



Dispute Resolution Policy

Francom

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OPERATIVE PROVISIONS

1 Background

- 1.1 The purpose of Francom's Dispute Resolution Policy Document is to ensure all Francom members are dealing with disputes and general complaints for Francom and all associated Entities and Subsidiary businesses promptly, fairly, reasonably and consistently.
- 1.2 A "Complaint/ Dispute" (An Expression) of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.
- 1.3 This Policy is drafted to comply with the NCCP, *ACCC Debt Collection Guidelines RG 271: Internal Dispute Resolution* and Francom and obligations under the Australian Standard AS ISO 10002-2006.
- 1.4 This policy represents commitment to fair and transparent dealings in the financial marketplace, specifically in the fair and reasonable resolution of complaints and disputes.

2 Objectives of Policy

- 2.1 This policy has been implemented clearly outline Francom's obligations under law to have in place adequate arrangements to deal with situations where a customer is dissatisfied internally.
- 2.2 The benefits of effectively resolving complaints through an Internal Dispute Resolution ("IDR") procedure with broad coverage to include:
- a) The opportunity to resolve complaints quickly and effectively.
 - b) The ability to identify and address recurring or systemic problems, which can lead to product and service improvements.
 - c) The capacity to provide fast solutions to problems rather than have remedies imposed by an external body.
 - d) Improved levels of customer and third-party confidence and satisfaction.
 - e) Gaining insights and knowledge to assist in future development of company policies and procedures; and
 - f) Gaining insights and knowledge to assist in the development of content for future management and staff training programs.
- 2.3 Wherever possible, complaints should be resolved directly with the complainant through the appropriate IDR procedures. It is better, for all parties, to have a complaint dealt with at the earliest possible stage.

2.4 The benefits include, but are not limited to:

- a) Prevention of complaints becoming entrenched.
- b) Preserves relationships; and
- c) Is often the most efficient and cost-effective way for an organisation to effectively manage and resolve complaints.

3 Purpose

3.1 The Purpose of this policy is to resolve minor complaints during the complainant's initial contact with Francom.

3.2 To acknowledge action all other complaints, written and telephone, within One (1) calendar day/ 24 hours of the complaint receipt.

3.3 To resolve all complaints and provide a final response within the required time limits.

4 Definitions

4.1 A Complaint means any expression of dissatisfaction that:

- a) Is conveyed to Francom in writing or by telephone; and
- b) Relates to the provision of a product or service provided by Francom.

4.2 Francom includes all associated Entities and Subsidiary businesses.

4.3 Final Response means a written response to the complainant informing them of:

- a) The final outcome of their complaint or dispute.
- b) They have the right to take their complaint or dispute to an EDR Scheme (being, AFCA or relevant industry ombudsman); and
- c) The name and contact details of the relevant EDR Scheme to which they can take their complaint or dispute.

4.4 The IDR contact information and the IDR Managers details must be displayed in the complaints policy that is outward facing in line with industry guidelines.

PROCEDURES

5 Receiving Complaints

5.1 Any Employee at Francom can accept a complaint/ dispute call or written notice.

5.2 In the event that a Francom Employee cannot assist a client in a prompt resolution or if the dispute is a Stage 3 complaint (see Policy reference Item 6 – Stages of Complaint) Francom employees must immediately refer the complaint to the IDR team/Manager.

5.3 On receiving a complaint, Francom team member must record the following information, irrespective of who will ultimately handle the complaint. (Ops/IDR/EDR/HS):

- a) Date of complaint.
- b) Name of complainant.

- c) Contact details of complainant.
 - d) Format of complaint (phone/email/letter/fax).
 - e) Preferred contact method of complainant (phone/email/letter/fax).
 - f) Details of the complaint.
- 5.4** Once the complaint is received, Francom team members must acknowledge receipt of the complaint using the preferred contact method of the complainant within 24 hours and attempt to resolve the complaint no later than 21 or 30 calendar days of it being received, whichever is applicable to that style complaint as per RG271.
- 5.5** The Francom team member will communicate the process and next steps to the complainant wherever possible for transparency.
- 5.6** Collection activity holds must be placed on the matter while:
- a) The complaint is active
 - b) 14 days after the complaint is closed
 - c) EDR complaint is active
- 5.7** What the Complainant can expect: The following policy outlines FCS Legal obligations, and industry best practice for application when a complaint is received over the phone:
- a) The Francom team member will identify themselves.
 - b) The Complainant will be identified.
 - c) The Francom team member will listen, record details, and determine what the complainants' expectations are.
 - d) Francom team member will empathise with the complainant in a courteous manner.
 - e) Francom team member will Explain the options available to the Complainant,
 - f) The FCS team member will not attempt to lay blame or be defensive.
 - g) Francom team member will remain focused on a solution, request the Complainants' desired outcome, and take steps to resolve the complaint if possible or commit to presenting the complaint to the Team Leader or IDR Manager in a timely manner, irrespective of who will manage the complaint.
 - h) Francom team member will set expectations and discuss time limits and next steps clearly to the complainant.
 - i) Francom team member will Inform the complainant of the name and contact details of the person who will be formally dealing with the complaint.
 - j) If the team member is unable to meet a resolution promptly, they will refer the matter immediately to the IDR team/ Manager.
- 5.8** Francom will respond and acknowledge the complaints' dispute in writing and reiterate time limits for action in line with RG271.

6 Levels of Complaint

- 6.1** Level 1 – (First line) minor or easily managed complaints. The complaint could not be resolved at first contact with the client. Some complaints at this level will require the assistance of other employees at FCS. The complaint can be resolved without escalating it to the IDR team.
- 6.2** Level 2 – (First line, Second Eyes) The receiving Operator is unable to assist the Complainant or believes an escalation can assist prompt resolution. The call/ Complaint is then escalated to a Team Leader or Operations Manager for investigation, review or further assistance.
- 6.3** Level 3 - (Second Line) these are the more serious complaints requiring the Specialty team attention for further investigation or assistance. The FCS Operator/Manager Must inform the IDR team of the complaint. The IDR team will assist the complainant in the resolution of the complaint.

7 Responsibility for Investigations of Complaints

- 7.1** [An expression] of dissatisfaction made to or about Francom, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.
- 7.2** It is the responsibility of the Chief Risk Officer, IDR Manager and IDR Team to ensure.
- a) Complaints are addressed and resolved in accordance with RG271
 - b) All FCS team members comply with the ACCC Debt Collection Guidelines and the ASIC Regulatory Guide 271: Internal dispute resolution and obligations under the Australian Standard AS ISO 10002-2006
 - c) The Resolutions Team are responsible for investigating and resolving Level 3 complaints.
 - d) It is the responsibility of all Credit Solutions Representative's to take a proactive approach in identifying complaints and follow Operational and IDR referral processes and procedures.

8 Time Limits for Responding to Complaints

- 8.1** It is Francom's position that complaints must be acknowledged verbally or in writing in line with legislative requirements and guidelines set by RG271. When determining the appropriate method of communication, it is preferred that we take into account the method used by the complainant, as well as any preferred contact preferences advised to us by the complainant.
- 8.2** The time, date and relevant dispute details of all Complaints must be recorded in FranCollect with other details about the complaint outlined in section 5.2.
- 8.3** Where a complainant has not provided all the sufficient information for Francom to make a Final Decision, Francom may request further information from the Complainant within Thirty (30) days of receiving the complaint.
- a) Where Francom has requested additional information from the Complainant, the Complainant will have fourteen (14) days to respond to this request for information.
 - b) Once the additional information has been received from the Complainant, Francom must provide their Final Decision within twenty-one (21) or thirty (30) days of the initial complaint, whichever is applicable.
 - c) If the Complainant does not provide the information within the fourteen (14) day period, FCS must provide their Financial Decision twenty-one (21) or thirty (30) days of the initial complaint, whichever is applicable.

TYPE OF COMPLAINT	MAXIMUM TIMEFRAME TO RESPOND
For complaints involving applications for hardship relief or request for postponement of enforcement proceedings made.	Twenty-one (21) calendar days.
For complaints involving default notices.	Twenty-one (21) calendar days.
For all other complaints.	Thirty (30) calendar days.

9 Resolution of Complaints

- 9.1** When an outcome is reached for a complaint, the Complainant needs to be advised of the final response in writing, unless:
- the complaint is resolved to the complainant's complete satisfaction by the end of the 5th business day, or,
 - after the complaint was received, and the complainant has not requested a response in writing (see clause 14.3).
- 9.2** The final response must include the details for the relevant EDR and the time limit for escalation to the EDR as well as contact information for the relevant EDR scheme.

10 Complaints Register

- 10.1** All complaints must be recorded in FranCollect as part of the complaints register for due diligence.

11 Reportable Situations

- 11.1** Under ASIC RG 78 there is a breach reporting regime which FCS are required to comply with. One of the requirements of the reporting scheme states that we must report to ASIC a breach of civil penalty provision of any legislation.
- 11.2** This is relevant to the Credit Reporting Team under Part IIIA of the Privacy Act whereby a breach of these sections would constitute a civil penalty. The regulatory notices that are relevant to RG 78 are Section 21D and 21R. Examples of a reportable situation:
- A merged credit file where Francom listed the account.
 - An account being listed for an incorrect amount (for example a \$1,000.00 account listed for \$1,500.00).
 - An account where FCS have default listed the Complainant, Section 21D was never sent to the Complainant; and
 - An account where we have default listed an account before the 14-day period has elapsed since the 21D was issued.
- 11.3** If a complaint is received that meets the requirements of RG 78, it is the responsibility of the IDR Team and IDR Manager to raise this with the Compliance Manager. The investigation of the complaint can continue at this time; however, the Compliance Manager is to be notified of the outcome of the investigation.

12 Identifying and Recording Systemic Issues

- 12.1** It is the responsibility of The IDR Manager, Ops Managers and Team Leaders to identify any systemic issues or recurring complaints and report them internally for tracking & training opportunities where applicable.
- 12.2** Where any systemic issues or recurring complaints have been identified, it is then the IDR Managers responsibility to raise directly to the Compliance Manager and the Chief Risk Officer via internal reporting methods.
- 12.3** The issues will be included in the Compliance Report presented at the next meeting of the CEO and Managing Director of Francom. This will encourage the identification of compliance issues or risks, which can be investigated to determine their causes and then rectify.
- 12.4** Further to clause 12.2, the CEO and Managing Director will provide the Ethics and Compliance Committee with a list of the compliance issues or risks that have been identified and investigated, so that the Ethics and Compliance Committee can be informed of the alleged systemic issues. Where identified systemic issues are not tabled during Ethics and Compliance Committee meetings due to timing constraints or agenda limitations, the matters are discussed in Advisory Meetings.

REMEDIES

13 Types of Remedies Available for Resolving Complaints

- 13.1** Remedies available for resolving complaints in accordance with RG 271 include the following:
- a) An explanation of the circumstances giving rise to the complaint.
 - b) An apology
 - c) A refund or waiver of a fee or charge
 - d) Provision of assistance and support
 - e) A waiver of debt
 - f) A payment of compensation
 - g) Correcting incorrect or out of date records
 - h) Ceasing legal or other action that may cause detriment.
 - i) Undertaking to set in place improvements to systems, procedures, or products.

14 Duty of Care to Customers, Representatives and Staff

- 14.1** The IDR process must protect sensitive and confidential information wherever applicable. Prior to recording sensitive information, the team member will request consent to record the information in line with ASIC guidelines and Governing body requirements (where it is not already held)
- 14.2** All information recorded will be as discussed with the complainant and recorded only if the information will assist the internal investigation of the dispute.

15 External Dispute Resolution (“EDR”) Scheme

- 15.1** In accordance with RG 271, it is a requirement that FCS is a member of the Australian Complaints Authority (AFCA). In the instance a complaint may follow the IDR process but remain unresolved or may not be resolved within the relevant maximum IDR time limit, FCS must:

- a) Inform the complainant of their right to pursue their complaint with AFCA: and
- b) Provide details about how to access AFCA.

15.2 All Final Response correspondence is to include information regarding the complainants' right to pursue via AFCA as well as the relevant contact details and relevant time limits

15.3 There may be cases where the complainants matter falls outside the jurisdiction of AFCA in which instance the relevant Ombudsman details will be provided to the Complainant.

16 Training

16.1 Employees of Francom who deal with clients, not just complaints handling staff, need to have sufficient training and an understanding of the IDR procedures, ensuring complaints are addressed in accordance with RG271, RG 96 and all applicable internal and external policies and codes. The skills and knowledge include, but are not limited to:

- a) Knowledge of the RG271, consumer protection laws relating to financial products and services, AFCA approaches and relevant industry codes of practice.
- b) Understanding of the different debt types and clients.

16.2 It is the responsibility of the IDR Manager to ensure the IDR Team have the appropriate skills and knowledge to ensure complaints are addressed in accordance with RG271. This includes;

- a) Knowledge of the RG271, consumer protection laws relating to financial products and services, AFCA approaches and relevant industry codes of practice.
- b) Understanding of the different debt types and clients.

16.3 Consequently, all employees of FCS will receive regular training and information about the IDR process.

17 Document Retention and Audit

17.1 Managers, CEO, officers or employees of FCS are required to retain copies of all Complaints Handling documents in accordance with FCS document retention procedures. These files are to be maintained at the premises of FCS. A copy must also be provided to the Managing Director for storage and inspection by ACCC/ASIC as required.

18 Review of this Policy

18.1 This Policy shall be reviewed annually by the Operations Manager, CCO, CRO and CEO at any other time considered appropriate by the Managing Director and CEO.

19 Contact Information

19.1 This Francom Internal Dispute Resolution team

Email: Resolutions@francomgroup.com.au

Kristy Thompson – Resolutions Manager (IDR/EDR)

19.2 AFCA

Telephone (free call within Australia) - 1800 931 678

9:00am–5:00pm AEST/AEDT weekdays

Calls from an international number add 0061. International calls may incur a charge from your carrier

Email info@afca.org.au