradation of assets, or from a failure to maintain those assets according to recommended guidelines. While policyholders may not fully recognise the implications of these exclusions at the time of purchasing their policy, they often become a focal point during the claim's process when damage is determined to stem from these factors.

Wear and tear refer to the gradual deterioration of an asset through regular, expected use over time. Similarly, gradual deterioration involves the decline of an asset's condition due to factors such as weather exposure, age, or repeated operation. Lack of maintenance is another common exclusion; this occurs when a policyholder neglects to adhere to necessary maintenance protocols which ultimately leads to preventable damage.

These exclusions are typically outlined in an insurance policy and are often misunderstood or overlooked by policyholders. While such exclusions are vital for participants to manage risk and avoid moral hazards, they can significantly affect the outcome of a claim. A claim that may initially seem straightforward can be denied if it is found that the damage was caused by factors covered under these exclusions, leaving the policyholder in a difficult position. Consequently, it is crucial for policyholders to understand these exclusions, their potential impact, and the importance of regular maintenance to help ensure that claims are not rejected.

In a complaint that came before our office, the policyholder (complainant) submitted a claim for water damage to his house, asserting that it was caused by a recent storm. The participant rejected the claim, stating that the damage was due to a lack of maintenance, wear and tear, and gradual deterioration.

The participant based its decision to decline liability for the damage to the roof on an expert report. Upon inspection, the expert found that the roof was in a poor condition, had unsealed overlaps, rusted sheets, and several holes. These findings led the participant to conclude that the damage resulted from factors such as a lack of maintenance and gradual deterioration, rather than from the storm as claimed by the complainant.

The participant further submitted photographs of the roof reflecting its condition.

In response to the participant's findings, the complainant submitted their own expert report, which countered the participant's assessment. The complainant's expert concluded that the overlaps on the roof were sealed and that the roof had been properly maintained. Additionally, the report asserted that the damage was caused by an unusually large volume of water that had passed through the property, rather than resulting from a lack of maintenance or gradual deterioration.

The complainant subsequently submitted invoices in an attempt to substantiate his assertion that maintenance had been carried out to the roof.

In reviewing this matter, our office carefully considered all the evidence on hand. It was noted that the invoices provided by the complainant were dated approximately four years prior to the reported loss. These invoices made no reference to maintenance, instead they focused solely on painting services. Furthermore, neither the complainant nor their appointed expert was able to present sufficient and clear proof that maintenance had been conducted to the roof in question.

After careful consideration, we concluded that the evidence submitted by the participant, specifically the expert report accompanied by photographs, was more compelling than the evidence submitted by the complainant. The participant's evidence more effectively supported its position regarding the condition of the roof and the cause of the damage.

Accordingly, we were unable to support the complaint.

Kishendren Pillay
Adjudicator – Non-life Insurance Division of NFO

Case Study 5

"Insurable Interest & Quantum Disputes on Household Contents Claim"

The complainant submitted a claim for the replacement of her household contents that were stolen and damaged during a burglary. While the participant approved the claim, certain items were excluded from the settlement offer.

In her complaint, the complainant raised her concern with the settlement amount offered and considered the principles applied by the participant to be inaccurate and unreasonable.

The participant appointed an investigator to interview the complainant and assess the loss that had occurred. The participant thereafter confirmed that certain goods owned by the complainant's sons would not be covered due to the fact that the complainant had no insurable interest in her sons' property. The complainant's sons were financially independent and only items bought by the complainant before their employment were considered as part of the insured's covered household contents. The participant referred to the definition of Insurable Interest in the policy:

"Insurable Interest - means that You are the owner of, or alternatively, the good faith possessor in terms of a credit agreement of the Insured Property and bear the risk of both loss of the item as well as a financial loss."

"You / Your / Yours / Yourself / the Insured - means the names shown in the Schedule as the Insured, inclusive of Your spouse and any other members of Your family or Your spouse's family who normally live with You and who are financially dependent on You and / or as more specifically defined in the specific Sections. Where reference is made to the Insured, this means the person named in the Schedule, is the owner of the Policy and is responsible for the payment of the premium and is inclusive of each member of their family normally residing with them at the Risk Address as stated on the Schedule."

The participant also explained that the laptop that belonged to the company that the complainant worked for did not qualify for cover. The damaged alarm system was not covered because the complainant did not have homeowners' insurance with the participant. Lastly, an Xbox that fell and was damaged was excluded because the participant stated that there was no physical damage to the Xbox, and the Xbox had, rather, suffered a short to the mainboard.

The participant concluded its submissions with the following:

The insureds sons have suffered the financial loss in this instance and not the insured. They are both financially independent and are employed at a Company called Syntech where they earn a salary. If the insured maintains that her sons are totally dependent on her, the onus is on the insured to provide proof that they are totally dependent on her and that she is providing for them full time.

The claim was partially approved for the value of the items that were determined to fall within the ambit of cover. The onus was on the complainant to demonstrate that the settlement amount was incorrectly determined.

On considering the facts of the claim and the policy terms, our office agreed that items belonging to the complainant's sons, as well as the laptop, did not qualify for cover due to there being no insurable interest in the items on the part of the insured. Furthermore, the alarm system would fall under homeowners'/building insurance, which the complainant did not have with the participant.

Our office also considered the inventory submitted by the participant and we noted that a pair of hoop earrings had not been included in the settlement amount without any explanation from the participant. We therefore recommended that the earrings be added to the settlement.

As regards the Xbox, our office considered the investigator's report and found that the rejection of this item was unsubstantiated. The investigator confirmed that the short on the mainboard could potentially have occurred due to the device being dropped. The participant ruled this out purely because there were no impact marks on the device.

It was imperative for the participant to clearly justify the reason why a particular item claimed for would not be covered by the policy, which had not been done in the case of the Xbox. The office therefore recommended that the cost of the Xbox also be added to the settlement amount.

The participant agreed with our recommendation and amended the settlement amount accordingly.

Nekecia van Niekerk
Adjudicator – Non-life Insurance Division of NFO

Formal Ruling Against Participant:

"Dotsure Limited – Insured Retains Written-Off Vehicle"

The decision to write off a motor vehicle falls within the discretion of the insurer and is exercised on the basis that the vehicle is uneconomical to repair.

In this case, the decision to declare the vehicle a Code 2 write-off was met with a dispute by the insured, in that he did not want his vehicle written off. The insured said that the insurer relied on unreasonably high and inflated repair costs to write his vehicle off.

The insured wanted us to decide on whether the pricing used by the insurer's service provider was correct. He also said that if the insurer was correct in writing off the vehicle, then he wanted to retain the vehicle and repair it, as he believed that it was repairable.

The insurer had decided to write off the vehicle on the basis that the repair costs had reached the repair cost threshold of 60% of the value of the vehicle and it was therefore uneconomical to repair the vehicle.

The insured then wanted the insurer to pay him the threshold value of 60% in cash and allow him to retain the vehicle.

The insurer disagreed with this proposal and said that the cover which it afforded to the insured under the policy was never intended to be unlimited. Further, that the all-in repair limit was 60% of the value of the vehicle, and that the insurer had not agreed to pay 60% of the vehicle's value towards the repair costs. The insurer stated that this was not an option which was available to the insured, and that the standard procedure for a total loss settlement needed to be followed.

The insurer gave the insured the option of purchasing the salvage from the salvage yard after the settlement of the claim.

The settlement of the claim was also subject to the insured providing the insurer with the necessary documents to have the vehicle dealer stocked before he could purchase it back from the salvage yard. The insured did not want to release the vehicle back to the insurer or the salvage dealer, as he wanted to retain ownership of the vehicle.

The insurer advised that it required the complainant to transfer ownership of the insured vehicle, after which he could

purchase the vehicle from the salvage dealer, alternatively, he could cancel the claim and forfeit the claim amount, retain his vehicle, and repair it at his own cost.

According to the insurer, for the sale of the vehicle/salvage to the insured to take place, the vehicle needed first to be dealer stocked.

In terms of the SAIA Code of Conduct (the Code), Dealer Stocked is when motor vehicles are exempt from licensing and are registered in the name of the insurer, or the salvage agent as the title holder of the motor vehicles.

As per the Code it is further compulsory that the motor vehicle be registered, and dealer stocked in the name of the insurer or the salvage agent, as per the legislation and the contract.

The insurer said, "the process of registering all Code 2 written off vehicles in the name of the insurer allows any future purchaser of this vehicle to see that the vehicle was previously in an accident, and it was not cost effective to repair the vehicle back to manufacturer standards. The purchaser would only have to draw a vehicle history at the licensing office or a Transunion report to obtain this information. The purchaser can then make an informed decision whether to purchase the vehicle or not. At least it would allow the purchaser to insist that the seller supply an AA Quality Inspection report with the vehicle sale."

The insurer also stated that "The process of transferring the vehicle into the insurer's name is also designed to force the person who repairs the vehicle to have the repairs inspected by the relevant authorities before the vehicle ownership can be transferred to the person who repaired the vehicle. If the insurer were not to transfer the ownership of the written off vehicle into the insurer's name and paid the client a cash in lieu of the write off value, the client can legally repair the vehicle at a non-structural or 'backyard repairer' without the necessity of a thorough inspection post repairs. It would be extremely irresponsible for the insurer to do this, and would place any future owners' life at risk, as well as opening the insurer up to litigation."

We agreed with the insurer that it was entitled to declare the vehicle a write off.

The issue on which we then had to decide was whether the insurer's request to the insured was fair and reasonable.

While the insurer referred to the process required by SAIA, we found that the insurer had not proven any prejudice in allowing the insured to retain the vehicle and paying the insured in cash.

The concerns around fraud were addressed by the fact that the insured was the lawful and legal owner, as well as the title holder, of the vehicle. He also indicated an intention to continue using the vehicle.

Any future insurer of the vehicle would follow the necessary underwriting processes prior to placing the vehicle on cover.

In order to resolve this matter, we turned to our fairness and equity jurisdiction. We found, in our recommendation, that, as the insured had proceeded to repair the vehicle and showed a clear intention to retain it for his use, the insurer should agree to its retention by the insured and settle the claim on what it would have paid on the basis of a write off, without the need to have the vehicle dealer stocked.

The insurer reiterated that it was cognisant and very mindful of its obligations to comply with the SAIA Code of Conduct, and it therefore did not agree with the recommendation made by our office. The matter was then escalated for the Escalation Committee's consideration.

While we noted that the insurer did not want to be in breach of the Code, we reminded the insurer that the purpose of the Code was to prevent fraud or other crimes relating to vehicles that are written off.

It was not in dispute that the insured was the owner of the vehicle, and that the vehicle had been insured on that basis.

In our Provisional Ruling, we found that the strict application of the process in the Code would result in an unfairly delayed process for the parties and would not assist in resolving the dispute at hand.

We further found that, as the insured was already in possession of the vehicle and he was the still the owner, there was no need to transfer ownership of the vehicle to the salvage yard, only for the insured to purchase the vehicle back from the salvage yard in order to become its owner again.

Therefore, in order to avoid any further delays in getting this valid claim settled, we ruled that the insured retain ownership and possession of the vehicle, and that the insurer indemnify the insured as previously recommended.

Only on issuing a final ruling, did the insurer agree to proceed accordingly and the claim was settled.

Thasnim Dawood
Senior Adjudicator - Non-life Insurance Division of NFO

Average Time to close formal cases (weighted average over two systems)

177 days

TCF Outcomes per Product

	Appropriate Advice	Claim / Switching / Complaint Processes
All Risks	0.03%	0.25%
Bicycle Insurance	-	-
Commercial	0.16%	4.83%
Gap Medical	-	0.06%
Homeowners	0.25%	7.02%
Household Contents	0.06%	1.75%
Life	-	-
Micro Insurance	0.06%	-
Mobile Devices	0.10%	1.56%
Motor	0.76%	9.94%
Motor Mechanical Breakdown Warranty	-	0.03%
Non-Claim Related Policy Complaint	0.03%	0.41%
Personal Accident	-	0.03%
Pet Insurance	-	-
Travel	-	0.10%
Total	**1.46%**	**25.98%**

Key Statistics

Premature Cases Opened	3 158
Formal Cases Opened	8 059
Total Cases Opened	**11 217**

Premature Cases Closed	430
Formal Cases Closed	8 859
Total Cases Closed	**9289**

Less converted matters (premature to formal) (37%) of premature matters	2 508
Total Registered cases	**8 709**

Findings in favour of Participant **88%**

Findings in favour of Complainant **12%**

Fairness / Culture	Information / Disclosure	Product / Service Design	Product Performance and Service Quality	Total
0.10%	-	0.10%	0.48%	0.95%
0.03%	-	-	-	0.03%
1.72%	0.32%	0.89%	3.24%	11.15%
-	-	-	-	0.06%
3.14%	0.44%	9.02%	12.39%	32.27%
0.86%	0.03%	1.27%	2.70%	6.67%
-	-	-	0.03%	0.03%
-	-	0.03%	0.03%	0.13%
0.70%	0.10%	1.52%	2.00%	5.97%
4.64%	1.08%	9.24%	12.67%	38.34%
-	-	0.13%	0.10%	0.25%
0.35%	0.16%	0.54%	0.60%	2.10%
0.06%	-	0.03%	0.06%	0.19%
-	0.03%	-	0.06%	0.10%
0.29%	0.03%	0.19%	1.14%	1.75%
11.88%	**2.19%**	**22.97%**	**35.51%**	**100.00%**

Stats per top 25 participants

Name of Insurer	Premature Complaints Opened	Personal Lines Formal Complaints Opened	Commercial Lines Formal Complaints Opened	Total Formal Complaints Opened	Matters converted to formal from Premature
Santam Limited	224	511	173	684	183
Old Mutual Insure Limited	233	510	103	613	182
Standard Insurance Limited	258	609	23	632	227
Absa Insurance Company Limited	219	551	9	560	186
Discovery Insure	149	462	39	501	114
Hollard Insurance Company Limited	157	388	84	472	132
Guardrisk Insurance Company Limited	166	329	96	425	127
Old Mutual Alternative Risk Transfer Insure Limited (OMART Insure).	198	336	68	404	118
King Price Insurance Company Limited	153	332	27	359	135
MiWay Insurance Limited	132	301	29	330	114
Nedgroup Insurance Company Limited	112	277	4	281	95
Auto & General Insurance Company Limited	120	206	27	233	83
Santam Structured Insurance Limited	118	231	0	231	95
Dotsure Limited	112	212	7	219	92
Momentum Insure Company Limited	96	185	18	203	71
OUTsurance Insurance Company Limited	103	145	52	197	50
Bryte Insurance Company Limited	56	133	52	185	50
Firstrand Short-term Insurance	73	181	4	185	62
Budget Insurance Company Limited	89	148	22	170	64
New National Assurance Company Limited	30	84	32	116	27
Compass Insurance Company Limited	22	16	90	106	20
Centriq Insurance Company Limited	44	94	12	106	31
First for Women Insurance Company Limited	42	96	1	97	29
SA Home Loans Insurance Company Limited	42	89	0	89	35
Legal Expenses Insurance Southern African Limited	28	73	0	73	21

Formal Cases Opened Per Product

Product	%
All Risks	1.22%
Bicycle Insurance	0.01%
Commercial	13.33%
Gap Medical	0.66%
Homeowners	29.09%
Household Contents	5.75%
Legal Expenses	0.58%
Life	0.03%
Micro Insurance	0.08%
Mobile Devices	4.95%
Motor	39.01%
Motor Mechanical Breakdown Warranty	1.86%
Non-Claim Related Policy Complaint	1.85%
Personal Accident	0.14%
Pet Insurance	0.14%
Professional Indemnity	0.01%
Travel	1.14%
Water Loss	0.07%

Top 3 Categories for top 5 Products

Motor	
a. Accident	64%
i. Criteria for insured not met	27%
ii. Delays	14%
iii.Quantum in dispute	11%
b. Warranty/ Mechanical Breakdown	13%
c. Theft/ Hi-jack	9%

Homeowners	
a. Acts of Nature	38%
i. Gradual deterioration/maintenance/wear and tear	33%
ii. Criteria for event not met	29%
iii.No insured event	10%
b. Homeowners/Buildings	18%
c. Bursting of water pipes/ systems	15%

Commercial	
a. Motor	31%
i. Criteria for insured event not met	46%
ii.Delays	6%
iii.Prevention of loss/lack of due care	6%
b. Buildings combined	14%
c. Buildings	12%

Household Contents	
a.Accidental Damage	29%
i.Criteria for insured event not met	40%
ii.Gradual deterioration/maintenace, wear& Tear	23%
iii. No insured event	15%
b.Theft/Burglary	23%
c.Power Surge	20%

Motor Mechanical Breakdown Warrenty	
a.Other	100%

Total Cases Registered	Premature Complaints Closed	Personal Lines Formal Complaints Closed	Commercial Lines Formal Complaints Closed	Total Formal Complaints Closed	Formal Complaints Finalised with some benefit to the insured (Resolved in favour of the complainant)	Resolved Ratio
725	31	585	208	793	67	8%
664	30	686	90	776	124	16%
663	20	567	33	600	36	6%
593	10	515	17	532	42	8%
536	20	477	37	514	64	12%
497	22	366	79	445	49	11%
464	21	376	92	468	99	21%
484	48	324	76	400	114	29%
377	10	391	25	416	36	9%
348	15	316	16	332	20	6%
298	8	334	9	343	31	9%
270	27	232	34	266	24	9%
254	12	249	0	249	14	6%
239	14	270	8	278	24	9%
228	11	251	20	271	22	8%
250	54	210	67	277	25	9%
191	5	130	59	189	31	16%
196	9	173	3	176	20	11%
195	20	153	22	175	10	6%
119	1	95	43	138	21	15%
108	0	18	163	181	11	6%
119	9	108	16	124	10	8%
110	14	100	1	101	11	11%
96	4	90	0	90	5	6%
80	8	84	0	84	14	17%

Life

Denise Gabriels

Lead Ombud: Life Insurance

As for all the new divisions of the NFO, this reporting period was a transitional period for the Life Insurance team as they stepped through a new door. How would they manage the changes on a practical level when many complaints are complicated and required specific technical knowledge and expertise? And how would their tasks be guided by the founding 6 principles adopted from the International Network of Financial Services Ombudsman Schemes, as well as the core values of the NFO itself? Lead Ombud Denise Gabriels tells all.

BUSINESS AS USUAL – OR NOT?

In the 2023 Annual Report for the Ombud for Long-term Insurance, I covered the events leading up to the amalgamation of the four ombud schemes and the launch of the NFO in March 2024.

For the most part, it has been business as usual for the Life Insurance Division, and yet not. On the 1st of March 2024 we had a carry-over of 2 565 OLTI cases, which in terms of the NFO Rules had to be dealt with under the OLTI rules. These cases continued to be processed on the old legacy system until the end of the year, at which point there were 91 still in progress that were transferred onto the new system.

4 381 new cases were registered for the Life Insurance Division of the NFO for the period 1 March to 31 December 2024, of which 3 504 formal cases and 3 210 premature cases (less 2 333 premature cases converted to formal). 2 333 of the premature cases were not settled by insurers in the allotted time and converted to formal cases, bringing the total number of formal cases registered for the 10-month period to 3 504.

These cases were captured on the new system and dealt with in terms of the NFO Rules and processes. Working on two parallel systems was challenging for processing and collation of statistics.

On a 12-month comparison, a combined total of 5 638 cases were registered in 2024, 16% fewer than the 6 714 cases registered in 2023.

Funeral benefits remain the product most complained about accounting for 45% of complaints, and claims being declined the most common cause for complaint (56%), followed by complaints about poor service or administration (34%).

We finalised 5 977 cases in 2024, of which 3 943 were formal cases and 2 034 premature cases. Whilst the total number of complaints finalised declined from the previous year, the number of formal complaints increased by 26%. This may be partly attributable to the fact that in the NFO, premature complaints (previously referred to as 'transfers' by OLTI) automatically convert to formal complaints if not resolved within the required timeframe.

Of the formal complaints finalised in 2024, 25% were resolved either wholly or partially in favour of complainants, down 1% from 2023. A total amount of R202 854 491,24 was recovered for complainants. Ten final rulings were issued against

Amount Recovered on behalf of complainants

R202 854 491.24

"With sincerest thanks, your intervention resulted in a 10-year-old query being resolved.

Thank you for providing a platform for the consumer, to have a voice and be counted!"

Complainant Testimonial

life insurers, three of which are summarised below in Case Studies 1, 3 and 4. Summaries of all the final rulings against insurers are available on the NFO website.

In the 2023 Annual Report it was reported that four applications for leave to appeal were granted and the appeals were pending. These appeals have been finalised, two of which were upheld and two were dismissed. Of the two that were upheld, the one turned on new information provided after the application for leave to appeal was brought, and the other is reported in Case Study 2 below.

During the first two months of 2024, OLTI received five applications for leave to appeal, all of which were dismissed. In the period 1 March to 31 December 2024, 27 applications for leave to appeal final rulings in respect of complaints in the Life Insurance Division were received by the NFO, of which one was granted but later dismissed on appeal and one settled by the insurer. Seven were still pending by the end of the year and the rest were dismissed. It must be noted that all the applications for leave to appeal were brought by complainants.

On the staff front, our division had quite a number of changes. Two additional legal interns joined us in March, namely Mihle Mlanjeni and Micaela ver Hoog, and another intern, Leratho Lukas left in August. We contracted the services of Alana Reyneke as assessor in March and Jarred Newman was appointed as adjudicator in November.

We bade farewell to some of our long-standing colleagues in 2024, marking the end of an era. Tony Sterrenberg's and Jennifer Preiss's contracts expired at the end of June 2024, Sue Myrdal in September and those of Rosemary Galolo, Charmaine Bruce, Nuku van Coller, Maretha Kriel, Maresa May and Adri Joubert at the end of December. We express our sincere gratitude to all these members, many of whom were contracted post their official retirement from the office, for their immeasurable contributions in building the reputation of the organisation.

I also wish to thank every staff member in the Life Insurance Division for your tremendous effort and positivity in the face of constant change and heavy workloads throughout the year. We started the year perhaps filled with trepidation but never lost sight of our purpose to secure fair outcomes for complainants, and dare I say ended the year on a high note, with confidence in the NFO to deliver. To my managers Nceba and Vuyo, who worked tirelessly to keep the wheels turning and on whom I have relied heavily throughout the year, a special thank you.

To Reana and my colleagues in the other divisions, and especially those in the Shared Service Division, thank you for your support of our staff and hard work in keeping our systems and finances running smoothly, and promoting the unified identity of the NFO.

Finally, I wish to thank all our life insurer participants for their support and trust in our office, and for engaging with us in an open and transparent manner. Your patience with the changes in processes and turnaround times is appreciated. We expect the benefits in shorter turnaround times to show shortly.

Denise Gabriels
Lead Ombud Life Insurance

Case Study 1

Final ruling where funeral claim was wrongly declined

BACKGROUND

1. The case concerned a funeral policy with Liberty Life ("the insurer"). The complainant was the beneficiary and premium payer. Ms R was both the policyholder and the life assured. Ms R ("the deceased") died some 12 months after the policy was issued whereupon the complainant lodged a claim. However, the insurer declined the claim on the grounds that there was no insurable interest between the deceased and the complainant.
2. The insurer relied on the following clause in the contract:
   "Third party policies
   A policy issued in the name of the Policyholder and monthly premiums are paid from another person's account.
   Third party policies are limited to a maximum Sum Assured of R100 00 per life assured, per policy. Third party policies are limited to a maximum of five policies debited from the premium payer's transactional account.
   The relationship of the Life Assured to the Policyholder/Premium Payer must be proven at claims stage (to indicate insurable interest)".
3. The insurer had contacted the deceased's family members, including her mother who said she did not know the claimant (the complainant). While it appeared that the deceased and the complainant were related by blood, possibly cousins, there was a dispute of fact among the family members as to whether the deceased and the complainant were known to each other.
4. The insurer argued that the intention of the claimant and the purpose of taking out the policy on the life of the deceased was "purely for self-enrichment" as there was no proof of any financial dependence or financial loss (insurable interest) that would affect the claimant.
5. The matter was discussed at an adjudicators' meeting, whereafter a provisional ruling against the insurer was made.
6. The meeting noted that from the application form it was clear that Ms R was the life assured as well as the policyholder. The above clause required proof at claims stage of the relationship between life assured and policyholder or premium payer. In this case the life assured and policyholder were the same person, thus the requisite relationship was proved. In any event, insurable interest need only be established between the policyholder and the lives he/she wished to insure. In this instance the policyholder insured her own life. Insurable interest was thus present.
7. As policyholder, the life assured was entitled to nominate whoever she wished as beneficiary, as confirmed by the contractual terms. There need not be any insurable interest between the policyholder and the nominated beneficiary. Furthermore, while the complainant may have been the premium payer on the policy, there was nothing in the policy to the effect that he could not be nominated as a beneficiary. The provisional ruling held that the insurer could not decline the claim on the basis that there was no insurable interest.
8. The insurer responded to the provisional ruling stating: "After further investigation we established the premium payer misrepresented the facts by alleging there was an existing relationship between him and the deceased to mislead the insurer into believing a valid contract existed. The policy was therefore taken purely for financial benefit and not for the wishes of the policyholder".

FINAL RULING

9. The matter was referred back to an adjudicators' meeting. The meeting was of the view that there was no evidence that the complainant had misrepresented a relationship between himself and the deceased policyholder. The application form noted the relationship between policyholder and beneficiary as "other" and that between policyholder and premium payer as "aunt". Despite this the insurer accepted these relationships and issued the policy.
10. In any event, as stated in the provisional ruling, the relationship between policyholder and beneficiary, and that between policyholder and premium payer, was irrelevant.
11. The meeting was of the view that the insurer's notion that the funeral policy was taken for financial benefit, and not pursuant to the wishes of the policyholder, was disingenuous. The application form did not actually request the signature of the policyholder, only that of the premium payer. Despite this the policyholder signed the application form, indicating her consent to the policy being taken out with her as life assured and policyholder. The policyholder's signature on the application form as well as the premium payer's signature on the authority to debit, both of the same date, constitute prima facie evidence that all three parties (policyholder, premium payer and insurer) knew about the policy application and consented thereto.
12. The final ruling held that the insurer could not rely on misrepresentation, lack of consensus or lack of insurable interest to decline the claim. The insurer was directed to pay the sum assured to the complainant.

Case Study 2

Appeal ruling in purported alteration of beneficiary nomination

BACKGROUND

1. The complainant in this case was a minor child, represented by her mother. She was nominated as sole beneficiary on a life policy with Liberty Life ("the insurer"), on which her father was both life assured and policyholder. Her parents were divorced. The father died on 27 March 2020.
2. It emerged that in February 2020, according to the father's broker, the father had requested a change of beneficiary form. No signed form was returned to the broker, or the insurer. After the father's death the form, signed on 23 February 2020, was found in a drawer at his workplace. In this form the father nominated a family trust as beneficiary. The broker sent the form to the insurer on 20 May 2020, and on 26 May 2020 informed the insurer of the policyholder's death. After investigating the authenticity of the signature on the form, the insurer paid the proceeds to the family trust.
3. The complainant was aggrieved that the insurer had not paid her, as she remained recorded as the nominated beneficiary at the date of death. Her attorney alleged that the insurer had breached its contractual obligations, ignoring its own contractual terms which required that appointment or removal of a beneficiary must take place prior to death.
4. Our office identified the question before it to be whether the beneficiary form allegedly signed by the deceased on 23 February 2020 was valid or not. A provisional ruling dismissed the complaint, holding that we could not determine this question as this would affect a third party not in our jurisdiction ie the trust. We were not in a position to join the trust. We took the view that in the circumstances the matter would be more appropriately resolved by a court of law, in accordance with our Rules.
5. In the complainant's response to the provisional ruling, the complainant's attorney argued in response that the complaint simply concerned his client's contractual rights against the insurer, and that the trust was not a party to this contract. He argued that it was unnecessary to join the trust, and that no relief was sought against the trust. If a determination were to be made in his client's favour, it would be for the insurer and the trust to resolve any dispute between them which might arise.

FINAL RULING

6. The matter was discussed at an adjudicators' meeting. The meeting expressed the view that the true intention of the deceased would have to be investigated. There were disputes of fact which our office was not equipped to investigate since, for example, we did not have the power to subpoena or cross-examine third party witnesses. The provisional ruling was confirmed as the final determination, dismissing the complaint.

APPLICATION FOR LEAVE TO APPEAL AND FINAL DECISION OF APPEAL TRIBUNAL

7. The complainant's attorney applied for leave to appeal, arguing again that the complaint was within the Ombudsman's power to determine because it concerned the allegation that the deceased did not revoke the complainant's nomination prior to his death in accordance with the contractual requirements for a change of beneficiary. If this issue was resolved in favour of the complainant the insurer was contractually obliged to pay the benefit to the complainant. The application for leave to appeal was granted.
8. An Appeal Tribunal consisting of three retired judges was constituted. In its judgment the Appeal Tribunal pointed out that the complaint before the Ombudsman was not whether the beneficiary form was valid; rather the complaint was that the insurer had not complied with its contractual obligations. For that enquiry no material facts were in dispute. The Tribunal was of the view that there was no reason why that complaint could not have been entertained by the Ombudsman in the absence of the trust. The true complaint concerned the contractual relationship between the insurer and the insured, to which the trust was not a party.
9. The Tribunal stated that it was not necessary to explore the authenticity or otherwise of the beneficiary nomination form. It accepted for purposes of the Appeal that the contents and signature were authentic. The only essential fact for resolving the dispute was that the substitution of the beneficiary had not been communicated to the insurer at the time when the deceased died.
10. The Tribunal's reasoning in its determination was as follows:

- In terms of the contract the insurer agreed that "When the Life Assured dies, the death benefits will be paid to any nominated Beneficiaries who survive the Life Assured".
- In ordinary language a 'nominated' beneficiary is one who has been named and that means named to the insurer, which clearly implies that the naming be communicated to the insurer.
- Where a beneficiary has been nominated, the agreement is one for the benefit of the beneficiary. The

benefit is a right for the beneficiary to become a party to the agreement on the death of the insured, once the beneficiary has conveyed acceptance of the right to the insurer. The beneficiary is then entitled to enforce the insurer's obligation to pay the benefit.

- No rights accrue to the beneficiary prior to the death of the insured. The insured is entitled before his or her death to substitute the beneficiary if the policy allows. In this case the policy allows this in terms of the following clause:
- "The Policyholder may at any time before the death of the Life Assured appoint, change or remove one or more Beneficiaries without the consent of the Life Assured or Beneficiary…"
- As stated, in ordinary language 'nomination' implies notice to the insurer. Such notice is necessary for the substitution to be effective on more fundamental grounds: there must be consensus between the parties for a contract to exist; consensus is possible only by communication between them of their mutual intention to contract; and this also applies to the alteration of a contract.
- The Tribunal stated: "When an insured substitutes a nominated beneficiary, and the insurer accepts the substitution, the contract is altered. No more have they agreed that the beneficiary who had initially been nominated will be paid on the death of the insured. They have agreed that the substituted beneficiary will be paid." Alteration requires consensus, which can only come about by communication between the parties of the altered intention.
- In this case there was no consensus between the policyholder and the insurer that the trust was to be paid on his death. The consensus that the complainant would be paid was not altered by the time he died. Any intention he may have had to substitute the trust was not material; until that intention was communicated to the insurer the contract remained as it was at the time of his death.
- The policyholder's altered intention was eventually communicated to the insurer but by then it was too late. The right to become a party to the contract and enforce the insurer's agreement to pay her had already accrued to the complainant upon her father's death, and the insurer was contractually obliged to give effect to her right.
- The Tribunal stated "An insurer is not entitled to assess what it considers to have been the wishes of the insured before he or she died, as an executor must do when there is a will…A policy of insurance is a bilateral agreement and the insurer must give effect to what was agreed."

11. The Tribunal stated its view that the Ombudsman ought not to have declined to determine the complaint. The Tribunal then determined the complaint in the Ombudsman's stead, directing that the insurer must pay the benefit under the policy to the complainant.

Case Study 3

Final ruling in case centred around moral risk

BACKGROUND

1. The complainant was a beneficiary on a funeral policy. When the policyholder died the complainant lodged a claim with 1Life ("the insurer"). The claim was declined as a forensic report showed that he had committed fraud, impersonating the life insured when the policy was taken out, and also later when it was reinstated after it lapsed. Our office investigated the complaint and upheld the insurer.
2. During our investigation, the insurer cancelled a second policy that the complainant held, even though it could not find any fraudulent activity by the complainant on this policy. All premiums were refunded. The insurer stated that it could no longer accept the risk on this policy because of the complainant's fraudulent conduct in the first policy, constituting "moral hazard". The insurer claimed the right to cancel the second policy on two grounds:

- The insurer averred that there was a material change in the risk covered by the policy, and that Rule 20.2.1(b) of the Policyholder Protection Rules (PPR) covered this situation. The Rule reads as follows:
"If an insurer intends to terminate a policy because of circumstances other than –

(a) …;

(b) a material change in the risk covered under the policy that, in terms of the policy, -

(i) results in the policy automatically coming to an end; or

(ii) provides the insurer with a right to end the policy; or

(c) …;

the insurer, despite any terms and conditions provided for in a policy, must give the policyholder at least 31 days' written notice of the intended termination."

- The insurer also cited standard clauses from its policy allowing it to repudiate claims or cancel the policy if there was material misrepresentation or non-disclosure at application stage. The insurer contended that the complainant failed to disclose, on applying for the second policy, that he had committed fraud on the first policy.

3. After an adjudicators' meeting, a provisional ruling was issued, holding that:

- The insurer could not use fraud committed on one policy as a basis to cancel another policy not tainted by fraud;
- The insurer's reliance on the standard non-disclosure clause was misplaced because it admitted that no fraudulent acts were picked up on the second policy;
- Rule 20.2.1(b) did not confer a right to cancel the policy. The PPR are intended to protect policyholders and do not confer rights on insurers (Hermione Nell and 74 others v Constantia Insurance Co Ltd and others (10068/2020) ("the Hermione Nell case");
- The insurer's decision to cancel the policy was therefore invalid. Since the complainant did not want the policy reinstated, the insurer was ordered to pay him compensation in the amount of R7 000.

4. In response the insurer expanded its arguments, asserting three contractual clauses which it said grounded its right to cancel the second policy with immediate effect. These clauses were:

- A clause in the second policy stating "The product supplier reserves the right to cancel the cover and declare all premiums paid as forfeited, should there be evidence of or an attempted submission of a fictional claim, fraud or misrepresentation." The insurer argued that the reference to fraud or misrepresentation was wide in ambit and not restricted to fraud or misrepresentation perpetrated only under the second policy.
- A further clause in the second policy stating that the insurer could terminate the contract and reject any claim "if it is found that fraudulent means or false informa-

tion was used to benefit from the cover granted." The insurer argued that considering that the complainant concluded the second policy two weeks before fraudulently reinstating the first policy, it could invoke this clause against him and cancel the second policy.

- The set of clauses already previously cited by the insurer to the effect that material misrepresentation/non-disclosure entitled the insurer to cancel a policy. Again the insurer argued that the failure to disclose the fraud on the first policy entitled the insurer to cancel the second policy. The second policy provided for a duty of disclosure "by making a fair presentation of the risk proposed for insurance." The insurer argued that a reasonable applicant for the second policy would have disclosed the fraud on the first policy, and that this rendered the complainant's non-disclosure material.

5. The insurer also argued that Rule 20.2.1, requiring that the insurer must give 31 day's notice to cancel a policy unless one of the circumstances mentioned in the Rule is present, "properly construed" means that if one of the circumstances in the Rule is present the insurer can cancel with immediate effect. The insurer is of the view that the circumstance in (b) of Rule 20.2.1 is present, being a material change in the risk covered under the policy.
6. The insurer was of the view that the Ombudsman erred in not considering the moral risk to it of continuing to cover a policyholder who had committed fraud on another policy. The insurer cited the case of Ioannides NO and Others v Western National Insurance Company Ltd and Another [2022] ZAFSHC ("the Ioannides case"). The court stated that an insurer's assessment of an applicant's risk profile at application stage includes a consideration of the moral risk, or personal circumstances that raise questions as to his integrity. The court accepted that the insurance industry treated conduct where the insured had claimed from two different insurance companies for the same damage, and failed to disclose this on applying to a third insurer for cover, as a moral risk. The court accepted that such information was material and ought to have been disclosed.

FINAL RULING

7. An adjudicators' meeting examined in depth the case law dealing with moral risk or moral hazard. The meeting noted that there was a dearth of South African case law considering the concept, and that the term was almost exclusively used in short-term insurance rather than life insurance. The Ioannides case dealt with short term insurance. In a case dealing with life insurance, AA Mutual Life Insurance Association Ltd v Cronje 1990 (3) SA 966 (T), the court held that a reasonable man would not, in its opinion, regard moral hazard as being as important in the context of life insurance as, for example, fire insurance. The court's view was that the risk under consideration for life insurance related to the state of health of the person concerned, and factors which might endanger his life, not his moral integrity.
8. The meeting noted that the insurer had not alleged that it asked the complainant any specific questions as to whether he had ever made any misrepresentation or impersonated any person in taking out a policy. He was not obliged to disclose something he was not asked about.
9. The meeting then considered the three contractual clauses the insurer relied on to cancel the second policy with immediate effect. The insurer's argument about the first clause relied on was rejected. There was no "evidence of an attempted submission of a fictional claim, fraud or misrepresentation" on the second policy. The insurer's argument about the second clause relied on was also rejected, as it was not found that "fraudulent means or false information was used to benefit from the cover granted" on the second policy. The argument about the third set of clauses relied on, dealing with the insurer's right to cancel a policy on material non-disclosure, was also rejected because the insurer did not ask the complainant any specific questions which would have elicited answers pointing to moral risk. The complainant did not provide any incorrect information or answers. There was no change in the risk.
10. The meeting also confirmed its view that Rule 20.2.1(b) of the PPR did not assist the insurer. The identical precursor of this rule was considered in the Hermione Nell case. The court held that the rules are concerned with the protection of policyholders and "are not, and cannot be, rights conferred on insurers." It was pointed out that if the court's interpretation was incorrect, our office was not the forum to challenge it. We are bound to follow the decision of the court.
11. Rule 20.2.1(b) refers to termination because of circumstances other than three listed circumstances, one of the three being "a material change in the risk covered under the policy that, in terms of the policy results in the policy (i) automatically coming to an end or (ii) providing the insurer with a right to end the policy" [our emphasis]. In circumstances other than these three, the protection afforded by Rule 20.2.1 is simply that the insurer must give the policyholder at least 31 days written notice of termination.
12. Even if there was a material change in risk, which did not appear to be the case on the second policy, Rule 20.2.1 does not confer any right to cancel; any such right must be provided "in terms of the policy."
13. The provisional ruling was therefore confirmed as the final determination, and the insurer was ordered to pay compensation in the amount of R7 000.

Case Study 4

Final ruling based on equity

BACKGROUND

1. The complainant was employed by a mine, which procured cover for its members under the Discovery Life ("the insurer") Group Scheme policy. The complainant had life, Capital Disability, and "Limited Term" (24 months only) Income Continuation cover. He sustained injuries in a work accident in September 2020 and was declared unfit to return to work. The Income Continuation benefit ("ICB") was admitted, and the insurer made monthly payments until the 24-month expiry date in September 2022.
2. The policy provided that after expiry of the ICB term a claimant would be eligible for a Capital Disability ("CD") benefit. A Capital Disability claim was admitted in July 2022, and payment was withheld until the expiry of the ICB payments.
3. However, when the ICB payments expired the insurer became aware that it had not in fact received any premiums from the employer in respect of the complainant's cover since May 2022. It also emerged that the employer had terminated the complainant's employment in October 2021.
4. The insurer argued that it was no longer on risk once the employer stopped paying premiums. It was only prepared to reinstate the complainant's membership

of the scheme and pay the Capital Disability benefit if the employer paid the arrear premiums. The employer refused to do so. The insurer stated that it was not prepared to pay the benefit less the outstanding premiums, as this would significantly impact other members of the scheme and possibly result in higher premiums.

5. After discussion at an adjudicators' meeting, it was unanimously decided that this was an appropriate case to exercise our equity jurisdiction. The meeting noted that the complainant was in claim when his employment was terminated by his employer for no apparent reason, depriving him of his right to be paid the Capital Disability benefit. A provisional ruling was issued, directing the insurer to pay the Capital Disability benefit amount less the outstanding premiums.

INSURER'S RESPONSE TO THE PROVISIONAL RULING

6. In response to the provisional ruling, the insurer argued that they acknowledge the importance of equity rulings to ensure fairness, however, striking a balance between fairness and the need for contractual certainty and financial stability was critical to sustaining its business, and long-term value to clients. The insurer requested that our office reconsider its provisional decision, taking into account the potential adverse impacts such an equity ruling could, if made final, have on the group scheme, its members, the insurer, and the broader market, "by fostering an environment where contracts are not consistently enforceable". The insurer pointed to the following possible repercussions:

- Disruption of actuarial calculations and pricing models/potential premium increases and loss of competitiveness. The product was based on actuarial calculations and risk assessments. The insurer maintained that equity-based rulings introduced unforeseen liabilities, disrupting pricing and risk management strategies and resulting in financial losses. Introducing premium increases or less favourable terms to mitigate these losses would diminish the insurer's competitiveness, and could cause the scheme to seek alternative insurers.
- Market impact and strategic risk. The insurer argued that competitors not subject to equity rulings could gain a competitive advantage - "Over time this could result in a shift within the industry where contractual compliance is devalued, leading to instability in group insurance schemes".
- Increased claims and financial impact. The insurer stated that if the ruling incentivised terminated members to appeal on equitable grounds, there was a substantial risk of a rise in claims. This would result in greater payout obligations, straining both the employer and the scheme. It was argued that the sustainability of group insurance relied on maintaining predictable and controlled claims volumes, integral to pricing.
- Precedent setting and contractual integrity. The insurer expressed concern that a ruling favouring equity over strict contractual terms could, if widely known, encourage other terminated members in the scheme to seek similar relief. This could undermine the insurer's ability to consistently enforce contractual provisions aimed at managing risk. Permitting exceptions based on equity could ultimately erode the integrity of the contract.

FINAL RULING

7. The case was discussed again at an adjudicators' meeting. The meeting considered that while the points raised by the insurer may point to possible prejudice generally, the insurer had not demonstrated that there would be significant prejudice to it if this specific claim was paid, after premium deduction. No details of potential premium increases, loss of competitiveness, increases in claims or disruption of actuarial calculations or pricing models had been provided. The office has made equity rulings in the past and was not aware of any such disruptions that ensued.
8. The meeting questioned the fairness of controlling premium increases by denying claims which were legitimate on the merits, simply because an employer terminated an individual's employment (ending scheme membership). The office stated that the member's entitlement to a benefit could not be sacrificed for the sake of a good relationship with the employer.
9. Insurers had themselves in the past paid ex gratia claims which were not contemplated at pricing stage; this would not have happened if the vaunted disruptions tended to occur. The meeting expressed the view that the insurer should consider making provision in its actuarial calculations for the possibility of equity rulings or ex gratia payments in appropriate cases.
10. The meeting pointed out the incorrectness of the insurer's suggestion that the office only makes equity rulings against Discovery, leading to a competitive advantage for other insurers. The office can and does make equity rulings against any insurer if deemed appropriate, taking into account fairness to both parties.
11. The office has had an equity/fairness jurisdiction for over two decades and it did not appear that the results have been as dire as suggested by the insurer in this case. Furthermore our decisions do not set precedent as fairness can only be established in all the unique circumstances of a particular case. If our office was precluded from exercising its equity jurisdiction when an insurer 's repudiation was in accordance with the strict provisions of the policy, it would never be able to intervene to prevent what it considered to be an injustice in a particular case. It is in any event only in exceptional cases that the office exercises its equity jurisdiction, if a legal resolution gives rise to a manifestly unfair result.
12. It was also pointed out that the exercise of equity is not unique to our office but is a feature of ombud schemes worldwide.
13. The provisional ruling was confirmed as the final ruling. Discovery was directed to pay the Capital Disability benefit less the outstanding premiums.

> "I would like to take this opportunity to express my gratitude to everyone who was involved in my case. Your efforts and support are greatly appreciated. I am pleased to inform you that I received payment from the insurer on the 26th of July… and for this, I am truly thankful."
>
> Complainant Testimonial

Key Statistics

Premature Cases Opened	3 210
Formal Cases Opened	3 504
Total Cases Opened	**6 714**

Premature Cases Closed	1 268
Formal Cases Closed	3 870
Total Cases Closed	**5 138**

Less converted matters (premature to formal) (73%) of premature matters	2 333
Total Registered cases	**4 381**

Average Time to close formal cases (weighted average over two systems)

152 days

Findings in favour of Participant

75%

Findings in favour of Complainant

25%

Stats per top 25 participants

Participant	Premature cases Opened	Formal Cases Opened	Converted from Premature to formal	Total Cases Registered	% of total formal cases opened
Old Mutual Life Assurance Company SA Ltd	569	628	415	782	18%
Liberty Group Limited	304	399	237	466	11%
Hollard Life Assurance Company Limited	234	259	166	327	7%
Metropolitan Life	202	216	159	259	6%
Sanlam Life Insurance Limited	156	188	118	226	5%
ABSA Life Limited	138	179	111	206	5%
Emerald Life (Pty) Ltd	146	156	126	176	4%
Centriq Life Insurance Company Limited	196	155	130	221	4%
1Life Insurance Limited	122	121	94	149	3%
Momentum Life	103	121	72	152	3%
Clientele Life Assurance Co Ltd	103	117	80	140	3%
Discovery Life Limited	60	115	51	124	3%
Assupol Life Limited	110	98	65	143	3%
FirstRand Life Assurance Limited	90	84	59	115	2%
Sanlam Developing Markets Limited	83	83	49	117	2%
Guardrisk Life Limited	91	73	58	106	2%
Nedgroup Life Assurance Co Ltd	48	71	39	80	2%
AVBOB Mutual Assurance Society	78	57	37	98	2%
Safrican Insurance Company Limited	65	48	35	78	1%
OUTsurance Life Insurance Company (SA) Limited	43	47	35	55	1%
Old Mutual Alternative Risk Transfer Limited	44	46	32	58	1%
3Sixty Life Insurance Limited	27	30	22	35	1%
BrightRock Life Limited	22	28	18	32	1%
RMA Life Assurance Company Limited	25	25	19	31	1%
AIG Life South Africa Limited	18	24	16	26	1%

Formal Cases Opened per Product

Product	%
Credit Life - Disability	1%
Credit Life - Life	3%
Credit Life - Retrenchment	3%
Disability	7%
Funeral	45%
Health	5%
Life	36%
Total	**100%**

Top 3 Categories for top 5 Products

Funeral	
a. Declined - Terms and conditions not met	56%
i. Qualifying Definition not met	38%
ii. Insurable Interest	20%
iii.Waiting Periods	15%
b. Poor Communication/service	34%
c. Lapsing	9%

Life	
a. Poor Communication/Service	36%
i. Admin errors	47%
ii. Delays	34%
iii.Unauthorised Deductions	5%
b. Declined - Terms and Conditions not met	32%
c. Lapsing	15%

Disability	
a. Declined - Terms and conditions not met	75%
i. Qualifying definition not met	78%
ii. Exclusion applies	13%
iii. Quantum of claim	8%
b. Poor Communication/ Service	18%
c. Declined - non disclosure	5%

Premature Cases Closed	Formal Cases Closed	Findings in Favour of Participant	% Findings in favour of participant	Resolved with some benefit to complainant/ Findings in Favour of Complainant	% Findings in Favour of Complainant (overturn Ratio)
227	553	342	62%	211	38%
90	405	268	66%	137	34%
93	287	183	64%	104	36%
66	168	125	74%	43	26%
56	177	136	77%	41	23%
36	152	125	82%	27	18%
11	97	85	88%	12	12%
76	126	115	91%	11	9%
35	110	98	89%	12	11%
42	141	102	72%	39	28%
30	133	85	64%	48	36%
13	145	116	80%	29	20%
62	104	76	73%	28	27%
37	72	65	90%	7	10%
54	95	61	64%	34	36%
43	90	72	80%	18	20%
8	72	57	79%	15	21%
52	63	39	62%	24	38%
44	78	37	47%	41	53%
12	40	38	95%	2	5%
24	42	28	67%	14	33%
9	47	30	64%	17	36%
8	27	22	81%	5	19%
8	16	13	81%	3	19%
7	41	37	90%	4	10%

TCF Outcomes per Product

Product	Appropriate Advice	Claim / Switching / Complaint Processes	Fairness / Culture	Information / Disclosure	Product / Service Design	Product Performance and Service Quality	Total
Credit Life - Disability		0,83%		0,06%		0,13%	1,03%
Credit Life - Dread Disease		0,51%		0,06%			0,58%
Credit Life - Life		1,09%	0,19%	0,06%		0,96%	2,31%
Credit Life - Other		0,06%					0,06%
Credit Life - Retrenchment		2,69%	0,06%			0,71%	4,46%
Disability		3,01%	0,13%	0,19%		1,28%	4,62%
Funeral	0,77%	18,72%	1,60%	1,73%	3,14%	19,94%	45,90%
Health		2,63%	0,13%	0,06%		1,28%	4,10%
Life	0,71%	10,32%	3,46%	1,99%	3,21%	18,27%	37,95%
Total	**1,47%**	**39,87%**	**5,58%**	**4,17%**	**6,35%**	**42,56%**	**100,00%**

Communications, Public Relations, Marketing and Corporate Social Responsibility (CSR)

Priya Rajah

Communication and Public Relations Manager

The NFO is tasked with a number of responsibilities and duties that help keep South Africa's economy healthy and robust for consumers and financial services providers alike. It's essential that we maintain an open door policy, keep communications channels clear and accessible while spreading our message, as well as being a responsible, generous corporate citizen. These actions touch on all of our values and principles - accessibility, fairness, openness and passion in particular.

COMMUNICATIONS, PUBLIC RELATIONS, MARKETING & CORPORATE SOCIAL RESPONSIBILITY: SPEAKING CLEARLY, LISTENING INTENTLY & GIVING GENEROUSLY.

"A good head and a good heart are always a formidable combination. But when you add that to a literate tongue or pen then you have something very special." – Nelson Mandela

Introduction

In an increasingly interconnected world, our department has played a pivotal role in shaping the narrative surrounding our organisation. Over this past year, we have made significant strides across our key disciplines; Communications, Public Relations, Marketing and Corporate Social Responsibility (CSR). Our major milestones and achievements reflect our commitment to excellence, innovation, collaboration and consumer literacy.

This year, our team successfully revamped our internal and external messaging to better align with our organisational values and goals. We launched a comprehensive communication strategy that incorporated feedback from diverse stakeholders.

In 2025, we innovated even further, launching our new intranet site which aims to improve internal communication, enabling teams to share resources seamlessly and collaborate more effectively.

We developed and implemented a robust communication plan that ensures timely and accurate messaging enhancing trust and transparency among our stakeholders.

Media and Public Relations

"Education is the most powerful weapon you can use to change the world." – Nelson Mandela

In a rapidly evolving digital landscape, a comprehensive media strategy was indispensable to the NFO to effectively engage with consumers, therefore it was essential for us to leverage a multi-channel approach that encompassed social media, marketing and our strategic media partnerships.

As the NFO we have made huge strides in our Media efforts, creating interest amongst journalists and promoting consumer awareness in South Africa. As we pave the way in alternate dispute resolution as an industry leader, we will continue prioritising consumer literacy as one of our key objectives.

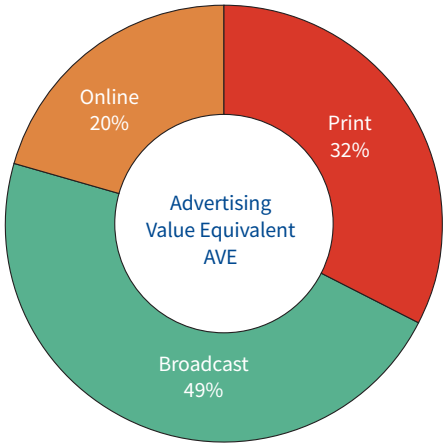
The implementation of a cohesive media strategy combining our digital marketing strategy has fostered meaningful connections, ultimitately driving and enhancing consumer education. To this end, the NFO successfully published 12 compelling media releases between March and December achieving a total Advertising Value Equivalent (AVE) of R51 550 955 against a target of R40 million.

Media mentions resulted in a 1306% increase from March to end December 2024. Our Print media mentions amounted to 222 (3600%) clippings, Broadcast 229 (1172%) and Online clips amounted to a total of 253 (869%).

The estimated circulation of all the NFO's press releases was in excess of 852 million while the NFO successfully conducted 122 media interviews. These efforts significantly contributed to enhancing the visibility of the NFO and contributed to consumer awareness and understanding, positioning the NFO as a thoughtleader in its field of alternate dispute resolution. We highlighted various topics related to banking fraud, credit issues and over-indebtedness emphasising consumer vulnerability thus financial literacy being a priority for the NFO. Our published articles further addressed critical issues, including life and non-life insurance policies, addressing a range of concerns and financial matters. Understandably, these varied from life claims dealing with the moving and emotional loss of a loved one, to challenges consumers face with non-life insurance claims such as motor vehicle accidents and household damage. In every instance, our objective is to empower consumers with the correct tools and information to make informed financial decisions.

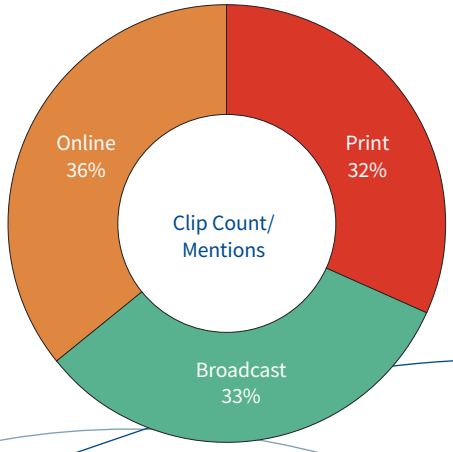
Advertising Value Equivalent (AVE) March to December 2024

	AVE	Percentage
Print	R16 275 418	32%
Broadcast	R25 158 663	49%
Online	R10 116 874	20%
Total	**R51 550 955**	**100%**

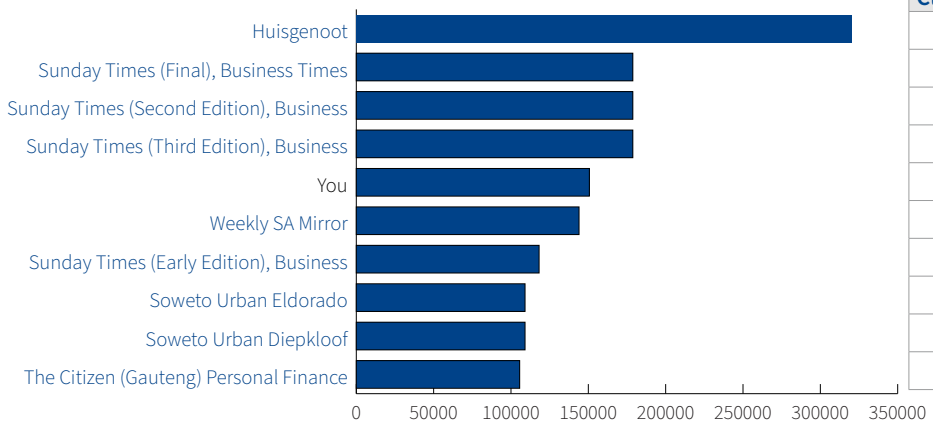


Clip Count/Mentions/Stories

	Units	Percentage
Print	222	31.53%
Broadcast	229	32.53%
Online	253	35.94%
Total	**704**	**100%**

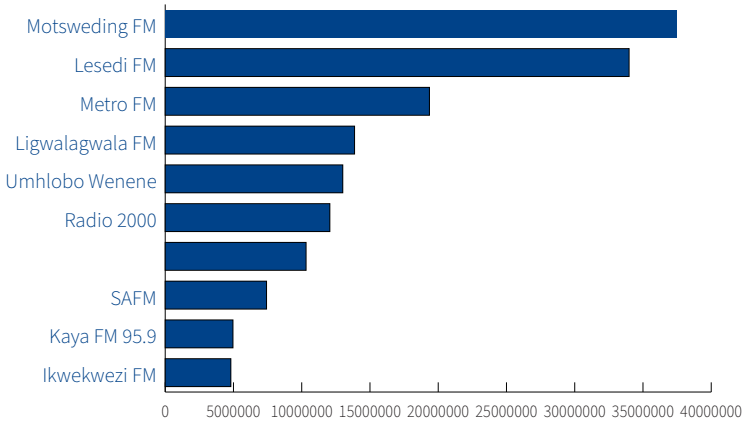


Top Publications: March to December 2024



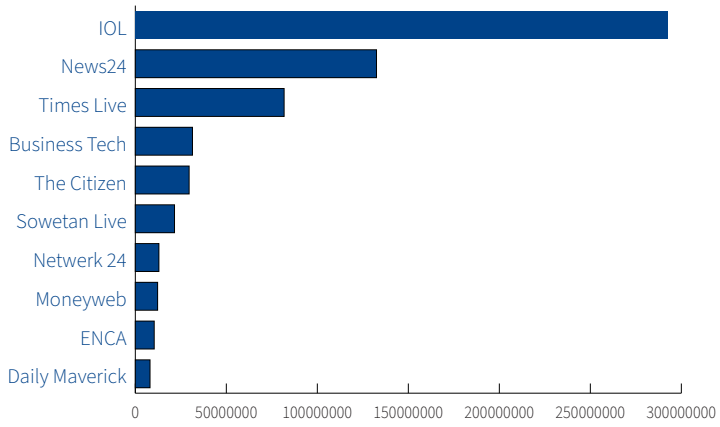
Clip Count	Circulation
4	320 592
3	178 774
3	178 774
3	178 774
4	150 674
4	144 000
2	118 180
1	109 097
1	109 097
5	105 622

Top Stations: March to December 2024



Clip Count	Circulation
12	37 464 000
9	33 984 000
4	19 356 000
11	13 871 000
3	13 008 000
7	12 061 000
15	10 320 000
13	7 423 000
7	4 963 000
4	4 808 000

Top Websites



Clip Count	Circulation
34	292 428 764
7	132 513 192
10	81 762 730
5	31 396 745
10	29 568 500
6	21 530 202
7	12 953 787
7	12 247 697
4	10 391 216
3	8 079 882

Corporate Social Responsibility

Our commitment to corporate social responsibility has been another cornerstone of our organisation's efforts this first year of operation. In alignment with our mission to empower consumers, we developed, implemented and attended a series of workshops and roadshows and focused on financial literacy and responsible consumption. These initiatives and programmes were made possible through collaborations with various institutions and regulatory bodies united by shared passion and purpose striving to contribute to a better world and creating a brighter future for all. We reached thousands of people, providing extremely valuable knowledge and resources to support informed decision making. Through these collaborative efforts, we connected with local community organisations, regulators, government bodies, universities and municipalities, enhancing our presence and fostering positive relationships within the communities we serve.

Celebrating our Commitment to Community Support - NFO Volunteers

"There can be no greater gift than that of giving one's time and energy to help others without expecting anything in return."
– Nelson Mandela

The NFO team believe that contributing to the community is not just a responsibility but a privilege! Last year we supported three local charities within communities in Johannesburg and Cape Town through our Corporate Social Responsibility programme: Where Rainbows Meet, based in Cape Town, as well as the Marlene Frankfort Foundation, and Word of Motion, both based in Johannesburg.

It is essential that we recognise and express our gratitude for the collective efforts of our dedicated staff, who have gone beyond in making a tangible difference in the lives of those in need, whose generous voluntary work has included the following initiatives and engagements:

Food Initiatives

Through personal contributions and team-led food drives, we have provided essential food supplies to those who need them the most. This effort has not only alleviated hunger but has also fostered a sense of community and togetherness.

Personal Time and Engagement

Our staff has devoted countless hours volunteering their time to support various initiatives. From organising fundraising events to participating directly in community service, their unwavering dedication exemplifies our organisation's values.

Support for Local Orphanages

A highlight of our efforts has been the installation of gas facilities at Word in Motion orphanage in Diepsloot Johannesburg. This initiative was made possible through one of our corporate sponsors that partnered with us and it has significantly improved living conditions for the children and provided them with a safer, more comfortable environment. Such projects underline our commitment to foster better living conditions for vulnerable populations.

More Specific Highlights

On 12 December 2024, NFO Cape Town visited Where Rainbows Meet, bringing joy to the community by delivering ice cream and cake for a senior citizens' Christmas lunch scheduled for December 18 2024. During their visit, a Christmas party for local children was in progress, and the biscuits donated by NFO were used for the celebration. In total, groceries and treats worth R10,509.85 were delivered to charities

In December 2024, NFO Johannesburg made a purchase of R40,000 worth of groceries and toiletries. These were distributed between our two main charities: Word in Motion orphanage, which received its donation on January 28, 2025, and the Marlene Frankfort Foundation, in Eldorado Park, which received its contribution on February 4, 2025.

Heartfelt Gratitude

As we reflect on our achievements over the past year, we express immense gratitude for the progress we have made. We realise that we are at the beginning of a journey, and we are steadfast in our commitment to setting a benchmark in dispute resolution and upholding our service standards.

Our passion and purpose will serve as a guiding compass, driving us to make meaningful and positive contributions to all our stakeholders.

Our commitment to serving the community remains unwavering and we encourage all our employees to continue their generous volunteering initiatives. It is essential to emphasise that each of us has a role to play in making a difference in the lives of others.

We extend our heartfelt thanks to every individual within the NFO for their remarkable dedication and contribution, which has played a vital role in moulding each initiative. Your efforts not only help build a better future for those we serve but also inspire others to join us in our mission to uplift the community. Together, we can create a lasting impression that resonates beyond on our immediate actions.

We are committed to setting a benchmark in dispute resolution and upholding our service standards. Our passion and purpose will serve as a guiding compass that will make a meaningful and positive impact that resonates beyond our immediate actions.

Marketing and Social Media

Our Marketing and Digital strategy efforts serve as the frontline for creating compelling content that has showcased the NFO and its services resulting in expanded brand reach whilst enhancing customer engagement. Since the launch of our website on 1 March 2024, we have leveraged various social media channels, including Facebook, Twitter, LinkedIn, and Google Ads. Additionally, optimising content for search engines has ensured visibility amidst the vast array of options available to consumers. In addition, we successfully migrated all our social media pages from the four legacy schemes into one unified profile, streamlining communication.

Between 1 March and 31 December 2024, our website attracted 232 425 visitors, with 122 100 arriving directly. This high volume of direct traffic demonstrates the effectiveness of our campaigns in the press and on social media, as consumers now recognise our brand and actively search for us in their browsers. Organic search brought in 106 357 visitors, while 64 374 arrived via referral sources. Our digital campaigns further boosted engagement, driving a combined 22 786 visitors, through 16 549 Google display ads, 2 676 organic and 2 086 paid social media, and 1 475 paid video ads. These figures highlight the success of our multi-channel strategy in increasing awareness and engagement.

Facebook saw a total of 131 781 impressions for the period 1 March – 31 December 2024. While LinkedIn saw 328 667 impressions for the same period. The NFO X channel was created in October and saw total impressions of 160 062.

Across social media, we maintained strong audience engagement and reach. Our platforms consistently contributed to website traffic, reinforcing our key messages on consumer protection and financial fairness. The steady growth in engagement and website visits underscores the impact of our outreach efforts and the increasing demand for trusted consumer financial information.

By leveraging analytical tools, we gained valuable insights into consumer demographics and behaviour, enabling us to tailor our strategies and serve our customers more effectively. Our data-driven approach to assessing consumer behaviour and preferences will enable continual refinement of strategies, ensuring that communications resonate with all consumers.

Our marketing plan, which has been carefully crafted and executed, has achieved remarkable results, increasing engagement and brand awareness. The strategy that has already proven effective will be expanded, and we are confident that it will continue to deliver noteworthy results as we mature as an organisation.

Our marketing efforts have played a crucial role in educating consumers about their rights and the free dispute resolution services available to them. As an independent body that offers alternate dispute resolution against South African financial institutions, we continue to ensure that consumers have a clear path to redressing complaints impartially, confidentially and in a prompt manner. Through our digital marketing campaigns, more people now understand where to turn to and seek us for support when they need to escalate complaints against banks, credit providers, non-life insurers, and life insurers.

Conclusion

As I reflect on the year 2024, our department has achieved remarkable milestones in a short time frame. These accomplishments have not only elevated our brand presence but have also contributed to building a solid foundation for a successful future.

Through our collective efforts in strategic communications, a well-executed marketing plan, and a targeted media relations approach, combined with our diligent CSR initiatives, we successfully met our objectives as a newly formed ombud office. The alignment of our strategies with organisational goals has fostered a cohesive narrative that resonates with our audiences and stakeholders.

We remain committed to building upon our successes. We embrace innovative thinking and remain agile in a world of constant change. Our goal is to expand our impact across our networks, working collaboratively towards shared values that will ensure sustained growth. Together, we are poised to navigate future challenges and seize new opportunities. Thank you to each and every staff member for your combined support and dedication to our mission.

"We can change the world and make it a better place. It is in your hands to make a difference."
- Nelson Mandela

Priya Rajah
Communication and Public Relations Manager

Empowering consumers through financial literacy:

At the heart of our strategy is consumer empowerment. We believe that financial literacy is key to helping individuals make informed decisions, navigate financial challenges, and plan for the future. Through accessible information about our services and financial dispute resolution processes, we aim to enhance consumer understanding and financial well-being. By equipping consumers with the knowledge they need, we empower them to manage financial risks confidently and responsibly.

NFO Cape Town & NFO Johannesburg Initiatives and Celebrations

NFO Cape Town Team at Nelson Mandela Day community initiative

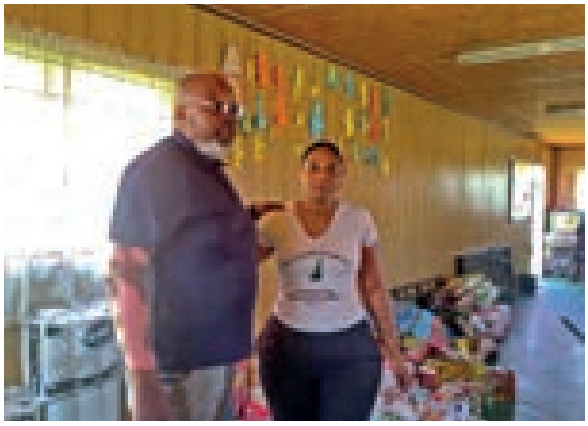
Generous donations: Nelson Mandela Day community initiative

NFO JHB volunteers in the sunshine - Nelson Mandela initiative

…and indoors at the same event

More donated goods for the Nelson Mandela Day initiative

Mandela Day - Word in Motion Diepsloot



Amukeleni Maringa NFO, handover of groceries to Marlene Frankfort Foundation

Taking stock of donations to the Marlene Frankfort Foundation

First Anniversary Celebrations at NFO Cape Town

City of Cape Town Ombud Event

Engaging with the public at City of Cape Town Ombud Event

Cape Town Team celebrating Human Rights Day

Micro Finance SA Collaboration with NFO, Howard Gabriels, Priya Rajah, Kwanda Vabaza, Njabulo Bhembe

Appoint, develop, and retain visionary leaders who embrace best practices and innovation for the benefit of all and to ensure staff wellness:

Our success hinges on visionary leaders who embrace innovation and best practices. We appoint, develop, and retain leaders committed to positive staff engagement. By building a robust leadership pipeline, we empower and motivate our team, readying them for future challenges and ongoing improvement.

People

Lolo Ngubeni

HR Manager Shared Services

Today, most organisations, whether commercial or not-for-profit, have policies in place for their treatment of customers and staff alike. A truly balanced organisation is one that does not favour either of these groups at the expense of the other. The NFO's principles and core values are spelt out earlier in this report by Reana Steyn, NFO Ombud and CEO. Lolo Ngubeni, HR Manager Shared Services, spells out how these guidelines translate in practice for the people of the NFO, particularly in terms of fairness, integrity and excellence.

PUTTING PRINCIPLES INTO PRACTICE AS WE CREATE A WORLD CLASS ORGANISATION

Organisational Overview

The NFO only celebrated its first full year of existence on 1 March 2025 as a new entity following the amalgamation of sector-specific ombud schemes. Compared to the international Ombud's landscape and also local history of the predecessor schemes, the NFO is still in its infancy. The transition from the four legacy schemes to the NFO involved integrating all staff into a single employment framework, with everyone holding a unified employment contract governed by the same terms and conditions of service. True to the commitments made during the amalgamation consultations, no job losses or benefit reductions occurred, reaffirming our dedication to stability and fairness. We continue to build on the gains made, align processes, and secure buy-in for improved people practices while adhering to labour laws. As responsible corporate citizens, we nurture young legal graduates through our internship programme, building a pipeline of future adjudicators. Additionally, the amalgamation has provided opportunities for staff to further their careers, with many applying for promotions and transferring to other divisions. We grew from four smaller teams to a robust headcount of 158, with a significant portion of our workforce being women.

Implement innovative technology and digital solutions for streamlined services:

We are dedicated to leveraging cutting-edge technology to enhance service delivery and operational efficiency. By adopting digital solutions, we streamline our processes, reduce turnaround times, and provide a seamless experience for consumers. Key metrics such as Technology Integration and Service Delivery Speed guide our continuous improvement efforts, ensuring we remain at the forefront of innovation.

People Strategy

Our HR strategy balances compliance, equity, and employee well-being, ensuring a work environment that supports both operational excellence and professional growth. In the past year, we welcomed 19 new employees to our team, reinforcing our commitment to growth and excellence. Despite the known risks and turmoil that traditionally accompanies mergers, we are pleased to report an attrition rate due to resignations of only 4%, and as a result our organisation remains stable and continues to thrive. We are proud to maintain our status as a female-majority organisation. We have also made a strategic shift away from reliance on fixed-term contracts, bringing many of these contracts to an end in 2024. This transition reflects our dedication to providing more stable and long-term employment opportunities.

Other key strategic achievements included:

- The design and implementation of an HR policy framework tailored to the needs of the NFO structure, which is an ongoing process of improvement and refinement.
- The establishment of a hybrid working model, promoting both operational efficiency and employee well-being.
- The harmonisation of remuneration practices to ensure that work of equal value is compensated equitably, in line with our chosen remuneration strategy.
- Completion of our first Organisational Wellness Survey, a pivotal initiative that ensures a data-driven assessment of our people management practices and workplace improvements.

Learning, Development, and Talent Management

In 2024, we laid the foundation for migrating to a single Sector Education and Training Authority (SETA), specifically INSETA, reflecting our commitment to continuous learning and skills development. This transition supports our B-BBEE strategy, reinforcing our role in advancing transformation within the dispute resolution sector. Moreover, the HR team has been instrumental in ensuring compliance with key labour legislation, including the Skills Development Act, which promotes a culture of lifelong learning; the Employment Equity Act, fostering diversity and fairness in the workplace; and the Labour Relations Act, reinforcing fair and transparent employee relations. We have also prioritised professional development initiatives to enhance resilience and career growth, alongside ongoing staff engagement and talent management.

Employee Well-being and Support Systems

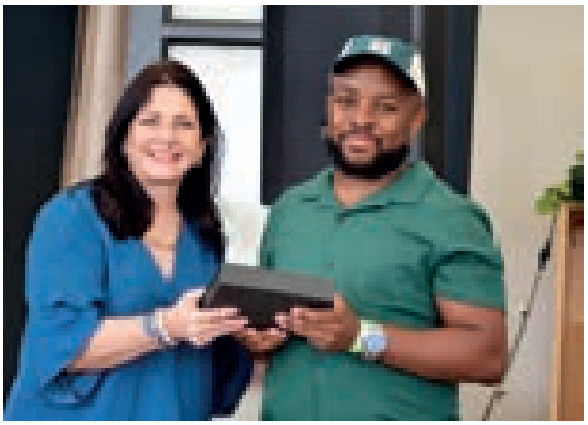
Recognising the complexities and potentially negative energy of dispute resolution work, we have prioritised the development of support structures to ensure the well-being of staff is foregrounded in our daily work. These initiatives include:

- A tailored induction and integration process.
- Wellness programmes that address the psychological demands of case managers and adjudicators through our EAP programme with Momentum Corporate, offering additional psychological and specialist assistance to ensure staff are adequately supported.
- Celebrating shining stars who were nominated by peers at our year-end function.
- Strengthening relations throughout the year in team-building sessions.

We continue to build on our achievements and learn in the process of cementing our gains. The NFO remains committed to fostering an inclusive and equitable workplace, reinforcing our values of fairness, integrity, and accessibility in how we serve the public but equally in the way in which we support our employees.

Lolo Ngubeni
HR Manager Shared Services

Ariaan Sarel Du Plooy (Banking Division) receives an award from Edite Teixeira-Mckinon, Non-life Insurance Lead Ombud



Reana Steyn awarding Njabulo Bhembe

Staff feedback on their experiences at the NFO.

Vuyolwethu Skolo

Manager Case Management • Life Insurance Division

Since taking on the new role, I have experienced significant personal career changes and professional growth. I have developed key abilities in leadership, strategic thinking and adaptability, which have been essential in navigating the NFO's restructure/ organisation. This new role has allowed me to refine my problem -solving skills and collaborate more effectively across teams. Professionally, it has broadened my perspective on organisational growth, and I look forward to the continued opportunities for learning and impact in this position.

Thank you.

Kagiso Lekoane

Adjudicator • Non-life Insurance Division

My transition to the NFO was somewhat seamless, however, there were challenges faced, more especially surrounding the different/new system that was being used. The difficulty faced was being one of the first to come into the company using a different system which no one was familiar with, so I had to learn as I went. However, I was able to overcome it and ended up being the one to give training on the new system. Coming from an insurance background, the NFO has been able to help me grow within the insurance space and has really shaped and guided me into a more stable career path that I would like to grow and further develop my skill in.

Tamara Sonkqayi

Adjudicator • Life Insurance Division

Thank you for inviting me to contribute to the People Section of the NFO's inaugural Annual Report. I've taken some time to reflect on my journey and growth within the organisation, My journey with the Ombudsman for Long-term Insurance began 17 years ago, and it's been one of continuous growth from Data Capturer to Adjudicator. The formation of the National Financial Ombud Scheme marked a significant shift, not just for the organisation, but for me personally. In my previous role as a Complaint Assessor, I mainly handled funeral policy matters, which became familiar territory over time. Stepping into the role of Adjudicator has brought new challenges, especially with more complex complaints that require deeper legal analysis and sound judgment. While it has pushed me out of my comfort zone, it has also reignited my passion for learning and professional development. What drives me is knowing that the work we do has a real impact on people's lives, helping them navigate difficult financial disputes with fairness and dignity. I've always valued empathy and justice, and this role gives me the space to uphold both. Being part of the NFO feels like being part of something bigger, a collective effort to make financial services more accountable. I'm proud to be on this journey and excited about what lies ahead.

Kgomotso Molepo

Team Leader/Adjudicator – Fast Track Department • Non-life Insurance Division

I am target driven and I strive to achieve what the organisation requires of me. Being consistent in performing my duties was recognised by the leadership in the organisation. There is a continuous learning within my role which I appreciate as skills like leadership and communication are honed regularly.

Bonita Hughes

Manager Case Administration and Escalation • Banking Division

Looking back, the amalgamation of the NFO was a pivotal moment in my career. It brought with it a wave of change, including several role movements that eventually led to the opening of two management positions. At the time, I saw this as an opportunity - not just to progress professionally, but to grow personally. I made a conscious effort to study, upskill, and push myself beyond my comfort zone. Through this process, I developed a stronger sense of leadership, resilience, and adaptability. When the time came to apply for the management role, I felt ready, and I was fortunate to be successful. This new role has challenged me in the best ways, allowing me to continue learning and growing, while also supporting others in their development. It's been incredibly rewarding to see how far I have come and to know that the effort I put in truly made a difference.

Annual Award Winners with Reana Steyn:
Peter Nkuna, Jessica Molebeledi, Njabulo Bhembe & Adriaan Du Plooy

Jessica Molebeledi, Customer Execllence Award Winner

Finance Report

Finance Report

The finance report provides a comprehensive overview of the financial performance of the National Financial Ombud Scheme South Africa NPC (NFO) over the past year, highlighting the company's strong financial position, results, and cash flow for the financial period ended 31 December 2024.

Detailed financial statements are available on our website www.nfosa.co.za

Directors' Responsibility Statement

The Directors' responsibility to ensure that the financial statements fairly present the financial position of the NFO as at the end of the financial period, the results of the operations and the cash flow information is in conformity with IFRS® Accounting Standards of the International Accounting Standards Board (IASB), and the requirements of the Companies Act, 71 of 2008 (as amended), and it is their responsibility to ensure that the financial statements satisfy the financial reporting standard.

The Directors are also responsible for the controls over, and the security of, the website and, where applicable, for establishing and controlling the process for electronically distributing the financial statements and other financial information to stakeholders and to the Companies and Intellectual Property Commission.

The financial statements are prepared based on appropriate accounting policies which have been consistently applied and have incorporated prudent judgement applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The NFO's ability to continue as a going concern is dependent on a number of factors. The most significant of these is the continued participation of subscribers and the prompt settlement of their accounts with the participation fees being determined based on a robust and fair budgeting process. The Directors are satisfied that the NFO has adequate resources to continue in operational existence for the foreseeable future.

As at financial year-end, our financial position and liquidity remained strong which will enable us to meet our financial obligations when they fall due. Our prudent financial management practices enable the NFO to perform its function in a financially sustainable manner as reflected in a:

- Healthy balance sheet
- Positive cash flow
- Effective funding model

We will continue to review and enhance the internal financial control systems to ensure all financial risks are mitigated to ensure prudent financial discipline on the spending of allocated resources to maintain long-term financial sustainability while strengthening our relationships with our participants and stakeholders.

For the Directors to discharge their responsibilities, management continues to develop and maintain a system of internal control aimed at reducing the risk of error or loss in a cost-effective manner.

The Directors, primarily through the Audit and Risk Committee (ARC), and the Remuneration Committee (Remco), which consists of independent Non-executive Directors, meet periodically with the external auditors, and executive management to evaluate matters concerning accounting policies, internal controls, auditing, risk management and financial reporting.

The Directors are of the opinion, based on information and explanations given by management audit and discussions with the External Auditors on the results of the audit, that the internal accounting controls are adequate.

During the period under review, four Board Meetings were convened, three of the Board meetings took place on a virtual platform. A face-to-face Board Meeting was held in February and a strategic planning session took place in October 2024.

Financial Statements

The financial statements have been audited by the independent auditing firm, RSM South Africa, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the directors and committees. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The NFO is happy to present the clean audit report - detailed financial statements are available on our website - www.nfosa.co.za

Events after the Reporting Date

The Board of Directors are not aware of any significant events occurring since the end of the financial year up to the date of issue of the financial statements that could have a material effect on the financial position of the company.

Comparative Information not Presented

The NFO's first set of financial statements have been prepared for 15-months period with no comparative figures. The company extended its financial period by an additional three months to account for the initial period following its registration on 19 October 2023 in line with the Companies Act of South Africa and the commencement of operations on 1 March 2024.

Operating Period and Business Combination

The NFO was registered in October 2023 and had minimal activities during the first five-month period, until 29 February 2024. On 1 March 2024, the company amalgamated four independent and voluntary ombud schemes, namely the Credit Ombud Association (CO), The Ombudsman for

Banking Services South Africa (OBSSA), The Ombudsman for Long-term Insurance (OLTI) and the Ombudsman for Short-term Insurance (OSTI). The company formally commenced its operations as an industry financial ombud scheme from 1 March 2024 when the business combination of these four ombud schemes became effective.

Income Tax Exemption

The NFO is a Public Benefit Organisation as set out in section 30(3) of the Income Tax Act No 58 of 1962. In terms of Section 10(1)(cN) of the Income Tax Act, receipts and accruals of any Public Benefit Organisation approved by the Commissioner in terms of Section 30(3) of the Act are exempt from income tax.

Against this background, the Directors of the NFO accept responsibility for the financial statements, which were approved by the Board of Directors on 28 May 2025, and signed on its behalf by:

Signed by: HY Laher

MR Burton

Chief Executive Officer and Manager Finance Responsibility Statement

Each of the directors of the NFO, hereby confirm that:

- The financial statements set out the Statement of Financial Position, the Statement of Surplus or Deficit and Other Comprehensive Income, and the Notes to the financial statements, fairly present in all material respects the financial position, financial performance and cash flows of the NFO in terms of IFRS and relevant regulations.
- The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the company's accounting policies and it is our responsibility to ensure that the financial statements comply with applicable financial reporting standards with regards to form and content and present fairly the statement of financial position of the company.
- Internal financial controls have been put in place to ensure that material information relating to the company have been provided to effectively prepare the financial statements of the NFO.
- The internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as Executives with the primary responsibility for implementation and execution of controls.

Finance Activities

The finance team has been hard at work to ensure that an identical approach in application of all the finance operations activities in the NFO. This includes the application of the developed and board approved Funding Policy, which informs the basis of the NFO's invoicing and subsequent revenue recognition in line with applicable accounting standards. Furthermore, the Finance and Procurement Policies which regulate activities in the finance department with the ultimate objective of safeguarding the organisation's assets, encouraging ethical practices in executing responsibilities in line with the NFO's values.

Divisional Reporting

The NFO operates in four revenue-generating divisions, namely Life Insurance Division, Non-life Insurance Division, Banking Division and Credit Division. Operational and business support functions are housed within the Shared Services division. The revenue-generating division allocations are based on the segment of the industry served and the origin of the complaints resolved by the divisions. Management monitors actual expenditure against budgeted figures on a monthly basis and reports to Divisional Lead Ombuds on a regular basis to limit spending to the budgeted amount. This is a crucial step in managing the divisional and overall company liquidity to ensure cash-flow is managed properly throughout the year.

The finance team will continue to review and refine processes and procedures where necessary to foster progressive change, enhance efficiency in finance operations and not compromise the going concern status of the NFO.

Remuneration Committee

The Remuneration Committee (Remco) effectively oversees and ensures that the NFO has the ability to attract, develop and retain competent people who will execute our mandate. The Remco oversees the NFO's human capital performance goals and remuneration-related matters as an effective talent management is imperative to protect institutional capacity.

The Remco reviewed and recommended the salary increases and discretionary performance bonuses to the Board for approval. The subcommittee met twice during the year under review.

Audit and Risk Committee (ARC)

The ARC is specifically established as a sub-committee of the Board as per the NFO's governance in line with the principles of good corporate governance.

The mandate of the Committee is to provide oversight of the NFO's internal controls, financial reporting, implementation of risk management around financial risks and other governance processes.

Audit and Risk Committee Report

The ARC has formal terms of reference which are updated on an annual basis, or as and when required. The Board is satisfied that the ARC has complied with these terms, and with its legal and regulatory responsibilities as set out in the Companies Act, 71 of 2008 (as amended), and the King IV Report.

The primary role of the ARC is to ensure the integrity of NFO and the financial reporting and audit processes and that a sound risk management and internal control system is maintained. In pursuing these objectives, the Audit Comm oversees relations with the External Auditors regulatory audit process led by the independent external auditors.

The Board believes that the ARC collectively possesses the knowledge and experience to supervise the NFO's financial management, External Auditors, the quality of the financial controls, the preparation and evaluation of the audited financial statements.

The attendance of Audit Comm members at its meetings during the financial year was as follows:

Directors' Name	Total Attendance
MR Burton	2/2
TN Raditapole	2/2
V Pearson	2/2
DC Beyers	2/2

Execution of Audit and Risk Committee Mandate

The ARC discharged all responsibilities and functions delegated to it in terms of the Audit and Risk Committee terms of reference, approved by the Board, and in terms of its established annual work plan, throughout the reporting period.

During the year under review, the ARC reviewed and approved the following:

In respect of the External Auditors:

- Considered and satisfied itself that the external audit firm and the engagement partner are independent.
- Approved the fees paid to the auditors for the 2024 financial year.

In respect of Financial Reporting:

- Reviewed the financial statements and ensured that there are adequate controls in place to ensure the correct compilation of the financial statements; and
- Reviewed the appropriateness of any amendments to accounting policies and internal financial controls.

External Auditors

The ARC has the primary responsibility for overseeing the relationship with, and performance of, the External Auditors. This includes making the recommendation on the appointment, reappointment, and removal of the External Auditors, assessing their independence on an ongoing basis, and for reviewing and approving the audit fee.

External Auditor Independence

The ARC is also responsible for determining that the External Auditors have the necessary independence. A key factor that may impair any such independence is a lack of control over non-audit services provided by the External Auditors.

The ARC has reviewed and assessed the independence of the External Auditors, and has confirmed that the criteria for independence, as set out in the rules of the Independent Regulatory Board for Auditors (IRBA) and other relevant legislation, have been followed. The ARC is satisfied that the External Auditors are independent of the NFO.

Risk Management

The ARC guides the company in overseeing material and potential risks to ensure the sustainability and relevance of the NFO, steering the company towards success while measuring performance and safeguarding business continuity measures.

The Risk Register is reviewed quarterly to ensure that all the major risks facing the NFO, including emerging risks, are managed effectively. The NFO has implemented and maintained a comprehensive system of internal controls to mitigate risk and to ensure that objectives are consistently achieved. The internal control system includes monitoring mechanisms and mitigation processes to enhance deficiencies when they are detected. Risks were regularly assessed by the ARC and reported to the Board as part of the progress reports tabled at every Board meeting.

The internal control measures include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

The NFO's risk management is predominantly controlled by the finance department under policies approved by the directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the operating divisions. The directors provide principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

Capital Management

The capital structure of the NFO consists of net debt (net of cash) and equity (comprising retained earnings).

Management aims to maintain capital reserves that will enable the company to cover at least three to six month's operating expenditure.

Capital is managed through a robust budget monitoring process to ensure the approved budget is not exceeded unless strictly necessary and that funds are appropriated for its intended purpose as per the budget allocation. The monitoring process is applied on a divisional basis and driven by the finance department in collaboration with the divisional lead ombuds. All excess funds are transferred to short-term investment accounts to capitalise on higher interest rates. Interest earned on investment accounts are intended to supplement funds received from participants to meet the budget requirements.

Audit and Risk Committee Statement

Based on information from, and discussions with, management and the External Auditors, the ARC is of the opinion that the financial records may be relied upon as the basis for the preparation of the financial statements.

The ARC has considered and discussed the financial statements with both management and External Auditors.

During this process, the Audit Comm:

- Evaluated significant judgements and reporting decisions;
- Determined that the going concern basis of reporting is appropriate;
- Evaluated the material factors and risks that could impact the financial statements;
- Evaluated the NFO's liquidity and ensured the financial sustainability and disclosures; and
- Discussed the treatment of significant and unusual transactions with management and the External Auditors.

The ARC confirms that the financial statements comply in all material respects with the statutory requirements of the various laws and regulations governing disclosure and reporting. The ARC has reviewed and is satisfied that the financial statements, including accounting policies, are appropriate and comply with the IFRS, and the requirements of the Companies Act.

The ARC has recommended to the Board that the financial statements be adopted and approved by the Board.

Mervyn Burton CA(SA)
Chairperson: Audit and Risk Committee

Audit Opinion – RSM South Africa

Based on the audit work performed, the financial statements present fairly, in all material respects the financial position of the company and the financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and the Companies Act of South Africa.

Significant financial statement disclosures

We would like to draw the attention on the following financial statement disclosures that are particularly significant, sensitive or require significant judgment:

- The details on the amalgamation of the financial services schemes into what is now known as the National Financial Ombud Scheme South Africa (NFO) effective from 1 March 2024
- The performance of each division for the 15-month period ended 31 December 2024
- The justification for the preparation of the financial statements for a 15-month period ended 31 December 2024

Going Concern

During our assessment we have not identified any indicators which could indicate a material uncertainty as to the ability of the NFO continue as a going concern.

Events After the Reporting Period

We have not identified any events occurring after year end that require additional disclosure in the financial statements, apart from those events already disclosed.

Certificate from the Company Secretary

I hereby confirm, in my capacity as company secretary of National Financial Ombud Scheme South Africa NPC, that for the 15 month financial period ended 31 December 2024, the company has filed all required returns and notices in terms of the Companies Act of South Africa, with the Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

Miriam Komane Matabane
Company Secretary

Miriam Komane Matabane
Company Secretary

Board of Directors

HY Laher
Chairperson - Appointed 29.01.2024

TP Zulu
Vice-Chairperson - Appointed 29.01.2024

DC Beyers
Appointed 29.01.2024

MR Burton
Appointed 29.05.2024

R Lightbody
Appointed 29.01.2024

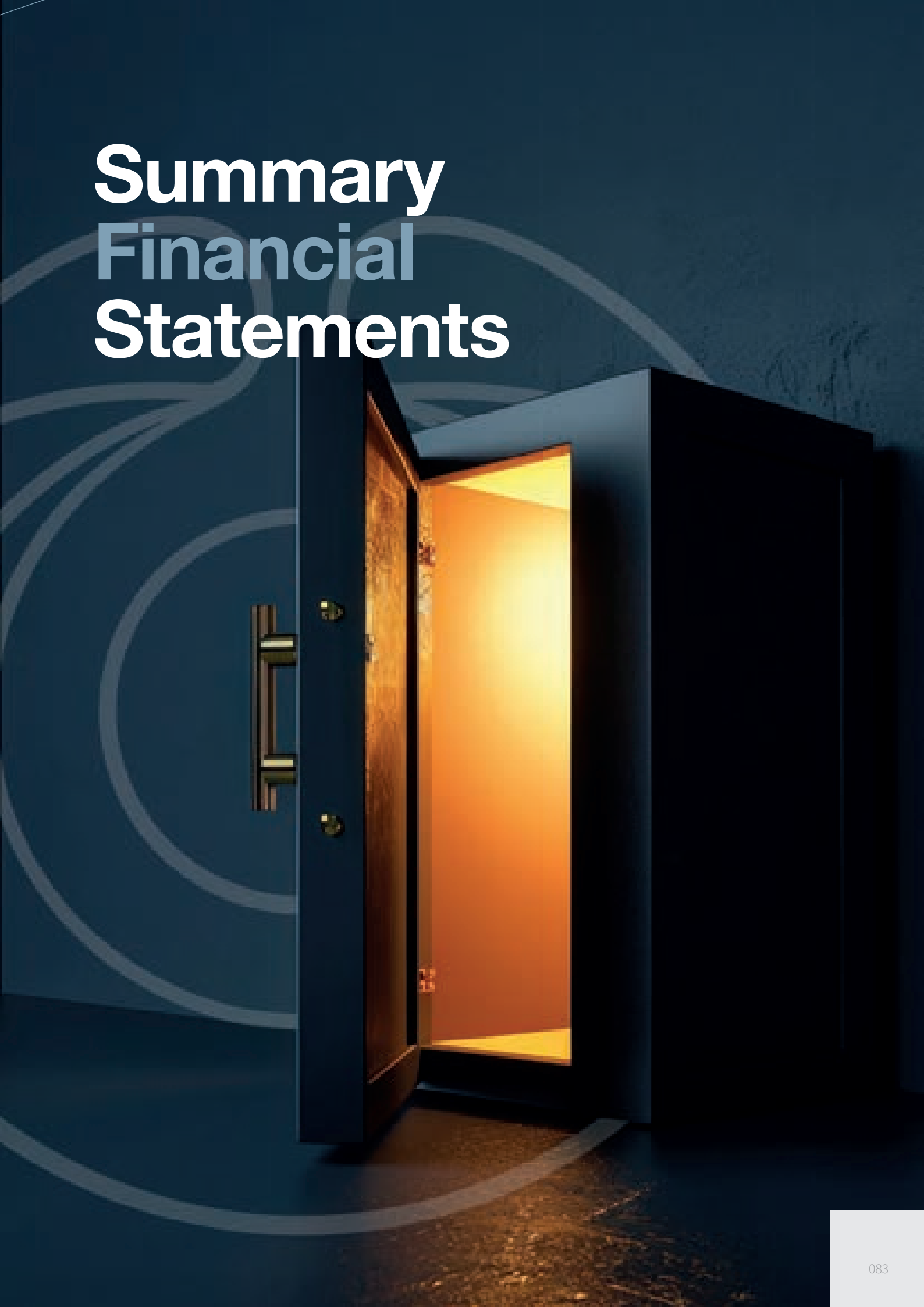
EM Mphahlele
Appointed 29.01.2024

V Pearson
Appointed 29.01.2024

TN Raditapole
Appointed 29.01.2024

IH van Schalkwyk
Appointed 29.01.2024

Summary Financial Statements



National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Financial Statements for the 15 month period ended 31 December 2024

Statement of Financial Position

Figures in R	31 December 2024
Assets	
Non-current assets	
Property, plant and equipment	3,115,233
Right-of-use assets	21,900,921
Intangible assets	144,000
Total non-current assets	**25,160,154**
Current assets	
Trade and other receivables	2,499,243
Loan to employee	10,000
Prepayments	1,161,652
Cash and cash equivalents	79,096,428
Total current assets	**82,767,323**
Total assets	**107,927,477**
Equity and liabilities	
Equity	
Accumulated surplus	72,511,008
Liabilities	
Non-current liabilities	
Lease liabilities	17,384,308
Current liabilities	
Provisions	3,742,542
Trade and other payables	8,046,586
Lease liabilities	6,104,070
Bank overdraft	138,963
Total current liabilities	**18,032,161**
Total liabilities	**35,416,469**
Total equity and liabilities	**107,927,477**

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Financial Statements for the 15 month period ended 31 December 2024

Statement of Surplus or Deficit and Other Comprehensive Income

Figures in R	15 month period ended 31 December 2024
Revenue	127,182,793
Other income	242,594
Administrative expenses	(8,082,991)
Other expenses	(118,587,408)
Other gains and (losses)	(621,527)
Surplus from operating activities	**133,461**
Finance income	7,294,065
Finance costs	(2,408,644)
Surplus before tax	**5,018,882**
Income tax expense	-
Other comprehensive income for the period	-
Total comprehensive income for the period	**5,018,882**

Statement of Changes in Equity

Figures in R	Accumulated surplus
Balance at 19 October 2023	-
Increase (decrease) due to business combination	67,492,126
Balance of reserves directly after business combination	**67,492,126**
Changes in equity	
Surplus for the period	5,018,882
Total comprehensive income for the period	5,018,882
Balance at 31 December 2024	**72,511,008**

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Financial Statements for the 15 month period ended 31 December 2024

Statement of Cash Flows

Figures in R	15 month period ended 31 December 2024
Net cash flows used in operations	**(27,971,298)**
Interest paid	(2,365,369)
Interest received	7,290,311
Net cash flows used in operating activities	**(23,046,356)**
Cash flows from investing activities	
Cash flows received in obtaining control of subsidiaries or other businesses	106,230,379
Proceeds from sales of property, plant and equipment	35,999
Purchase of property, plant and equipment	(328,278)
Loan advanced to employee	(10,000)
Cash flows from investing activities	**105,928,100**
Cash flows used in financing activities	
Repayment of lease liabilities	(4,024,278)
Loan received from division	100,000
Cash flows used in financing activities	**(3,924,278)**
Net increase in cash and cash equivalents	**78,957,466**
Cash and cash equivalents at end of the period	**78,957,466**

Figures in R	31 December 2024

Business combinations

Details of acquisition

Name of acquiree	Principal activity	Date of acquisition	Proportion of interests acquired %
Ombudsman for Banking Services South Africa	Banking disputes resolution and related services.	2024/03/01	100
Credit Ombud Association	Credit provider disputes resolution and related services.	2024/03/01	100
The Long-Term Insurance Ombudsman's Association	Long-term insurance disputes resolution and related services.	2024/03/01	100
The Ombudsman for Short-Term Insurance NPC	Short-term insurance disputes resolution and related services.	2024/03/01	100

The Ombud Council granted recognition, effective from 1 March 2024, to the company as an industry ombud scheme under the Financial Sector Regulation Act 2017. As stated above, the company is a business combination of four predecessor industry schemes, namely the Credit Ombud Association (CO), The Ombudsman for Banking Services South Africa (OBSSA), The Ombudsman for Long-term Insurance (OLTI) and the Ombudsman for Short-term Insurance (OSTI). The consolidation aims to provide a simpler and stronger financial sector ombud scheme and address the National Treasury's call for a rationalisation of the financial ombud landscape.

The business combination came into effect on 1 March 2024 when the assets and liabilities of the four predecessor schemes were transferred to the company at no consideration. The business combination is considered a merger of equals in terms of IFRS 3.

Figures in R	31 December 2024

Business combinations continued...

Assets acquired and liabilities recognised at the date of acquisition (1 March 2024)

	Ombudsman for Banking Services South Africa	Credit Ombud Association	The Long-Term Insurance Ombudsman's Association	The Ombudsman for Short-Term Insurance NPC
Non-current assets				
Property, plant and equipment	1,010,895	330,762	386,442	2,058,134
Right of use assets	-	-	-	9,248,438
Intangible assets	-	-	1	652,257
Current assets				
Trade and other current receivables	10,453,562	11,642,346	37,235,588	44,306,909
Other current non-financial assets	459,937	159,605	439,170	914,809
Cash and cash equivalents	32,346,407	7,072,761	16,939,205	49,872,006
Non-current liabilities				
Lease liabilities	-	-	-	(8,175,390)
Other non-current non-financial liabilities	-	-	-	(701,808)
Current liabilities				
Current provisions	(1,146,081)	(337,275)	(1,422,422)	(947,033)
Trade and other current payables	(718,434)	(304,844)	(1,162,656)	(771,315)
Lease liabilities	-	-	-	(1,837,409)
Other current non-financial liabilities	(34,794,288)	(11,660,077)	(41,254,142)	(53,842,794)
Assets acquired and liabilities recognised at the date of acquisition	**7,611,999**	**6,903,278**	**11,161,186**	**40,776,804**

The above assets and liabilities are before any IFRS 3-related adjustments made in respect of IFRS 16 leases.

Figures in R	31 December 2024

Divisional information

General information

The company operates in four income generating divisions, namely Life Insurance division, Non-Life Insurance division, Banking division and Credit division. Operational and business support functions are housed within the Shared Services division. The income generating division allocations are based on the segment of the industry served and the origin of the claims addressed by the divisions.

Costs incurred by the Shared Services division are allocated to the income generating divisions. The basis of allocation differs based on the nature of the cost incurred. The main bases for allocation is:
- the division's revenue as percentage of total revenue,
- the division's number of employees as percentage of total employees,
- the division's number of Shared Services employees as percentage of total Shared Services employees and
- the Johannesburg office division's number of employees as percentage of total employees in the Johannesburg office.

Internal reporting in the form of monthly and quarterly reports are based on the same divisional allocations.

Divisional revenues

	Total divisional revenue	Other income including interest received	Total income received
Period ended 31 December 2024			
Banking division	34,794,287	1,742,627	36,536,914
Credit division	9,904,403	467,898	10,372,301
Life Insurance division	34,940,995	1,535,074	36,476,069
Non-Life Insurance division	47,543,109	3,810,190	51,353,299
Total divisional income	**127,182,793**	**7,555,790**	**134,738,583**

Figures in R

Divisional information continued...

Other incomes and expenses

	Salaries	Other Staff Costs	Accommo-dation	Other Accom-modation Costs
Period ended 31 December 2024 Divisional and Shared Service figures				
Banking division	16,863,207	193,078	1,097,016	161,906
Credit division	6,839,698	80,789	511,941	72,301
Life Insurance division	23,473,734	193,103	2,207,770	852,041
Non-Life Insurance division	31,905,081	588,602	2,047,764	404,554
Shared Services division	19,537,691	747,799	-	1,158,609
Total other incomes and expenses	**98,619,410**	**1,803,371**	**5,864,492**	**2,649,411**
Divisional figures including Shared Services allocation				
Banking division	21,731,708	391,744	1,097,016	514,139
Credit division	8,123,449	138,105	511,941	232,615
Life Insurance division	28,339,967	356,724	2,207,770	858,839
Non-Life Insurance division	40,424,286	916,798	2,047,764	1,043,818
Total other incomes and expenses	**98,619,410**	**1,803,371**	**5,864,492**	**2,649,411**

Public Relations	Communication	Sundry Business Costs	Audit fees	Director fees	IT and Office equipment	Total expenses
479,649	136,662	539,090	240,274	309,317	54,684	**20,074,883**
125,006	123,346	2,131,804	102,474	42,276	120,945	**10,150,579**
119,342	346,378	737,564	23,728	148,634	74,825	**28,177,118**
141,469	5,333	1,371,322	655,806	288,983	1,002,950	**38,411,864**
805,187	882,416	1,994,019	-	1,557,063	4,635,015	**31,317,800**
1,670,653	**1,494,135**	**6,773,799**	**1,022,282**	**2,346,274**	**5,888,417**	**128,132,243**
690,331	366,943	1,068,123	240,274	714,035	1,166,490	**27,980,804**
189,569	221,539	2,293,234	102,474	167,261	579,423	**12,559,609**
332,527	513,432	1,212,267	23,728	553,352	1,293,328	**35,691,933**
458,226	392,222	2,200,174	655,806	911,626	2,849,176	**51,899,897**
1,670,653	**1,494,135**	**6,773,799**	**1,022,282**	**2,346,274**	**5,888,417**	**128,132,243**

Figures in R	31 December 2024

Divisional information continued...

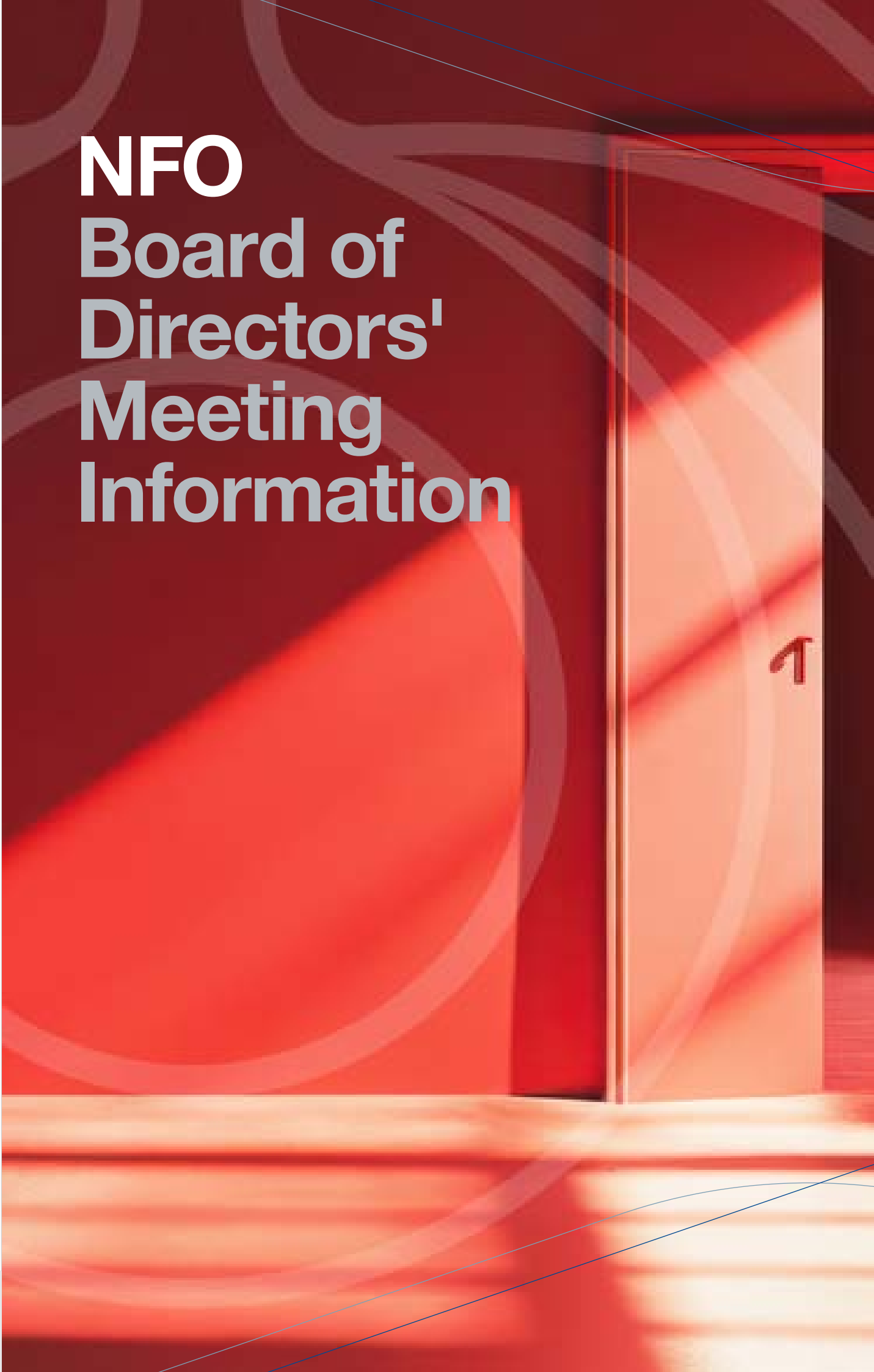
Reconciliations

Surplus per division

	Total income	Total expenses	Surplus
Banking division	36,536,914	(27,980,804)	8,556,111
Credit division	10,372,301	(12,559,609)	(2,187,309)
Life Insurance division	36,476,069	(35,691,933)	784,135
Non-Life Insurance division	51,353,299	(51,899,897)	(546,598)
Total for the period ended 31 December 2024	**134,738,583**	**(128,132,243)**	**6,606,339**

Surplus or deficit before discontinued operations and tax	
Divisional surplus or deficit as reported	6,606,339
IFRS 16 lease adjustments	(1,587,457)
Surplus or deficit before discontinued operations and tax	**5,018,882**

Figures in R			31 December 2024
Related parties			
Compensation paid to directors and prescribed officers			
31 December 2024	**Directors remuneration received as director of NFOSA**	**Directors remuneration received as director of acquiree**	**Total remuneration**
Name			
MR Burton	180,000	-	180,000
HY Laher	178,800	68,506	247,306
R Lightbody	175,275	1,824	177,099
EM Mphahlele	216,600	41,408	258,008
V Pearson	116,850	8,025	124,875
TN Raditapole	182,400	18,948	201,348
IH van Schalkwyk	248,850	7,752	256,602
TP Zulu	216,600	30,714	247,314
A Woolfson	-	21,750	21,750
B Molebatsi	-	67,996	67,996
G Walters	-	16,828	16,828
JF Myburgh	-	64,933	64,933
L Attwood-Smith	-	33,656	33,656
M Lekala	-	14,350	14,350
MLM Phala	-	21,750	21,750
M Hart	-	55,132	55,132
MB Molefe	-	67,996	67,996
NN Zungu	-	59,096	59,096
TN Ned		41,174	41,174
P Crankshaw		33,656	33,656
P Govender		22,243	22,243
WL Knowler		22,665	22,665
Total compensation paid to directors and prescribed officers	**1,515,375**	**720,402**	**2,235,777**



NFO Board of Directors' Meeting Information

	28 February 2024	18 & 19 March 2024	8 April 2024	22 May 2024	6 August 2024	21 August 2024	17 October 2024	30 October 2024	18 November 2024
Board Meetings									
HY Laher (Chairperson)	X			X		X			X
TP Zulu (Vice-Chairperson)	X			X		X			X
TN Raditapole	X			X		X			X
IH van Schalkwyk	X			X		X			X
EM Mphahlele	X			X		X			X
R Lightbody	X			X		X			X
V Pearson	X			X		X			
MR Burton						X			X
Remuneration Committee Meetings									
IH van Schalkwyk (Chairperson)		X	X				X		
TP Zulu		X	X				X		
TN Raditapole		X							
EM Mphahlele		X	X				X		
R Lightbody			X				X		
Audit and Risk Committee Meetings									
MR Burton (Chairperson)					X			X	
TN Raditapole					X			X	
V Pearson					X			X	

NFO Participants

Credit Division

Acquifin (Pty) Ltd	Koopkrag	RCS Group (Including Edcon / Jet)
Advance Fin	Landbank	Renu Finance
Afri-Loan (Pty) Ltd	Le Morgan Direct Marketing	Rhino Money Loans
Africa Direct Edubond	Leading Finacial Service	Risma Housing Finance Corp Pty Ltd
Afrika Finance (Lusiki)	Letsatsi Finance & Loan	RNP Finance
AMC Classic	Lewis Group	Roisin
AO Finance	Lexis Nexus Risk Management	Royal Finance
Archfin	Limali Finacial Services Five Star	SA Breweries
Atlas Finance	Lime Loans SA	SA Home Loans
Avok Finance	Liquifin (Pty) Ltd	SA Taxi Development Finance
Avon Justine	Loanwize	Sandton Sales
Babereki Finance	Magdel Etf	Sanlam Personal Loan
Bayport Financial Services	Man Finacial Services	Scottfin Financial Services
Best Debt Finance	Manati Alternate Student Funding	Scottfin Investment
Best Ever Trading 549	Maravedi Credit Solutions	Seven Mile Trading 159 Cc
Bha Mikro-Uitleners Bk	Mazwe Financial Service	Silver Streak Trading 508
Blue Chip Finance	MBD	Smart Advance (Formerly Getbucks)
BMW Financial Services Sa (Pty) Ltd	Medaco Revenue Solutions	Smilies Loans Cc
Bronco Trading 533	Mense Financing	Speedy Cash Loans
Cape Town Community Housing (Pty) Ltd	Mercedes Benz Financial Services	Station Finance
Cash Converters Sa	Miloc Kimberley	SWU Credit Solutiobns
Cell C	Miloc Paarl	Teljoy
Centrafin	Miloc Parow	Tenant Profile Network (Tpn)
Challenor Finnace	Mobicash	The Foshini Group
Chartwell Housing Finance Solutions	Montana General Trading	The Hive Enterprises
Club Leisure Development (Pty) Ltd	Mpowa Finance	Thuthukani Financial Services (T/Aroyal Finance)
Commonwealth Finance	Mr Price Group	Toyota Financial Services
Connect Finacial Solutions (Jd Group)	MTN	Transaction Capital Credit Health
CT International Financiers	Multichoice	Triple Advance Finance
Dal Holdings (Pty) Ltd	Nairtime South /Africa (Pty) Ltd	Truworths
Dexios Finance	National Housing Finance Corp Ltd	THUF (Pty) Ltd
Dola Money	Nfb Fin (20200615)/N Vest Securities	TWK Agriculture
Edu-Loan (Pty) Ltd T/A Fundi Capital	Obaro Finansiele Dienste	Typhon National Finance
Eskom Finance	Old Mutual	Umsuku Wemali Finance
Finchoice	OPCO 365	University Of Stellenbosch
Flexifin	Opperman Finansiele Dienste	Valozone (Servinet)
Flyt 12j	Pandero Investments 503	Valozone 240cc
Frank Finansiele Dienste	Pause Finance Cc	Van Shaik Bookstore
Full House Retail	Pepkor Trading (Pty) Ltd	Vecto Finance
Gemsbok Finansiele Dienste	Phakisa Shared Services Pty (Ltd)	Versa Finance
Getstarted SA	PNP Finance	Vincemus Investments (Pty) Ltd
Homechoice	Pokkit (Pty) Ltd	Vodacom
Ibuild Home Loans	Presles	Volkswagen Financial Services
IMAS Finance	Pretorium Trust	Welltech Finance
Investcan (Pty) Ltd	Protea Loans	Woolworths
JI Financial Services T/A Royal Finance Kimberley	QMS Consulting	Xtreme Discounters
Jm Cash Loans	Quickfin	Zani Financial Services
Just Bridge (Pty) Ltd	Railway Furnsihers	Zwane Financial Services (Deeds & Lloyds)
Kagiso Fd	Rainbow Finance	

Banking Division

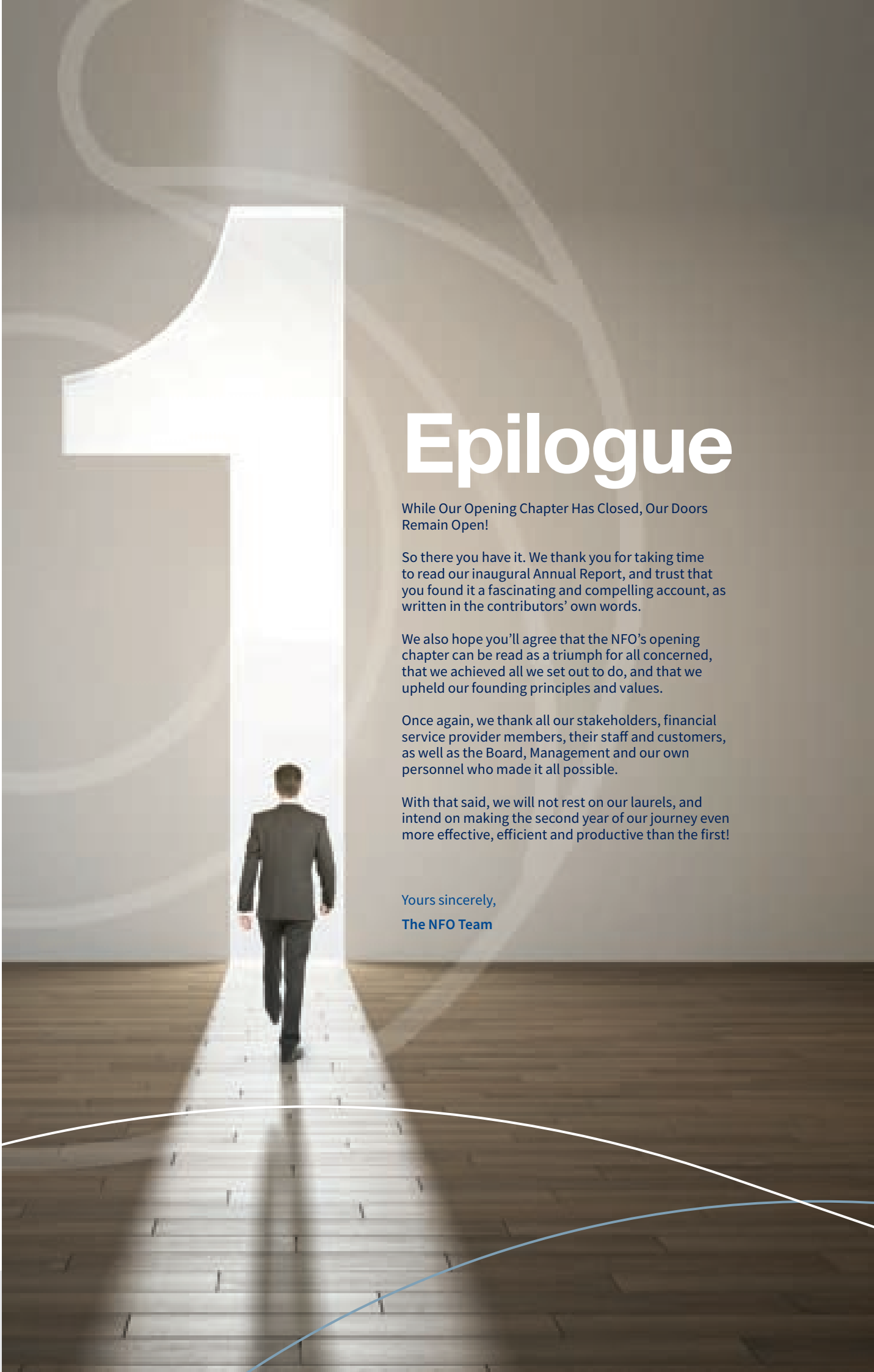
ABSA Bank Limited	Citibank N.A. South Africa	JP Morgan Chase Bank
Access Bank South Africa Ltd	Deutsche Bank	Merrill Lynch South Africa (Proprietary Limited)
African Bank	Discovery Bank	Nedbank Limited
Albaraka Bank Limited	Finbond Mutual Bank	OM Bank Limited
Bank of China Johannesburg	First National Bank of SA	Sasfin Bank Limited
Bank of Communications	First Rand Bank	South African Postbank SOC
Bank of Taiwan S.A.	GBS Mutual Bank	Standard Bank of SA Limited
Bank Zero	Goldman Sachs International Bank	Standard Chartered Bank
Barclays Investment Bank	HBZ Bank Limited	State Bank of India
Bidvest Bank Limited	HSBC Bank PLC	Tyme Bank Limited
Capitec Bank	Investec Bank Limited	
China Construction Bank	Ithala Bank Limited	

Non-life Insurance Division

Abacus Insurance Limited	Escap SOC Ltd	Nedbank Insurance Company Ltd
ABSA Insurance Company Ltd	Federated Employers Mutual Assurance Company	New National Assurance Company Ltd
ABSA Risk Transfer Insurance Company	First For Women Insurance Company	NMS Insurance Services (SA) Limited
AIG South Africa Insurance Co Ltd	FirstRand Short Term Insurance Ltd	Old Mutual Alternative Risk Transfer (OMART)
Allianz Global Insurance Ltd	GENRIC Insurance	Old Mutual Insure
Aurora Insurance Company Limited	Guardrisk Insurance Company Ltd	OUTsurance Insurance Company Ltd
Auto and General Insurance Company Ltd	Guardrisk Microinsurance Limited	PPS Short-Term Insurance Company Ltd
Bidvest Insurance Limited	Hollard Insurance Company Ltd	Renasa Insurance Company Ltd
Bryte Insurance Ltd	Hollard Specialist Insurance co	SAFIRE Insurance Company Ltd
Budget Insurance Company	Indequity Specialised Insurance Ltd	SAHL Insurance Company Ltd
Centriq Insurance Company Limited	Infiniti Insurance Limited	Santam Ltd
Chubb Insurance South Africa Limited	King Price Insurance	Santam Structured Insurance Ltd
Clientele General Insurance Limited	Land Bank Insurance Co	Sasria SOC Ltd
Coface South Africa Insurance Company	Legal Expenses Insurance SA Ltd	Standard Insurance Ltd
Compass Insurance Company Ltd	Lloyd's South Africa	Swiss Re Corporate Solutions Africa Ltd
Corporate Guarantee (South Africa) limited	Lombard Insurance Group	Vodacom Insurance Company (RF) Limited
Credit Guarantee Insurance Corporation	MiWay Insurance Limited	Western National Insurance Co Ltd
Dial Direct Insurance Ltd	Momentum Insure Company Limited	Workerslife Insurance Limited
Discovery Insure Ltd	Monarch Insurance Company Ltd	Yard Insurance Limited
Dotsure Limited		

Life Insurance Division

1Life Insurance Limited	Dotsure Life Limited	New Era Life Insurance Company Limited
3Sixty Life Limited	Easypay Insurance Limited	Ninety One Assurance Life Limited
Abacus Insurance Limited	Emerald Life (Pty) Limited	NMS Insurance Services (SA) Limited
ABSA Life Limited	FedGroup Life Limited	Old Mutual Alternative Risk Transfer Limited
Affinity Life Limited	First Rand Life Assurance Limited	Old Mutual Life Assurance Company (South Africa) Limited
AIG Life South Africa Limited	Guardrisk Life Limited	OUTsurance Life Insurance Company Limited
Alexander Forbes Investments Limited	Guardrisk Microinsurance Limited	Professional Provident Society Insurance Company Limited
Alexander Forbes Life Limited	Hollard Life Assurance Company	PSG Life Limited
Allan Gray Life Limited	Hollard Specialist Life Limited	RMA Life Assurance Company Limited
Assupol Life Limited	Insurance Company Limited	Safrican Insurance Company Limited
AVBOB Mutual Assurance Society	Investec Life Limited	SAHL Life Assurance Company Limited
Bidvest Life Limited	Just Retirement Life (South Africa) Limited	Sanlam Developing Markets Limited
BrightRock Life Insurance Limited	King Price Life Insurance Limited	Sanlam Life Insurance Limited
Bryte Life Company Limited	Liberty Group Limited	Santam Structured Life Limited
Capitec Life Limited	Linar (Pty) Limited	Shield Life Limited
Centriq Life Insurance Company Limited	Metropolitan Life Limited	Viva Life Insurance Limited
Clientèle Life Assurance Company Limited	MMI Group Limited	Vodacom Life Assurance Company Limited
Constantia Life Limited	Nedgroup Life Assurance Company Limited	Workerslife Assurance Company Limited
Discovery Life Limited		



Epilogue

While Our Opening Chapter Has Closed, Our Doors Remain Open!

So there you have it. We thank you for taking time to read our inaugural Annual Report, and trust that you found it a fascinating and compelling account, as written in the contributors' own words.

We also hope you'll agree that the NFO's opening chapter can be read as a triumph for all concerned, that we achieved all we set out to do, and that we upheld our founding principles and values.

Once again, we thank all our stakeholders, financial service provider members, their staff and customers, as well as the Board, Management and our own personnel who made it all possible.

With that said, we will not rest on our laurels, and intend on making the second year of our journey even more effective, efficient and productive than the first!

Yours sincerely,

The NFO Team

Contact Details

National Financial Ombud Scheme South Africa NPC

The NFO is recognised as an industry ombud scheme by the Ombud Council (OC/001/24).

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Media Enquiries:	media@nfosa.co.za
Website:	www.nfosa.co.za

Registered Office and Physical Address

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Postal Address

110 Oxford Road, First Floor, Houghton Estate, Johannesburg, Gauteng, 2198

Company Secretary

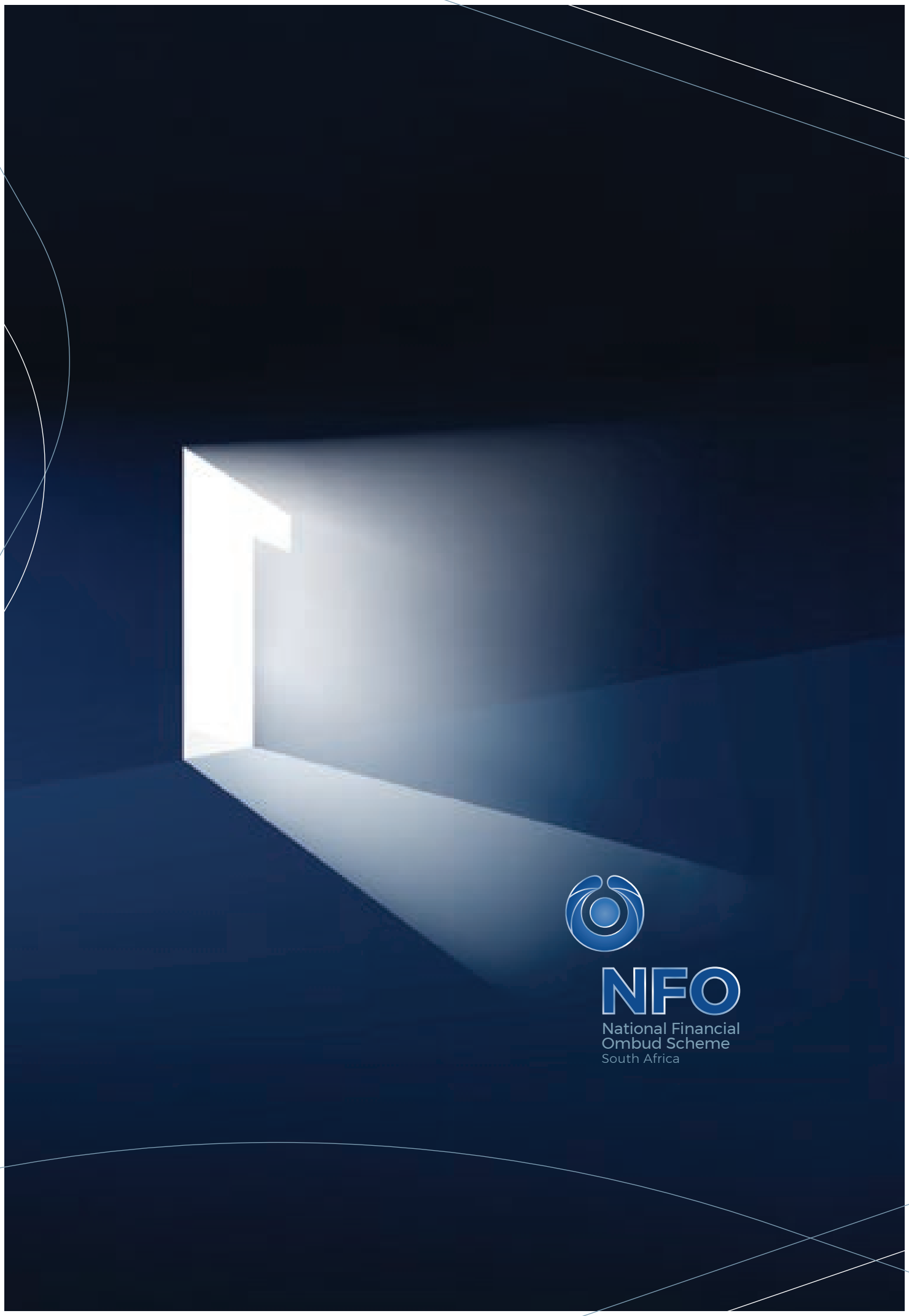
Miriam Komane Matabane

Physical Address : 110 Oxford Road, First Floor, Houghton Estate, Johannesburg, Gauteng, 2198

Auditors

RSM South Africa Inc

Physical Address : Cross Street & Charmaine Avenues, President Ridge, Randburg, 2194



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National Financial
Ombud Scheme
South Africa