

## Complaint Handling Policy and Procedure

<b>Policy Owner:</b>	Mike Bowden, Compliance Officer
<b>Issuing Department:</b>	Compliance
<b>Approved by:</b>	James Rowsell & Simon Melling
<b>Last Approved Date:</b>	June 2020
<b>Next Review Date:</b>	June 2021
<b>Scope of Procedure Application:</b> <b>Entity/Brands:</b> <i>This Procedure is relevant to the regulated entity Vermeer Investment Management Limited (VIML) and the brands Vermeer Investment Management (VIM) and Vermeer Partners (VP). This Procedure is also relevant to outsourcing of any important or critical functions of VIML.</i> <b>Jurisdiction:</b> <i>VIML is authorised and regulated by the FCA. This Procedure is relevant to activity undertaken by VIML anywhere in the world.</i> <b>Relevant Business Areas and Individuals:</b> <i>All employees permanent, contract and temporary and those under a contract for services with VIML.</i>	

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## 1. Definitions (Glossary)

The words and terms used in this document are defined in the table below. Where a word or term is not defined herein and that word or term is defined in the Glossary of the FCA Handbook, the definition in the Glossary of the FCA Handbook will be deemed to apply to that word or term as used in this document.

<b>Word / Term</b>	<b>Definition</b>
<b>Board</b>	Board of Directors
<b>CMP</b>	Compliance Monitoring Programme
<b>DISP</b>	'Dispute Resolution: the Complaints sourcebook' in the FCA Handbook
<b>FCA</b>	Financial Conduct Authority
<b>FCA Handbook</b>	The Financial Conduct Authority's Handbook of rules and guidance
<b>FOS</b>	Financial Ombudsman Service
<b>MI</b>	Management Information
<b>MiFID II</b>	The recast Markets in Financial Instrument Directive associated with the Level 1 Text, EU Directive 2014/65/EU
<b>SME</b>	Small and Medium-sized enterprise
<b>SRC</b>	Summary Resolution Communication
<b>TCF</b>	Treating Customers Fairly
<b>VIM</b>	Vermeer Investment Management, a trading name of VIML, under which VIML conducts the UCITS management company business
<b>VIML</b>	Vermeer Investment Management Limited, the regulated firm, trading as Vermeer Partners (VP) and Vermeer Investment Management (VIM)
<b>VP</b>	Vermeer Partners, a trading name of VIML, under which VIML conducts the individual portfolio management and advisory business

## 2. Introduction

Financial Conduct Authority (**FCA**) authorised financial services providers have a regulatory obligation to establish, implement and maintain effective and transparent complaints management policies and procedures for the prompt handling of clients' or potential clients' complaints. Firms should ensure that they have a written process for dealing with complaints and, by correctly recognising the enquiry as a complaint, confirm that:

- They are consistent with regulatory and legal obligations;
- They are effective in positively managing the consumer relationship;
- They have a structure, allowing complaints to be properly escalated.

### 2.1. Scope

Where a client has cause to complain, this Complaints Handling Policy and Procedure (the **Procedure**) is to be followed in every instance and a record of the complaint nature and details is to be made to help improve our services and mitigate against further complaints of similar nature. This Procedure applies to all VIML staff, including permanent employees, contractors, temporary staff, external consultants, etc., and in particular to those client-facing functions who are in the position to receive and handle complaints. It provides guidance and direction to the staff on how to handle a complaint from a client (or potential one) as thoroughly and as quickly as possible and to take each complaint seriously in accordance with legal, regulatory, contractual and business expectations and requirements.

Failure of VIML or its staff (and agents) to effectively demonstrate compliance with regulatory requirements have direct and significant risks in terms of the regulatory and reputational standing of VIML, and relevant individuals with senior-management responsibilities. For staff members, failure to adhere to the guidance and objectives laid out in this Procedure may lead to disciplinary action, including summary dismissal for negligence.

### 2.2. Overview

VIML and its staff are committed to the highest standards of openness and integrity and accept full responsibility for treating customers fairly (**TCF**), and for dealing with complaints promptly, positively, fairly, and efficiently. Accordingly, it makes clients aware of its complaints Procedure, via its website; in its Terms and Conditions of business; and in the event of a client expressing their dissatisfaction with the Firm's products and/or investment and ancillary services. VIML has established this Procedure to deliver this outcome and to comply with the requirements of the FCA. The purpose of this Procedure is to ensure that clients can raise a complaint with or about the Firm, and to know that any such complaint will be dealt with in a standardised and structured manner.

## 3. Regulatory Background and Summary of Requirements

The main sources of regulatory requirements for complaint handling are in the Dispute Resolution (**DISP**) section of the FCA Handbook. These rules set out the procedures and requirements that regulated businesses must follow when handling complaints from consumers, including requirements on:

- Having in place and operating an effective and clear complaints handling procedure;
- Acknowledging and responding to complaints;
- The time limits for dealing with complaints; and

- Record-keeping and reporting.

TCF requirement derives from Principle 6 of the 1 Principles for Business, which is core to the FCA's consumer protections objective. The principle of fair treatment goes beyond the detailed rules and has a bearing on all dealings with clients and especially complaint handling and compensation. Firms, in fact, are expected to comply with the spirit of these rules. This means that client could expect to receive products and a level of service that meet their needs, from firms that they can trust. Should not this be the case, then alternative resolution measures must be in place.

DISP rules also set out the jurisdiction and procedures for the Financial Ombudsman Service (**FOS**).

## 4. Our Approach

A complaint is defined in the FCA Handbook Glossary (relevant to VIML's business) as:

*...any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination, which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience.*

Following the implementation of MiFID II, MiFID firms are required to apply complaint handling requirements not just to retail clients but also to professional clients and eligible counterparties. However, access to the FOS is still limited to eligible complainants which are, primarily, retail clients and smaller businesses.

DISP 1.1.A3 G defines a MiFID complaint as:

*...amongst other things, a complaint to which article 26 of the MiFID Org Regulation applies, being a complaint about:*

*(1) the provision of investment services or ancillary services to a client by an investment firm;*

*(2) the provision of one or more investment services to a client by a CRD credit institution;*

*(3) selling structured deposits to clients, or advising clients on them, where the sale or advice is provided by an investment firm or a CRD credit institution;*

*(4) the activities permitted by article 6(3) of the UCITS Directive when carried on by a collective portfolio management investment firm; and*

*(5) the activities permitted by article 6(4) of the AIFMD when carried on by a collective portfolio management investment firm.*

As per DISP 2.7.3, an eligible complainant is a consumer, which is a person acting outside of their trade, business or profession; or a **micro-enterprise**, whether it has an annual turnover of up to two million euros and fewer than ten employees; small charities with annual income of less than £1 million at the time the complainant refers; or a trustee of a trust, which has a net asset value of less than £1 million at the time the complainant refers. On 1<sup>st</sup> April 2019, FOS extended access to larger small and medium-sized enterprises (**SMEs**), which are firms with an annual turnover of under £6.5 million, and either an annual balance sheet total of under £5 million, or fewer than 50 employees. The ultimate outcome the FCA aims to deliver is **greater consumer protection levels and fairer financial services**, to improve trust in financial services and lead to greater participation on the market.

As part of its implementation of the TCF Policy,

**VIML will handle complaints from non-eligible complainants in the same way than from eligible ones.**

A complaint is likely to relate to one or more of the following:

- A breach of the Terms & Conditions;
- A failure to comply with VIML responsibilities under the regulatory system;
- Repetition of a matter about which VIML has received earlier complaints; or
- Unfair treatment, malpractice, or impropriety.

VIML has published the details of the process to be followed when handling a complaint, including information about this Procedure and the contact details of the complaints management function. Relevant information is provided to clients or potential clients, on request, or when acknowledging a complaint. Summary of this Procedure can be found on VIML's website.

#### 4.1. Initial Response

Most of the time, a complaint can be satisfactorily resolved at an early stage. **The staff who initially receives the complaint has three (3) business days following receipt to resolve the matter to the agreement of the client or refer the matter to the Compliance Department.** If the matter is not resolvable within this limited time, it will be forwarded to the Compliance Department, that deals with all complaints that remain unresolved within three business days of receipt of the complaint.

If the complaint can be resolved within the initial three business days, and the client agrees with the proposed resolution, a 'Summary Resolution Communication' (SRC) is sent via email. The SRC will clearly; comprehensibly; in an easily accessible way and prominently:

- Refer to the fact that the client has made a complaint and inform the client that VIML now considers the complaint to have been resolved;
- Tell the client that if they subsequently decide that they are dissatisfied with the resolution of the complaint, they may be able to refer the complaint to the FOS; and
- Refers to the availability of further information on the website of the FOS.

If VIML has made an error, this is identified and acknowledged and, where appropriate, the client is offered restitution or compensation. If the person addressing the client's complaint does not consider the error to be on VIML's part, they explain this to the client and provide them with the relevant information/facts on which they have reached their conclusion.

Where:

- The person or department addressing the client's complaint is unable to resolve a client's query or concern by the close of the third (3rd) business day following receipt; or
- The client has not indicated their agreement with the proposed resolution by the end of the third business day following receipt; or
- The client has indicated they are not satisfied with the resolution already proposed;

the complaint is escalated to the Compliance Department with an accurate, clear, and complete description of the case.

## 4.2. Compliance Review

On receipt of a complaint, the Compliance department will promptly send an acknowledgement to the client, to the registered email address held for that client. The acknowledgement informs the client that:

- VIML's Compliance department has received their complaint and will carry out an investigation into the matter(s) raised;
- VIML has a maximum of eight weeks from the initial receipt of the initial complaint to resolve it and provide a final response to the complainant; and
- If the client is an 'eligible complainant' and is dissatisfied with VIML's final response, they have the right to refer their complaint to the FOS.

Compliance promptly, independently, diligently, and impartially investigate the matter(s) raised by the client and keep a record of the evidence reviewed. As part of their initial investigation, Compliance obtain information from the department and/or individual(s) who dealt initially with both the client's query or concern and with the subject of the complaint, e.g.: trade, telephone call, emails, etc. It will also be considered whether there is reasonable ground to believe that another firm may be, solely or jointly, responsible for the matter alleged in the complaint (Please refer to **section 4.4** of this Procedure). All the information received are examined and challenged, verified, or supplemented, as necessary. When reviewing a client complaint, Compliance pay due regard to the interests of the client and treat them fairly, assessing the:

- Subject matter of the complaint;
- Whether the complaint should be upheld;
- What remedial action or redress (or both) may be appropriate for the client;
- The root cause of the complaint; and
- Whether the complaint could have been prevented.

In addition, following elements are taken into consideration:

- All evidence available and the circumstances of the complaint;
- Information provided to clients in the relevant VIML Terms and Conditions;
- Similarities with other complaints received;
- The FCA and FOS rules and guidance on complaints handling; and
- Previous decisions of the FOS in relation to similar matters.

Depending on the nature of the complaint, the activity in the client's account(s) may be suspended while the complaint is investigated. A notification would be then sent to the client, should this be the case.

If the client is complaining about a matter that occurred:

- More than six months after the date on which the VIML's Complaints Department sent the client its final response, redress determination or SRC in relation to that matter; or
- Outside the time limits, which are:
  - (a) six years after the event complained of; or (if later)
  - (b) three years from the date on which the client became aware (or ought reasonably to have become aware) that he had cause for complaint,

VIML will not consent to the FOS to review the case to be reviewed by the FOS, unless there were exceptional circumstances.

### 4.3. Final Response

The results of the Compliance investigation are communicated to the client through a final response, which must be issued within **eight weeks** of the date of the initial receipt of the complaint, although VIML endeavours to send a final response generally earlier. A final response does clearly, fairly and using plain language:

- Make clear reference to the complaint;
- Identify the response as a final response;
- Set out a summary/chronology of the facts/information as Compliance have ascertained them;
- Include relevant extracts from VIML's Terms and Conditions, as appropriate;
- Set out Compliance's assessment of and conclusions on the matters (based upon the information reviewed) and whether the case is upheld or not;
- Provide information on any offer of remedial action or redress provided to or accepted by the complainant;
- Inform a client (who is an eligible complainant) of their right to refer their complaint to FOS, if they are not satisfied with VIML's Final Response;
- Include the link to the web version of the FOS consumer leaflet <http://www.financial-ombudsman.org.uk/publications/consumer-leaflet.htm>; and
- Inform a client (who is an eligible complainant) that they have a maximum of six months from the date of the final response in which to refer their complaint to the FOS.

In the unlikely event that Compliance is unable to issue a final response within eight weeks of the date of the complaint, then a **holding response** is issued, indicating when VIML expects to be able to provide a final response. The holding response:

- Apologises for the delay;
- Advises the client that VIML is not in the position to send a final response and explaining the reasons for the further delay;
- Informs the client (who may be an eligible complainant) that they may now refer the complaint to the FOS as the eight-week deadline has passed.

Such an event is a breach of the DISP rules in the FCA Handbook and would be registered as such in VIML's Breach register, and reported to the FCA via the bi-annual complaint return.

VIML will consider a complaint closed when:

- A SRC has been issued;
- The Compliance department has sent a final response; or
- The complainant has indicated acceptance of the response.

In instances where the complainant refers a complaint to FOS, VIML provides any assistance required by the FOS to determine the matter. Where VIML disagrees with a judgement from an Adjudicator, an appeal for the matter to be considered by an Ombudsman could be submitted. Following a judgement award issued by an Ombudsman, VIML cooperates fully in providing recompense to the Complainant.

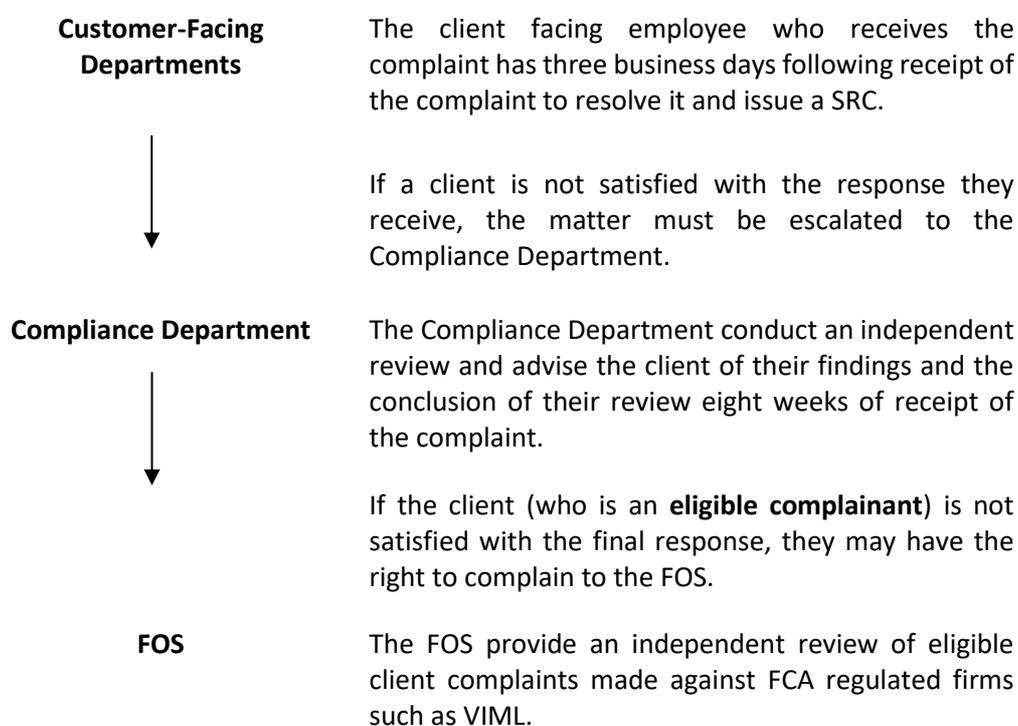
#### 4.4. Forwarded Complaints

Where VIML has reasonable grounds to be satisfied that another firm may be solely or jointly responsible for the matter alleged in a complaint, the complaint may be forwarded (in whole or in part) to that other firm. This is to be done so promptly. A final response letter must also be promptly sent to the client to advise why the complaint has been forwarded to another firm and providing their contact details.

Where responsibility for the complaint is jointly held by VIML and another firm, VIML complies with the steps contained in this Procedure in respect of the complaint that has not been forwarded to another firm. When VIML receives a forwarded complaint from another firm, the complaint is treated as having been received on the date the complaint was received from the other firm. The three-business-days or eight-weeks periods therefore begin from the date that VIML receives the complaint, not the date that the forwarding firm received the complaint.

Complaints that have been forwarded to another business in their entirety are not included in VIML's statistics reported to the FCA.

#### 4.5. Summary of the Process



### 5. The Financial Ombudsman Service

The FOS is an independent body set up by Parliament under the Financial Services and Markets Act 2000. They offer free service for consumer, and an informal alternative to civil court to revise disputes between clients and businesses providing financial services, where the client has suffered financial loss or material distress and inconvenience. The FOS handles complaints impartially and independently, looking at both sides of the matter and weigh up all the facts. Consumers should contact the FOS once their case has been dealt with by the business or if the business has ignored or mishandled the case. FOS' decisions are final and binding on the business, if accepted by the consumer. As of 1<sup>st</sup> April 2019, the award for compensation was increased from £150,000 to £350,000 for complaints about actions by firms *on or after that date*. For complaints about actions before 1<sup>st</sup>

April 2019, the limit was raised to £160,000. Such awards can be imposed to compensate clients for financial and non-financial losses. It is important to remember that the FOS is run independently from the FCA and that it is not a supervisory authority, as such, it cannot impose sanctions or take enforcement actions against the business. Nevertheless, there are procedures in place for ensuring cooperation between the FOS and the FCA and on issues that might lead to large numbers of complaints, hence threatening the FCA's operational objective of consumer's protection.

The FOS may dismiss a complaint, without considering its merit, whether the complaint is frivolous or vexatious, if the case has been or is being dealt with by a comparable Alternative Dispute Resolution entity, whether there has been a decision on the merit of the case by a similar court proceeding or if dealing with such a case would seriously impair the effective operation of the FOS.

The full contact details of the FOS are as follows:

*The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR*

[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**020 7964 1000 (switchboard)**

**020 7964 1001 (main fax)**

Firms can display or reproduce the FOS logo (under licence) in marketing literature or correspondence directed to eligible complainants, provided that it is done in a way that is not misleading.

## 6. Roles and Responsibilities

The responsibility for the establishment of this Procedure lies with the Board of Directors (the **Board**) and Senior managers.

The Compliance Officer is responsible for the Compliance Management Function, for the investigation of complaints, for the effective oversight of the implementation of the provisions included in this document, and for addressing any technical queries or concerns from members of staff. The Compliance Officer is also responsible for producing sufficiently detailed Management Information (**MI**) to the Board, to give an account on the effectiveness of this Procedure and any related arrangements. Complaints are one of the key indicators for the effective implementation of VIML's TCF Policy.

As part of the TCF Policy and the Compliance Monitoring Programme (**CMP**), the Compliance department periodically undertakes a root cause analysis of complaints data to ensure that complaints are handled correctly and to identify and properly address risks or issues. This root cause analysis aims to recognise and remedy any recurring or systemic problems, such as:

- Analysing the causes of individual complaints so as to identify root causes common to types of complaint;
- Considering whether such root causes may also affect other processes or services, including those not directly complained of; and
- Correcting, where reasonable to do so, such root causes.

Results of this review are included in the MI to the Board, which includes statistics and commentaries on good practice. The completion of MI offers an exhaustive picture of the number of complaints received, of their nature and of any particular concerns raised. Where trends, recurring or systemic

problems exist in the type of complaints being upheld, the Compliance Officer is responsible for recommending a corrective cause of action. Other than providing a measure of the TCF Policy implementation, this monitoring activity also offers the opportunity to detect and remedy weak aspects of the services and areas of improvement (from the technological point of view, in terms of marketing literature produced, etc.).

## 7. Approval Procedure

This Procedure is reviewed at least annually by the Compliance Officer, who keeps the document up to date and ensures it effectively covers the company's regulatory and business requirements as the service evolves. Any required update or recommendation is submitted to the Board for final approval.

## 8. Record Keeping and Reporting Requirements

VIML maintains a record of all the complaints received and the measures taken for their resolution. The information kept on the Complaint Register includes:

- Client's name;
- Date, method of communication, description, and classification of the complaint;
- Status of the complaint;
- Whether it was upheld or not and whether the case was closed at the client's satisfaction;
- Any redress offered by VIML and/or accepted by the complainant;
- The copies of documentation(s) and all relevant communication with the complainant;
- Significant outcomes resulted from the complaint;
- Description of the impact of the case on other clients, business/operation.

Records relating to the complaint will be kept **(in a durable medium) for at least five years** from the date of receipt of the complaint, and three years for all non-MiFID related complaints.

VIML is required to provide the FCA with a report (DISP 1 Ann 1R) **every six months** covering the following information for complaints received in the period:

- The total number of complaints open at the start of the reporting period;
- The total number of complaints received in the reporting period;
- The total number of complaints closed:
  - ≤ 3 business days after receipt;
  - > 3 business days and ≤ eight weeks after receipt; and
  - > 8 weeks after receipt.
- The total number of complaints:
  - closed by VIML within the reporting period;
  - upheld by VIML within the reporting period;
- The total amount of redress paid in the period in respect of complaints upheld;
- The total amount of redress paid in the period in respect of complaints not upheld;
- The total amount of redress paid in the period in respect of complaints.

This task is completed by the Compliance department using the online system GABRIEL (GATHERING Better Regulatory Information ELECTRONICALLY). Should VIML receive more than 500 complaints in a reporting period, it would publish, no later than the 31 August of the same year, a summary of the complaints data received in the format prescribed by the FCA. A confirmation email would be sent to the FCA to confirm that the complaints data summary accurately reflects the report submitted to the FCA and that the summary has been published on the website (with the link to it).

## 9. Training Requirements

Handling complaints is a core part of the TCF policy implementation and it is included in the annual training programme for all client-facing employees. It is also included in the Compliance induction for new starters (when their role includes an element of relationship with the client and, as such, potentially open to handling clients' complaints).

## 10. Related Policies and Procedures

This Procedure should be read in conjunction with the Treating Customer Fairly Policy.

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## Appendix 1 - Change History

<b>Version No.</b>	<b>Revision Date</b>	<b>Description of Changes and Reason</b>	<b>Change Author(s)</b>	<b>Approved by</b>	<b>Date Approved</b>
1.0	July 2015	First Draft	James Rowsell	James Rowsell	
2.0	June 2017	Annual Review	James Rowsell	James Rowsell	
3.0	January 2018	Annual Review within the general review of the Compliance Manual, to reflect the implementation of MiFID II	James Rowsell	James Rowsell	
4.0	December 2018	Re-write to tailor the current process to a larger structure of VIML	Mike Bowden & Margherita Noto	James Rowsell & Simon Melling	
5.0	June 2019	Implementation of the new rules to access the FOS for SME and reference to the new awards limits	Mike Bowden & Margherita Noto	James Rowsell & Simon Melling	26 <sup>th</sup> March 2019
6.0	June 2020	Update of Compliance Officer to Mike Bowden  Removal of Page 1 Version as CCL manages version control via app	Mike Bowden	Simon Melling	