

Challenger Limited

Complaint and Dispute Resolution Policy and Practice Note

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Policy Owners: General Manager, Risk and Compliance
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Authorised By: Group Risk Committee

SUMMARY

What is a Complaint?

An expression of dissatisfaction made to or about an organization, 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; AS/NZS 10002:2014.

Why is this Policy required?

The Complaint and Dispute Resolution Policy and Practice Note (**Policy**) forms part of Challenger's commitment to establish an effective complaints handling and dispute resolution system that meets the expectations of the Group, its customers and its regulatory obligations.

Effective management of complaints is a key means to ensure that disputes are handled genuinely, fairly, promptly and consistently and the financial services offered to the public by the Group are provided efficiently, honestly and fairly.

Who does this Policy apply to?

All legal entities, business divisions and support function units and employees of the Challenger Group, including any agents and contractors that act for or on behalf of the Challenger Group with the exception of MyLifeMyFinance Limited.

Reporting Requirements

Complaints are reported to relevant Boards and Compliance committees regularly.

Training and Awareness

All relevant employees must receive training on policies, procedures, internal controls etc. to understand their responsibilities for meeting the obligations contained within this policy.

Review Cycle

The Policy will be reviewed at least every 2 years or as required with changes in the regulatory framework.

1. Objectives

Challenger is committed to establishing an effective complaints handling and dispute resolution system that meets the expectations of Challenger's customers, the community and its regulatory obligations. Effective management of complaints is a key means to ensure that disputes or complaints are handled fairly, promptly and consistently and the financial services offered to the public by Challenger are provided efficiently, honestly and fairly.

The objectives of Challenger's complaints resolution process are:

- to set a standard treating all matters raised with due care, fairness, integrity and objectively;
- to promote customer confidence in Challenger and the products and services offered;
- to reduce costs to business (time, money, focus) by resolving complaints as quickly and efficiently as possible;
- to develop and maintain a positive complaint management culture;
- to protect Challenger's brand and reputation;
- to meet the requirements for a complaints resolution system for AFS licensees (s912A(1) (g) and (2) of the Corporations Act 2001), RSE licensees (s101 of the Superannuation Industry (Supervision) Act), AC licensees (s47 National Consumer Credit Protection Act 2009) and the AFCA Act, Schedule 2; and
- to ensure indirect customers (i.e. where the financial product is acquired through a platform, traded on the ASX or Chi-X or a nominee and custodian service) have the same rights of complaint that they would have had if they had acquired the financial product directly from Challenger.

2. Scope

This Policy applies to all Challenger's legal entities, business units and support function units as well as employees and representatives who act for or on behalf of Challenger.

Entities and Divisions that have operations in jurisdictions other than Australia must consider local rules and regulations that may be stricter than the practices set out in this Policy. Where local rules are more stringent than those outlined in this Policy, the local regulations will always prevail. If there is a direct conflict between local laws and the requirements under this Policy, Management must notify the policy owner prior to implementing any local policies or procedures.

3. Complaints Resolution Process

Challenger accepts all complaints made orally or in writing, formally or informally. Irrespective of the method by which a complaint is made, complaints are required to be treated in accordance with this Policy and Practice Note.



3.1 Receipt of complaint

A complainant can make a complaint to Challenger by:

- Our [online complaints form](#)
- Phone: 13 35 66 (in Australia) or +61 2 9994 7000 (overseas)
- Fax: + 61 (2) 9994 7777
- Mailing at:
Complaints & Dispute Resolution Officer
Challenger
GPO Box 3698
Sydney NSW 2001

Any employee who receives a complaint must promptly ensure that the matter is referred to the appropriate Complaint and Dispute Resolution Officer (**CDR Officer**).

The CDR Officer must ensure that all complainants are encouraged, and assisted if required, to clearly state their complaint case and provide as much information as possible in relation to their complaint so that they may receive a fair hearing. This assists Challenger in properly investigating the complaint made and so achieve longer term objectives of preventing future complaints and protecting the Challenger's reputation.

3.2 Acknowledgement

Where a resolution is not possible within 24 hrs of the complaint received, the complaint must be acknowledged **promptly** or as soon as practicable. The complainant must also be provided with an estimated time for resolution of the complaint.

Complaints can be acknowledged by telephone, email, post or on our social media site. The complaint should be acknowledged in a way that takes into account the method used by the complainant to lodge the complaint or the communication method preferred by the complainant. For example, if a complaint was lodged by telephone, the complaint can be acknowledged verbally over the telephone unless the complainant has requested an acknowledgment in writing.

3.3 Assessment

After receipt, each complaint should be initially assessed according to criteria such as severity, safety, implication, complexity, impact on Challenger and the need and possibility of immediate action. Complaints should also be prioritised according to required timeframes of response (refer Appendix B).

3.4 Resolution by next business day

Where a complaint is resolved to the complainant's satisfaction by the end of the next business day following receipt of the complaint, the full complaints resolution process is not required. However, records are required to be maintained of these resolved complaints for reporting purposes. A formal Internal Dispute Resolution (**IDR**) Response is not required where the complaint is resolved to the complainant's complete satisfaction **by the end of the fifth business day** after the complaint was received and the complainant has not requested a response in writing.

3.5 Investigation

Every reasonable effort should be made to investigate all the relevant circumstances and information surrounding a complaint. The level of investigation should be commensurate with the seriousness, frequency of occurrence and severity of the complaint.

Any response made to the complainant should be made once a sufficient and appropriate investigation into the circumstances of the complaint has been conducted to ensure that a fair assessment can be made.

The person responsible for investigating and resolving the complaint is required to also identify if any persons other than the complainant require similar remedies to be offered. Where possible, complaints are investigated by staff not involved in the subject matter of the complaint.

3.6 IDR response

An IDR response is a written communication from Challenger to the complainant, informing them of:

- (a) the final outcome of their complaint at IDR (either confirmation of actions taken by Challenger to fully resolve the complaint or reasons for rejection or partial rejection of the complaint);
- (b) the complainant's right to take the complaint to AFCA if they are not satisfied with the IDR response;
- (c) that AFCA provides a fair and independent service that is free to consumers; and
- (d) the contact details for AFCA.

An IDR response issued to the complainant within the maximum timeframe as per Appendix B.

3.7 IDR delay notification

Before the relevant maximum IDR timeframe expires, the financial firm must give the complainant an 'IDR delay notification' that informs the complainant about:

- the reasons for the delay;
- their right to complain to AFCA if they are dissatisfied; and
- the contact details for AFCA.

Unresolved complaints from Advisers which do not relate to a customer will be acknowledged before the end of the relevant period and the complainant will be informed of the reasons for the delay.

3.8 Social media governance

Where a complaint appears within posts (that meet the definition of ‘complaint’) on a social media channel or account owned or controlled by Challenger that is the subject of the post, where the author is both identifiable and contactable, it is evaluated and where appropriate escalated to the CDR Officer to be managed via the complaints resolution process.

3.9 Complaints resolution process and correspondence

Key points to be considered throughout the complaints resolution process and/or correspondence with the complainant are:

- information regarding the Challenger complaint resolution process should be provided to the complainant when the complaint is being acknowledged in accordance with section 3.2 above and if otherwise requested by the complainant;
- complainants are to be kept adequately and promptly informed of the progress of their complaints;
- contact details of the individual responsible for resolution of the complaint must be provided with any response to the complainant;
- a written IDR Response must be provided in all cases as noted in section 4.2 of this policy; and
- the complainant must be provided with adequate opportunity to make further comments regarding the original complaint or proposed resolution.

3.10 Satisfaction levels

The levels of satisfaction of complainants with Challenger’s complaints process will be assessed regularly. Assessments may take the form of trend analysis of complaints data or random surveys of complainants or any other methods determined by Challenger.

- Complaints are considered as resolved to a complainant’s satisfaction, when:
 - the complainant has confirmed (verbally or in writing) that they are satisfied with the action(s) taken by Challenger in response to the complaint and do not wish to take the matter further;
 - other circumstances exist that make it reasonable to form the view that the complaint has been resolved to the complainant’s satisfaction (e.g. acceptance of a financial payment).
 - in certain cases, it may be reasonable to form the view that an explanation and/or apology is the only action that can be taken to address the complaint. For example, if the complaint relates only to a commercial decision, such as rate of return on a policy, requesting access to information without the appropriate authority, or sending documents using online platforms.
- When closing a complaint, the complaint outcome, complaint remedy and financial compensation amount (if any) must be recorded. It is important to ensure that complaint resolution outcomes (e.g. refunds, fee waivers, correction of records, compensation payments) are implemented in a timely manner when a complaint is closed.

3.11 Unresolved complaints

A complaint must be classed as unresolved if 30 days (or a lesser period of time required by a scheme’s constitution or otherwise in the case of certain types of credit disputes) from the receipt of the complaint have elapsed. Details of all unresolved complaints must be provided to the relevant CE or delegate for review.

3.12 Remedies/ Outcomes

The remedies considered when determining an appropriate resolution to a complaint may include:

- information and explanation regarding the circumstances giving rise to the complaint;
- apology;
- compensation for any direct loss or damages;
- goodwill gifts or other tokens; and / or mediation through use of professional mediators.

The Risk and Compliance team should continue to monitor the progress of the complaint until all reasonable internal and external options of recourse are exhausted or the complainant is resolved.

3.13 System

Salesforce is used for recording and tracking progress of complaints. It includes recording information such as a unique complaint identifier, time to acknowledge complaints, time to resolve complaints, category, root cause and other complaint related details.

3.14 Outsourcing arrangements

The management of complaints resolution arrangements for outsourced activities must be documented in each administration service agreement as per the Group Outsourcing Policy. There are instances where complaints are managed by an external service provider, such as credit-related complaints. The external service providers may manage the complaints resolution process on behalf of Challenger.

The relevant Challenger team is responsible for the following:

- obtaining reporting from the service provider on complaints;
- conducting oversight of the activities of the third-party service provider through regular meetings, annual reviews and receipt of reporting;
- providing the service provider direction to action a complaint (this may include sending acknowledgement letters, approval on compensation, etc), where appropriate;
- as escalation contact with regards to further investigation and resolution of complex complaints;
- in some instances, conducting the complaints resolution process directly. This may include complaints handling, direct communication with complainants and implementation of resolution to complaints as agreed with the external service provider;
- maintaining ongoing communication with the external service provider to identify any issues with complaints resolution process;
- identifying trends and systemic issues related to complaints;
- reporting of complaint data to the relevant Challenger board on a regular basis; and
- ensuring compliance with Challengers policies, including this Policy and the Challenger Outsourcing Policy

The external service provider will report complaint details to the relevant Challenger team on a regular basis and may rely on their internal systems to maintain a log of complaints.

3.15 Systemic issues

Complaints that have occurred more than once in relation to a process, product or service may be an indicator of a systemic issue. The CDR Officer or anyone involved in the complaints resolution process is responsible for reporting an incident where the complaint indicates a systemic issue in accordance with the Challenger Incident Management Policy.

3.16 Complaint resolution process timelines

Time frames	Action required
Business day zero – complaint received	All complaints received should be logged in the Salesforce system. Once entered, complaint is deemed to have entered the complaints resolution process under this policy. Where the complaint cannot be resolved within 24 hours, it should be acknowledged promptly.
Before close of business on the fifth business day of receipt of the complaint	If a complaint is resolved by the 4pm EST on the 5 th business day, an IDR Response is not required to be issued unless as specified in section 4.2
6 to 30 calendar days of receipt of the complaint (21 days in the case of certain types of credit disputes (refer Appendix B for more details)	IDR Response letter must be issued to the complainant once complaint resolved. In case of delay, a delay notification should be issued
For privacy complaints, within 30 days of receipt of the complaint (refer Appendix B for more details)	IDR Response letter issued to the complainant once complaint resolved.

For superannuation complaints within 45 calendar days of making a decision, except for complaints about death benefit distributions (refer Appendix B for complaints about death benefit distributions)	Advise superannuation fund members of the RSE licensee's decision.
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4. Specific Obligations

4.1 Complaints and expression of dissatisfaction

A complaint is defined as 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.

A response or resolution is 'explicitly expected' if a complainant clearly requests it. It is 'implicitly expected' if the complainant raises the expression of dissatisfaction in a way that implies the complainant reasonably expects the firm to respond and/or take specific action.

Examples of expressions of dissatisfaction which are complaints:

- posts (that meet the definition of complaint) on a social media channel or account owned or controlled by the financial firm that is the subject of the post, where the author is both identifiable and contactable. Privacy of the author should be managed as per Challenger's privacy policy (Note: Identifying complaints made on the third-party social media accounts is not required under the legislation)
- an objection to a proposed decision about how and to whom to pay a superannuation death benefit distribution;
- complaints about a matter that is the subject of an existing remediation program or about the remediation program itself (e.g. delays, lack of communication);
- complaints about the handling of an insurance claim (e.g. excessive delays or unreasonable information requests).

4.2 IDR response requirements

An IDR response must be provided to the complainant as per section 3.6 of the policy.

If Challenger rejects or partially rejects the complaint, the IDR response must clearly set out the reasons for the decision by:

- (a) identifying and addressing the issues raised in the complaint;
- (b) setting out the findings on material questions of fact and referring to the information that supports those findings; and
- (c) providing enough detail for the complainant to understand the basis of the decision and to be fully informed when deciding whether to escalate the matter to AFCA or another forum.

The level of detail in an IDR response should reflect the complexity of the complaint and the nature and extent of any investigation conducted.

Challenger must provide a written IDR response, even where the complaint is closed by the end of the fifth business day, if:

- (a) the complainant requests a written response; or
- (b) the complaint is about:
 - hardship;
 - a declined insurance claim;
 - the value of an insurance claim; or
 - a decision of a superannuation trustee.

4.2.2 Exceptions to providing IDR response

IDR response is not required to be provided within the the relevant timeframe in the following circumstances:

- (a) there is no reasonable opportunity for Challenger to provide the IDR response within the relevant maximum IDR timeframe because:
 - resolution of the individual complaint is particularly complex (complaint is about an event over 6 years old or superannuation death benefit distribution involving multiple submissions from

- potential beneficiaries with competing information about the status of relationships or levels of financial dependence); and/or
 - circumstances beyond the Challenger's control are causing complaint management delays (medical reasons, third party involvement, delay in information from potential beneficiaries for death benefit)
- (b) before the relevant maximum IDR timeframe expires, Challenger has issued the complainant an 'IDR delay notification' that informs the complainant about the reasons for the delay, their right to complain to AFCA if they are dissatisfied and the contact details for AFCA;
- (c) Challenger does not need to provide an IDR response to a complainant if the complaint is closed by the end of the fifth business day after receipt because:
- the complaint has been resolved to the complainant's satisfaction; or
 - Challenger has given the complainant an explanation and/or apology in cases where the firm can take no further action to reasonably address the complaint.

4.3 Professional Indemnity Insurance

In some instances, such as when a dispute relates to an allegation of negligence, wrong doing, embezzlement, theft, fraud of client monies or multiple claims, or where the claim is, or indications are that it may be, for an amount greater than the limits as per policy; there may be a requirement to notify our professional indemnity insurers. Notification should be made via an incident report and direct to Company Secretariat.

In any case, the Company Secretariat should be informed immediately of any insurance claim to be raised arising from complaints and disputes management. Company Secretariat in consultation with Group Legal, and Risk and Compliance will determine whether any notification to the insurers is required.

4.4 Communication and Access

4.4.1 Customers

Clear concise communication to customers of how and where to make a complaint is readily available free of charge through:

- Challenger websites;
- Product Disclosure Statements;
- Credit Guide;
- Privacy Policy (website version);
- Financial Services Guides; and
- Periodic statements.

In addition, postal and telephone contact details for the relevant CDR Officer of the Challenger entities have been provided within:

- Product Disclosure documents;
- Financial Services Guides;
- Credit Guide;
- websites; and / or
- letters responding to complaints.

4.4.2 Access

Challenger does not charge a fee for handling complaints about its products or services, or for information to be provided about the complaints system. Information on the complaints resolution process is written in plain English to ensure complainants and representatives can easily understand it.

All complaints are to be treated with equal gravity and in accordance with this policy. This applies whether the complaint is written or verbal, formal or informal.

Complainants must not be restricted as to the manner or method by which a complaint is made to ensure that such methods do not act to filter out complaints of certain types or complaints from people of certain community groups.

However, there is an exception to this general rule in relation to certain privacy-related communications. If an individual contacts the call centre to access the personal information we hold about them, or to make a complaint about any breach or potential breach of their personal information,

the individual should be instructed to make their request / complaint in writing to the Group Privacy Officer (via email or post as set-out under the Privacy Policy (website version)). If such a request or complaint is received in writing by the Investor Services team this should be referred internally to the Group Privacy Officer.

4.4.3 Assistance

Challenger ensures that customers with special needs are given access to the complaint system in a manner that is consistent with their individual requirements. People needing assistance to make a complaint should be referred to the relevant CDR Officer or complaints area so that appropriate assistance can be identified and provided. If the complainant is registered with the National Relay Services, they can use those services to contact us.

4.4.4 Confidentiality

Personally identifiable information concerning the complaint will not be disclosed by Challenger, unless it is needed for the purposes of addressing the complaint. Challenger should actively protect such information from disclosure. Disclosure will only be made if the customer or complainant expressly gives their consent or where disclosure is required by law.

5. AFCA

5.1 Membership of AFCA

All Challenger's Licensees must ensure that membership of the appropriate EDR Scheme(s) is maintained. The primary responsibility for managing the relationship with the EDR Scheme(s) for each Licensee is the CDR Officer.

The Australian Financial Complaints Authority (AFCA) is the ASIC approved EDR scheme to deal with complaints from consumers and small businesses about financial services and products..

AFCA's complaint resolution scheme is a fair and independent service and free of charge for consumers. Complainants do not generally need legal or other paid representation to submit or pursue a complaint through AFCA.

A complainant may lodge a complaint with the AFCA via the below methods:

Website: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA and so complainants should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to their circumstances expires.

5.1.1 ASIC notification

If a Challenger AFS Licensee or AC Licensee changes membership with AFCA, it must notify ASIC.

A Challenger AFS licensee or AC Licensee must provide ASIC with a written report as soon as practicable, and no later than 3 business days, after becoming aware that:

- it failed to renew its membership with AFCA; or
- its membership with AFCA was terminated because of failure to pay membership fees, non-compliance with the Terms of Reference or a decision of that scheme.

If AFCA membership is terminated in the above circumstances an incident must be reported immediately in accordance with the Incident Management Policy.

5.1.2 Notification of AFCA details

Challenger must provide details about how a customer can access AFCA in any:

- IDR Response letters;
- Any IDR delay notification letters as per RG271;

- Financial Services Guide issued by Challenger;
- Credit Guide issued by Challenger as a credit provider, credit service provider and credit representative;
- Website promoting a product where Challenger is the issuer;
- General complaint brochures;
- Periodic Statements; and
- Mandatory disclosure documents.

6. Overall Responsibilities



Business roles and responsibilities are detailed in Appendix A.

6.1 Recording and Reporting Requirements

The complaints data is kept in accessible form within Salesforce which allows tracking the progress of complaints.

An analysis of complaints is also performed on a regular basis to identify systemic, recurring and single incident problems and trends, the results of which are reported to the appropriate Licensee or board of the relevant Challenger entities. Complaints are analysed according to categories, for example: type of complaint, subject of complaint, outcome of complaint and timelines of response.

The General Manager, Operational Risk and Compliance ensures that a review of the performance of the Group's complaint system forms part of the regular review programme of relevant business units for each Licensee.

The Risk and Compliance team provides reports to the boards and risk committees of relevant entities. The reports include:

- the number of complaints received;
- the number of complaints closed;
- the circumstances giving rise to complaints/ category (e.g. products, services, and issues and reasons);
- the time taken to acknowledge complaints;
- the time taken to resolve or finalise complaints;
- complaint outcomes, including:
 - the number of complaints resolved;
 - the number of complaints unresolved;
 - the number of complaints that were abandoned or withdrawn; and

- details of amounts paid to complainants to resolve complaints;
- possible systemic issues identified;
- the underlying causes of complaints;
- complaint trends;
- the number of complaints escalated to AFCA; and
- recommendations for improving products or services.

Details about complaints, including actions taken and decisions made may also be made available for inspection by ASIC and/or APRA.

7. Training and Awareness

CE and their delegates are responsible for ensuring staff are aware of the obligations and procedures contained in this Policy. The General Manager, Operational Risk and Compliance is responsible for ensuring general awareness of this Policy forms part of the d online training to Challenger employees.

8. Risk Appetite and complying with this Policy

Challenger's purpose is to provide customers with financial security for a better retirement. Challenger promotes a positive culture of risk awareness and transparency, including open communication and challenge of current and emerging risks, speaking up regarding matters of concern and the proactive management of issues and incidents. Challenger has no appetite for conducting business activities unfairly or in contravention of the law, or which knowingly damage or are inconsistent with its brand and reputation. Challenger has no appetite for employees intentionally not following policies and procedures.

Employees are to comply with Challenger policies and are responsible for familiarising themselves with the policies relevant to their role. Policies are available on the intranet.

Incidents of non-compliance with this policy are to be reported in line with the Challenger Incident Management Policy.

Employees at Challenger are held accountable for their actions. Consequences for non-compliance with this Policy may include but are not limited to:

- a requirement to undertake additional training
- increased supervision
- a verbal warning
- a written warning (including a first and final written warning)
- an impact to performance rating or promotion
- a financial consequence
- dismissal.

For further details, please refer to the Challenger Limited Conduct Risk and Consequence Management Framework.

9. Whistleblower Provisions

Challenger has a Whistleblower Policy and encourages disclosures from employees, former employees and suppliers regarding any unethical, illegal, corrupt or other inappropriate conduct including in relation to this policy. The Whistleblower Policy is available on Connect and www.challenger.com.au.

10. Point of Contact

The General Manager, Operational Risk and Compliance is the primary point of contact for matters arising from this Policy. Any member of the Risk and Compliance team will also be able to address any queries on this Policy and Practice Note.

11. Review Cycle

This Policy will be reviewed at least every 2 years or as required if there are material changes in either the regulatory framework or business activities.

Appendix A - Roles and Responsibilities

Below table lists out the role and responsibilities for complaints resolution process:

Role	Responsibility
Board and other risk committees	Board and other risk committees are responsible to set clear accountabilities for complaints handling functions, including the management of systemic issues identified through customer complaints.
Business Area Management	<p>The person in this role must:</p> <ul style="list-style-type: none"> • assist, as directed by the CDR Officer and CE, with the investigation of complaints and development of responses to complainant; • ensure delegation of complaints investigation or response by direct reports is adequately supervised; • ensure complaints are investigated and responses are developed within designated time frames; and • ensure relevant direct line reports undertake training on this Policy and Practice Note as soon as practicable upon appointment and as required.
Challenger employees	<p>CE and their delegates are required to ensure that relevant customer facing representatives:</p> <ul style="list-style-type: none"> • are provided with training and information about the complaint system at the earliest opportunity upon appointment; • know how to identify a complaint and differentiate it from an enquiry; • know where to direct people who wish to make a complaint; • are provided with continuing education on at least an annual basis to maintain awareness; and • have available, and know how to access, a copy of the complaint and dispute management procedures applicable to their business. <p>There may also be instances where Challenger employees are responsible for the oversight of the compliant resolution processes which are managed by external service provider. Refer to section 3.14.</p>
Complaints Dispute & Resolution Officer (CDR Officer)	<p>Each Licensee or business must ensure that an appropriate person is acting in the role of CDR Officer. The CDR Officer must be provided with the authority to resolve complaints or be provided with ready access to the relevant person who has the necessary authority.</p> <p>The person in this role must:</p> <ul style="list-style-type: none"> • act as the key contact point for customers, advisors, partners and other interested parties to make complaints; • liaise with the Challenger Group Privacy Officer in relation to any privacy-related complaints; • monitor performance to the Policy and Practice Note, ensuring appropriate and up-to-date complaints handling procedures are in place; • ensure escalation of outstanding complaints occur as required by this Policy and Practice Note; • ensure complaints data is recorded, analysed and reported to Risk and Compliance team; • conduct reviews of complaints received and responses provided to complainants to ensure responses are in line with requirements of this Policy and Practice Note; • ensure breaches of this policy are reported to both the CE and Risk and Compliance; • ensure that annually the relevant Challenger public documents and websites contain the correct complaint and contact information; and • manage the relationship with AFCA.

Chief Executive (CE)	<p>The person in this role must ensure performance of the complaints resolution process on behalf of the Licensees and business, and that:</p> <ul style="list-style-type: none"> • appropriate allocation of resources is made for the investigation and resolution of complaints received, including the appointment of a suitably qualified CDR Officer; • relevant ongoing training is available to the CDR Officer; • there are systems / processes in place to enable appropriate means of collecting complaint data, recording progress toward resolution and adequate analysis of complaints; • processes and procedures are put in place so that this Policy and Practice Note is followed; • ensure all relevant personnel provide information and expertise to assist with complaint resolution when required to do so; • appropriate legal and technical support are made available to ensure the complaint is resolved quickly, fairly and objectively; • ensure the CDR Officer has direct access to the CE in respect of any complaint related issue if required; • all relevant employees must receive training on policies, procedures, internal controls etc. to understand their responsibilities for meeting the obligations contained within this Policy and Practice Note; and • ensure that any concerns regarding the adequacy of resources to manage the complaints resolution process is escalated to Senior Management.
General Manager, Operational Risk and Compliance	<p>The person in this role is the primary contact for this policy and they:</p> <ul style="list-style-type: none"> • must ensure regular independent reviews are undertaken of each area's performance against the requirements of this Policy and Practice Note; and • review the policy.
General Counsel	<p>The General Counsel or their delegate must provide timely support to the CDR Officer where required to ensure an appropriate response is made to complainants.</p>
Group Privacy Officer	<p>The person in this role must:</p> <ul style="list-style-type: none"> • provide guidance (where necessary) with respect to escalations received from the CDR Officer, in relation to the investigation of privacy-related complaints and development of responses to the complainant, liaising with General Counsel where required; • refer any privacy complaints (where received directly from a customer) to the CDR Officer to ensure the complaint is managed in accordance with this Policy and Practice Note and the Challenger Privacy Policy.
Risk and Compliance Team	<p>The relevant person(s) in this team must:</p> <ul style="list-style-type: none"> • review reports of complaints across Challenger for recurring and systemic issues across business units and Licensees; • provide support to the CDR Officer to report any breaches of this Policy and Practice Note; • act as an escalation point for the CDR Officer for any complaint issue; • assist the CDR Officers to complete their requirements in compliance with this Policy and Practice Note; and • collate reporting of complaints for Boards and relevant Entities' Committees.

Appendix B – Maximum timeframes

Maximum IDR timeframes for Challenger to provide an IDR response:

Complaint type	Maximum timeframes for IDR response
Standard complaints	No later than 30 calendar days after receiving the complaint.
Superannuation trustee complaints, except for complaints about death benefit distributions	No later than 45 calendar days after receiving the complaint.

Complaints about superannuation death benefit distributions No later than 90 calendar days after the expiry of the 28-calendar day period for objecting to a proposed death benefit distribution referred to in s1056(2)(a) of the Corporations Act.

Refer RG 271.80-85 for further details in timing.

Credit-related complaints involving default notices

No later than 21 calendar days after receiving the complaint.

A credit provider or lessor must give a borrower a 'default notice' before commencing enforcement proceedings to recover money or take possession of, or sell, property¹.

A dispute may involve a default notice where, for example, there is an allegation that the default notice was not served, the borrower disputes the amount specified in the default notice or there is a dispute about the credit provider or lessor's communications leading up to the issue of the default notice.

Where the dispute involves a default notice, Challenger must give an IDR Response to the complainant within a maximum of 21 days.

An IDR response does not need to be provided when a dispute is resolved by the end of the fifth business day from when the dispute was received and the claimant has not requested a response in writing.

Credit-related complaints involving hardship notices or requests to postpone enforcement proceedings

No later than 21 calendar days after receiving the complaint. Exceptions apply if the credit provider or lessor does not have sufficient information to make a decision, or if they reach an agreement with the complainant.

Insufficient information

If the credit provider or lessor does not have sufficient information about a hardship notice to make a decision, they must request the information no later than 21 calendar days after receiving the complaint. The complainant must provide the information within 21 calendar days of receiving the request. Once the credit provider or lessor has received the requested information, the credit provider has a further 21 calendar days to provide an IDR response. If the credit provider or lessor does not receive the requested information within 21 calendar days of requesting the information, the credit provider or lessor has 7 calendar days to provide an IDR response.

Agreement reached

If agreement is reached about a hardship notice or request to postpone enforcement proceedings, the credit provider or lessor has 30 calendar days to confirm the terms or conditions in writing.

A borrower or guarantor may give a hardship notice or request a postponement of enforcement proceedings². Disputes involving hardship notice or postponement of enforcement proceedings must be treated as urgent matters. The AC licensee must have a dedicated telephone number and where possible, a fax number, postal address and email address to accept and handle hardship notices. Where complaint handling is outsourced to a third party, the communications will typically come from the third party with their contact details.

Where an application for hardship notice or request for postponement of enforcement proceedings has been made:

- Challenger must within 21 days consider and agree to such an application or request³ and inform the claimant of the right to complain to AFCA and their contact detail of AFCA; or
- if the dispute cannot be handled within the 21 days timeframe, the claimant should be referred to AFCA that can directly handle the dispute; or

¹ s88 of the National Credit Code. The default notice must inform the borrower that they must remedy the default within 30 days and must also substantially meet the pro forma notice requirements in Form 12A and Form 18A of the National Consumer Credit Protection Regulations 2010.

² Under the National Credit Code.

³ s72, s94, s177B and s179H of the National Credit Code.

- an agreement has been reached under ss 72 or 94 of the National Credit Code, Challenger has a further 30 days to confirm in writing the grounds of variation to the credit contract or the conditions of postponement of enforcement proceedings (as the case may be), i.e. a maximum of 51 consecutive days from the date on which the application or request was received). Challenger must then also inform the claimant of the right to complain to AFCA and their contact detail; or
- if the dispute is not resolved through IDR within the 51 days timeframe, the claimant should be referred to AFCA that can directly handle the dispute.

Privacy – related complaints

Where a privacy-related complaint or access request is received, Challenger must attempt to respond within 30 days of receipt of the request to ensure the requirements for responding to complaints under the Privacy Policy are satisfied.

Appendix C – Key terms and definitions

AFCA	Australian Financial Complaints Authority (AFCA) is AFCA considers complaints that previously would have been handled by the Financial Ombudsman Service, the Credit and Investments Ombudsman and the Superannuation Complaints Tribunal. They are the dispute resolution scheme for financial services.
CDR-Officer	Complaints and Dispute Resolution Officer
Challenger / Challenger Group / the Group	Challenger Limited and all of its wholly owned subsidiaries and entities
Chief Executive (CE)	Divisional Chief Executive
Complaints	AS/NZS 10002:2014 sets out the following definition of 'complaint': An expression of dissatisfaction made to or about an organization, 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.
Consumer or Complainant	A person or small business. It includes, at a minimum: <ul style="list-style-type: none">• an individual consumer or guarantor;• a superannuation fund member or third-party beneficiary eligible to make a complaint to AFCA under s1053, or taken to be a member of a regulated superannuation fund or approved deposit fund, or a holder of an RSA, as provided for by s1053A; and• a 'small business' as defined in modified s761G of the Corporations Act.
EDR	External dispute resolution
EDR Scheme	An external dispute resolution scheme approved by the Australian Securities and Investments Commission (ASIC) under the Corporations Act 2001 and / or the National Consumer Credit Protection Act 2009 and the Australian Financial Complaints Authority Act 2018 (AFCA Act), in accordance with the requirements in ASIC Regulatory Guides 139 and 165.
Financial Services Guide	A document that must be given to a retail customer in relation to the provision of a financial service in accordance with Div 2 Pt 7.7 of the Corporations Act 2001.
GRC	Group Risk Committee
IDR	Internal Dispute Resolution
IDR Response	An IDR Response is defined by ASIC in Regulatory Guide 271.53 as a written communication from a financial firm to the complainant, informing them of: <ol style="list-style-type: none">a. the final outcome of their complaint at IDR (either confirmation of actions taken by the firm to fully resolve the complaint or reasons for rejection or partial rejection of the complaint);b. their right to take the complaint to AFCA if they are not satisfied with the IDR response; andc. the contact details for AFCA.
Licensee	Licensee is a holder of: <ul style="list-style-type: none">• Australian Financial Services Licence under the Corporations Act 2001 (AFS licensee); or• Registrable Superannuation Entity Licence under the Superannuation Industry Supervision Act 1994 (RSE licensee);• Australian credit licence under s35 of the National Consumer Credit Protection Act 2009 (AC licensee).

Appendix D – References

This Policy makes reference to the obligations and standards derived from the:

- Australian Standard AS/NZS 10002:2014 Guidelines for complaint management in organizations (AS/NZS 10002:2014);
- Corporations Act 2001, s912A(1)(g) and (2) including regulations made for the purposes of the Act;
- National Consumer Credit Protection Act 2009, s47(h) including regulations made for the purposes of the Act;
- Superannuation Industry Supervision Act 1993, s101 including regulations made for the purposes of the Act;
- Superannuation (Resolution of Complaints) Act 1993 including any regulations made for the purposes of the Act;
- AFCA Act;
- ASIC Regulatory Guide 271 - Internal dispute resolution (July 2020);
- ASIC Regulatory Guide 132 - Funds management; Compliance and oversight (July 2018);
- ASIC Regulatory Guide RG139 - Approval and oversight of external complaints resolution schemes (June 2013)⁴;
- ASIC Regulatory Guide RG134 – Managed Investment Constitutions (July 2018);
- ASIC Regulatory Guide RG148 – Platforms that are managed investment schemes and nominee and custody services (September 2017);
- ASIC Regulatory Guide RG165 – Licensing: Internal and External Dispute Resolution (July 2020)²;
- ASIC Regulatory Guide RG210 – Compensation and insurance arrangements for credit licensees (March 2010);
- ASIC Regulatory Guide 267 Oversight of the Australian Financial Complaints Authority (June 2018);
- Australian Financial Complaints Authority (AFCA) Complaint Resolution Scheme Rules (April 2020) and Operational Guidelines; and
- Community standards and expectations.

This Policy refers to interrelated policies and frameworks:

- Incident Management Policy ;
- Internal Privacy Policy and Privacy Policy available via Challenger website; and
- Group Outsourcing Policy

⁴ This guide explains ASIC's oversight of the two ASIC-approved EDR schemes—the Financial Ombudsman Service (FOS) and the Credit and Investments Ombudsman (CIO).

² This guide applies to complaints received by financial firms before 5 October 2021, when Regulatory Guide 271 Internal dispute resolution (RG 271) comes into effect. We will withdraw RG 165 on 5 October 2022.

All existing complaints made to the FOS and CIO schemes will be resolved by AFCA under the relevant scheme's terms of reference and rules that applied when the complaint was made. This is because AFCA is currently operating both the FOS and CIO schemes.

This guide provides the framework for those versions of the terms of reference and rules. It will remain in force until all those complaints are closed. At that time, we will withdraw RG 139.