



FirstRand

GROUP LANGUAGE POLICY

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## 1 FOREWORD

### 1.1 Overview

The board of directors of FirstRand Limited (FirstRand or the group) and FirstRand Bank Limited (FRB or the bank) recognises the importance of maintaining clear and consistent interaction within the group and with customers. The Language Policy encompasses all impacted pieces of legislation, it sets out principles in relation to plain language requirements as well as meeting applicable regulatory requirements regarding communication to impacted consumers in an official language to the extent that it is reasonable.

### 1.2 Purpose

- The purpose of this policy is to ensure that customer communications are effectively implemented and executed fairly and consistently. The policy sets out minimum standards that the group and its service providers must adhere to in terms of regulatory, legislative requirements and good market conduct principles. The policy also sets out minimum standards to provide customers with comprehensive and ongoing communications that are transparent and unambiguous, setting out clear definitions and terms in plain language across all customer documentation and creating communication that creates consistency across the various distribution and communication channels appropriate for each consumer market that the group renders services to.
- Policy further serves to comply with the bank's obligation as a registered Credit Provider with the National Credit Regulator ("NCR") under registration number NCRCP20. Specifically adherence to the requirements of Section 63(1) of the National Credit Act 34 of 2005, as amended ("NCA"/the Act) as well as any conditions of registration imposed on FirstRand Limited by the NCR. FirstRand, in terms of its General Conditions of Registration has submitted to the NCR within 5 months of registration a language policy proposal which was subsequently approved by the NCR and which is currently reviewed every two years.

### 1.3 Scope

It is the responsibility of each business unit in the group to apply the policy within its operating environment and, where applicable, put in place mitigating controls that are appropriate to mitigate the risks of failing to provide consumer communication in plain and understandable language in line with this policy. Each business unit should ensure that all engagements also apply the appropriate requirements as articulated in this policy.

The requirements as set out in this policy are not applicable to those business units which are not impacted by any of the below mentioned legislation in so far as it relates to adherence to specific language requirements.

In so far as the Policy relates to NCA official language provisions, it only applies to group entities that are registered credit providers under the NCA in terms of its obligations as credit providers.

#### 1.4 Applicable legislation or regulations

The policy is governed by all applicable legislation in South Africa that contains a plain language requirement and is core for the FirstRand group. The legislation, regulations, rules, industry codes and standards listed below are particularly important to the policy as it relates to the use of plain language when communicating with consumers. The policy owner needs to ensure that such legislation, regulations, rules, industry codes and standards are continuously reviewed, and to make any changes to this policy to ensure continued compliance.

Title	No.	Year
Long-term Insurance Act (LTIA) and its sub-ordinate legislation, including the Policyholder Protection Rules (PPRs) (in instances where applicable)	52	1988
Short-term Insurance Act (STIA) and with its sub-ordinate legislation, including the Policyholder Protection Rules (PPRs)	53	1998
Financial Advisory and Intermediary Services Act, including the General Code of Conduct for Authorised Financial Services Providers and Representatives (in instances where applicable)	37	2002
Fair Market Conduct and Treating Consumers Fairly Considerations (TCF)	N/A	2011
National Credit Act (NCA) (in instances where the Act applies)	3	2005
Consumer Protection Act (CPA) (in instances where the Act applies)	68	2008
The Code of Banking Practice (Dated January 2012)		
The Conduct Standards for Banks (certain provisions thereof effective from 3 July 2020 and staggering implementation at different dates)	3	2020
The Consumer Goods and Services Code of Conduct (Dated 28 February 2013) (in instances where the Consumer Protection Act applies)		

**Note:** Provided that the legislation is applicable, in the event of an inconsistency between any plain language provisions contained in the applicable legislation and the provisions in this policy, the more onerous provision should be applied.

#### 1.5 Objectives

The objectives of this policy are to:

- To ensure effective and regulatory compliant implementation of the language requirements contained in various pieces of applicable legislation in the communication between the group and consumers.
- Provide a disciplined, professional approach to the flow of communication from the group.
- Ensure that the reputation and credibility of the group is placed at the forefront of business management and decision-making.
- Create a climate of consistent, coherent and concise communication with all consumers.
- Ensure that information is timeously and broadly disseminated in accordance with, and otherwise responsive to, all applicable legal and regulatory requirements.
- Clear and consistent communication, as the foundation, to build credibility and integrity amongst stakeholders and lead to 'reputational capital' being built and maintained for the group.

## 1.6 Principles to consider when drafting plain language documents

Writing in plain language doesn't mean over-simplifying or leaving out critical information. Using plain language actually makes critical information accessible and readable for everyone.

By writing plainly and simply, one:

- increase the chances that people will find, read and understand the information from any device
- make the information more accessible to people with disabilities
- allow people who are reading the information on a small screen to see essential information first
- save resources when editing and translating text
- improve task completion and cuts costs by, for example, reducing enquiries

The plain language should always be drafted with an audience in mind with it being:

- Reasonable that it should be aimed at the average consumer with average literacy skills and minimal experience.
- Clear and unambiguous.
- Not deceptive.
- Easy to understand.
- Factually correct and not misleading
- Adequate and appropriate for the target market/audience

## 2 FIRSTRAND GROUP ENTITIES AND PROCEDURES

The minimum standards outlined in this policy document provides a roadmap for best practice language communications with consumers as per the legislative requirements contained herein.

All group entities are required to develop and implement procedures to operationalise the legislative requirements minimum standards contained herein.

## 3 RECORD KEEPING

Group entities must retain records of all versions of its products and services documentation, as well as supporting evidence relating to compliance with the legislative requirements and minimum standards contained herein, for at least five years from the date each version of the product and service documentation is archived, or completion of each marketing campaign.

## ADDENDUM

### 4 APPLICABLE LEGISLATIVE REQUIREMENTS

#### 4.1 The National Credit Act 3 of 2005 and Regulations

*“Section 63(1) of the NCA provides a consumer with the right to receive any document required in terms of the NCA in an official language that the consumer reads or understands. The right can only be enforced to the extent that it is reasonable having regard to usage, practicality, expense, regional circumstances and the balance of the needs and preferences of the population ordinarily served by the person required to deliver that document.”*

- 4.1.1 FRB, in terms of its general conditions of registration submitted to the NCR within five months of its registration, a language policy proposal, which was subsequently approved by the NCR and which is reviewed every two years.
- 4.1.2 The customer profile of FNB, RMB, RMB Private Bank and WesBank (divisions of the bank), and DirectAxis (a business unit of the bank), extends across all nine provinces of the Republic of South Africa. Statistics have revealed that the number of requests from consumers to be furnished with the documents required in terms of the NCA in a language other than English never exceeds one per cent. (1%) of total requests.
- 4.1.3 The understanding that most customers read and understand English is thus evident, however, to promote and advance the social economic welfare of South Africans and to promote a sustainable, responsible, efficient, effective and accessible credit market and industry, the bank caters for additional official languages to be offered in terms of the documents required by the NCA.
- 4.1.4 The bank’s divisions and business units shall draft all documents required in terms of the NCA and those documents will be available in English and, at the request of the customer, will be translated into the language of the customer’s choice in terms of Section 63(1) in respect of the quotation, the customer’s basic rights and obligations under a credit agreement, the Section 129(1)(a)1 notice and the Section 86(10)2 notice.

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<sup>1</sup> Section 129(1) states that: *“If the consumer is in default under a credit agreement, the credit provider-*

- (a) may draw the default to the notice of the consumer in writing and propose that the consumer refer the credit agreement to a debt counsellor, alternative dispute resolution agent, consumer court or ombud with jurisdiction, with the intent that the parties resolve any dispute under the agreement or develop and agree on a plan to bring the payments under the agreement up to date; and*
- (b) subject to section 130(2), may not commence any legal proceedings to enforce the agreement before-*
  - (i) first providing notice to the consumer as contemplated in paragraph (a), or in section 86(10), as the case may be; and*
  - (ii) meeting any further requirements set out in section 130.”*

<sup>2</sup>Section 86(10) states that:

- “(a) If a consumer is in default under a credit agreement that is being reviewed in terms of this section, the credit provider in respect of that credit agreement may, at any time at least 60 business days after the date on which the consumer applied for debt review in the prescribed manner to-*
  - (i) the consumer;*

- 4.1.5 To promote and advance the socioeconomic welfare of South Africans, and to promote a sustainable, responsible, efficient, effective and accessible credit market and industry, the bank's divisions and business units in respect of which the NCA applies will therefore ensure, where reasonable and practical, that:
- 4.1.5.1 Employees (within the relevant call centres) are available to answer and explain to customers any questions in relation to the NCA documents in isiXhosa, isiZulu, English, Afrikaans or (where possible) in a language requested by the customer. The proposed languages are included in this policy as these languages are commonly catered for within all of the bank's divisions or business units.
  - 4.1.5.2 Specific documents, for example, the quotation, pre-agreement, and terms and conditions which the bank's divisions and business units have undertaken to the NCR will be translated into a specific language and provided to customers upon request.
- 4.1.6 The general standard indicated above is, however, nuanced in the bank's different divisions namely, FNB, WesBank, RMB Private Bank and RMB, and business unit, hence these nuances are illustrated in terms of the various divisions' or business units' language policies applicable to the area which these serve. These languages are selected having regard to:
- 4.1.6.1 usage of the language in the geographical area;
  - 4.1.6.2 practicality of being able to provide the documents in that particular language;
  - 4.1.6.3 expense in terms of translating the documents, employing employees who are fluent in a particular language, and the implementation of the process within the business;
  - 4.1.6.4 regional circumstances and demand for a particular language in that region; and
  - 4.1.6.5 balance of the needs and preferences of the population ordinarily served by the bank's divisions or business units.
- 4.1.7 The bank's divisions or business units are also committed to comply with the requirements of Section 64(1)<sup>3</sup> of the NCA and strive, where reasonable and practical, to furnish customers with documents in plain language. The purpose is to ensure that the ordinary consumer of the class of persons, for whom the document is intended, could understand the content, significance and importance of the document without undue effort.

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(ii) the debt counsellor; and

(iii) the National Credit Regulator; and

(b) No credit provider may terminate an application for debt review lodged in terms of this Act, if such application for review has already been filed in court or in the Tribunal."

<sup>3</sup> Section 64(1) of the NCA relates to the right to information in plain and understandable language and states that "The producer of a document that is required to be delivered to a consumer in terms of this Act must provide that document – (a) in the prescribed form, if any, for that document; or (b) in plain language, if no form has been prescribed for that document."

- 4.1.8 In terms of Business banking products, customer support and documentation for these tailored banking services will generally only be available in English and/ or Afrikaans, given the complexity of certain unique products such as structured finance transactions available to these segments of the market.
- 4.1.9 RMB's investment banking and financial markets activities generally fall outside the ambit of the National Credit Act. RMB's activities may fall within the ambit of the National Credit Act in two instances:
- 4.1.9.1 In RMB's Investment Banking Division, RMB may grant loans to high-net-worth (HNW) individuals, in order to maintain corporate relationships.
- 4.1.9.2 On those rare occasions, legal agreements are drafted by external counsel and reviewed by internal legal counsel to ensure that such agreements are in plain and simple language. In addition, each transaction is subject to a deal conclusion forum where compliance with the NCA is reviewed. There has, however, been no consumer requirement for any vernacular language and it is proposed to maintain the current position in this regard. All loans in respect of the group's registered securitised entities are originated by either FNB or WesBank, in accordance with the language policies of these divisions.
- 4.1.10 RMB will, therefore, cater for English due to the nature of the customers that it services and the international global utility of English.
- 4.1.11 For FNB, WesBank, RMB Private Bank and DirectAxis, refer to the group's retail and commercial segment language policy.
- 4.1.12 The requirements in terms of this section only apply to the Bank's divisions and business units that are NCA impacted.

## 4.2 Consumer Protection Act, 68 of 2008 and Regulations

Section 22 of the CPA provides a consumer with the right to information in plain and understandable language:

- "(1) *The producer of a notice, document or visual representation that is required, in terms of this Act or any other law, to be produced, provided or displayed to a consumer must produce, provide or display that notice, document or visual representation*
- (a) *in the form prescribed in terms of this Act or any other legislation, if any, for that notice, document or visual representation; or*
- (b) *in plain language, if no form has been prescribed for that notice, document or visual representation.*
- (2) *For the purposes of this Act, a notice, document or visual representation is in plain language if it is reasonable to conclude that an ordinary consumer of the class of persons for whom the notice, document or visual representation is intended, with average literacy skills and minimal experience as a consumer of the relevant goods or services, could be expected to understand the content, significance and import of the notice, document or visual representation without undue effort, having regard to*
- (a) *the context, comprehensiveness and consistency of the notice, document or visual representation;*
- (b) *the organisation, form and style of the notice, document or visual representation;*
- (c) *the vocabulary, usage and sentence structure of the notice, document or visual representation; and*



- (d) *the use of any illustrations, examples, headings or other aids to reading and understanding.*
- (3) *The Commission may publish guidelines for methods of assessing whether a notice, document or visual representation satisfies the requirements of subsection (1) (b).*
- (4) *Guidelines published in terms of subsection (3) may be published for public comment.”*

### **4.3 The Code of Banking Practice**

The Code of Banking Practice contains various provisions for banks to provide information to consumers in plain and understandable language.

- 4.3.1 Paragraph 3.1 under the heading “Your entitlements” third bullet point: *“Provide you with information in a plain and understandable language format.”*
- 4.3.2 Paragraph 4.3 page 8: *“provide information to you in plain and understandable language, using standardised terminology and offer assistance on any aspect which you do not understand”.*
- 4.3.3 Paragraph 6.5.1.1: *“our Terms and Conditions are fair, lawful and written in plain and understandable language. Legal and technical language will only be used where necessary and the Terms and Conditions will be clearly distinguishable from marketing or promotional material”.*
- 4.3.4 Paragraph 4. 3 under the heading “Our key commitments” specifies the bank undertakes to: *“provide information to you in plain and understandable language, using standardised terminology and offer assistance on any aspect which you do not understand”.*

### **4.4 The Conduct of Financial Institutions Bill (even though draft legislation) has the following relevant provisions:**

#### **Clause 33(4):**

- (4) *A term or condition of a contract or agreement is transparent if the term is—*
- (a) *expressed in reasonably plain language;*
  - (b) *legible;*
  - (c) *presented clearly and unambiguously; and*
  - (d) *readily available to any party affected by the term.*

#### **Clause 60(2):**

- (2) *A financial institution must make disclosures to financial consumers that—*
- (a) *use plain language that is clear, unambiguous, and is appropriate for the target market.*

### **4.5 The Conduct Standards for Banks**

Under the definitions, “plain language” means communication that:

- (a) is clear and easy to understand;
- (b) avoids uncertainty or confusion; and

(c) is adequate and appropriate in the circumstances, taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted.

Paragraph 6, under the heading “Advertising” subsection (3) thereof advertising by a bank must:

1. be factually correct
2. not contain any statement, promise or forecast which is fraudulent, untrue or misleading; and
3. use plain language

Section 2, under the heading “Disclosures”, subsection (2) thereof: a bank must make disclosures to financial consumers that:

1. in the case of retail financial consumers, use plain language;
2. are adequate, appropriate, timely, relevant and complete;
3. are factually correct and not misleading or likely to be misleading;
4. are not deceptive, fraudulent, contrary to the public interest and do not contain incorrect statements;
5. in the case of retail financial consumers, promote understanding of the financial product or financial service being provided; and
6. are readily available to any party affected by the agreement.

Section 8, under the heading “Complaints”, subsection (18): *“A bank must ensure that its complaint processes and procedures are transparent, visible and accessible through channels that are appropriate to the bank and its financial consumers”* and subsection (20) thereof: *“All communications with a retail financial complainant must use plain language.”*

#### **4.6 Financial Advisory and Intermediary Services (FAIS) General Code of conduct for Authorised Financial Services Providers (FSPs)**

The FAIS code is not prescriptive on the South African languages that need to be used to communicate to consumers based on their segmentation. The emphasis is more on the use of plain language and what type of information must be communicated as a minimum to consumers. This is to assist consumers to make an informed decision before they take up a product.

The General Code sets out the following general duty for all FSPs, which also applies to all employees and third parties (example external FSPs that offer group products and services to its customers) that assist the FSPs to comply with FAIS requirements:

*“A provider must at all times render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.”*

Therefore, in order to meet the above duty and the applicable definition and sections below, FSPs must:

- a. Produce product and service documentation in a specific language(s), if it will be in the best interest of the consumers in a particular market to do so.
- b. Ensure that the content of product and service documentation is appropriate for the consumer market targeted.

- c. Document processes for all affected departments and third parties to implement, which will ensure adherence with the definition and requirements below.
- d. Implement a process to assess that all product and service documentation complies with the plain language requirements below, before products and services are offered to consumers.
- e. Implement a process to assess communication with consumers, to ensure it complies with the plain language requirements below (where applicable).
- f. Ensure that all product and service documentation is reviewed and approved by compliance and the relevant governance committee that approve new and amendments to products and services.
- g. Review product and service documentation when complaints or queries are received on the content of product or service documentation, as well as on an ongoing basis. The objective is to ensure that the documentation remains relevant, clear and easy to understand, complete, accurate, transparent and is not misleading.
- h. The applicable requirements below must be included in marketing campaign checklists, which the marketing department and other affected stakeholders must use when developing, reviewing and signing off FAIS-affected advertisements.

Below are the applicable definition and sections from the General Code which was amended on 26 June 2020 with a staggered implementation date.

A Definition:

**“plain language”** means communication that-

- (a) is clear and easy to understand;
- (b) avoids uncertainty or confusion; and
- (c) is adequate and appropriate in the circumstances, taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted;”

B Relevant sections of the General Code:

**“3 SPECIFIC DUTIES OF PROVIDER**

- (1) When a provider renders a financial service-
  - (a) representations made and information provided to a client by the provider-
    - (i) must be factually correct;
    - (ii) must be provided in plain language, avoid uncertainty or confusion and not be misleading;
    - (iii) must be adequate and appropriate in the circumstances of the particular financial service, taking into account the factually established or reasonably assumed level of knowledge of the client;
    - (iv) must be provided timeously so as to afford the client reasonably sufficient time to make an informed decision about the proposed transaction;
    - (v) may, subject to the provisions of this Code, be provided orally and, at the client’s request, confirmed in writing within a reasonable time after such request;
    - (vi) must, where provided in writing or by means of standard forms or format, be in a clear and readable print size, spacing and format;

- (vii) *must, as regards all amounts, sums, values, charges, fees, remuneration or monetary obligations mentioned or referred to therein and payable to the product supplier or the provider, be reflected in specific monetary terms: Provided that where any such amount, sum, value, charge, fee, remuneration or monetary obligation is not reasonably pre-determinable, its basis of calculation must be adequately described; and*
- (viii) *need not be duplicated or repeated to the same client unless material or significant changes affecting that client occur, or the relevant financial service renders it necessary, in which case a disclosure of the changes to the client must be made without delay.”*

#### **“14 ADVERTISING**

##### **Appropriate language and medium**

- (6) (a) *An advertisement must use plain language.*
- (b) *Terms must be defined or explained if the average targeted client could not reasonably be expected to understand them.*
- (c) *A provider must consider the appropriateness of the medium to be used to publish any advertisement in relation to the complexity of the features of the financial product or financial service or other information being communicated.”*

#### **“17 COMPLAINTS MANAGEMENT FRAMEWORK**

##### **Establishment of complaints management framework**

##### **Communication with complainants**

- (8)...(c) *All communications with a complainant must be in plain language.”*

#### **4.7 Long-term Insurance Act (LTIA) and its sub-ordinate legislation, including the Policyholder Protection Rules (PPRs)**

##### **LTIA PPRs**

The PPRs are not prescriptive on which South African languages insurers (supported by its employees, binder holders and intermediaries where applicable) need to use to communicate to consumers, based on their segmentation. It does, however, require the use of appropriate language. Emphasis is also placed on the appropriateness of the medium to be used to communicate with different consumer markets, as well as the use of plain language and the type of information that must be communicated as a minimum to consumers. The objective is to ensure that consumers receive product and service information that will assist them to make an informed decision before they take up a product.

The PPRs also set out the following general duty for all insurers, which also applies to its employees, binder holders and intermediaries that support them (where applicable):

*“1.2 An insurer, at all times, must act with due skill, care and diligence when dealing with policyholders.*

*1.3 An insurer must-*

- (a) *in any engagement with a policyholder, and in all communications and dealings with a policyholder, act honourably, professionally and with due regard to the fair treatment of the policyholder; and*

(b) *at the start of any engagement initiated by the insurer clearly explain the purpose thereof.*"

Therefore, in order to meet the above duty and applicable definition and sections below, insurers must:

- a. Produce product and service documentation in a specific language(s), if required by different consumer markets it services.
- b. Ensure that the medium used is appropriate for the consumer market targeted.
- c. Document processes for all affected departments and/or binder holders and/or intermediaries to implement, which will ensure adherence with the definition and requirements below.
- d. Implement a process to assess that all product and service documentation complies with the plain language requirements below, before products and services are offered to consumers.
- e. Implement a process to assess communication with consumers, to ensure it complies with the plain language requirements below (where applicable).
- f. Ensure that all product and service documentation is reviewed and approved by compliance and the relevant governance committee that approves new and amendments to products and services.
- g. Review product and service documentation when complaints or queries are received on the content of product or service documentation, as well as on an ongoing basis. The objective is to ensure that the documentation remains relevant, clear and easy to understand, complete, accurate, transparent and is not misleading.
- h. The applicable rules below must be included in marketing campaign checklists, which the marketing department and other affected stakeholders must use when developing; reviewing and signing off insurance-affected advertisements.

Below are the applicable definition and sections from the LTIA PPRs:

**A Definition:**

*"plain language" means communication that-*

- (a) *is clear and easy to understand;*
- (b) *avoids uncertainty or confusion; and*
- (c) *is adequate and appropriate in the circumstances,*

*taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted".*

**B Relevant sections of the PPRs:**

*"10.7 Appropriate language and medium*

*10.7.1 An advertisement must use plain language.*

*10.7.2 Terms must be defined or explained if the average targeted policyholder could not reasonably be expected to understand them.*

*10.7.3 An insurer must consider the appropriateness of the medium to be used to publish any advertisement in relation to the complexity of the policy features or other information being communicated.*

...

*Language and format*

11.3.1 *Any communication by an insurer to a policyholder in relation to a policy must-*

- (a) *be in plain language;*
- (b) *not be misleading;*
- (c) *be provided using an appropriate medium, taking into account the complexity of the information being provided;*
- (d) *where applicable, be in clear and readable print size, spacing and format; and*
- (e) *in respect of any amount, sum, premium, value, charge, fee, remuneration or monetary obligation mentioned or referred to therein, be stated in actual monetary terms, provided that where any such amount, sum, premium, value, charge, fee, remuneration or monetary obligation is not reasonably pre-determinable, its basis of calculation must be clearly and appropriately described.*

...

17.6.3 *If the insurer repudiates or disputes a claim or the quantum of a claim, the notice referred to in rule 17.6.2 must, in plain language, inform the claimant-*

- (a) *of the reasons for the decision, in sufficient detail to enable the claimant to dispute such reasons if the claimant so chooses;*
- (b) *that the claimant may within a period of not less than 90 days after the date of receipt of the notice make representations to the relevant insurer in respect of the decision;*
- (c) *of details of the internal claim escalation and review process required by rule 17.5;*
- (d) *of the right to lodge a complaint to a relevant ombud and the relevant contact details and time limitation and other relevant legislative provisions relating to the lodging of such a complaint;*
- (e) *in the event that the relevant policy contains a time limitation provision for the institution of legal action, of that provision and the implications of that provision for the claimant; and*
- (f) *in the event that the relevant policy does not contain a time limitation provision for the institution of legal action, of the prescription period that will apply in terms of the Prescription Act, 1969 (Act No. 68 of 1969) and the implications of that Act for the claimant.*

...

17.8.2 *All communications with a claimant must be in plain language.*

...

18.9.3 *All communications with a complainant must be in plain language."*

#### **4.8 Short-term Insurance Act (STIA) and with its sub-ordinate legislation, including the Policyholder Protection Rules**

##### **STIA PPRs**

The PPRs are not prescriptive on which South African languages insurers (supported by its employees, binder holders and intermediaries where applicable) need to use to communicate to consumers, based on their segmentation. It does, however, require the use of appropriate language. Emphasis is also placed on the appropriateness of the medium to be used to communicate with different consumer markets; as well as the use of plain language and the type of information that must be communicated as a minimum to consumers. The objective is to ensure that consumers receive product and service information that will assist them to make an informed decision before they take up a product.

The PPRs also set out the following general duty for all insurers, which also applies to its employees, binder holders, and intermediaries that support them (where applicable):

*“1.2 An insurer, at all times, must act with due skill, care and diligence when dealing with policyholders.*

*1.3 An insurer must-*

- (a) in any engagement with a policyholder, and in all communications and dealings with a policyholder, act honourably, professionally and with due regard to the fair treatment of the policyholder; and*
- (b) at the start of any engagement initiated by the insurer clearly explain the purpose thereof.”*

Therefore, in order to meet the above duty and applicable definition and sections below, insurers must:

- a. Produce product and service documentation in a specific language(s), if required by the different consumer markets it services.
- b. Ensure that the medium used is appropriate for the consumer market targeted.
- c. Document processes for all affected departments and/or binder holders and/or intermediaries to implement, which will ensure adherence with the definition and requirements below.
- d. Implement a process to assess that all product and service documentation complies with the plain language requirements below, before products and services are offered to consumers.
- e. Implement a process to assess communication with consumers, to ensure it complies with the plain language requirements below (where applicable).
- f. Ensure that all product and service documentation is reviewed and approved by compliance and the relevant governance committee that approves new and amendments to products and services.
- g. Review its product and service documentation when complaints or queries are received on the content of product or service documentation, as well as on an ongoing basis. The objective is to ensure that the documentation remains relevant, clear and easy to understand, complete; accurate, transparent and is not misleading.
- h. The applicable rules below must be included in marketing campaign checklists, which the marketing department and other affected stakeholders must use when developing; reviewing and signing off insurance-affected advertisements.

Below are the applicable definition and sections from the STIA PPRs:

**A Definition:**

*“plain language” means communication that-*

- (a) is clear and easy to understand;*
- (b) avoids uncertainty or confusion; and*
- (c) is adequate and appropriate in the circumstances,*

*taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted”.*

**B Relevant sections of the PPRs:**

*“10.7 Appropriate language and medium*

*10.7.1 An advertisement must use plain language.*

*10.7.2 Terms must be defined or explained if the average targeted policyholder could not reasonably be expected to understand them.*

*10.7.3 An insurer must consider the appropriateness of the medium to be used to publish any advertisement in relation to the complexity of the policy features or other information being communicated.*

...

*Language and format*

*11.3.1 Any communication by an insurer to a policyholder in relation to a policy must-*

*(a) be in plain language;*

*(b) not be misleading;*

*(c) be provided using an appropriate medium, taking into account the complexity of the information being provided;*

*(d) where applicable, be in clear and readable print size, spacing and format; and*

*(e) in respect of any amount, sum, premium, value, charge, fee, remuneration or monetary obligation mentioned or referred to therein, be stated in actual monetary terms, provided that where any such amount, sum, premium, value, charge, fee, remuneration or monetary obligation is not reasonably pre-determinable, its basis of calculation must be clearly and appropriately described.*

...

*17.6.3 If the insurer repudiates or disputes a claim or the quantum of a claim, the notice referred to in rule 17.6.2 must, in plain language, inform the claimant-*

*(a) of the reasons for the decision, in sufficient detail to enable the claimant to dispute such reasons if the claimant so chooses;*

*(b) that the claimant may within a period of not less than 90 days after the date of receipt of the notice make representations to the relevant insurer in respect of the decision;*

*(c) of details of the internal claim escalation and review process required by rule 17.5;*

*(d) of the right to lodge a complaint to a relevant ombud and the relevant contact details and time limitation and other relevant legislative provisions relating to the lodging of such a complaint;*

*(e) in the event that the relevant policy contains a time limitation provision for the institution of legal action, of that provision and the implications of that provision for the claimant; and*

*(f) in the event that the relevant policy does not contain a time limitation provision for the institution of legal action, of the prescription period that will apply in terms of the Prescription Act, 1969 (Act No. 68 of 1969) and the implications of that Act for the claimant.*

...

*17.8.2 All communications with a claimant must be in plain language.*

...

*18.9.3 All communications with a complainant must be in plain language.”*

## **4.9 The Consumer Goods and Services Code of Conduct**

### **Under the section “Complaints”**



*“11.3.1.8 When dealing with Complaints, the Participant should make readily available to consumers, complainants and other interested parties information concerning the Internal Complaint-Handling Process, including the CGSO's brochures and the member's pamphlets, or electronic-based information. Such information should be provided in plain language and, so far as it is reasonable, in formats accessible to all, so that no complainants are disadvantaged. The following are examples of such information: where Complaints can be made; how Complaints can be made; the Complaints process.”*