NFO
National Financial
Ombud Scheme
South Africa

ANNUAL REPORT

2025

Growth & Sustainability

PROLOGUE

THE SECOND INSTALMENT OF THE NFO STORY: COULD IT REALISTICALLY OUTPERFORM THE FIRST?

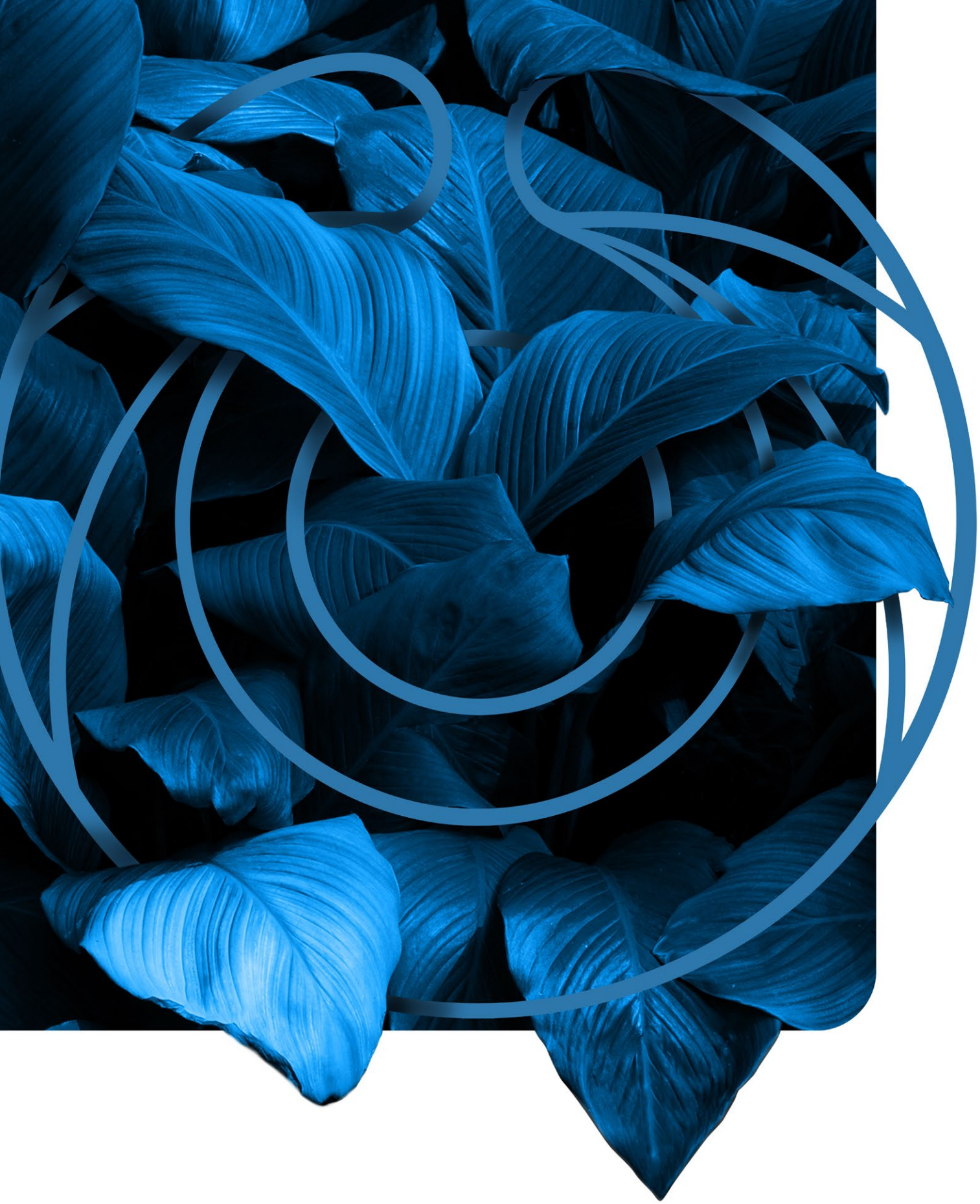
There is often much lively debate, particularly in the world of literature and cinema, about which is better: the original work or its sequel?

This being the second year of operations at the National Financial Ombud Scheme South Africa (NFO), we are pleased to let readers judge for themselves if our follow-up, the 2025 reporting year and its attendant Annual Report, has matched or surpassed its predecessor!

Last year's first edition ended with the promise that the office of the Ombud and its cast members would not rest on their laurels, "and strive to make the second year of our journey even more effective, efficient and productive than the first!"

In this latest biography, you can determine whether the people of the NFO grew further into their roles (from the lead actors to the supporting cast) if Divisions and key figures improved on last year's performances, and how the organisation as a whole delivered on this year's exciting themes of "growth and development."

Turn the pages – all will be revealed!



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INTRODUCTION 01

THE NATIONAL FINANCIAL OMBUD NFO

Many organisations, whether in the commercial or governmental sectors, develop a set of principles and ideals that guide their behaviour, both publicly and internally.

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

OUR VISION

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

OUR MISSION

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

OUR VALUES

ACCESSIBILITY

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

EFFICIENCY

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

FAIRNESS

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

INDEPENDENCE

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

OPENNESS

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

TRANSPARENCY

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

CHAIRPERSON'S REPORT 02

HAROON LAHER
CHAIRPERSON, NATIONAL FINANCIAL OMBUD SCHEME SOUTH AFRICA (NFO)

IN ALL FAIRNESS: THE ONGOING & FASCINATING VOYAGE OF THE GOOD SHIP NFO IN 2025!

Having closed the year 2025, the Chairperson of the NFO, Haroon Laher, would like to share with you a story likening the journey thus far to that of a grand sea voyage. Amongst this narrative, we will discuss the current standing of the organisation's growth, sustainability and overall health moving forward. Such is the determination of a crew aboard a mighty vessel, the people who call the NFO their personal quest have truly shown outstanding resolve to achieving their goals and having brought fairness to every case addressed by the Ombud thus far.

Having already achieved what many would call a milestone upon the successful unification of the various financial ombud services in 2024, our inaugural Annual Report chronicles what it took to get here. But looking back in appreciation is no more significant or important than looking ahead. With our fleet already well underway, our focus should turn from the shore and towards our heading.

Having been praised for our hard work by many who have been keen onlookers to the process, it is without a doubt that we must not revel too early but rather look to drawing strength for what lies ahead. There is no guarantee that despite our successes thus far, the sea will be kind and the winds favourable. Our shared optimism as an organisation must stay true to being well prepared and continuously maintaining what we have built.

As explained by the acclaimed author William Arthur Ward:

"The pessimist complains about the wind; the optimist expects that it will change for the better whilst the realist adjusts their sails accordingly"

We cannot afford to be the pessimist nor the optimist. We must always remain the realist to ensure our starboard and port are immune to being blindsided. From my experience as chairperson thus far, which you might refer to as the "captains log" of sorts, all who have contributed have shown that they value this mindset similarly, else we would not be able to share the following points of progress.

POINTS OF PROGRESS

At the helm, we must commend the management team for their meticulous mapping out of the course thus far, ensuring that we remained focussed as an entire unit on our primary objective to deliver fairness to the grander public. Not only did they achieve this, but they also managed to ensure that all our plans going forward were tethered securely to an attitude of growth and sustainability. As I am sure we can all agree, we did not embark on a short trip but have committed to the long haul, and it is important we are well provisioned, equipped and prepared accordingly.

Just as there are no roles aboard any vessel too small or too great in comparison, our Financial Dispute Professionals have ensured that at our flagship operations we maintained constantly growing rates of successful resolutions that resulted in increased levels of comfort and satisfaction reported from our complainants. Despite our journey being one of motion, the many messages from those we serve filled with heartwarming gratitude can serve as well-deserved moments of respite and reminder that what we are accomplishing matters.

Now as much as likening us to hearty seafarers recalls images of the typical 1890's Privateer fleet, we are not pirates. We look after our crewmates, and through several initiatives deployed to focus on the betterment of their wellness and wellbeing we have achieved an excellent rate of staff retention that many other organisations sailing similar seas envy. Not only do we serve those who need us, but also those within our ranks to ensure a positive output of personal growth in all we do.

Being at sea for some time can bring about the worry that those at shore might let our journey drift into memory or myth. Our communications efforts have ensured that our resolve and determination to succeed are well publicised, spreading the word of our services to consumers and the larger financial industry at a steady rate. This has resulted in a greater level of outreach across a multitude of media types and forms.

Coupled with this, we have not forgotten our duty to social responsibility. While sailing, we have deployed no small number of lifelines and lifeboats to underprivileged South Africans as well as those organisations whose honourable journey it is to focus on the betterment of those around us. We have sought out several donors who we encouraged to provide financial assistance where needed successfully, and many of our own crew have donated their time and effort endlessly in pursuit of raising the beacon of hope.

With all of this, we still reflect an exceptionally robust financial position. Our budget sheet for the previous year shows that we have, as is vital for our ongoing operations, maintained a positive standing that allows us to continue our work unimpeded and fulfil all our mandates in full.

CONGRATULATIONS AND GRATITUDE SECTIONALS

I would like to personally extend my gratitude, pride and congratulations to my Board of Directors. Their steadfast fortitude has made me certain that their decision making and interests lie focussed on promoting the success of the NFO in totality. Despite having to navigate some challenging storms, your support and dedication as well as your perspectives have left me gracious and thankful for having not only strengthened my efforts, but the collective success of us all.

Our Head Ombud and Chief Executive Officer, Reana Steyn, and her unstinting efforts at our helm through this second year have secured our position to achieve our mandates and fulfil our mission. Congratulations, and we thank you for your hard work and contributions thus far.

All three divisions of our fleet, headed by our Lead Ombuds Denise, Edite and Nerosha, are also deserving of my thanks. You all have led your respective divisions wisely, navigated challenging seas of all types and ultimately focussed on meeting the needs of those you serve.

I firmly believe that we have all continued and arrived at this point in our mission together, and the NFO's objective to deliver an efficient platform, driven by fairness and independence within a free, alternative dispute resolution regime remains squarely reachable and obtainable in our sights.

I will forever be grateful to all the staff that have embarked on this great journey with us. A business is made up of people and the staff are the NFO's engine of the ship, sitting below the deck. It is there where the diesel engines that drive the propeller to move the ship forward is situated. In the world of shipping, it is a dark and dingy place. In the world of the NFO, it is the most critical place, with windows wrapped giving you a 360-degree view, and full of light.

END REMARKS

As we look ahead to the next year, and phase three of our evolution, we will continue to strive to provide the most value possible to all our stakeholders. We will always remember to remain the realists and champion fairness and justice, comforted by the idea that our work makes a vast difference to the lives of our people.

"When people are determined, they can overcome anything"

Nelson Mandela

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

"I would like to express my sincere appreciation for the incredible support you provided in handling my case concerning the fraudulent loan taken out in my name and the unauthorized withdrawal of funds from my account in February 2025."

Complainant Testimonial

HEAD OMBUD & CEO'S REPORT 03

REANA STEYN
HEAD OMBUD AND CHIEF EXECUTIVE OFFICER, NATIONAL FINANCIAL OMBUD SCHEME SOUTH AFRICA (NFO)

CHAPTER TWO: FROM FOUNDATION TO FULFILMENT

Having safely and successfully negotiated a first full year of operation as a merged new entity, some might be tempted to tread water and maintain a form of status quo. Wiser and more experienced minds know that this policy is not a formula for future success! Even before its second chapter commenced, plans were formulated at the NFO to maintain the growth of the scheme, thus ensuring its viability and sustainability well into the future. To what extent did the NFO achieve these aims? Head Ombud and CEO Reana Steyn reports in detail below!

"When spider webs unite, they can tie up a lion."
– African Proverb

The establishment of the National Financial Ombud Scheme marked a decisive shift in South Africa's financial dispute resolution landscape. It united four previously separate offices into a single, independent body, designed to deliver fairness, accountability and accessibility to consumers across the country. Our inaugural year required discipline, the creation of systems, integration of teams, and alignment of processes. The year under review reflects a further stage in the NFO's evolution, moving beyond foundation towards organisational maturity, increased operational effectiveness and measurable growth.

At the centre of this progression is a clear and deliberate focus on the organisation's strategic priorities. The NFO has continued to focus on strengthening our dispute resolution operating model, to ensure a sustainable, world class organisation, while maintaining high standards of governance and reinforcing stakeholder confidence. At the same time, the organisation has advanced the use of technology and digital solutions to streamline processes and improve the overall consumer experience. This has been supported by a strong emphasis on our people and the leadership, ensuring that capable and forward-thinking individuals are appointed, developed and retained, while fostering a culture that prioritises staff wellbeing and professional growth. In parallel, considerable efforts to promote consumer awareness and financial literacy have extended the NFO's reach, reinforcing its role in supporting a more informed and resilient financial sector.

Demand for our services increased, reflecting both growing awareness and the complexity of the financial environment. The organisation responded with improved capacity and consistency in case handling, and a continued focus on maintaining a strong control environment. Investment in digital tools, including an AI-enabled chatbot, enhanced accessibility and enabled more responsive engagement across multiple platforms at the initial stages of the complaint lifecycle. Additional appointments further strengthened organisational capability, while a very strong focus on employee wellbeing contributed to a resilient and cohesive workforce.

The financial environment continues to present challenges for households and businesses. Financial products are becoming more complex, digital channels are expanding rapidly, and emerging technologies are reshaping how consumers interact with financial institutions. In this context, the role of a free, fair, independent and accessible dispute resolution service remains critical. The NFO's progress over the year reflects an organisation that is not only responding to these demands, but doing so with increasing confidence, consistency and purpose, delivering outcomes that are fair, balanced and grounded in sound reasoning.

A VALUES-BASED ORGANISATION IN PRACTICE

The NFO is grounded in six internationally recognised Ombuds principles: fairness, independence, accessibility, transparency, openness and accountability. These principles have moved beyond policy and are embedded in daily practice, guiding every assessment, interaction and decision.

Independence is strengthened through governance by a skilled and independent Board, ensuring strong and objective oversight and ethical discipline. Fairness is at the heart of every decision, even if it may not always come across as such, especially to consumers when we do not find in their favour. We apply a rigorous and balanced assessment of each matter, weighing the facts, law, and contractual principles – all against the backdrop of fairness to both parties to the dispute.

Accessibility ensures that consumers are able to engage with the NFO through multiple channels, with email and digital platforms remaining dominant. The statistics bear out the impressive volumes our contact centre had to deal with. Transparency and openness support clear communication and constructive engagement about our mandate and our performance, while the principle of accountability ensures that the organisation remains answerable for its performance and use of resources.

These values shape every interaction and underpin the trust that we are building in the organisation, ensuring that we can grow and continue our task with clarity and integrity.

OPERATIONAL STRENGTH TO CONSUMER TRUST

Strengthening the operating model remained a central priority for the year. Operational performance is ultimately measured by the confidence it creates. Consumers expect professional, timely, and impartial handling of their matters, while financial institutions rely on determinations grounded in law, evidence, and sound reasoning.

Our focus in 2025 extended to case management, processes, capacity, and our funding model. As a result, the overall turnaround time improved to **85 days**, a 26% improvement, supported by enhanced quality assurance and more robust internal review mechanisms, ensuring procedural fairness and technical accuracy across divisions. The NFO **opened 50 065 cases and closed 34 277 cases,** recouping **R442 994 504,11** for complainants. Despite increased demand on the team to respond to correspondence and Whatsapp messages, the organisation answered **109 222 calls,** maintaining an **89% call answer rate,** reflecting its ability to sustain service levels under pressure.

Formal closures increased by 4.5%, whilst divisions collectively achieved meaningful reductions in turnaround times, demonstrating consistent performance improvement. The organisation's ability to scale effectively is further demonstrated by growth of approximately 27,6% in enquiries, reflecting both growing awareness and trust in the scheme. Vulnerable consumers continued to receive focused attention, with 763 cases identified. Accessibility is evidenced through engagement with diverse demographics, including 54% Black consumers, 41% based in Gauteng, and 50% residing in urban areas earning under R80 000 annually.

Top product categories, such as fraud in current accounts and rejected claims in motor, household, and funeral insurance, highlight the NFO's responsiveness to real consumer pain points. Our structured, sustainable operating model balances the cost of resources, case volumes, and quality, enabling the NFO to absorb increasing caseloads while maintaining professional handling and reliable outcomes. It positions the organisation to meet growing consumer demand, deliver faster justice, higher trust, and tangible redress for South Africans.

THE CONTACT CENTRE: THE FIRST POINT OF TRUST

For many consumers, the Contact Centre is their first interaction with the NFO. It is where uncertainty begins to turn into clarity. We provided that clarity across diversified channels, handling 262 919 total queries in 2025, with emails growing 27% to 131 559; WhatsApp messages nearly doubling to 36 706; the new chatbot introduced 1482 queries, and personal service to walk-ins added 935 to the total.

Consumers are seeking guidance, reassurance and information. Staff are trained to deliver empathetic support across this multi-channel environment, ensuring consumers understood their rights and next steps toward resolution of disputes. We know that the tone of these interactions matters deeply. Financial disputes often arise at moments of vulnerability, when households face severe economic strain. An empathetic approach upholds the NFO's accessibility mandate, treating every caller as an individual deserving of dignity, not a case number.

APPEALS PROCESS

The National Financial Ombud Scheme provides a structured avenue for parties to challenge final rulings through a formal appeal process. Under the Scheme rules, a party dissatisfied with a final ruling may apply for leave to appeal to an **Appeal Tribunal** within **30 days** of the ruling. The independent Appeal Tribunal is currently composed of **three retired judges**.

An application for leave to appeal is first considered by members of the Tribunal as designated by the chair of the Tribunal. During this stage the judge will assess whether there are reasonable prospects of a different outcome, whether the matter raises systemic or policy implications, or whether there are questions of law or procedural fairness that justify a review. If leave is granted, one or more members of the Appeal Tribunal hear the appeal, following procedures that are deliberate but not unduly formal, consistent with principles of administrative justice. In deciding an appeal, the Tribunal may either remit the matter back to the NFO for reconsideration or, where appropriate, make a new ruling on the complaint.

In 2025, the NFO received 49 appeals which were submitted to the Appeal Tribunal, with 31 in the Life Division and 18 in the Non-life Division, reflecting the organisation's commitment to justice and transparency.

The appeal mechanism reinforces confidence in the dispute resolution framework by ensuring that decisions are subject to independent scrutiny and that parties have recourse where there are legitimate grounds for reviewing an outcome.

> "I write to convey my thanks for your assistance in resolving my claim. Your guidance and support throughout the process were invaluable, and I appreciate the time and effort you took to help me. I am pleased to inform you that I have received the claim payment."
>
> Complainant Testimonial

HUMAN RESOURCES: BUILDING CAPABILITY AND CULTURE

No institution can perform at a high level without investing in its people. During the year, the Human Resources activities focused on deepening organisational capability while strengthening engagement and wellbeing, maintaining a stable workforce of 161 while strategically rebalancing roles between middle management and frontline levels.

The NFO will continue to appoint and upskill leaders who understand both the technical demands of dispute resolution and the human dimension of financial distress. We sustained gender parity at senior management while women represent the majority of the total staff compliment.

Continuous learning remains central to our people strategy. Staff across all divisions participated in structured development programmes designed to embed our values and strengthen investigative skills, legal interpretation, mediation capability and sector-specific expertise. As financial products become more sophisticated, so too must the knowledge base of those who adjudicate disputes.

Equally important is staff wellbeing. The very nature of dispute resolution work can be very negative, emotionally charged and stressful. The NFO has taken deliberate steps to support resilience, work-life balance and psychological wellbeing. Other engagement initiatives strengthened collaboration across divisions to reinforce a unified culture following the integration of predecessor schemes.

We are confident that our Employee Value Proposition (EVP) will attract the best talent and retain current expertise, ensuring a professional and motivated workforce. With our people-centred approach leading to an **attrition rate of less than 5%**, we are able to preserve institutional knowledge and continuity, which directly supports our goal of being an **employer of choice**. In a time where employees search, not only for work-life balance, but also for adding value, the low attrition rate demonstrates that employees are engaged and satisfied, reinforcing the NFO's reputation as a stable and desirable workplace that has a meaningful impact on society.

PR & COMMUNICATIONS

The Marketing, Communications, and Public Relations function made significant strides during the year, building the NFO brand from its establishment phase into a period of increased visibility and sustained public trust. The team's efforts focused on promoting financial literacy whilst ensuring the NFO's voice is recognised as credible and authoritative within South Africa's financial ecosystem.

Digital engagement continued to grow, with Facebook campaigns reaching **over 1.25 million impressions,** LinkedIn content engaging **782 000 users**, and X posts reaching nearly **5.5 million impressions**, demonstrating a clear need for public interaction and awareness. The NFO website also recorded notable growth, hosting **892 000 sessions** with **781 000 unique users**, who collectively viewed **1.35 million pages** and completed **34 500 conversions**, reflecting strong interest in complaint guidance, financial education, and access to NFO services.

Media engagement remained a central focus. Through an impressive **19 press releases** and **1 067 monitored media clips** across print, broadcast, and online channels, the NFO strengthened public discourse on consumer rights and financial fairness. Coverage extended into underserved and rural communities, reflecting a deliberate strategy to increase inclusion and accessibility. Stakeholder management complemented these efforts, deepening relationships with regulators, industry partners, and community organisations, and supporting collaborative initiatives that advance financial literacy and sectoral reform.

Corporate Social Responsibility initiatives passionately supported six charities with contributions exceeding **R100 000**. Staff volunteered time and resources whilst partnerships with a few key organisations enabled us to expand our reach. We are committed to continue growth in this area in the future.

Every interaction, whether digital, in-person, or through the media, builds trust, promotes financial literacy, and ensures inclusive access to dispute resolution. By combining data-driven insights with purposeful engagement, the NFO demonstrates how effective communications support awareness, inclusion and confidence across South Africa's financial sector.

ICT: DIGITAL ENABLEMENT AND SECURITY

Technology underpins modern dispute resolution. Over the past year, the ICT division has played a critical role in enhancing efficiency, security and accessibility by stabilising core operations while building strategic resilience against evolving threats.

Our case management system now shares data securely across organisation for better tracking and real-time stats. Digital tools facilitate smoother interactions with consumers and financial institutions, highlighted by our new AI-driven chatbot that has meaningfully reduced response times and eased administrative pressures.

Cybersecurity remains a priority. The NFO handles sensitive financial and personal information. The NFO earned industry-leading security testing scores through comprehensive staff training programmes and proactive threat monitoring, complemented by our first independent IT audit that validated the robust controls and established a firm foundation for ongoing enhancement. These investments ensure trust remains uncompromised.

Going forward, we are accelerating digital transformation through responsible AI adoption, equipping our professionals with smarter tools that amplify human expertise rather than replace it. This measured approach is aimed at driving efficiency so that teams can focus where it matters most: delivering fair, principled outcomes. Our strong ICT capability positions the NFO to navigate technological disruption securely, ensuring adaptability, accountability, and sustained consumer confidence as financial services evolve.

> "Good morning. I finally received the money yesterday. I would like to say thank you very much to all of you for your assistance. I don't know what I'd have done without you. Thank you."
>
> Complainant Testimonial

FUNDING MODEL AND FINANCIALS

The NFO's funding model ensures sustainability, fairness, and transparency while keeping services free for consumers. Built on a combination of **annual participation fees** and **case-based fees**, the model is designed to proportionately reflect the work generated by the 285 participants. Last year marked the first full year of rolling out this funding framework across all participants. We sincerely thank those participants who have contributed, enabling the NFO to deliver a reliable, accessible dispute resolution service. Some participants experienced challenges in the initial year, which is understandable given the model's newness, and these were addressed through ongoing engagement and support.

Case fees are structured to promote fairness: standard cases attract a set fee, complicated cases are charged at a higher rate, and premature resolutions receive a discounted fee. Penalty fees are applied only in exceptional circumstances, such as undue delays or insufficient responses, reinforcing accountability without influencing outcomes.

The NFO aims to maintain a reserve equivalent to **six months of operational costs** to mitigate financial risk, including delayed payments, participant withdrawal, or unexpected fluctuations in case volumes. This prudent approach ensures the organisation remains operationally resilient while delivering high-quality services.

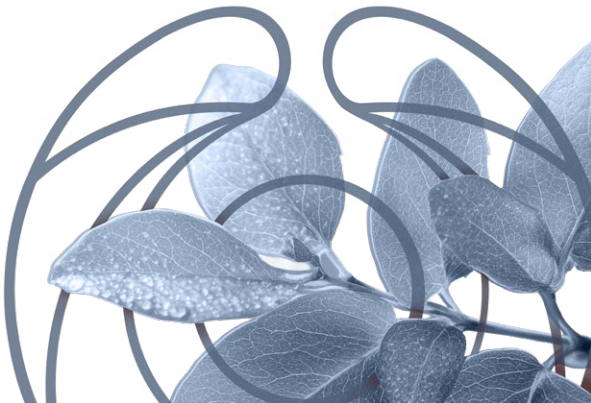
Total operating expenses for the year were R157,5 million, representing approximately 87% of the annual budget. The three largest expense categories were staff, IT, and accommodation, totalling 78% of the budget, reflecting the organisation's investment in capacity, systems, and infrastructure to support efficient operations. Revenue and expenditure planning remain guided by disciplined financial management, ensuring resources are aligned with strategic priorities and the delivery of sustainable value for both consumers and participants.

STRENGTH IN GOVERNANCE

Our governance reached new heights of maturity during the year, with newly appointed internal auditors conducting comprehensive compliance and risk investigations, proudly reporting zero findings of critical non-compliance while recommending a few targeted improvements. Our skilled Board provided strategic oversight and ethical discipline, ensuring improved compliance of high standards of governance and accountability.

From Boardroom strategy to frontline delivery, our governance model excelled under pressure, navigating increased digital complexity, economic strain, and rising expectations. The decision to merge the Credit and Banking divisions, under the capable leadership of the Lead Ombud of Banking, Nerosha Maseti, is one such example. Following the retirement of the Lead Ombud for the Credit Division, Howard Gabriels, the decision not to replace the Lead but to merge the two divisions was a bold one. The result has been a success, with evidence of greater alignment and engagement with participants as well as cost savings. We are hoping to continue to grow the membership in the credit section and we invite all stakeholders to assist us in this quest, for the benefit of all the players in the sector but also for the wider credit active and financial services society. We will continue to monitor the numbers to ensure that both the banking and credit sections and their respective participants and consumers receive the service levels that we promise.

Our governance and funding framework endures increasing complexity, adapting proactively as financial services evolve. By prioritizing ethical oversight, the NFO protects consumers from unfair practices while holding both Financial Services Providers (FSPs) and consumers accountable, delivering justice that stakeholders can trust. Governance isn't just compliance; it's the foundation of sustainable reform, ensuring every interaction upholds fairness, clarity, and our commitment to accessible dispute resolution for all South Africans.



A SOUTH AFRICAN CONTEXT, A GLOBAL STANDARD – LOOKING AHEAD

The NFO operates within a uniquely South African environment. Economic pressures, varying patterns of digital adoption and ever evolving regulatory frameworks shape the disputes brought before us. Yet, while our context is local, our standards are global.

Benchmarking against leading international ombud schemes reinforces our commitment to excellence. Professionalism, independence and service quality must be evident in every aspect of the organisation. The NFO's credibility rests on its ability to deliver outcomes that are fair, balanced and grounded in principle. It also rests on its ability to adapt as the financial system evolves.

The coming year will focus on consolidating gains and deepening impact. Operational efficiency will continue to be refined and improved. Digital capability will expand. Leadership development and staff engagement will remain central priorities. Consumer awareness initiatives will broaden their reach.

The NFO will also continue to strengthen its systemic contribution. By identifying patterns and recurring issues, the organisation will support preventative improvements within the financial sector, ultimately reducing harm before it occurs. We are working closely with our regulators and other stakeholders to ensure effective improvements in the system.

Our mandate remains clear. We exist to provide fair and independent dispute resolution for consumers while recognising the legitimate responsibilities of financial institutions. We serve the public interest by strengthening confidence in the financial system.

CONCLUSION

The year under review reflects an organisation that has grown into its mandate. The NFO is no longer defined by its formation. It is defined by its performance.

We have strengthened governance. We have refined operations. We have invested in our people. We have enhanced digital capability. We have improved accessibility. Most importantly, we have delivered fair outcomes for consumers.

But, the journey continues. Each matter resolved reinforces public trust. Each improvement strengthens institutional resilience. Each step forward brings us closer to our vision of a financial sector where fairness is not exceptional but expected.

The NFO stands ready to meet the demands of the year ahead with professionalism, integrity and purpose.

NFO Exco

VOTE OF THANKS

None of the progress reflected in this report would have been possible without the collective effort, discipline and commitment of those who support and sustain the work of the NFO.

I extend my sincere appreciation to the Board for its steadfast guidance, strategic oversight and continued commitment to independence and ethical governance. Your leadership ensures that the organisation remains grounded, accountable and focused on its public mandate.

To our staff across all divisions, thank you for your professionalism, resilience and passionate dedication. If only the consumers could see or hear how passionately their cases are researched, debated and argued! The nature of our work requires both technical excellence and human sensitivity. You have consistently demonstrated both, often under pressure and in complex circumstances. **Your ability to balance fairness with empathy is what gives meaning to our mandate and credibility to our outcomes.** To the entire management team, and in particular the three Lead Ombuds, Nerosha, Denise and Edite – you are carrying the heavy loads with grace and passion, and your experience is reflected in the excellent achievements of the divisions, Thank you!

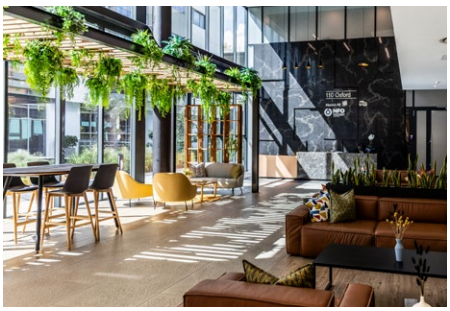
I also acknowledge the financial institutions with whom we engage. Constructive cooperation, responsiveness and a shared commitment to fair outcomes are essential to an effective dispute resolution system – something that is desperately needed in our financial sector. Your role in supporting our office in general and to achieve timely and principled resolutions is recognised and valued.

To other regulatory partners and stakeholders and other ombuds, thank you for your continued collaboration and trust. Your support strengthens the broader financial ecosystem and enables the NFO to contribute meaningfully to systemic improvement and consumer protection. To the Ombud Council, a special vote of thanks for the support, collaboration and guidance. We are privileged to have such a good working relationship with you.

Finally, to the consumers of South Africa, thank you for placing your trust in the NFO. It is this trust that defines our responsibility and drives our commitment to deliver fairness, clarity and accessible justice in every matter we handle.

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

Contact Centre

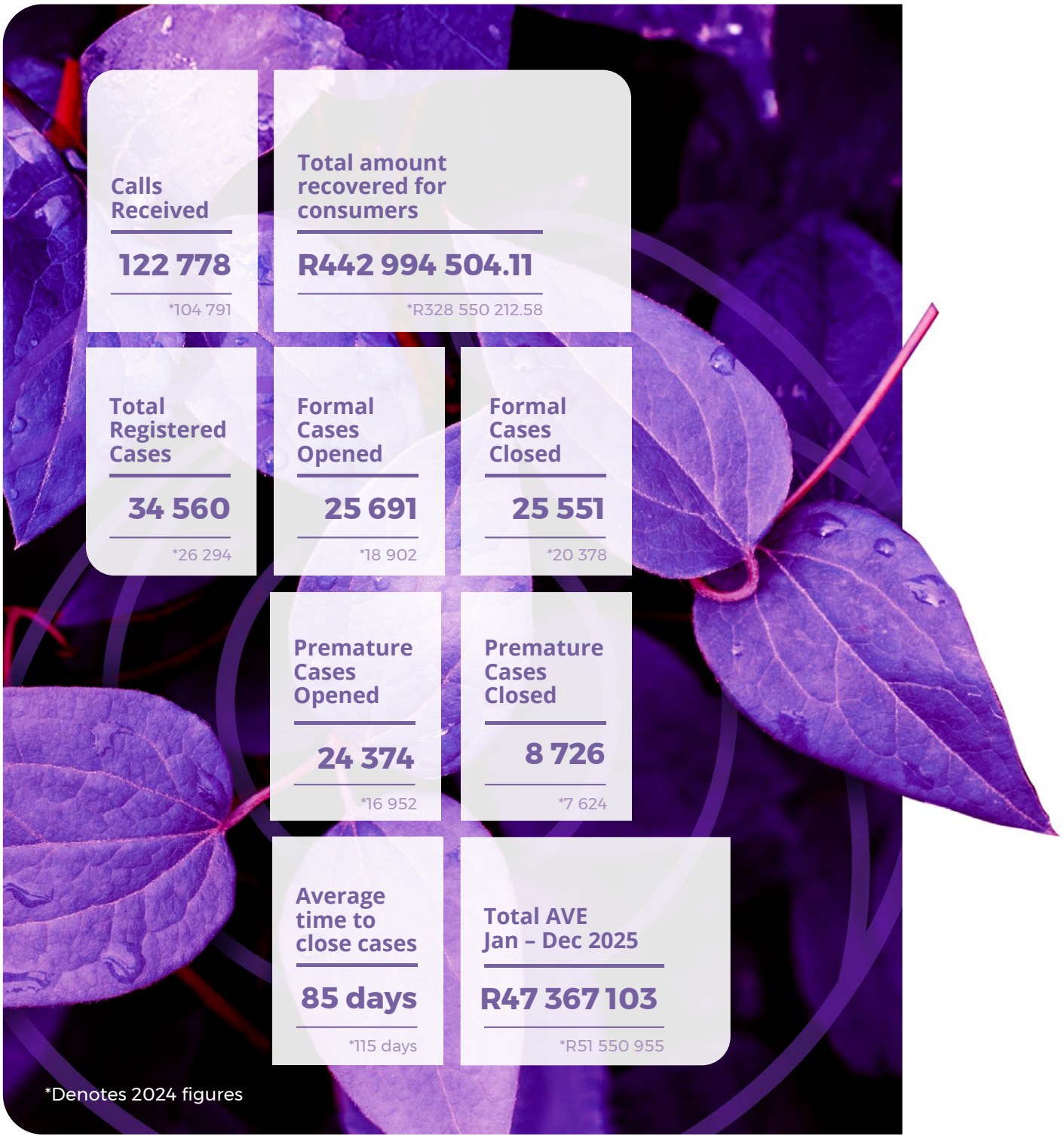


NFO Johannesburg Offices

Shared Services

NFO Cape Town Offices

OVERALL STATISTICS 04



CASE OPENINGS

	2025	AVE/MONTH	2024	AVE/MONTH	% VARIANCE
Premature Cases Opened	24 374	2 031	16 952	1 695	**18.92**
Formal Cases Opened	25 691	2 140	18 903	1 890	**13.26**
TOTAL CASES OPENED	**50 065**	**4 172**	**35 855**	**3 585**	**16.36**
Less converted from Premature to Formal	15 505	1 292	9 561	956	**35.14**
TOTAL REGISTERED CASES	**34 560**	**2 880**	**26 294**	**2 629**	**9.53**

The comparison between 2025 and 2024 shows a clear increase in case activity across all categories. It is important to note that the 2024 figures only cover the period from March to December, rather than a full calendar year. For this reason, using the average number of cases per month provides a more accurate year-on-year comparison than using the total figures.

Based on the monthly averages, premature cases opened increased from 1,695.20 per month in 2024 to 2,031.17 cases on average in 2025, representing a 20% increase. Formal cases opened also rose from 1,890.30 to 2,140.92 per month, reflecting a 13% increase. As a result, the total number of cases opened increased from an average of 3,585.50 per month in 2024 to 4,174.92 in 2025, which is a 16% growth in overall case openings.

A notable trend is the increase in cases converted from premature to formal, which rose significantly from an average of 956.10 per month in 2024 to 1,292.08 in 2025, representing the largest increase at 35.14%. This may indicate improved case progression, stronger screening processes, or more matters meeting the criteria for formal investigation.

Despite the higher number of total cases opened, the average number of total registered cases increased more moderately, rising from 2,629.40 per month in 2024 to 2,891.50 in 2025, a 9.97% increase.

CASES OPENED PER DIVISION

	2025		2024	
	PREMATURE	FORMAL	PREMATURE	FORMAL
Banking	12 641	8 914	9 485	5 930
Credit	2 561	1 893	1 099	1 410
Life	5 020	5 371	3 210	3 504
Non-life	4 152	9 513	3 158	8 059

When averaged monthly, the Banking division increased from 948.5 premature cases per month in 2024 to 1,051.17 in 2025, an increase of roughly 11%. Formal banking cases also rose significantly from 593.0 average per month to 742.83, representing an increase of approximately 25.4%. This confirms that banking continues to be the largest driver of case volumes, with notable growth particularly in formal cases.

The Credit division shows the most dramatic increase in early-stage complaints. Premature cases increased from an average of 100.9 per month in 2024 to 213.42 in 2025, representing an increase of more than 100%. Formal cases also rose from 141.0 to 157.75 per month, an increase of about 11.9%. This suggests a sharp rise in initial complaints or enquiries within the credit sector.

In the Life division, both premature and formal cases increased steadily. Premature cases rose from 321.0 per month in 2024 to 421.17 in 2025 (about 31.2% growth), while formal cases increased from 350.4 to 447.58 per month, representing an increase of approximately 27.7%. This indicates a consistent upward trend in complaints progressing through the system in the life insurance sector.

The Non-life division shows a more moderate pattern. Premature cases increased from 315.8 per month in 2024 to 346.0 in 2025, an increase of around 9.6%. However, formal cases remained relatively stable, decreasing slightly from 805.9 per month in 2024 to 792.75 in 2025, representing a small decline of approximately 1.6%. Despite this slight drop, Non-Life still maintains the highest average number of formal cases per month among the divisions.

CASES OPENED PER PRODUCT (TOP 10)

	2025		2024	
Motor	3 276	(12,72%)	2 884	(15,61%)
Homeowners	2 629	(10,21%)	2 146	(11,62%)
Current Account	3 439	(13,35%)	2 074	(11,23%)
Funeral	2 496	(9,69%)	1 600	(8,66%)
Life	1 891	(7,34%)	1 241	(6,72%)
Savings Account	1 389	(5,39%)	1 119	(6,06%)
Personal Loan	1 656	(6,43%)	1 656	(6,43%)
Commercial	1 228	(4,77%)	974	(5,27%)
Credit Card	901	(3,5%)	517	(2,8%)
Home Loan	778	(3,02%)	469	(2,52%)

CASE CLOSURES

	2025	AVE/MONTH	2024	AVE/MONTH	% VARIANCE
Premature Cases Closed	8 726	727	7 624	762	-4.62%
Formal Cases Closed	25 551	2 129	20 378	2 037	4.49%
TOTAL CASES CLOSED	**34 277**	**2 856**	**28 002**	**2 800**	**2.01%**

CASES CLOSED PER DIVISION

	2025		2024	
	PREMATURE	FORMAL	PREMATURE	FORMAL
Banking	5 845	8 326	5 439	6 096
Credit	1 078	1 776	487	1 553
Life	1 193	4 631	1 268	3 870
Non-life	610	10 818	430	8 859

AVERAGE TIME TO CLOSE CASES - WORKING DAYS

	2025	2024
Banking	56	52
Credit	57	79
Life	103	152
Non-life	105	177
OVERALL TURNAROUND TIME	85 days	115 days

CASES CLOSED PER PRODUCT (TOP 10)

	2025	2024
Motor	14.93%	12,42%
Homeowners	12.10%	10,22%
Current Account	12.08%	14,79%
Funeral	8.44%	7,09%
Personal Loan	6.23%	7,68%
Life	6.20%	5,82%
Commercial	5.37%	3,65%
Savings Account	5.36%	8,72%
Credit Card	3.41%	3,71%
Home Loan	2.80%	3,28%

FINDINGS IN FAVOUR OF COMPLAINANT VS IN FAVOUR OF PARTICIPANT

	2025	2024
In favour of complainant	19%	19%
In favour of participant	81%	81%

AMOUNTS RECOVERED ON BEHALF OF COMPLAINANTS

	2025	2024
Banking	R53 002 204,18	R29 175 451,14
Credit	R7 473 666,41	R2 355 840.20
Life	R299 629 812,82	R205 854 491.24
Non-life	R82 888 820,70	R94 164 430
TOTAL RECOVERED	**R442 994 504.41**	**R328 550 212.58**

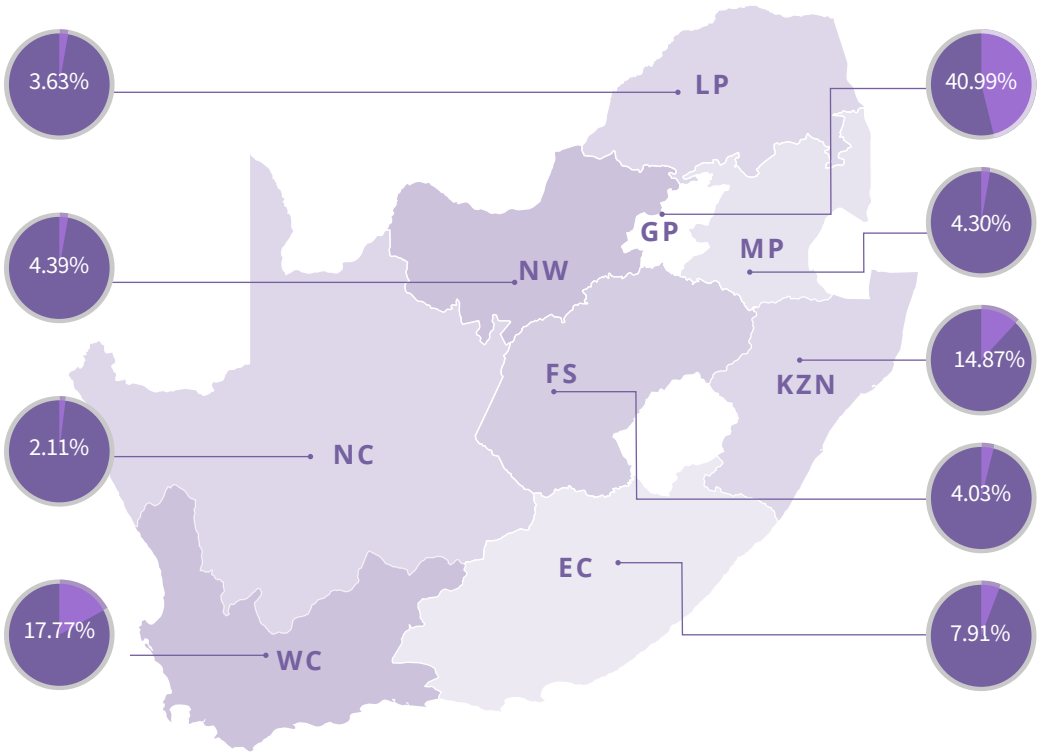
It is important to note that the 2024 annual report figures only reflect the period from March to December, as the recovery amounts for January and February 2024 were not captured in the reporting cycle. As a result, the year-on-year increases shown for 2025 should be interpreted with this limitation in mind, since the 2024 totals represent only 10 months of activity, while 2025 reflects a full year of recovered amounts.

	2025	2024
Calls Received	122 778	104 791
% Calls Answered	89%	93%

ENQUIRIES RECEIVED

	2025		2024	
	Calls	%	Calls	%
Non Member	2 316	21,64%	1 586	22,73%
Policy Cancellation Request	52	0,49%	262	3,75%
Duplicate	55	0,51%	50	0,72
Liquidated Participant	8	0,07%	7	0,10
Regulator/Statutory Ombud	6 977	65,19%	3 723	53,35%
Nowhere to refer	1 211	11,32%	588	8,43%
Other	82	0,78%	762	10,92%
NFO TOTAL	**10 702**	**100%**	**6 978**	**100%**

COMPLAINTS PER PROVINCE



DEMOGRAPHICS ON FORMAL CASES OPENED

	2025	2024
Gender of Complainants		
Male	54,68%	55,55%
Female	45,18%	44,34%
Non Binary	0,07%	0,03%
Prefer not to disclose	0,06%	0,09%
Age Range of Complainants		
<25	2,35%	2,14%
26-35	16,86%	17,53%
36-45	27,34%	28,28%
46-60	34,8%	34,63%
61-70	12,74%	12,16%
>70	5,91%	5,25%
Complaints per Race		
Black	54,12%	53,53%
White	25,9%	26,77%
Coloured	11,31%	10,41%
Asian	8,67%	9,29%
Complaints per Province		
Eastern Cape	7,91%	7,60%
Free State	4,03%	3,56%
Gauteng	40,99%	42,18%
Kwazulu Natal	14,87%	14,07%
Limpopo	3,63%	3,54%
Mpumalanga	4,30%	4,12%
North West	4,39%	3,69%
Northern Cape	2,11%	2,09%
Westen Cape	17,77%	19,14%
Salary Range of Complainants		
0- 80 000	49,70%	49,63%
80 000 - 250 000	16,69%	16,63%
250 000 - 500 000	17,29%	17,51%
500 000 - 1 000 000	10,62%	10,24%
1 000 000 +	5,71%	5,99%
Where Complainants Came from		
Small Town	24,57%	23,71%
Rural / Farm Area	9,30%	8,39%
Large Town	15,71%	15,37%
City	50,42%	52,53%

COMPLAINANT SATISFACTION SCORE

	2025		2024	
	Overall Score	Found in Favour	Overall Score	Found in Favour
Banking	64%	17%	58%	21%
Credit	76%	37%	74%	39%
Life	72%	27%	68%	31%
Non-life	42%	11%	47%	25%

The findings in favour of complainants have a direct impact on the satisfaction survey scores, as complainants who receive a favorable outcome are more likely to express positive feedback regarding the process. In the **Credit division, where 37% of cases were found in favour of complainants, the overall satisfaction score is the highest of the divisions at 76%,** indicating a strong correlation between positive case outcomes and higher satisfaction levels. Similarly, the **Life division, with 27% of cases decided in favour of complainants, has a relatively high satisfaction score of 72%**.

Conversely, divisions with lower percentages of favorable outcomes tend to have **lower satisfaction scores**. The **Non-life division has the lowest satisfaction score (42%)**, which aligns with the **lowest proportion of cases found in favour of complainants (11%)**. The **Banking division follows a similar pattern, with only 17% of cases ruled in favour of complainants and a moderate satisfaction score of 64%**. (Note that all of these aforementioned divisional percentages take into account only surveys successfully returned.)

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

TCF OUTCOMES 2025

	Appropriate Advice	Claim/Switching/ Complaint Processes	Fairness/ Culture	Information/ Disclosure	Product/Service Design	Product Performance and Service Quality	TOTAL
Banking	-	0,72%	0,67%	6,71%	15,02%	9,66%	**32,78%**
Credit	0,01%	0,19%	1,98%	2,41%	0,90%	1,52%	**7,00%**
Life	0,34%	8,65%	0,95%	0,87%	1,51%	5,84%	**18,15%**
Non Life	0,78%	15,72%	3,15%	0,73%	9,34%	12,33%	**42,06%**
TOTAL	**1,12%**	**25,28%**	**6,76%**	**10,71%**	**26,77%**	**29,36%**	**100%**

VULNERABLE CONSUMERS 2025

	Between 65 - 75	Between 75 - 85	Blind	Deaf	Death of Partner or Spouse	Divorce	Gender Discrimination
Age	515						
Discrimination							1
Life Event					61	8	
Literacy							
Physical Disability				10			
TOTAL	**515**	**0**	**0**	**10**	**61**	**8**	**1**

HOW THE COMPLAINANT HEARD ABOUT THE NFO

	2025	2024
Internet	37,32%	37,27%
Participant	7,64%	7%
Policy Document	15,67%	18,53%
Radio	2,39%	2,45%
TV	1,27%	1,05%
Social Media	5,16%	4,66%
Word of mouth	30,72%	28,94%

CASES OPENED PER CHANNEL

	2025	2024
Email	53%	66%
Website	45%	33%
Fax	0%	0%
Post	0%	0%
Social Media	0%	0%
Whatsapp	0%	0%
Telephone	0%	0%
Walk-in	2%	1%

Language Barrier	Mental Disability	Not Financially Literate	Older Than 85	Paralysis	Racial Discrimination	Retrenchment	Wheelchair	TOTAL
			17					532
					2			3
	1	1				90		160
5								7
		19		16			16	61
5	1	20	17	16	2	90	16	763

EDITE TEIXEIRA-MCKINON

"I wish to thank you and NFO for your time and efforts in assisting me, it's really appreciated. Regardless of the outcome I felt you had my best interests at heart."

Complainant Testimonial

NON-LIFE 05

EDITE TEIXEIRA-MCKINON
LEAD OMBUD: NON-LIFE INSURANCE

GROWING PAINS RECEDE AS EXPANSION & SUSTAINABILITY TAKE ROOT

Year two of the Non-life Insurance Division's operations found this department in that most desirable state of stability and consolidation. This meant that the division could take stock and make measured decisions regarding alignment and the enhancement of capabilities and expertise, with long-term sustainability in mind. These steps included new appointments, including adjudicators and CAs, deserved promotions, growth in the internship programme and further in-house training initiatives. Lead Ombud, Edite Teixera-Mckinon, positively reveals all below.

By the time this Annual Report is published, the NFO would have been in operation for just over two years and yet it seems like it was just the other day that it was officially launched, and our vision became a reality.

The second year of the existence of the NFO was a year during which we found more equilibrium whilst at the same time consolidating, aligning, and embedding not only our processes, but also our culture as one organisation made up of four previously established financial ombud offices.

STAFF MATTERS

The staff of the Non-life Insurance Division ("NLD") continued to work predominantly from home with one day per week in the office, in line with the NFO's hybrid working model.

There were three resignations from the division, with one of them being an adjudicator who moved internally to another adjudication division.

Several opportunities were provided to staff to advance in their career progression within the division and the NFO. One adjudicator was appointed the Quality Assurance Manager of the NLD, reporting directly to the Head Ombud and CEO.

One case administrator (CA) was appointed to the role of Public Relations Administrator and moved to the Public Relations Department in the Shared Services Division.

A CA from the Credit Division joined the NLD following a restructuring of the Credit Division.

Two further CAs were appointed from the Contact Centre in the Shared Services Division.

The legal internship programme continued to provide the division with a platform to grow and harvest its own talent and, at the same time, provide graduates with work experience. This programme was also expanded to other adjudication divisions during the year.

Of the nine legal interns in the legal internship programme, five were offered a second year of internship and four, who had completed two years of internship, were offered fixed-term contracts as entry-level adjudicators. Two new interns joined the programme in March and two left the division later in the year after completing their second year of internship.

The CA Team Leader was promoted to Manager of Case Administration, and a Senior Adjudicator took on the role of legal researcher and trainer for the division.

Two adjudicators, appointed on fixed-term contracts, were made permanent in the second half of the year.

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

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

The allocation of casework backlogs to a panel of attorneys, launched in 2023, continued during 2025, and yielded positive results for the division.

OPERATIONAL PERFORMANCE

At the end of 2024, 529 legacy/OSTI complaints were still to be resolved and by the end of 2025, there were eight such complaints.

The NLD ended the year with 2% less registered/opened complaints and 3% more resolved/closed complaints when compared to 2024. We ended the year with 10 054 registered complaints and resolved 11 428 complaints. The combined average turnaround time (TAT) to resolve complaints for both legacy and NFO complaints was 105 working days, the TAT having decreased from 117 days in the early part of the year. The significant reduction in the TAT can be attributed to the increase in staff capacity at the beginning of the year and the decrease in new registered/opened complaints in the second half of the year, both facilitating an improvement in complaints handling efficiencies in the division.

As at the end of the year, there were 3 757 open/active complaints compared to 5 075 open/active complaints at the end of 2024.

For 2025, the NLD recorded a resolved ratio, also known as an overturn ratio, of 11%. The resolved/overturn ratio is an indicator of those complaints where the insurer's decision or approach was changed by the division with some additional benefit to the insured. The recorded monetary benefit for consumers who approached the division for assistance amounted to R82 888 821,17 for 2025.

FINALISED COMPLAINTS TRENDS ANALYSIS

Complaints related to motor vehicle insurance accounted for 35,4% of all the complaints finalised/resolved during the year. This was followed by homeowners' insurance complaints, at 27,5%, commercial complaints, at 12,1%, household contents complaints, at 5,1%, and other types of insurance and non-claim-related complaints, combined, at 20%.

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

Motor vehicle insurance complaints resolved during 2025 decreased by around 6%, homeowners' complaints increased by 1%, and commercial complaints decreased by 2% compared to 2024. Other insurance and non-claim-related complaints, combined, increased by 6% and household contents complaints decreased by 1,5% compared to the previous year's trend.

As regards **motor vehicle insurance** disputes, the highest number of complaints considered related to claims for accidents, at 70%, followed by theft and hijack claims, at 8%, and mechanical breakdown claims, at 4%. When compared to 2024, there was an increase of 8% in accident-related motor complaints, a decrease of 13,5% in warranty and mechanical breakdown-related complaints, but theft and hijack-related complaints remained consistent.

The primary reason for complaints under this category of insurance was claims rejected on an exclusion in the policy, the leading exclusion being driving under the influence of alcohol, which increased by 67% compared to 2024. This exclusion took over from the failure to prevent or minimise loss or damage, also known as a lack of due care, or recklessness, which was the leading rejection reason dealt by our division in 2024. Another prevalent exclusion relied on was misrepresentation and non-disclosure at the inception of the policy.

As with the previous year, the other predominant reasons for complaints were disputed quantum and claim delays, the latter increasing by13%. Disputes related to dissatisfaction with repairs and the non-payment of premiums remain consistent with 2024's trends.

Under **homeowners' insurance**, the highest number of complaints finalised during the year related to claims for loss or damage due to acts of nature, at 42%. In 2024, these complaints were at 40%. This was followed by the bursting of water apparatus, at 15%, and theft and burglary, at 5%. Compared to 2024, there was a decrease of around 1% in complaints related to the bursting of water apparatus, as well as a decrease of 2% in theft and burglary complaints.

The primary cause for complaints under this category was the rejection of claims based on the exclusion of gradual deterioration, lack of maintenance, or wear and tear. This was followed by no insured peril operated, defective design/construction/workmanship, and quantum disputes.

Although gradual deterioration, lack of maintenance, or wear and tear was also the highest rejection reason in this category of insurance that the division dealt with in 2024, it increased by 17,5% in 2025. No insured peril increased by 25%, defective design/construction/workmanship decreased by 5,5% while disputes relating to quantum decreased by 15%.

As regards **commercial insurance** disputes, the highest number of complaints resolved related to motor vehicle claims, at 30%. This was followed by buildings combined at 24%, theft, at 10,5%, and electronic equipment, at 4,5%.

When compared to 2024, complaints related to motor vehicle claims decreased by 2%, buildings combined increased by 2% and theft decreased by 2,5%. Electronic equipment remained consistent with 2024's trend.

The primary reason for complaints under this category of insurance is claims rejected on the basis of criteria for the insured event not met. The second highest reason is claims rejected on the policy exclusion of gradual deterioration, lack of maintenance, or wear and tear. This was followed by no insured peril operated and quantum disputes.

Criteria for the insured event not met increased by 88% compared to 2024. Gradual deterioration, lack of maintenance, or wear and tear and no insured peril remain consistent with the previous year's trends. Quantum disputes under this category increased by 6%.

Under **household contents insurance** disputes, the highest number of complaints closed under this category related to claims for theft and burglary, at 24%. This was followed by power surge, at 17%, accidental damage, at 12,5%, and acts of nature, at 7%.

Although complaints relating to theft and burglary claims remain the most prevalent in this category, when compared to 2024, they decreased by 8,5%. Accidental damage complaints decreased by 13%. Power surge complaints decreased by 4%. This is the third consecutive year that power surge-related complaints have decreased following several years of increases. Complaints related to claims for damage caused by acts of nature decreased by 2% from 2024.

The primary cause for complaints under this category is claims rejected on a policy exclusion, with the main exclusion being gradual deterioration, lack of maintenance, or wear and tear. In 2024, this exclusion was also predominant. This is followed by no insured event operated, and quantum disputes. There is an increase of 17,5% in gradual deterioration, lack of maintenance, or wear and tear. No insured peril increased by 36%, while quantum disputes remain consistent with 2024's trend.

As regards **other types of insurance & non-claim-related disputes, combined,** the highest number of complaints considered related to claims for theft/robbery of mobile devices, at 20%. This was followed by gap medical, at 15%, legal expenses, at 11%, and accidental damage to mobile devices, at 6%.

Compared to 2024, there is a decrease of 11% in complaints related to theft and robbery of mobile devices. Gap medical complaints increased by 5%, whilst legal expenses complaints showed a decrease of 4%. Accidental damage to mobile device complaints also decreased by 4%.

Non-claim-related policy complaints decreased by 10% compared to the trend in 2024.

The primary causes of disputes under this category related to claims rejected on the basis of the criteria for the insured event not met, followed by the non-payment of premium and no insured peril operated. Other causes for complaints were quantum disputes and delays.

Disputes related to the non-payment of premium show a notable increase of 75% compared to 2024. In fact, no insured peril, quantum disputes and delays all increased significantly under this category from 2024 to 2025.

TREATING CUSTOMERS FAIRLY (TCF) OUTCOMES

In 2025, **93%** of all complaints resolved had identifiable Treating Customers Fairly (TCF) outcomes, and a complaint may have more than one applicable TCF outcome. The most prevalent outcomes were as follows:

- **51%** of complainants did not feel that they were provided with a **service** from their insurer that was of an acceptable standard.
- **44%** of complainants were not confident that they were dealing with an insurer where the **fair treatment** of policyholders is central to the insurer's culture.
- **2%** of complainants felt that they had not received **suitable advice** taking their circumstances into account.
- **2%** of complainants felt that they were not provided with **products** that performed as they had been led to expect.

FORMAL RULINGS AGAINST PARTICIPANTS

During the year, only one formal ruling was issued against a non-life insurance participant. A formal ruling, dated 12 November 2025, was issued against Old Mutual Insure. Old Mutual Insure agreed to abide by the ruling and duly settled the claim. Please refer to page 34 for details of this ruling.

ENGAGEMENT WITH STAKEHOLDERS

Engagement with external stakeholders was ongoing throughout the year, including with the NFO Board of Directors, Ombud Council, Financial Sector Conduct Authority, and non-life insurance participants, individually, and, collectively through liaison forum meetings.

The NLD attended the International Network of Financial Services Ombud Schemes Conference in New Zealand, in October, and a senior adjudicator attended and presented at a fraud conference hosted by the office of the Financial System Mediator in Armenia in late October.

The staff in the division participated throughout the year in several public relations initiatives of the NFO, including in its corporate social responsibility initiatives.

Two industry workshops were hosted online, one in June and the other in September, canvassing complaints handling processes and procedures, trends emanating from finalised complaints, and case studies on the main trends were presented by the adjudication staff.

We welcomed four new non-life insurance participants who joined the NFO during the year, namely, Absa Risk Transfer Insurance Company, Coface South Africa Insurance Company, Federated Employers Mutual Assurance Company, and ONE Insurance Limited.

WORDS OF GRATITUDE

I thank the staff of the NLD for the passion and dedication with which they approach each working day.

I thank the management team of the NLD, namely, Hannes, Jo-Anne, Kgomotso and Janitra for their hard work and support in striving for excellence in everything we do.

I thank the members of the Escalation Committee, comprising our ombuds, for their commitment to ensuring fair and equitable dispute outcomes.

I thank the Shared Services Division for their support of the NLD.

I thank the NFO Head Ombud and CEO, Reana Steyn, for her direction and guidance.

I thank the non-life insurance participants for the open engagements and continued support of the NLD and the NFO.

I am grateful for the opportunity of serving all our stakeholders during 2025.

As an African proverb aptly states "If you want to go fast, go alone. If you want to go far, go together."

Edite Teixeira-Mckinon

NON-LIFE KEY STATISTICS

	2025	2024
AVERAGE TIME TO CLOSE FORMAL CASES (WEIGHTED AVERAGE OVER TWO SYSTEMS)	105 DAYS	177 DAYS
FINDINGS IN FAVOUR OF PARTICIPANT	89%	88%
FINDINGS IN FAVOUR OF COMPLAINANT	11%	12%
RECOVERED ON BEHALF OF COMPLAINANTS	R82M	R94M

CASES OPENED

	2025	2024
Premature Cases Opened	4 152	3 158
Formal Cases Opened	9 513	8 059
Total Cases Opened	**13 665**	**11 217**
Less converted from Premature to Formal	3 611	2 508
Total Registered Cases	**10 054**	**8 709**

CASES CLOSED

	2025	2024
Premature Cases Closed	610	430
Formal Cases Closed	10 818	8 859
Total Cases Closed	**11 428**	**9 289**

"I would like to personally thank you for your professional recommendation and for ensuring that the insured was treated fairly.

Your dedication to fairness and compliance does not go unnoticed, and we truly value your support."

Complainant Testimonial

FINDINGS IN FAVOUR OF COMPLAINANT VS IN FAVOUR OF PARTICIPANT

	2025	2024
In favour of participant	89%	88%
In favour of complainant	11%	12%

AMOUNTS RECOVERED ON BEHALF OF COMPLAINANTS

	2025	2024
Non-life	R82 888 821	R94 164 430

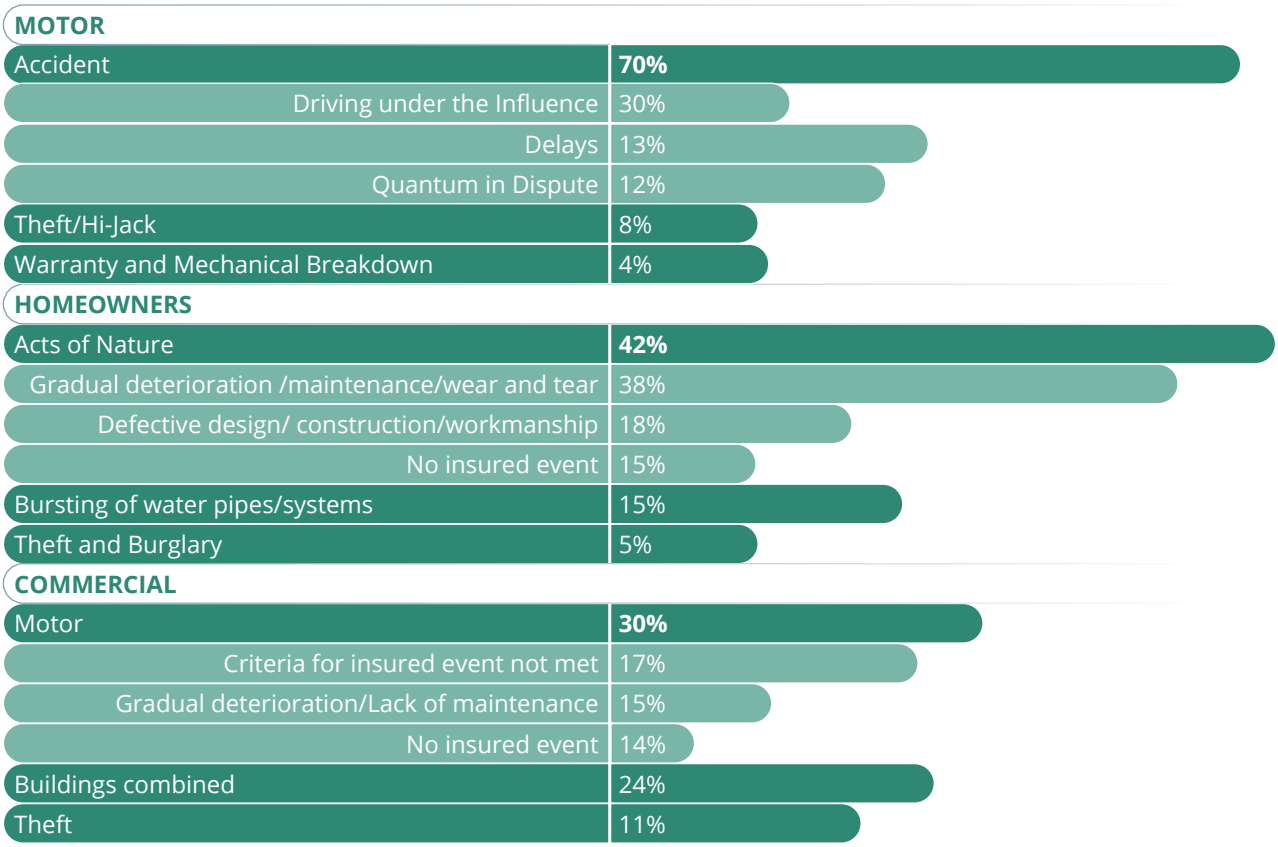
AVERAGE TIME TO CLOSE CASES - WORKING DAYS

	2025	2024
Non-life	105	177

TCF OUTCOMES PER PRODUCT

	Appropriate Advice	Claim/ Switching/ Complaint Processes	Fairness/ Culture	Information/ Disclosure	Product/ Service Design	Product Performance and Service Quality	Total
All Risks	0.03%	0.43%	0.09%	0.03%	0.30%	0.40%	**1.28%**
Bicycle Insurance	-	0.01%	0.01%	-	0.02%	0.03%	**0.07%**
Commercial	0.32%	4.14%	0.98%	0.24%	2.29%	4.61%	**12.57%**
Drones	-	-	-	-	0.01%	-	**0.01%**
Gap Medical	0.03%	0.74%	0.07%	0.02%	0.35%	0.43%	**1.64%**
Homeowners	0.42%	11.39%	1.89%	0.25%	6.29%	8.19%	**8.19%**
Household Contents	0.07%	2.00%	0.35%	0.06%	1.02%	1.46%	**4.97%**
Legal Expenses	0.04%	0.63%	0.12%	0.04%	0.40%	0.40%	**1.63%**
Life	-	-	-	-	-	0.01%	**0.01%**
Micro Insurance	-	0.07%	0.07%	-	0.08%	0.02%	**0.19%**
Mobile Devices	0.06%	2.15%	0.44%	0.12%	1.20%	1.01%	**4.97%**
Motor	0.69%	12.76%	2.89%	0.77%	7.82%	10.12%	**35.05%**
Motor Mechanical Breakdown Warranty	0.04%	1.49%	0.19%	0.03%	1.12%	1.24%	**4.10%**
Non-Claim Related Policy Complaint	0.07%	0.63%	0.13%	0.09%	0.60%	0.59%	**2.11%**
Other	0.07%	0.45%	0.16%	0.05%	0.47%	0.42%	**1.61%**
Personal Accident	-	0.08%	-	-	0.03%	0.04%	**0.15%**
Pet Insurance	-	0.06%	0.04%	0.02%	0.05%	0.08%	**0.24%**
Professional Indemnity	-	0.01%	-	-	0.01%	-	**0.02%**
Travel	0.03%	0.22%	0.06%	0.01%	0.18%	13.32%	**0.74%**
Water Loss	-	0.10%	0.03%	–	0.02%	0.07%	**0.22%**
TOTAL	**1.85%**	**37.36%**	**7.46%**	**1.72%**	**22.25%**	**29.35%**	**100.00%**

TOP 3 CATEGORIES PER PRODUCT AND REASONS FOR COMPLAINTS



FORMAL CASES CLOSED PER PRODUCT

	2025	2024
Motor	35.40%	36,59%
Homeowners	27,50%	30,13%
Commercial	12.1%	10,77%
Micro	0%	4.95%
Household Contents	5,1%	6,31%
Non-Claim Related Policy Complaint	2.5%	2,02%
*Other	17.5%	0,03%

*Other refers to insurance cover such as, but not limited to, All Risks, Mobile Devices, Travel, Legal Expenses, Personal Accident, Hospital Plan, Gap Medical, Water Loss, Pets.

STATISTICS PER TOP 25 PARTICIPANTS 2025

	Premature Complaints Opened	Personal Lines Formal Complaints Opened	Commercial Lines Formal Complaints Opened	Total Formal Complaints Opened	Matters converted to Formal from Premature
Standard Insurance Limited	277	749	30	779	259
Absa Insurance Company Limited	337	754	13	767	322
Old Mutual Insure Limited	277	530	104	634	229
Santam Limited	235	436	211	647	211
Guardrisk Insurance Company Limited	262	450	120	570	239
Old Mutual Alternative Risk Transfer (OMART)	266	448	64	512	207
Discovery Insure	159	464	17	481	147
Hollard Insurance Company Limited	190	300	119	419	158
King Price Insurance Company Limited	219	391	27	418	208
Nedgroup Insurance Company Limited	158	391	8	399	140
MiWay Insurance Limited	170	317	32	349	138
Auto & General Insurance Company Limited	180	290	43	333	156
Santam Structured Insurance Limited	176	304	0	304	132
OUTsurance Insurance Company Limited	135	159	44	203	50
Budget Insurance Company Limited	142	230	20	250	116
Dotsure Limited	156	239	16	255	137
Firstrand Short-term Insurance	92	245	6	251	76
Momentum Insure Company Limited	97	221	25	246	91
Centriq Insurance Company Limited	97	176	20	196	76
Bryte Insurance Company Limited	56	130	59	189	50
New National Assurance Company Limited	42	94	37	131	41
Compass Insurance Company Limited	26	24	106	130	28
First for Women Insurance Company Limited	52	107	8	115	45
Legal Expenses	39	85	0	85	32
Vodacom Insurance Company Limited	47	71	0	71	32

"I would like to personally thank you for your professional recommendation and for ensuring that the insured was treated fairly.

Your dedication to fairness and compliance does not go unnoticed, and we truly value your support."

Complainant Testimonial

Total Cases Registered	Premature Complaints Closed	Personal Lines Formal Complaints Closed	Commercial Lines Formal Complaints Closed	Total Formal Complaints Closed	Formal Complaints Finalised with some benefit to the Insured (Resolved in favour of the complainant)	Resolved Ratio
797	17	841	29	870	61	7%
782	23	856	15	871	113	13%
682	44	684	132	816	84	10%
671	34	498	208	706	51	7%
593	37	506	119	625	122	20%
571	51	458	73	531	91	17%
493	21	593	41	634	66	10%
451	30	395	136	531	65	12%
429	8	465	35	500	19	4%
417	14	400	8	408	37	9%
381	34	384	35	419	23	5%
357	36	295	47	342	14	4%
348	40	364	0	364	33	9%
288	63	195	57	252	8	3%
276	27	230	32	262	11	4%
274	18	260	15	275	18	7%
267	13	277	7	284	37	13%
252	9	268	25	293	32	11%
217	24	173	25	198	21	11%
139	6	158	73	231	23	10%
132	2	113	34	147	14	10%
128	0	27	122	149	7	5%
122	6	122	5	127	11	9%
92	6	96	0	96	14	15%
86	17	84	17	101	26	26%

CASE STUDIES

CASE STUDY 1

FINAL RULING AGAINST OLD MUTUAL INSURE - HOUSEHOLD CONTENTS - THEFT CLAIM REJECTED BY INSURER

The complainant was moving to another residence in another province and hired a moving company ("the company") to transport her household contents. The complainant said that many of her items, which were of value, including sentimental value, were not delivered to her and she submitted a claim to her insurer for these items.

When the complainant lodged the claim with the insurer, the following description of the loss was noted:

"Client moved to another town, but the furniture removal company lost and broke some of the items. They delivered the goods and after the client notified them that not all were delivered, they found some of the items."

The insurer rejected the claim on the basis that the loss was not caused by an insured peril. The following clause of the policy was quoted by the insurer in its rejection letter:

"4. CONTENTS SECTION

4.5 Extended covers that form part of the limit of compensation

4.5.2 While moving to a new home (if the type of insurance is Full cover) We cover your contents against loss or damage caused by theft, fire, collision or overturning of the transporting vehicle while you are permanently moving to a new home or while furniture is moved to your private home. This cover is subject to the condition that the move must be undertaken by professional movers."

When the insurer responded to the complaint at our office, it advised that while it remained with its stance as per the rejection letter, it had reconsidered the matter and decided to offer the amount of R10 000, which was the limit of indemnity under the All-Risks section the policy, to settle the claim.

The complainant rejected the offer as she said that this was far less than the value of the items for which she was claiming.

Our office advised the insurer that based on the information provided, it was our view that the peril was a theft, on a balance of probabilities.

The insurer disagreed and maintained that it could not make any further offer as the loss was not a theft, but it was one of missing items. The insurer said that the complainant had not made any allegation of theft and had only described the loss as missing items. This, said the insurer, meant that the items could have been misplaced by the removal company. It stated that it could not pay a claim on the "assumption" that theft was the only cause of the loss.

The complainant informed our office that she had been in constant communication with the removal company from when she realised that the items were not being delivered, and that at a point in time they had stopped communicating with her.

The company delivered the first batch of items and then found another lot of items which they delivered to the complainant.

After the second batch was delivered, there was still a significant number of items not delivered, and the company stopped communicating with her. She then advised the company that she was going to open a case of theft and fraud against it, which she did.

The complainant confirmed the above by providing the WhatsApp texts between her and the moving company. The WhatsApp texts confirmed that no definitive answer was provided by the company to the complainant about her items. It seemed that varying undertakings were made to the complainant to either deliver her items or to provide her with feedback on their whereabouts.

The complainant waited 21 days and after not receiving the items or any substantial feedback from the company, she reported a case of theft and fraud to the police, and a police case number was allocated to her case.

The outcome of the case with the police was "*unfounded*".

The insurer argued that "*unfounded*" meant that no evidence of theft had been found. It further argued that the complainant had initially described the incident as "*lost items*", and while she had later referred to it as theft, "*the intentional deprivation required to trigger theft had not been established.*"

The insurer referred to and relied on case law to support its stance that an inference alone was insufficient to prove theft. Further, the insurer requested that our office reconsider the matter on the following basis:

- *"The absence of a proven theft*
- *The SAPS docket closure*
- *The lack of evidence of intentional deprivation*
- *The precedents that inference alone is insufficient to establish liability."*

The onus lay with the complainant to prove on a balance of probabilities that a theft had occurred.

We had regard to the definition of theft in South Africa. It is defined as:

"The unlawful appropriation of moveable corporeal property belonging to another with the intent to deprive the owner permanently of the property."

We then had regard to the elements of the definition of theft which required a factual enquiry into the merits of the matter.

The evidence was that there were items which were never delivered to the complainant. Once the date on which the items needed to be delivered to the complainant had passed, and no reason was

provided for the failure to deliver them, then they had been unlawfully appropriated, as they were now in the possession of the company without the complainant's permission, especially considering that the complainant had repeatedly requested the return of the items.

While the removal company did not return the items and did not explain the whereabouts of the items, it could be inferred that there was an intention to not return the items. The complainant had opened a case of theft, fraud and malicious damage to property. This demonstrated on a balance of probabilities that she believed that the items were now stolen.

We were also of the view that the fact that the docket was closed with no outcome, or prosecution, did not infer that there had been no theft.

We found, based on all the information at hand that, on a balance of probabilities, the complainant had brought her claim within the cover provided by the policy, and a provisional ruling was issued to this effect and the insurer was requested to settle the claim.

The insurer disagreed with the provisional ruling on the basis that the policy did not cover *"unexplained disappearance"*. Further, it argued that the complainant initially described the incident as *"lost items, and only later reframed the matter as theft. This retrospective recharacterization does not alter the original nature of the loss, which was not accompanied by any direct evidence of criminal intent or unlawful appropriation."*

The insurer made the following further submissions:

"International ombud bodies, including the UK Financial Ombudsman Service and AFCA, have consistently held that closed police investigations without findings of criminal conduct weaken the theft claim and support the insurer's right to reject based on policy terms.

Intentional Deprivation Not Proven

The definition of theft under South African law requires: "The unlawful appropriation of moveable corporeal property belonging to another with the intent to deprive the owner permanently of the property."

While the complainant's items were not delivered, there is no evidence of intent to deprive. The moving company's conduct may reflect negligence or logistical failure, but not necessarily theft. The fact that some items were later recovered and others were damaged further supports a non-criminal explanation.

Omission of International Precedent

We respectfully note that the Provisional Ruling does not address or justify the exclusion of relevant international case law and ombud rulings, despite their clear relevance to the interpretation of theft in transit disputes. These rulings are not binding but are highly persuasive, especially where they reinforce the principle that inference alone is insufficient to establish liability under an insurance contract.

We submit that any deviation from these precedents requires an explanation, particularly where the facts and legal principles are materially aligned."

Regarding the rulings of international ombuds and the case law referred to by the insurer, we responded that each case is dealt with and determined on its own set of facts. As a result, even prior decisions by our office do not form precedent. While a particular approach or principle may apply generally on some matters, each matter is dealt with on its own set of facts, also referred to as its own merits. The enquiry in this complaint is based on the facts and we emphasised that the reliance on case law must be on the basis of the same set of facts.

Whether or not there was a theft is a matter of fact and therefore the facts of each case will determine whether it can be reasonably concluded that there was a theft.

Our decision was based on a balance of probabilities in relation to the facts of the case.

With regard to the element of intent, we found that even if some of the items were returned in a second delivery, it did not prove intent on the part of the moving company to return all the complainant's items. It also did not remove any intent on its part to deprive the complainant of the other items. We found that this was not simply a failure in terms of the contract to deliver the items.

A period of 4 months had passed since the loss and by the time the complainant had approached our office, the complainant had still not received the balance of her items, despite sending several requests to the company. In any event, the non-delivery may have been the very manner in which the theft had been committed. It did not follow that the non-delivery was not theft; this may have been the modus for the theft.

While we found that the complainant had brought the claim within the ambit of the policy, the onus then shifted to the insurer to prove that it was not theft.

The closure of the theft and fraud docket by the SAPS as "unfounded" did not invalidate the complainant's claim or serve as proof that it was not theft.

We found that the participant had not presented any evidence to disprove the peril of theft.

A Final Ruling was issued on this basis, and the insurer was requested to accept liability for the theft claim.

The insurer agreed with the Final Ruling and advised that it would liaise directly with the complainant to quantify and settle the claim.

Thasnim Dawood

Senior Adjudicator and Member of the Escalation Committee

Final Ruling issued on behalf of the Escalation Committee of the Non-life Insurance Division of NFO.

CASE STUDY 2

COMMERCIAL INSURANCE DISPUTE - PLANT-HIRE (EXCAVATOR) THEFT CLAIM

The NFO recently considered a complaint in which the complainant challenged the insurer's decision to reject their theft claim under a commercial engineering policy. The complainant ran a plant-hire business in terms of which it leased machinery and equipment for consideration to its clients.

The complainant submitted a claim for the replacement of an excavator that had been stolen from a client's construction site. The insurer appointed an assessor to investigate the claim. The investigation revealed that the insured's client, the hirer of the excavator, had disappeared after the theft and had misrepresented that he was the owner of the site. Further, the complainant had not received a copy of a bank-approved confirmation of the banking details of the hirer prior to entering the lease agreement. Lastly, the site was unrestricted and unfenced.

The insurer elected to decline the claim based on several policy exclusions, namely, theft under false pretences, breach of warranty to do a background check on its client prior to entering the lease, and the excavator was not stored in a fenced-off/access-controlled area.

The complainant argued that the insurer could not rely on the theft under false pretences clause because the hirer had not been arrested nor was he a suspect in the theft case and therefore to state that the hirer had been involved in the theft was merely speculative. The complainant also argued there was no need to obtain the hirer's bank-approved confirmation of banking details as the hirer had paid the full consideration for hiring the excavator upfront and there was no indication that the hirer was not the owner of the site. Further, the excavator was on site at the time of the theft and therefore the requirement for a restricted or access-controlled area did not apply.

The NFO had to consider whether the insurer had established on a balance of probabilities the exclusions it relied on to reject the claim.

The NFO found that the insurer had erred in rejecting the claim on the basis of the restricted and/or access-controlled requirement as the requirement only applied when the insured equipment was not in use. The requirement did not apply in this instance as the theft had occurred whilst it was in use. However, the NFO found that the insurer had discharged the onus of rejecting the claim on the basis of theft under false pretences and breach of warranty to do background checks. A reasonable inference could be drawn from the hirer's conduct that the hirer could have been involved in the theft of the excavator as the hirer had disappeared after the theft and had lied about being the owner of the site. These facts demonstrated on a balance of probabilities that the hirer did not intend to lease but to steal the excavator, and therefore the exclusion applied.

The complainant's argument that the insurer could only rely on the clause if the hirer was arrested and/or deemed a suspect was dismissed, as the matter did not depend on a guilty finding by a criminal court but, rather, turned on a balance of probabilities, which in this instance was tipped against the complainant. Further, the complainant had breached the policy warranty by failing to obtain the hirer's bank-approved confirmation of banking details and had equally failed to obtain proof that the hirer owned the site, therefore breaching their duty to act with due diligence. In the circumstances, the NFO upheld the insurer's rejection of the claim.

This case study demonstrates, particularly for consumers in the business of leasing vehicles and machinery, that the failure to carry out a due diligence as required by the policy may have dire consequences. Consumers are urged to familiarise themselves with their policies and adhere to the terms and conditions in order ensure that their claims are covered.

Koketso Aphane
Legal Intern - Non-life Insurance Division of NFO

CASE STUDY 3

COMMERCIAL INSURANCE DISPUTE – FIRE CLAIM – FAILURE TO PREVENT LOSS AND NON-COMPLIANCE WITH WARRANTY

It can never be emphasised enough that the insurer should be informed of changes in a risk, even where such a change is apparently not caused by the insured. If so informed, the insurer is then afforded the opportunity to reconsider the risk and amend the cover, where appropriate. This is especially so when warranties are breached, or exclusions come into operation due to a change in circumstances. A perfect example would be where the actions of a tenant may be in breach of a warranty contained in the policy. An insured cannot simply sit back and plead that it had no control over the actions of the tenant when a claim arises.

In one such case, the complainant came to this office seeking assistance after the insurer declined a fire-damage claim for a building covered under a commercial insurance policy.

The insured building comprised several shops leased to different tenants for commercial purposes. The claim incident affected Shops 7, 8, 9, and 10. The fire started in Shop 7 due to an overloaded extension cord and spread to other shops as a result of non-approved partitioning used to separate the stores. The claim was denied because the complainant did not take all reasonable steps and precautions to prevent the loss.

In support of the rejection, the insurer referenced the fire investigator's findings, the damage report prepared by the specialist assessor, the South African National Building Regulations (SANS), and the following policy exclusion:

Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses including but not limited to compliance and adherence to laws and regulations which are material to the risk. The insured warrants that all laws, regulations, by-laws and rules that apply to the business or to any other matter for which cover is provided in terms of this policy (irrespective of whether the laws, regulations, by-laws and rules are in force at the date the policy is issued, or are enacted after that date) shall be adhered to at all times. The failure to adhere to any applicable law, regulation, by-law, or rule shall entitle the insurer to reject any claim where such failure is material to the claim.

The investigations found that the fire had started at the wall socket directly below the distribution board to which an overused extension cord running through Shop 7 and Shop 8 was permanently connected.

It was also found that the divisions between the shops in the building were not built according to SANS 10400; in other words, they did not form a fire wall, which requires construction with fire-retardant materials reaching roof height. Additionally, the electrical distribution board and wiring did not comply with SANS 10142, with reports noting poor joints, incorrect cabling, and unprotected entry into draw and plug boxes.

The fire was caused by high electrical resistance from the overloaded extension cord between Shops 7 and 8, which was worsened by poor building practices, resulting in damage to Shops 9 and 10.

In subsequent correspondence with our office, the complainant stated that, before the claim event, they had made numerous unsuccessful attempts to contact the tenant leasing Shop 7 and, as a result, were unable to conduct ongoing compliance inspections. According to the complainant, the appropriate actions, including an eviction process, were taken to regain access to the property. The complainant therefore denies knowledge of the tenant's non-compliant use of the extension cord, which is alleged to have started the fire, or any of the non-compliant practices present on the insured property.

The complainant also referred to the Tenant's Clause in the Clauses and Extensions section of the policy, which stated the following:

Tenant's Clause

The company's liability to the insured shall not be affected by any act or omission on the part of any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform the company as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the company.

According to the complainant, under the above policy wording, the insurer is not entitled to reject liability for the claim because the cause of loss is primarily attributed to the tenant's actions or omissions, of which the complainant had no knowledge.

Regarding the building's failure to comply with SANS regulations, the insurer noted that the complainant is solely responsible for the building's construction and ongoing maintenance. They also noted that any non-compliance would have been obvious before handing over Shop 7 to the tenant. Therefore, the complainant cannot deny knowledge of the building's poor construction or blame this on the tenant. Additionally, while the complainant claims they did not have access to Shop 7, the extension cable used as a permanent fixture between Shop 7 and Shop 8 would have been noticeable if the complainant had fulfilled its ongoing duty to inspect Shop 8.

The insurer concluded that, if the building had been constructed in accordance with SANS 10400, it would not have been possible to run an extension cable between the shops, and damage to Shops 8, 9, and 10 would not have occurred due to the required fire-retardant wall.

Having received both parties' submissions, the NFO had to determine whether the participant's rejection of the claim was justified on a balance of probabilities.

On the information presented by both parties, the NFO found that it remained the complainant's responsibility, as the property owner, to ensure that the property complied with applicable building laws. It follows that a reasonable landlord in similar circumstances would have regularly inspected the stores and ensured that they complied with the relevant regulations.

According to the complainant's later submissions, before the loss occurred, the property was undergoing renovations. Therefore, the complainant should have been reasonably aware of the building's defective construction, including the dangerous manipulation of the electrical system that caused the loss. The Tenant's Clause further requires that the complainant inform the insurer of an increased hazard to allow for the necessary underwriting adjustments.

Based on the information presented, the NFO found that the probabilities favoured the conclusion that the complainant had failed to take the necessary steps to prevent the loss. The insurer had provided sufficient evidence to support its case on a balance of probabilities. The complaint, therefore, could not be upheld.

Nomvelo Kunene
Adjudicator – Non-life Insurance Division of NFO

CASE STUDY 4

HOMEOWNERS' INSURANCE - NON-DISCLOSURE OF PREVIOUS INSURANCE HISTORY

The complainant submitted a claim to the insurer for damage caused to the insured property following a tornado.

During the assessment of the claim, the complainant disclosed to the insurer's appointed assessor that he previously held a contents policy with another insurer between 2006 and 2007, during which he had submitted a fraudulent claim for a stolen ring. That insurer had rejected the claim and subsequently cancelled his policy on the basis of fraud and dishonesty. The current insurer later confirmed the accuracy of this information after obtaining the original cancellation letter from the previous insurer.

When the complainant applied for his current insurance policy, the insurer's agent asked him during the recorded sales call whether he had ever been declined, cancelled, or denied cover, or ever had special conditions imposed on any insurance policy. In response, he answered "No".

The insurer advised that the complainant's previous cancellation for fraud was material to the underwriting of the policy. They advised that they would not have accepted the risk had this information been disclosed, irrespective of how long ago the cancellation had taken place.

The insurer relied on the following policy provision:

"Non-Disclosure

D. General conditions that apply to all policy sections (except Section L(ii)

13. Full and accurate information about the risk

This policy or any part of it may be invalid if you:

- *give us wrong or misleading information about the risk; or*
- *do not give us all relevant information about the risk."*

The complainant contested the rejection of the claim. He argued that the cancellation had taken place nearly 15 years earlier and therefore believed it to be irrelevant. He also asserted that the sales transcript contained irregularities, including wording changes and missing phrases, and further contended that because the insurer had previously approved smaller claims, it must already have satisfied itself with his overall risk profile. Additionally, he claimed that the question posed at sales stage was confusing and overly broad.

The NFO considered these arguments and carefully reviewed the recording of the sales conversation. It found the sales question to be clear, direct, and unambiguous. The question included the word "ever," which required disclosure of all past cancellations, regardless of the elapsed time.

It was further noted that the complainant was fully aware of the cancellation at the time that he purchased the policy and therefore had a duty to disclose it. While the complainant raised concerns about alleged transcript irregularities, it was determined that these issues were immaterial because the audio recording clearly reflected that the question was put to him in a straightforward and clear manner.

The insurer's payment of earlier, lower-value claims did not affect the matter, as those claims had not triggered the same level of validation and the fraud-related information only emerged during the assessment of the current claim.

After considering all the information presented by both parties to the dispute, the NFO concluded that the complainant's non-disclosure was material to and directly affected the insurer's decision to accept the risk. Had the complainant disclosed the previous cancellation, the risk would not have been accepted, and the policy would not have come into force.

As a result, the NFO upheld the insurer's rejection of the claim.

This case reinforces the importance of full transparency when engaging in insurance contracts. Previous insurance history, specifically cancellations relating to fraud, regardless of how long ago they occurred, are generally material to insurers' underwriting decisions.

Policyholders are required to answer sales questions honestly and completely, and even minor perceived transcript discrepancies will not override a clear recorded question and answer. Ultimately, full and accurate disclosure remains central to the principle of good faith and maintaining integrity in the insurance system.

Zuleckha Cara
Adjudicator - Non-life Insurance Division of NFO

"Clearly, there was a high level of experience as well as impartiality/objectivity on the part of the adjudicator. It seemed that the posing of sensitive questions by the adjudicator enabled the process to "turn the corner."

Complainant Testimonial

CASE STUDY 5

HOUSEHOLD CONTENTS INSURANCE - CLAIM DELAYS AND COMPENSATION AWARD

It is a fact that one of the NFO's predecessor schemes, the Ombudsman for Short-Term Insurance ("OSTI"), did not have jurisdiction over purely service-related complaints. We mention this because claim delays would often fall within the ambit of this category, and unless it resulted in some form of financial prejudice to the complainant, there was not much that OSTI could do for complainants when the claim's process was delayed.

This was especially true where the complainant's claim was deemed to be correctly repudiated, or there simply was no valid claim. Rule 17 of the Policyholder Protection Rules, as amended in 2018, provides instructions for the timeframe in which claim decisions and notification thereof have to be made, but it does not provide instructions for the action to be taken if there is non-compliance with this rule by an insurer, leaving a vacuum for remedies available for poor claim's administration resulting in claim delays. This has now changed, and the NFO, in accordance with its governing rules, may intervene where complaints are purely service-related, which includes delays in the claim's process by an insurer.

The following matter dealt with by the NFO illustrates the fact that insurers are advised to invest more resources into their claim's administration process to ensure that claimants receive adequate service and fair treatment when claiming.

The complaint related to damage incurred to the roof of the outbuildings of the insured property following a storm that occurred on 27 November 2024. The complainant subsequently registered a claim with the insurer on 3 December 2024, and on 9 December 2024, the claim was assessed by a service provider appointed by the insurer.

By 13 January 2025, the complainant had not heard anything from the insurer, and she queried the status of her claim. In an email of 19 January 2025, the complainant received confirmation from the insurer that the assessor's report had been received, but that further information was required from him, which they were in the process of obtaining. By 11 March 2025, the complainant again had not heard anything from the insurer regarding her claim, causing her to register a complaint with the FAIS Ombud on 13 March 2025. The FAIS Ombud referred the complaint to the NFO.

While the complaint was with the NFO, the insurer informed that a further desktop assessment, based on the photographs from the first service provider, was undertaken on 28 March 2025, and a rejection letter was issued at the end of March, 4 months after the claim had been initiated. It acknowledged the claim delay and advised that the delay was due to issues experienced with the first appointed assessor. No apology, however, was offered for the delay.

The complainant did not dispute the grounds for the rejection of the claim, but the NFO issued a provisional recommendation in the matter. In the recommendation, it was noted that from December 2024 to April 2025, no constructive feedback was provided by the insurer to the complainant. The assessment report relied on to reject the claim was based on photographs that were taken in December 2024. The new assessor was only appointed on 28 March 2025. In a period of three months, there had been no update to or explanation of the issue to the complainant regarding the service provider.

This amounted to unacceptable behaviour on the part of the insurer and not conduct that can be defined as treating customers fairly. Had this matter been resolved in January 2025, using the same evidence as the assessor had used in March/April, the complainant could have taken other steps to rectify the damage. A recommendation therefore was made for the insurer to pay a compensation award of R3000 to the complainant for its maladministration of the claim.

The insurer responded to the recommendation by refusing to tender an apology for the delay and arguing that the "material inconvenience threshold" had not been met. The matter was then escalated.

The Escalation Committee found that, based on the insurer's own submissions, it was guilty of maladministration, resulting in a delay in finalising the claim. No apology was proffered by the insurer, and, in fact, the insurer attempted to play down the break in service.

During the period of delay, the complainant deemed it less prejudicial to the insurer's validation process if she did not start with repairs, leaving the damaged property vulnerable to further damage. While the complainant had a responsibility to limit her own damages, being left in the dark regarding the claim's validation process, it was reasonable not to want to tamper with or repair the damaged property without the authorisation of the insurer. This led to substantial distress and further rain damage to the already damaged property.

The actions of the insurer were, in the view of the Escalation Committee, also in contravention of the Policyholder Protection Rules, specifically Rule 17.8.6, which requires claimants to be kept adequately informed of the progress of their claim, causes of any delay in the finalisation of a claim, revised timelines, and the insurer's decision in response to the claim.

While the complainant was quantifying the damage incurred due to the delay of the claim, she indicated that she would be satisfied with the R3000 compensation recommended in the provisional recommendation.

This was forwarded to the insurer, who on receipt of the correspondence, agreed to pay R3000 compensation for the claim delay. It therefore was not necessary for the Escalation Committee to issue a ruling on the issue of compensation, and the complaint was closed.

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

CASE STUDY 6

MOTOR VEHICLE INSURANCE – THEFT OF RENTED MOTOR VEHICLE

The complainant sought assistance from the NFO after his claim was rejected by the insurer. The claim pertained to the theft of a motor vehicle that was stolen while it was being rented.

The insurer relied on the following policy exclusions to reject the claim:

"This policy does not cover any loss, damage, liability or injury directly or indirectly arising from any of the following:

1. Contracts

Breach of contract. Your client which you have entered into a rental agreement with, has failed to return the vehicle, thereby breaching the contract."

And:

"Misappropriation, secretion, conversion, dishonesty, fraud or criminal acts

2. Loss or damage caused directly or indirectly by misappropriation, secretion, conversion, infidelity or any dishonest, fraudulent or criminal act on your part, or any other party of interest – your employees or representative, or any person to whom the property has been entrusted other than bailees for hire."

The complainant submitted that the risk vehicle was handed over under a rental agreement with the original return date having been set for 1 February 2025. The vehicle was never returned.

After reviewing both parties' submissions, as well as the policy provisions, the NFO found in favour of the complaint.

The finding was based on the view that the merits of the matter satisfied the elements of theft, a peril covered by the policy.

The rental agreement terminated at the moment that the complainant refused to grant further extensions to the rental period, rendering the continued possession of the vehicle by the complainant's client unlawful.

Further, the trust relationship between the parties ended at the point that the complainant refused to grant any further extensions, and this is also when the contractual nexus between the parties had terminated.

Fairness and equity considerations were invoked as a strict application of the policy exclusion relating to breach of contract and misappropriation would have resulted in an unfair outcome for the complainant. Further, the policy provided cover for theft.

A recommendation therefore was made for the insurer to settle the claim, which the insurer accepted, and the claim was subsequently settled.

Phumzile Rabula

Adjudicator - Non-life Insurance Division of NFO

CASE STUDY 7

MOTOR VEHICLE INSURANCE - CONSEQUENCES OF PROVIDING INACCURATE INFORMATION WHEN SUBMITTING A CLAIM

The complainant submitted a claim for accidental damage to his vehicle that occurred on 17 May 2025. The incident description was captured by the insurer as follows:

"I was pulling the car into the garage and scrapped (sic) my front right against the building."

The insurer appointed an assessor to determine the cause and extent of the damage to the motor vehicle. The insurer also appointed a specialist to validate the loss. The specialist conducted an ANPR Navic check for sightings of the insured vehicle before the alleged incident date.

Evidence obtained through Navic sightings revealed that the claim's information submitted by the complainant was inaccurate. The complainant was attempting to secure approval of pre-existing damage to his vehicle. When the complainant was confronted with this information, he confirmed that he had falsified the date of the incident. The correct date of the incident was between November and December 2024.

The complainant explained that when this damage occurred, he was too busy and did not have time to deal with any insurance assessments. On 17 May 2025, his wife reversed the vehicle into another vehicle damaging the left rear of the vehicle. The complainant decided to lodge a claim for this damage as well as damage that had occurred in November/December 2024. The complainant alleges that this was done for the sake of efficiency.

Following these discrepancies, the insurer elected to cancel the complainant's insurance policy.

When the complainant approached the NFO, he was disputing the insurer's decision to cancel the policy on the basis that he had not provided the inaccurate information with malicious intent. The complainant alleged that the cancellation made it difficult for him to get another insurance policy. Lastly, the complainant requested the NFO to compel the insurer to reverse the cancellation of the policy as he had subsequently provided accurate information pertaining to the claim.

According to the policy wording, the insurer reserved the right to cancel the policy with effect from the reported incident date or the incident date, whichever was the earliest, if the complainant or anyone else acting on his behalf provided false or incomplete information relating to an application for cover or claim.

The insurer was of the view that it had established that the complainant had submitted false information when submitting the claim. Consequently, the insurer had exercised its right to cancel the insurance policy.

The NFO found that the insurer had complied with its obligations in terms of the Policyholders Protection Rules when cancelling the insurance policy. The NFO also found on a balance of probabilities that the claim was correctly rejected, and the policy correctly cancelled in line with the policy terms and conditions.

An insurance policy is a contract that is entered into in good faith by both parties. The principle of good faith obligates an insured to always provide true and correct information. The insurer relies on the information provided by the insured to underwrite the policy and to process claims. It is therefore important to always provide true and complete information to the insurer.

Zwivhuyazwiada Nethanani

Legal Intern - Non-life Insurance Division of NFO

CASE STUDY 8

NON-CLAIM-RELATED COMPLAINT - PREMIUM REFUND DENIED

The complainant approached our office for assistance in obtaining a refund of his premiums from his previous insurer. The complainant cancelled his insurance policy and queried whether he was entitled to a refund of the premiums since he had not claimed in the last five years.

The insurer refused to refund any portion of the complainant's premiums after the policy was cancelled by the complainant.

The NFO reminded the complainant that the basis of the insurance agreement is that the insurer is on cover in terms of the policy in exchange for the payment of the premium.

The benefit that the complainant pays for while the policy is active and paid up is to be able to claim when a sudden and unforeseen insured event occurs. If no insured event occurs over the lifetime of the policy, this does not entitle the complainant to a refund of the premiums paid. The complainant was still covered, and the insurer was still on risk, whether or not a claim was submitted to the insurer.

The NFO also drew the complainant's attention to the policy which did not contain any provisions that catered for a refund of premiums in the event that the policy was cancelled with no claims having been processed during the subsistence of the policy.

The NFO upheld the insurer's decision not to refund any premiums to the complainant.

Abri Venter
Adjudicator - Non-life Insurance Division of NFO

CASE STUDY 9

OTHER TYPES OF INSURANCE COVER - MOBILE DEVICE COVER – THEFT OF A TABLET

The complainant approached our office for assistance following the rejection of his claim for a stolen tablet. The participant rejected the complainant's claim on the basis that the tablet was not blocked after the loss.

The participant relied on the following policy provision to reject the claim:

"8.4 For theft and loss claims, we will need you to give us:

8.4.2 Blacklisting details

In order to blacklist your cell phone at claims stage, it would need to have a sim card inserted and registered with a mobile network. Your claim may be rejected if this is not done."

The complainant submitted that he bought the tablet for his son two years ago when he was two years old. He said that the tablet was snatched from his son through a car window and was primarily used by his son for gaming. The complainant's contention was that the person who assisted him at the store when he purchased the tablet did not advise him to RICA the SIM card. Furthermore, he could not RICA the SIM card with the service provider as there was no SIM card in the tablet.

The participant argued that the policy places a duty on the complainant to RICA the SIM card, failing which a claim for the tablet may be rejected.

When our office requested that the participant address us on the prejudice suffered by the participant due to the tablet not being blocked as well as the materiality of not blocking the device to the loss itself, the participant responded as follows:

"It is further noted that the tablet was used by the client's child and that the client was not advised at the point of sale that it was a requirement for the SIM card/device to be RICA'd. The client has indicated that the device was connected via Wi-Fi, no SIM card was used, and therefore RICA registration was not applicable.

We acknowledge the challenges experienced in meeting the claims requirement of having the SIM card blacklisted. After review, we agree that the rejection reason and clause in the wording are not material to the client's circumstances. Accordingly, we confirm that the claim will be honoured and paid."

The insurer proceeded to settle the claim.

Zanele Makamba
Adjudicator - Non-life Insurance Division of NFO

Non-life Insurance Division

I express my sincere gratitude towards the Office of the Ombudsman and every single person that is employed there. I have been treated with the utmost respect and in a very professional way and (with) fairness. You are a worthy organisation.

Complainant Testimonial

DENISE GABRIELS

LIFE 06

DENISE GABRIELS
LEAD OMBUD: LIFE INSURANCE

GROWTH @ THE LIFE INSURANCE DIVISION: "IT'S A CALLING, NOT A JOB"

By the time a dispute lands on the desk of a financial ombud, the matter is by definition already vexatious, having wound its way via a number of unresolved procedural steps to arrive there. However heated the case may be, resolution specialists can draw on a wealth of experience, while expanding their own life insurance expertise and that of their colleagues too. In this report, Denise observes how considering their role as not a job, but rather a calling, has led these patient professionals to further the growth and sustainability of the division and NFO at large in year two of operations.

2025 – the last year of the first quarter of a new century – to think that some of our newer colleagues were not even born at the start of that era. This milestone reminded me of the African proverb, "It is not taboo to go back and fetch what you forgot", quoted by Judge Margaret Victor in the 2023 Annual Report of the predecessor scheme OLTI, which she pointed out teaches us the importance of taking from the past to build the future. It prompted me to revisit the 2000 OLTI Annual Report, when Judge Jan Steyn was at the helm and the 2015 Annual Report, when Judge Ron McLaren was at the helm.

Indeed, there was much to learn from the informative articles and case studies in these reports, but what struck me most was that both contained rubrics of a phenomenon that plagued us especially this past year – unreasonable complainants, or what Judge Steyn termed "frivolous/vexatious complaints." I touch on this again later.

TRENDS AND ANALYSIS

Detailed statistics for the Life Insurance Division are presented graphically on pages 46 and 47. Note that the 2024 figures on those pages only cover the period from March to December, rather than the full calendar year. What stands out for the year under review are the following:

- 6 701 complaints were registered, an increase of 18.8% compared with the 5 638 registered for the full year in 2024;
- 5 824 cases were finalised, of which 4 631 were formal cases (those requiring investigation) and 1 193 premature (those not previously seen by the insurer and resolved by them on referral) compared with 5 977 in 2024, when 3 943 were formal and 2 034 premature (on a 12-month comparison). Whilst the total number of cases finalised declined by 2.6% compared with the previous year, formal cases increased by 17.4%.
- 27% of complaints finalised were found either wholly or partially in favour of complainants, compared with 25% in the previous year.
- R299 629 812.82 was the total monetary amount awarded to complainants.
- 103 days was the average time taken to finalise a complaint, a significant improvement from the 153 days average turnaround time in 2024.

Funeral benefits remain the product most complained about, accounting for 46.2% of the complaints finalised, followed by life (33.9%) and disability 7.4% - not much different to previous years.

Interestingly, claims declined was the biggest cause of complaint for funeral benefits (50%) and disability benefits (79%) but not for life policies (29%), where poor communication and service accounted for the biggest cause of complaint (40%). Overall, as in previous years, claims declined remained the biggest cause of complaint followed by poor communication and service and lapsing.

RULINGS AGAINST INSURERS

During the year under review, the Life Insurance Division issued four final Rulings against insurers. One of them successfully appealed – see Case Study 5 – and the insurers abided by the three other Rulings (see Case Studies 6, 7 and 8).

APPEALS

In 2025, the Appeal Tribunal considered 29 applications for leave to appeal, of which four were granted. One of those matters was subsequently settled by the parties. Two appeals were decided on the papers and both were upheld, one in favour of the insurer (Case Study 5 mentioned above) and one in favour of the complainant (see Case Study 9). A hearing was held in respect of one of the appeal matters, the outcome of which was delivered in January 2026, dismissing the appeal.

An appeal hearing was also held in a matter which was referred to the Appeal Tribunal after the Gauteng High Court on review set aside a 2023 decision by the Ombudsman for Long-term Insurance not to grant leave to appeal. The appeal was upheld – see Case Study 10.

UNREASONABLE COMPLAINANTS

As mentioned earlier in the report, this is not a new phenomenon, but in the year under review it seems to have intensified, possibly because of increased access to social media and tough economic times. Whilst our Rules do allow us to cease considering a complaint if the complaint is being conducted in an unreasonable manner, this avenue is used as a last resort, and we are unlikely to invoke the Rule without cautioning the complainant.

What is also on the rise is continued pursuit of the complaint in various platforms such as the media, Ombud Council or Parliament and persistence for answers and explanations long after the complaint has run its full course in the office, including the appeal process, sometimes years after conclusion of the matter. Dealing with these complaints and having to answer to the various bodies or media outlets is resource intensive yet not reflected in the statistics.

Invariably, an unreasonable, disgruntled complainant will accuse the staff dealing with their complaint of malice or bias or both. In one such case the appeal judge wrote in his dismissal of the application for leave to appeal: “I would be remiss if I were not to say that there is nothing whatsoever in the record to support the gratuitous attack on the integrity of (the staff members). On the contrary, the record reflects only commendable patience and restraint in dealing with (the complainant) and adjudicating the complaint.”

STAKEHOLDER ENGAGEMENT

Following the Board's agreement on terms of reference for participant liaison forums for the four industries represented in the NFO, letters were sent to all the Life Insurer participants inviting them to nominate a representative on the Participant Liaison Forum for Life Insurers. The first meeting was held in person in July at a venue in Cape Town and the second meeting was held online in October. Both meetings, chaired by the Head Ombud, Reana Steyn, were well attended.

The Lead Ombud and managers also engaged with insurer representatives at the launch of the 2024 Annual Report in June in Johannesburg and at other ad hoc occasions, mostly in connection with a specific complaint or complaint categories. At times we have called meetings with specific insurers to alert them to an issue or potential issue we have picked up and, on the whole, these have led to timeous intervention and reduction in complaints of that type.

Lead Ombuds of the different divisions had regular meetings with the Ombud Council and the Lead Ombuds for Life and Non-life Insurance had biannual meetings with the Insurers Supervision Department of the Financial Sector Conduct Authority.

The Manager Adjudication for the Life Insurance Division, Nceba Sihlali, attended the International Network of Financial Ombud Schemes conference in Queenstown, New Zealand in October.

Various staff members participated in several public relations and corporate social responsibility initiatives of the NFO, including media interviews and press releases contributing to consumer literacy and awareness of the NFO.

STAFF

To fill the vacancies left by the staff who exited in 2024 and to address the very heavy workloads as a result of the increasing number of complaints, especially formal complaints, the following appointments were made:

- Adjudicators: Megan Jacobs and Keneilwe Raphiri in January, Warren Daniels in October and Siyakha Masiye (contract) in December.
- Junior adjudicators: Michaela Ver Hoog and Mihle Mlanjeni.
- Legal interns (contract): Ongama Kakaza and Aqeelah Elmie (who also acts as executive assistant to the Lead Ombud) in February, Kawthar Slamdien and Sisipho Mekuto in August.
- Case Assessor (contract): Theressa Jenkins.
- Case Administrators (contract): Jonathan Khoza, Uadivha Ndambakuwa, Mihlali Mkwaqa, Chloe Josephs.

Angelo Swartz was appointed as ICT consultant in the Shared Services division in September and Phindiwe Fana left the services of the NFO in October.

Nuku van Coller was contracted to perform Quality Assurance for the Life Insurance Division and reports directly to the Head Ombud.

Throughout the year the Human Resources department organised employee well-being initiatives and training sessions for the staff, including a Verbal De-escalation training session and a session on Living our Values facilitated by external consultants. Coaching and other workshops were also provided, and the staff participated in two team-building events and the first birthday celebration of the NFO.

WORD OF GRATITUDE

None of the above achievements would have been possible without the dedication and commitment of all the staff, in the Life Insurance Division and the Shared Services Division. I have first-hand knowledge of the Life Insurance Division, and I have often said that I wish complainants could see not only the effort but the passion with which each and every complaint is dealt with. To us this is more of a calling than a job. Sometimes we drop the ball and do not respond as quickly as the complainant would like, or even we would like, but a complainant is never just a number in our office. To the managers and staff who work long hours and put in untold and unpaid hours over weekends, sometimes only to face criticism from a complainant you could not assist and more demands from the organisation to deliver, THANK YOU, you are seen.

Thank you to the Board, the Head Ombud and my fellow Lead Ombuds for all your support and learnings shared, and sometimes tough conversations.

To our external partners, the service providers, consultants, media and regulators who often work behind the scenes to keep the ball rolling, thank you.

Thank you too to our Participants for your co-operation. It has been said by previous ombuds, we are not adversaries, we are all committed to ensuring fair outcomes for users of financial services and thereby instilling trust and confidence in the industry.

In the words of one of our grateful complainants, and the title of a media campaign we ran during the year, ours is "a good story to tell". We aim to tell an even better story next year.

Denise Gabriels
Lead Ombud: Life Insurance

LIFE
KEY STATISTICS

		2025	2024
	AVERAGE TIME TO CLOSE FORMAL CASES (WEIGHTED AVERAGE OVER TWO SYSTEMS)	103 DAYS	152 DAYS
	FINDINGS IN FAVOUR OF PARTICIPANT	73%	75%
	FINDINGS IN FAVOUR OF COMPLAINANT	27%	25%
	RECOVERED ON BEHALF OF COMPLAINANTS	R299 M	R202 M

CASES OPENED

	2025	2024
Premature Cases Opened	5 020	3 210
Formal Cases Opened	5 371	3 504
Total Cases Opened	**10 391**	**6 714**
Less converted from Premature to Formal	3 690	2 333
Total Registered Cases	**6 701**	**4 381**

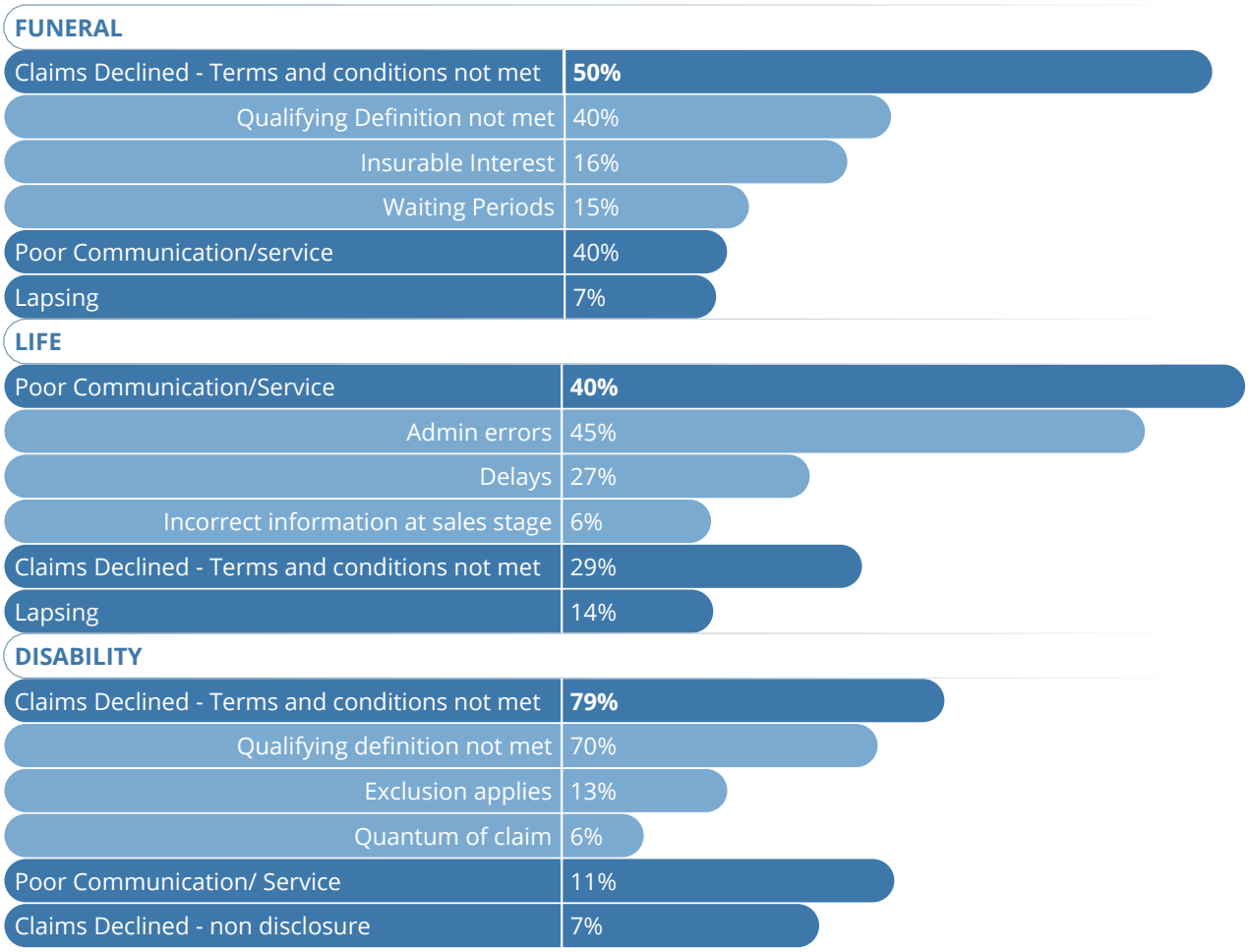
CASES CLOSED

	2025	2024
Premature Cases Closed	1 193	1 268
Formal Cases Closed	4 631	3 870
Total Cases Closed	**5 824**	**5 138**

"I just want to say thank you for your assistance. When I received my money, I could not believe that my almost 2-year-long journey with your office had a good ending. Be assured that your office has a Good Story to tell and that I can now continue with my life."

Complainant Testimonial

TOP 3 CATEGORIES PER PRODUCT AND REASONS FOR COMPLAINTS



FORMAL CASES CLOSED PER PRODUCT

	2025	2024
Funeral	46.23%	45,85%
Life	33.92%	37,56%
Disability	7.43%	4,63%
Health	4.10%	4,18%
Credit Life - Retrenchment	3.22%	3,47%
Credit Life - Life	3.07%	2,32%
Credit Life - Disability	1.43%	1,03%
Credit Life - Dread Disease	0.35%	0,58%
Credit Life - Other	0.13%	0,06%
Other	0.09%	0,06%
Credit Card	0.02%	0%
Personal Loan	0.02%	0%

STATISTICS PER TOP 25 PARTICIPANTS 2025

	Premature Cases Opened	Formal Cases Opened	Converted from premature to formal	Total Cases Registered (formal+Premature less converted)
Old Mutual Life Assurance Company (South Africa) Limited	908	997	674	1231
Liberty Group Limited	387	499	318	568
Centriq Life Insurance Company Limited	415	387	310	492
Hollard Life Assurance Company	247	288	186	349
Sanlam Life Insurance Limited	215	262	153	324
Metropolitan Life Limited	260	242	189	313
ABSA Life Limited	199	239	163	275
Capitec Life Limited	194	179	138	235
First Rand Life Assurance Limited	172	173	115	230
Clientèle Life Assurance Company Limited	181	152	110	223
Discovery Life Limited	107	211	96	222
Sanlam Developing Markets Limited	180	159	122	217
MMI Group Limited	130	188	105	213
Assupol Life Limited	174	145	108	211
1Life Insurance Limited	146	177	126	197
Guardrisk Life Limited	167	110	84	193
Nedgroup Life Assurance Company Limited	103	132	84	151
Emerald Life (Pty) Limited	120	149	125	144
AVBOB Mutual Assurance Society	113	90	63	140
Safrican Insurance Company Limited	111	59	41	129
Old Mutual Alternative Risk Transfer Limited	107	111	90	128
RMA Life Assurance Company Limited	46	47	34	59
OUTsurance Life Insurance Company Limited	47	33	25	55
BrightRock Life Insurance Limited	21	33	16	38
AIG Life South Africa Limited	16	23	16	23

"I would like to thank you and your team for the effort you have put in solving this matter and assisting me during this difficult time. It is heart-warming to know that there are still individuals who will go above and beyond to assist those in need."

Complainant Testimonial

% of total Formal Cases opened	Premature Cases Closed	Formal Cases Closed	Amount of cases found in favour of participant	%Findings in favour of participant	Amount of Cases found in favour of Complainant	%Findings in Favour of Complainant
18,56%	217	830	503	61%	327	39%
9,29%	61	485	363	75%	122	25%
7,21%	95	295	261	88%	34	12%
5,36%	65	276	165	60%	111	40%
4,88%	54	234	183	78%	51	22%
4,51%	54	253	170	67%	83	33%
4,45%	33	240	193	80%	47	20%
3,33%	31	73	60	82%	13	18%
3,22%	49	121	109	90%	12	10%
2,83%	59	110	72	65%	38	35%
3,93%	7	173	151	87%	22	13%
2,96%	58	136	102	75%	34	25%
3,50%	23	175	133	76%	42	24%
2,70%	51	117	84	72%	33	28%
3,30%	18	155	133	86%	22	14%
2,05%	82	105	91	87%	14	13%
2,46%	16	95	79	83%	16	17%
2,77%	2	177	142	80%	35	20%
1,68%	45	78	53	68%	25	32%
1,10%	62	54	30	56%	24	44%
2,07%	16	80	59	74%	21	26%
0,88%	7	30	22	73%	8	27%
0,61%	21	51	48	94%	3	6%
0,61%	3	28	24	86%	4	14%
0,43%	2	28	24	86%	4	14%

FINDINGS IN FAVOUR OF COMPLAINANT VS IN FAVOUR OF PARTICIPANT

	2025	2024
In favour of participant	73%	75%
In favour of complainant	27%	25%

AMOUNTS RECOVERED ON BEHALF OF COMPLAINANTS

	2025	2024
Life Insurance	R299 629 812.82	R202 854 491.24

AVERAGE TIME TO CLOSE CASES - WORKING DAYS

	2025	2024
Life Insurance	103	152

TCF OUTCOMES PER PRODUCT

	Appropriate Advice	Claim/ Switching/ Complaint Processes	Fairness/ Culture	Information/ Disclosure	Product / Service Design	Product Performance and Service Quality	TOTAL
Credit Card	-	0.02%	-	-	-	-	**0.02%**
Credit Life - Disability	-	1.17%	-	0.09%	-	0.17%	**1.43%**
Credit Life - Dread Disease	-	0.30%	-	-	-	0.04%	**0.34%**
Credit Life - Life	0.09%	1.58%	0.02%	0.13%	0.24%	1.01%	**3.07%**
Credit Life - Other	-	0.06%	-	-	-	0.06%	**0.13%**
Credit Life - Retrenchment	0.02%	2.25%	0.04%	0.09%	0.09%	0.73%	**3.22%**
Disability	0.02%	6.07%	0.06%	0.13%	0.09%	1.06%	**7.43%**
Funeral	0.56%	23.17%	2.05%	1.97%	3.33%	15.16%	**46.23%**
Health	0.04%	3.33%	0.04%	0.15%	-	0.54%	**4.10%**
Life	1.10%	9.70%	2.98%	2.27%	4.56%	13.32%	**33.92%**
Other	0.02%	0.02%	-	-	-	0.04%	**0.09%**
Personal Loan	-	0.02%	-	-	-	-	**0.02%**
TOTAL	**1.85%**	**47.69%**	**5.20%**	**4.82%**	**8.29%**	**32.15%**	**100.00%**

LIFE INSURANCE CASE STUDIES

Here follow summaries of selected Appeal Rulings and final Rulings found against Life Insurer participants during the year under review. The case numbering follows on those reported in the 2024 Annual Report.

CASE STUDY 5

APPEAL RULING - INSURER'S CONTRACTUAL INTERPRETATION UPHELD

Background:

Mr G applied for an income protection policy on 1 February 2007, which started on 1 April 2007, providing a monthly benefit of R45 000 with a 7-day waiting period. He chose a 5% compulsory annual premium increase and a 10% voluntary annual benefit increase.

The policy stipulated that once a claim began, benefit increases of 10% per year would apply, limited to the South African CPI. Mr G became ill in July 2007, and his claim was approved, with the first payment made on 22 July 2008.

From 2008 to 2019 the insurer paid Mr G a fixed 10% annual increase. It then claimed that the benefit in payment was meant to be increased at the CPI rate, limited to 10%, and the increase at 10% was due to a system error. The insurer did not seek to recover the overpaid amounts.

An independent legal opinion was obtained addressing both quasi-mutual assent (reliance theory) and the contra proferentem rule as alternative grounds for holding the insurer liable to pay Mr G a 10% annual benefit increase.

Under the reliance theory, the quotation explicitly reflected a 10% benefit increase without any limitation to CPI. This, together with policy references to a 10% increase and the insurer's consistent payment of a 10% annual increase over many years, made it reasonable for Mr G to believe he was entitled to a fixed 10% increase during a claim. Although the insurer argued it intended only CPI-linked increases capped at 10%, an escalation meeting concluded that Mr G was entitled to rely on the insurer's undertaking and impression created over many years.

Alternatively, the meeting found that the policy wording was ambiguous. One sentence promised a 10% annual increase, while the next limited increases to CPI, creating a contradiction that could not be reconciled. Applying the contra proferentem rule, the ambiguity had to be interpreted in favour of Mr G as the non-drafter.

The insurer's conduct in paying a 10% increase for 11 years further supported this interpretation.

The insurer rejected the provisional ruling, arguing that neither quasi-mutual assent nor contra proferentem applied when the policy documents were read as a whole.

Ruling:

The matter was reconsidered at an escalation meeting, which concluded that the insurer had not presented a substantive counter-argument to overturn the provisional ruling. As a result, the provisional ruling was confirmed as the final Ruling, and the insurer was instructed to comply with the Ruling within 10 days.

The insurer applied for leave to appeal, which was granted.

Appeal:

The Appeal Tribunal reconsidered the policy wording relating to "Voluntary Benefit Amount Increases" and the clause dealing with post-claim benefit increases. It accepted the insurer's argument that voluntary benefit amount increases apply only to pre-claim increases in the insured benefit amount, linked to higher premiums, and are distinct from increases to benefits once a claim is in payment.

The Tribunal acknowledged that the contentious clause dealing with post-claim increases was poorly drafted and prima facie ambiguous, as it referred both to a 10% annual increase and a limitation to CPI. However, applying principles of contractual interpretation, it held that the clause could be sensibly construed to mean that post-claim benefits increase annually by CPI, capped at a maximum of 10%.

The Tribunal found that the clause clearly applied to post-claim benefits ("once the benefit payments have started") and that its intended purpose was to protect against inflation without requiring additional premiums. It rejected the application of the contra proferentem rule, holding that the ambiguity was resolvable by considering the policy as a whole and its object.

Although the insurer had paid increases exceeding CPI for 11 years, the Tribunal accepted that these payments were made in error and did not constitute a waiver or representation that the insurer would forgo its right to limit increases to CPI.

Accordingly, the appeal was upheld, the Ombud's determination was set aside, and Mr G's claim was dismissed.

Ganine Bezuidenhoudt
Senior Adjudicator - Life Insurance Division of NFO

CASE STUDY 6

FINAL RULING: FUNERAL CLAIM UPHELD

Background:

The policyholder purchased an insurance policy from Emerald Life (the insurer) and listed Mr X as a "cousin" under the policy. Following Mr X's passing, the policyholder submitted a claim. The insurer declined the claim on the grounds that:

- Mr X was not a first cousin of the policyholder but rather the first cousin of the policyholder's mother.
- There was no insurable interest between the policyholder and Mr X based on the examples of insurable interest provided in PM Nienaber and MFB Reinecke "Life Insurance in South Africa - A perspective from the office of the Ombudsman for Long-term Insurance".

The matter was deliberated at an escalation meeting during which it was noted that the policy terms and conditions do not define 'Cousin' but provide for 'Extended Family' as follows:

Extended Family

This refers to the other family members nominated by the Policyholder to be covered under this Policy and in whom the Policyholder has insurable interest. This will include the Policyholder's additional Spouse(s), married or adult Children, 2 (two) Parents, 2 (two) Parents-in-law and other relatives.

While the insurer submitted that Mr X was not the policyholder's first cousin, the meeting was of the view that the central issue lies in the fact that the policy provides cover for "other relatives". This is a broad category which could accommodate different types of familial relationships.

It was noted that the insurer acknowledged in their report that there was a familial relationship between the policyholder and the deceased, as the policyholder is the cousin of the mother of the deceased. Therefore, the true relationship between the policyholder and the deceased is that of a first cousin once removed, which is an even closer relation than that of a second cousin.

It was clear from the information on file, and confirmed by the submissions of the insurer, that the policyholder's relationship to the deceased was not very distant. Furthermore, the policyholder and the deceased grew up together in the same household and the policyholder contributed towards the funeral, despite not having received the claim payment from the insurer.

The meeting considered the insurer's argument that there was no insurable interest between the deceased and the complainant based on the definition provided by our office and expressed the view that the insurer's understanding of the information provided in PM Nienaber and MFB Reinecke "Life Insurance in South Africa - A perspective from the office of the Ombudsman for Long-term Insurance" was too narrow. The examples referred thereto are merely guidelines but are not limited to those provided. Thus, consideration must be given to the facts and circumstances of each case.

In light of the above, the adjudicators directed the insurer to pay the claim in respect of the R20 000 cover amount. Accordingly, a Recommendation was issued against the insurer to this effect.

Ruling:

The insurer did not raise any objections to the Recommendation, nor did the insurer comply with the Recommendation. In light of the insurer's failure to respond or to comply, the matter was referred back to an escalation meeting.

The meeting again considered all the submissions made by both parties in this matter. The Recommendation against the insurer was confirmed as the final Ruling and the insurer was directed to pay the cover amount of R20 000. The insurer elected to abide by the final Ruling and duly paid the benefit to the policyholder.

Micaela Ver Hoog
Adjudicator - Life Insurance Division of NFO
Nceba Sihlali
Manager: Adjudication - Life Insurance Division of NFO

CASE STUDY 7

FINAL RULING: FUNERAL CLAIM UPHELD, RELIANCE ON ADVICE GIVEN

The policyholder successfully applied for an insurance policy with Metropolitan Life and listed her mother's ex-boyfriend, Mr X, as a "father" under the policy. Following Mr X's passing, the policyholder submitted a claim. The insurer declined the claim on the grounds that:

- There was no insurable interest between the policyholder and Mr X.
- The policy does not provide cover for a godfather.

In declining the claim, the insurer relied on the following contractual provision defining who qualifies to be covered as a parent under the policy:

Parents

You can choose to insure up to four parents, regardless of their gender, under this plan.

Your parents are your:

- *legally recognised parents;*
- *step-parents;*
- *legal guardians; or*
- *parents-in-law.*

The policyholder alleged that she had disclosed to the financial advisor who was a tied agent of Metropolitan at the time of application, that Mr X was her godfather and her mother's boyfriend. The insurer also submitted a statement from the financial advisor confirming that the policyholder had informed him of the true nature of the relationship at the application stage.

The matter was deliberated at an escalation meeting, during which it was noted that the policyholder had disclosed the true nature of her relationship with Mr X, namely, that he was her godfather and her mother's former partner at application stage. This disclosure was corroborated by both financial advisor and the insurer.

While the insurer submitted that the policy does not cover a godfather, the adjudicators were of the view that the central issue lies in the legitimate expectation created by the financial advisor's conduct. Notwithstanding his knowledge of the actual relationship between the policyholder and Mr X, the advisor proceeded to issue the policy and recorded Mr X as the policyholder's father, thereby affording him cover under that category. The policyholder relied on this representation when entering into the contract.

The cover amount was also considered. It was noted that the initial cover amount in respect of Mr X was R20 000, and that the waiting period applicable to this amount had expired on 31 December 2023. Subsequently, the cover amount was increased to R30 000 in February 2024.

In terms of the policy provisions, any amendments to the policy, such as an increase in the cover amount are subject to a new waiting period of six months. Accordingly, the additional R10 000 was subject to this waiting period. As Mr X passed away in March 2024, only one month after the increase, the additional amount remained within the waiting period and was therefore not payable at claims stage.

In light of the above, the adjudicators directed the insurer to pay the claim in respect of the original R20 000 cover amount, as the applicable waiting period had expired on 31 December 2023. Accordingly, a Recommendation was issued against the insurer to this effect.

The insurer responded to the Recommendation by stating that the claim could not be upheld, as the policy contract and accompanying user guide sent to the policyholder after the policy was issued did not provide cover for a godfather. While the insurer acknowledged that the financial advisor had provided the policyholder with inaccurate information at the application stage, it asserted that the policyholder bore the responsibility to verify the policy terms upon receipt. This included reviewing the policy contract and user guide to identify any discrepancies between what was communicated by the advisor and the actual terms and conditions of the policy, and to raise such discrepancies with the insurer. In light of the advisor's conduct, the insurer extended an ex-gratia offer of R2 500 as compensation for poor service for inaccurate information provided by the advisor.

The matter was referred back to an escalation meeting. Considering all the submissions made by both parties in this matter, the meeting noted that the insurer had conceded that their financial advisor had provided inaccurate information at application stage.

Regarding the insurer's defence that the policyholder had a responsibility to check the information on

the user guide and the policy contract which were provided to the policyholder when taking out the policy, the meeting expressed the view that the insurer is bound by what the policyholder was told at application stage. The reason being, that the contract was concluded on the strength of the material misrepresentation made by the advisor that Mr X qualified to be covered under the policy even though he was the policyholder's godfather.

The meeting was of the view that the insurer's contention above would not absolve it from liability. Having materially misrepresented the situation, a heavy burden rested on the insurer to take steps to draw the policyholder's attention to the correct information because, quite simply, in all circumstances the policyholder would have been entitled to assume that the terms of the written contract of insurance submitted to her, accorded substantially with what she had been told. This is a well-known principle of our law of contract – see ***Shepherd v Farrel's Estate Agency*** 1921 TPD 62.

The meeting also held that there is a well-known "rule that a party cannot take advantage of his own default, to loss or injury of another" – ***Scott and Another v Poupard and Another*** 1971(2) SA 373 (A) 378H. On the facts of this case, the meeting was of the view that the insurer was taking advantage of the advisor's material misrepresentation to the loss of the policyholder. Thus, it was the unanimous decision of the meeting that the policyholder's claim in respect of the amount of R20 000 cover be upheld.

The Recommendation against the insurer was confirmed as the final Ruling, and the insurer was directed to pay the cover amount of R20 000. The insurer elected to abide by the final ruling and duly paid the benefit to the policyholder.

Micaela Ver Hoog
Adjudicator - Life Insurance Division of NFO
Nceba Sihlali
Manager: Adjudication - Life Insurance Division of NFO

CASE STUDY 8

FINAL RULING – INSURER'S DEFENCE OF MATERIAL NON-DISCLOSURE UNJUSTIFIED

The complainant, who worked as a medical doctor in a hospital, applied for the policy with Discovery Life in January 2021.

When he lodged a disability claim in 2023, the insurer invoked a defence of material non-disclosure.

According to the insurer, the complainant failed to disclose that he had been consulting a podiatrist for overpronation since the age of 17 and wore orthotics in his shoes to address the problem. The insurer argued that this constituted a 'chronic pain' condition necessitating 'constant pain management' which the complainant had a duty to disclose.

The insurer also relied on the fact that in 2017 the complainant had been diagnosed with Plantar Fasciitis which required a night splint.

To be entitled to rely on a defence of material non-disclosure, the insurer bears the onus of proof.

After considering all the evidence and arguments put forward, we issued a provisional ruling in which we found that the insurer had failed to discharge the onus.

The insurer did not accept our provisional ruling arguing that

> *… it is our submission that the Complainant, being a medical doctor, has particular knowledge of the symptoms he was experiencing when this policy was applied for, and the potential consequences of these symptoms. Given that these consequences have now manifested, it amplifies the risk associated with his condition and has become evident, thereby underscoring the significance of the disclosure of such condition at the time of application …*

However, the insurer cannot rely on information which came to light at claims stage or any other stage after inception of which the complainant had no knowledge and could not reasonably have had knowledge when he applied for the policy. You cannot disclose what you do not know.

Furthermore, whereas the test for material non-disclosure is an objective test, the insurer appeared to be applying a subjective test.

It was also, in our view, inappropriate and unreasonable to refer to the use of orthotics for pronation and their replacement from time to

time in terms of 'chronic pain' and 'constant pain management'. The seriousness of the complainant's condition and treatment was determined by the evidence, not by the insurer's description which inflated the true level of severity which was not fair to the complainant.

The insurer relied on the complainant's answers in the negative to a number of the questions posed at application stage including the following:

Have you ever been diagnosed or treated for fibromyalgia ... or any chronic pain disorders?

In our view, the question, as formulated, would not have prompted a reasonable person to disclose pain in the feet caused by pronation and the use of orthotics to address the problem. The question refers to medical conditions of a more serious nature such as Fibromyalgia. Foot pronation treated with orthotics did not fall into that category.

After careful consideration, we decided in a final Ruling that the insurer had failed to discharge the onus to prove that there had been material non-disclosure at application stage which entitled it to reconstruct the policy from its inception.

The insurer abided by our Ruling and, after assessing the claim based on the original terms of cover, duly paid the claim.

Lisa Shrosbree
Senior Adjudicator - Life Insurance Division of NFO

CASE STUDY 9

APPEAL RULING - NON-DISCLOSURE FINDING OVERTURNED

Background:

Ms A approached the office seeking relief after her income protection claim against Bidvest Life was declined due to alleged non-disclosure at application stage. She was unaware that her broker had completed an online application containing different questions from the physical application she personally completed.

The insurer stated that the policy commenced on 1 September 2022 (accepted on 4 August 2022). During claim assessment, it emerged that Ms A had consulted her gynaecologist in July 2022, shortly before applying for cover, and was diagnosed with elevated uterine artery pressure and prescribed Disprin to reduce pregnancy-related risks. The insurer maintained that, had this information been disclosed, the application would not have been accepted, leading to the policy being voided and the claim declined.

In the provisional ruling, it was confirmed that cover commenced on 4 August 2022 and that the broker was an independent intermediary, not an agent of the insurer. As a result, the insurer was entitled to rely on the electronic application and short medical report, not the physical forms completed by Ms A.

Medical evidence showed elevated uterine artery pressure was identified on 6 July 2022 (before cover commenced), with follow-up confirmation after commencement. Although Ms A argued the condition was not abnormal and that pregnancy-related tests with normal results could be ignored, the application questions required disclosure of all tests or investigations performed or pending, regardless of outcome.

The provisional ruling found that, by not disclosing this information, the insurer was deprived of the opportunity to properly assess the risk. Applying the materiality test under rule 21 of the Policyholder Protection Rules under the Long-term Insurance Act, the insurer's decision to void the policy and decline the claim was upheld.

The provisional ruling was not accepted by the complainant.

The matter was again considered.

Final Ruling:

It was held that the broker who assisted with the insurance application acted as Ms A's agent, not Bidvest's, meaning Bidvest is not legally responsible for the broker's actions and was entitled to rely on the electronic application submitted. The application form constitutes an offer for insurance, and since Bidvest had not seen the paper application when issuing the policy, it could not have accepted it.

Based on the electronic application, at least one medical question was incorrectly answered. Bidvest further argued that material medical information was also not disclosed on the paper application, specifically regarding a gynaecological condition. Ms A's consultation in July 2022 and being advised of elevated uterine pressure, which required monitoring and further investigation, should have been disclosed as potential complications were unknown at the time.

Bidvest was entitled to this medical information to properly assess the risk. Had it been disclosed, the insurer would have deferred the application until after childbirth.

The provisional ruling was confirmed as the final Ruling.

Ms A applied for Leave to Appeal, which was granted.

Appeal Finding:

In its appeal submissions, Bidvest argued that Ms A should reasonably have disclosed details of an antenatal consultation on 6 July 2022, during which elevated uterine artery pressure was identified and Disprin recommended. Given the consultation occurred three weeks before her insurance application, Bidvest contended a reasonable applicant would have appreciated its relevance, particularly in light of Ms A's heightened concern due to a previous pregnancy. Bidvest further argued that elevated uterine artery pressure is a clinically significant indicator of obstetric risk and that recommending Disprin reflected an elevated risk profile.

The Appeal Tribunal examined the medical questions in the electronic application. Regarding the question on conditions requiring prescription medication, the Tribunal found Ms A's negative answer to be correct, as Disprin is an over-the-counter medication, was not prescribed for more than one month, and was merely recommended on an optional basis.

On the question concerning gynaecological conditions or symptoms requiring further investigation or treatment, the Tribunal held that elevated uterine artery pressure is not, in itself, a gynaecological condition or symptom, nor was there expert evidence to support Bidvest's claim. The gynaecologist's feedback indicated no clinically significant diagnosis, no prescription medication, and no ongoing monitoring, supporting the conclusion that Ms A's answer was truthful and not a material non-disclosure.

As to the question on tests or investigations performed, the Tribunal accepted that the Doppler ultrasound was a diagnostic test and that Ms A's negative answer constituted a non-disclosure. However, applying established legal principles, the Tribunal found the non-disclosure was not material. Relying on the Constitutional Court case of ***Swanepoel NO (Executor in the Estate Late Mignon Adelia Steyn) v Profmed Medical Scheme*** 2025 (2) BCLR 205 (CC)), a mere medical examination and a diagnostic medical procedure that resulted in no material diagnosis cannot be classified as a material non-disclosure and that a prudent, reasonable person would not regard it as such.

The Tribunal concluded that Bidvest had failed to prove materiality. Accordingly, the appeal was upheld, and Bidvest was ordered to honour Ms A's claim, with interest.

Ganine Bezuidenhoudt
Senior Adjudicator - Life Insurance Division of NFO

CASE STUDY 10

APPEAL RULING – NON-DISCLOSURE NOT MATERIAL

Background:

The beneficiary contested the repudiation of a life insurance claim relating to the death of the deceased who was insured under a policy marketed by Standard Bank Ltd and underwritten by Liberty Group Ltd. The policy commenced on 1 November 2019, and the insured passed away on 27 June 2021.

The insurer denied the claim on 8 November 2021, citing non-disclosures by the insured regarding basal cell carcinoma and a lung condition. The insurer argued these omissions materially affected their risk assessment whereas the complainant argued that the non-disclosures were insignificant.

The adjudicator in a provisional ruling dismissed the complaint, referring to the test for materiality in Rule 21.2. of the Policyholder Protection Rules which reads as follows:

"The representation or non-disclosure shall be regarded as material if a reasonable, prudent person would consider that the particular information constituting the representation or which was not disclosed, as the case may be, should have been correctly disclosed to the insurer so that the insurer could form its own view as to the effect of such information on the assessment of the relevant risk."

She held that a reasonable prudent person would have disclosed his medical history, including the removal of malignant tumours and his self-reported lung condition.

The decision was upheld in a final Ruling after consideration by another adjudicator. As the insurer had advised that they would not have issued the policy had the non-disclosed information been disclosed, it was entitled to repudiate the policy.

The application for leave to appeal was dismissed by the Ombudsman in July 2023. On 6 June 2025, the High Court set aside the Ombudsman's refusal to grant leave to appeal, allowing the appellant to proceed to the Appeal Tribunal.

Appeal Tribunal Findings:

Following a hearing, the Appeal Tribunal ruled that the insured's basal cell carcinoma was completely excised, posed no threat to his longevity, and did not require disclosure. This aligns with the principle that only material facts affecting risk need to be disclosed (***Swanepoel NO v Profmed Medical Scheme*** 2025 (2) BCLR 205 (CC)).

Medical evidence from 2012 confirmed the insured had no lung disease, and his statements about a "lung problem" were deemed self-diagnosed opinions. The Tribunal found no material non-disclosure regarding this condition.

The Tribunal upheld the appeal, ordering the insurer to pay the policy proceeds with interest from the insured's date of death. The Ombudsman for Long-term Insurance's decision of 30 March 2023 was set aside.

Nceba Sihlali
Manager: Adjudication - Life Insurance Division of NFO

Life Insurance Division

NEROSHA MASETI

"Thank you for your fair and comprehensive recommendation. We sincerely appreciate the time and effort you and the NFO team put into our complaint. We are especially grateful that, through your back-and-forth with the bank, the cause of the problem was finally identified."

Complainant Testimonial

BANKING AND CREDIT 07

NEROSHA MASETI
LEAD OMBUD: BANKING & CREDIT

A PLANNED, HOLISTIC APPROACH TO GROWTH

Both the NFO Banking Division and NFO Credit Division "grew" automatically in the reporting year, by virtue of their merger in July of 2025. Lead Ombud Nerosha Maseti explains the reasoning for this move below. Consolidation aside, the new division grew in several other measurable ways. For example, the year saw marked rises in the number of complaints received from customers of both banks and credit providers alike, with "cases closed" handily outperforming those higher caseloads. This was gratifying to see, as it demonstrated both the greater public visibility of the NFO and an increase in trust in the office's efforts and successes in dispute resolution. Such figures bode well for the sustainability of the new division.

March 2026 marks two years since the establishment of the NFO – a period defined by significant change, resilience, and growth, as clearly reflected in the contents of the NFO's 2025 Annual Report.

In July 2025, the Banking Division amalgamated with the NFO's Credit Division to form the Banking and Credit Division. This merger made strategic sense, as banking and credit functions are closely intertwined, with overlapping complaint types, processes, and stakeholder engagement needs. Bringing the two divisions together has allowed for greater operational efficiency, improved knowledge-sharing, and a more holistic approach to resolving financial disputes.

Since the merger, the Division has not only grown in numbers, but has also strengthened its skills base and expanded its expertise.

As John C. Maxwell aptly states, "Change is inevitable. Growth is optional." Growth has indeed been the consistent theme for the Division over the past year. By embracing change, the Division grew from strength to strength, navigating challenges while continuing to meet its mandate and deliver fair and efficient outcomes for all stakeholders.

BANKING DIVISION

STAFF

The increase in volumes within the Banking Division necessitated the appointment of four additional administrators during the latter part of the year to provide administrative support to the Adjudication Departments. These appointments are expected to enhance operational efficiency and support improved turnaround times.

The Division continued to invest in its people through in-house training, coaching, and study assistance, aimed at strengthening skills and building institutional expertise.

Employee wellbeing remained a key priority in 2025. A range of wellness initiatives, team-building activities, and continued flexible working arrangements were implemented to support staff wellbeing and work-life balance.

In recognition of performance and to support succession planning, three adjudicators were promoted to senior adjudicator roles within the Division, reaffirming the NFO's commitment to professional development and the retention of critical human capital.

OPERATIONAL PERFORMANCE

2025 marked a year in which the Banking Division continued to see a sustained rise in the number of complaints received, and it became increasingly evident that the nature, volume, and complexity of banking matters were changing.

As consumers increasingly embraced digital and mobile banking platforms, criminal activity followed the same trajectory. Throughout the year, the division observed a sustained increase in complaints arising from digital banking fraud, including unauthorised electronic transactions, account takeovers, and sophisticated social engineering schemes.

These matters were financially devastating for consumers and, in many instances, complex and resource-intensive to investigate.

This changing risk landscape was clearly reflected in the division's intake. The total number of registered cases increased from 11 225 in 2024 to 14 685 in 2025. This represents an increase of 3 560 cases, or approximately 31% year-on-year, confirming substantial growth in formal dispute volumes.

In terms of complaint distribution across participating banks, the caseload in 2025 was heavily concentrated among the five largest retail banks.

Despite this significant increase in demand and complexity, the division maintained strong operational performance. Total cases closed increased from 11 535 in 2024 to 14 171 in 2025, representing an increase of 2 636 cases, or approximately 23.0% year-on-year. This demonstrates the division's continued ability to absorb rising volumes while maintaining operational stability.

Operational efficiency remained strong. The average turnaround time for formal cases increased only marginally from 52 working days in 2024 to 56 working days in 2025. Given the increasing proportion of technically complex fraud and digital banking disputes, this remains indicative of a responsive and effective dispute resolution process.

The Banking Division's impact during 2025 extended well beyond the formal disputes closed. Matters are initially recorded as premature in order to afford participating banks an opportunity to resolve complaints directly with consumers before they escalate into formal disputes. This early-intervention process promotes quicker, less adversarial outcomes and reduces both cost and complexity for all parties.

During 2025, this mechanism proved highly effective. In addition to the approximately R53 million recovered for consumers through formal case processes, the office facilitated the recovery of a further R22.3 million for consumers at the premature stage. At this stage, banks apply their internal liability models and, in appropriate cases, make goodwill or commercial settlement offers in order to resolve matters swiftly and pragmatically. This approach reflects a strengthening market conduct culture and highlights the value of cooperation between the Banking Division and participating banks.

If one considers the total number recovered through a formal process and the premature process, the total direct financial benefit secured for consumers during 2025 exceeded R76.8 million, underscoring the meaningful impact of the office's work.

TRENDS ANALYSIS

FRAUD-RELATED

Fraudsters continue to exploit digital platforms and social engineering, while banks face criticism from their customers for fraud monitoring failures, delays in taking action or providing feedback, and lack of transparency.

Although tactics evolve, the objective of fraudsters remains constant: to deceive bank customers into either surrendering confidential access credentials, granting fraudsters entry to their accounts, or being manipulated into authorising the fraudulent payments themselves.

Vishing, Smishing & Phishing remain the most prevalent methods used. Trends we have noted include the following:

- Fraudsters calling bank customers and, posing as bank staff, law enforcement or other officials, convince victims to transfer funds to "safe" accounts or disclose confidential information.

- Increasingly when calls are received the bank's number has been "spoofed" – fraudsters display the bank's actual number, making scams more convincing.
- Bank customers are tricked into downloading malware-laden apps (e.g. in airline ticket scams and reward scams), often via WhatsApp or QR codes which then allow fraudsters access to all apps and information on a victim's device.
- Promises of high returns or earnings from online tasks, followed by demands for payments to access funds.
- Fraud involving card-not-present online transactions authorised by way of OTP or via a trusted device remains common.
- Hijacking and kidnappings – complaints related to forced financial transactions continue to be lodged with the office.

CREDIT-RELATED COMPLAINTS

- We have received an increase in complaints alleging that banks failed to conduct adequate affordability checks.
- Many complainants were misinformed about In Duplum and Prescription principles, with many believing debts prescribe after non-payment or that paying double the loan amount breaches In Duplum.
- Other notable issues include refusal to grant credit and unfair debt collection practices.

BANKING CONDUCT AND SERVICE ISSUES

- There has been a notable increase in complainants expressing dissatisfaction with banks' responsiveness, communication, and support, especially in fraud cases.
- Account Holds & Terminations – accounts frozen or terminated due to alleged fraud, or often linked to FICA compliance, with customers only able to provide evidence after escalating complaints.
- Accounting Errors – incorrect instalment calculations, leading to underpayments and inflated balances.

VEHICLE ASSET FINANCE (VAF)

- Complaints about repossession processes, with allegations of forced surrenders and improper legal procedures.

In many respects, 2025 can be seen as the year in which the Banking Division fully transitioned from managing the legacy challenges of traditional banking complaints to confronting the emerging risks of a digital financial system. The trends observed during the year reinforce the importance of continued collaboration between the office, banks, regulators, and law enforcement to strengthen fraud prevention, enhance consumer education, and ensure that South Africa's banking system remains both innovative and secure.

CHANGES IN BANKING PRACTICE

Several process improvements were accepted and implemented, including:

- The specific bank's customers will now receive push notifications via SMS, email, and in-app messaging upon registration of banking details on a new device. This enhancement meaningfully strengthens the bank's fraud prevention framework.
- The bank agreed to review and implement changes to suspicious fraud messages that are sent to customers following suspicious transaction alerts by the bank's fraud monitoring system to make it clearer to the bank's customers what the reason for the message is and the importance of the message.
- The bank agreed to change its practice in how debts sold to third parties are listed on the credit bureau. The bank's listings will be removed, so only the third party's information remains.

FORMAL RULINGS AGAINST PARTICIPANT

During the course of the year only one formal ruling was issued against a bank. A formal ruling was issued against Standard Bank on 2 October 2025 and Standard Bank agreed to abide by the ruling on 9 October 2025. Please refer to page 70 for details of this ruling.

STAKEHOLDER ENGAGEMENT

Many stakeholder engagements took place throughout the year. These included engagements with the Financial Sector Conduct Authority (FSCA), banking participants on an individual basis and through the Banking Liaison Meetings, as well as with the Banking Association South Africa (BASA).

The Banking and Credit Division has been invited to participate as guest lecturers at the University of Johannesburg in 2026. Senior adjudication staff will contribute to both the Master's programme and the final-year LLB curriculum.

The NFO Banking and Credit Workshop and Awards were held in August 2025, and there was strong participation from industry stakeholders. The event provided a valuable platform for constructive engagement, knowledge-sharing, and discussion on emerging trends, systemic issues, and best practices within the banking and credit sectors. It was also a great opportunity to strengthen relationships and collaboration within the industries.

The Annual Awards recognised excellence and commitment within the banking and credit industry and were very well received.

BANKING KEY STATISTICS

	2025	2024
AVERAGE TIME TO CLOSE FORMAL CASES (WEIGHTED AVERAGE OVER TWO SYSTEMS)	56 DAYS	52 DAYS
FINDINGS IN FAVOUR OF PARTICIPANT	83%	79%
FINDINGS IN FAVOUR OF COMPLAINANT	17%	21%
RECOVERED ON BEHALF OF COMPLAINANTS	R53 M	R33 M

CASES OPENED

	2025	2024
Premature Cases Opened	12 641	9 485
Formal Cases Opened	8 914	5 930
Total Cases Opened	**21 555**	**15 415**
Less converted from Premature to Formal	6 870	4190
Total Registered Cases	**14 685**	**11 225**

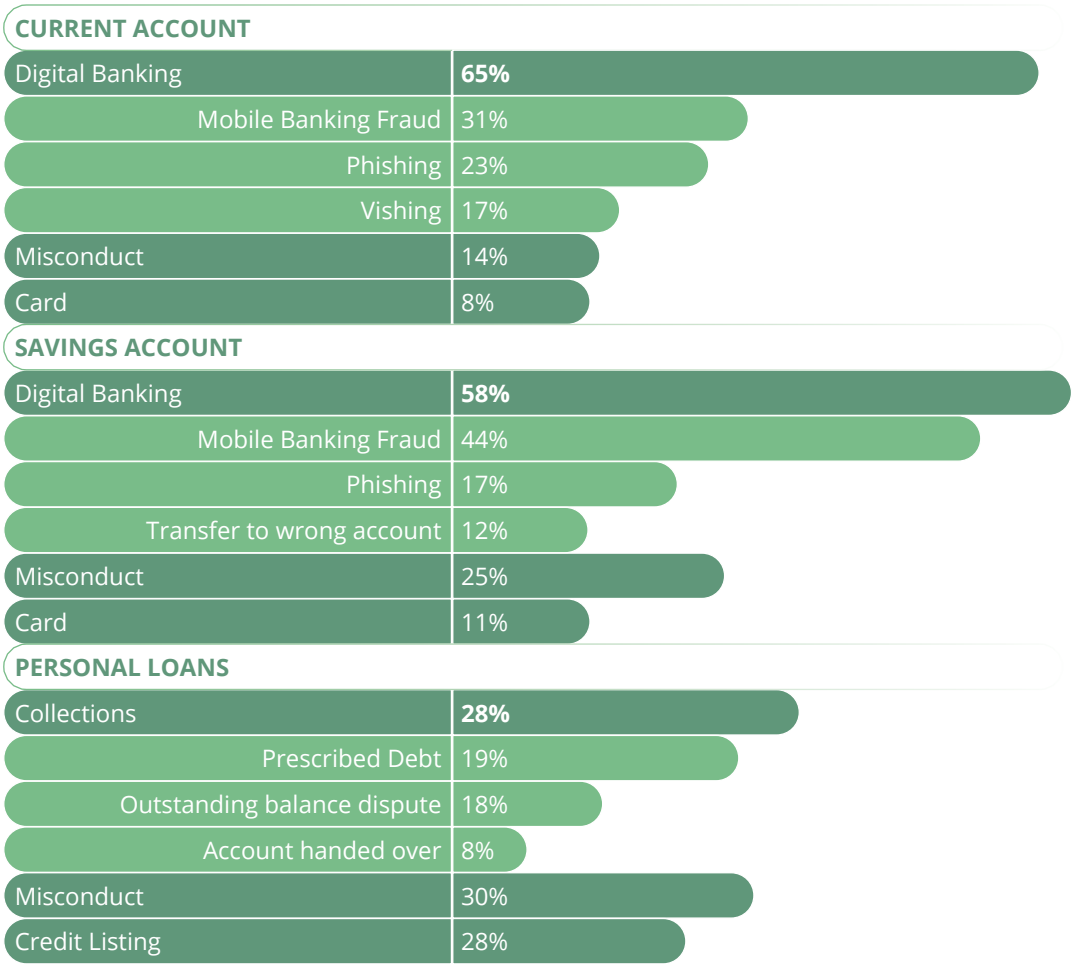
CASES CLOSED

	2025	2024
Premature Cases Closed	5 845	5 439
Formal Cases Closed	8 326	6 096
Total Cases Closed	**14 171**	**11 535**

"To the NFO team that was involved in this; thank you so much for dealing with this matter with such honesty and fairness. This brings such relief on my side as this was a huge threat to my life and future. I am deeply grateful."

Complainant Testimonial

TOP 3 CATEGORIES PER PRODUCT AND REASONS FOR COMPLAINTS



FORMAL CASES CLOSED PER PRODUCT

	2025	2024
Current Account	36.67%	34,37%
Savings Account	16.32%	20,33%
Personal Loan	14.41%	15,99%
Credit Card	10.13%	8,38%
Home Loan	8.09%	7,17%
Vehicle Finance	7.14%	7,19%
Business Transactional Account	3.97%	2,97%
Savings and Investments	1.54%	1,11%
Estates and Trusts	1.24%	2,04%
Business Loan	0.25%	0,12%
Insurance	0.25%	0,30%

STATISTICS PER TOP 25 PARTICIPANTS 2025

	Premature Cases Opened	Formal Cases Opened	Converted from premature to formal	Total Cases Registered (formal+Premature less converted)	% of total formal Cases opened
Standard Bank	2 275	1803	1 103	2975	20,23%
FNB	2 461	1326	1 082	2705	14,88%
Capitec	2 305	1431	1 095	2641	16,05%
Nedbank	2 243	1379	1 140	2482	15,47%
ABSA	1 795	1521	1 082	2234	17,06%
Tyme Bank	500	494	390	604	5,54%
African Bank	515	431	404	542	4,84%
Discovery Bank	331	297	210	418	3,33%
Bidvest Bank	103	107	83	127	1,20%
Postbank	59	41	37	63	0,46%
Investec Bank	44	43	32	55	0,48%
Sasfin Bank	28	14	14	28	0,16%
Access Bank	17	15	12	20	0,17%
Finbond Mutual Bank	12	2	2	12	0,02%
Ithala Limited	11	9	9	11	0,10%
Bank Zero	8	7	5	10	0,08%
Old Mutual Bank	4	0	0	4	0,00%
HBZ bank	2	1	1	2	0,01%
Grindrod Bank	1	1	1	1	0,01%
Ubank	0	2	1	1	0,02%
State Bank of India	1	0	0	1	0,00%
VBS Mutual Bank	1	1	1	1	0,01%
Teba Bank	1	0	0	1	0,00%
Albaraka	1	1	1	1	0,01%
Citibank	0	0	0	0	0,00%
GBS Mutual Bank	0	0	0	0	0,00%
Standard Chartered	0	0	0	0	0,00%

Premature Cases Closed	Formal Cases Closed	Amount of Cases found in favour of participant	%Findings in favour of participant	Amount of Cases found in favour of Complainant	%Findings in Favour of Complainant
1 183	1 525	1 269	83%	256	17%
1 397	1 305	1 173	90%	132	10%
1 095	1 432	1 177	82%	255	18%
1 064	1 251	1 043	83%	208	17%
686	1 338	1 115	83%	223	17%
122	516	416	81%	100	19%
105	438	345	79%	93	21%
131	288	244	85%	44	15%
19	122	83	68%	39	32%
10	32	7	22%	25	78%
10	39	35	90%	4	10%
15	11	8	73%	3	27%
0	8	4	50%	4	50%
8	1	0	0%	1	100%
1	10	10	100%	0	0%
3	5	0	0%	5	100%
0	0	0	0%	0	0%
1	1	1	100%	0	0%
0	3	3	100%	0	0%
0	2	0	0%	2	100%
1	0	0	0%	0	0%
0	1	0	0%	1	100%
0	0	0	0%	0	0%
0	0	0	0%	0	0%
0	0	0	0%	0	0%
0	0	0	0%	0	0%
0	0	0	0%	0	0%

FINDINGS IN FAVOUR OF COMPLAINANT VS IN FAVOUR OF PARTICIPANT

	2025	2024
In favour of participant	83%	79%
In favour of complainant	17%	21%

AMOUNTS RECOVERED ON BEHALF OF COMPLAINANTS

	2025	2024
Banking	R53 002 204,18	R33 380 584

AVERAGE TIME TO CLOSE CASES - WORKING DAYS

	2025	2024
Banking	56	52

TCF OUTCOMES PER PRODUCT

	Appropriate Advice	Claim/ Switching/ Complaint Processes	Fairness/ Culture	Information/ Disclosure	Product / Service Design	Product Performance and Service Quality	TOTAL
Business Loan	-	0.01%	-	0.05%		0.14%	**0.25%**
Business Transactional Account	-	0.04%	0.02%	0.30%		1.97%	**3.97%**
Credit Card	-	0.24%	0.16%	3.20%		2.23%	**10.13%**
Current Account	-	0.65%	0.08%	2.38%		9.01%	**36.67%**
Estates and Trusts	-	0.02%	-	0.04%		1.10%	**1.24%**
Home Loan	-	0.28%	0.71%	2.46%		2.89%	**8.09%**
Insurance	-	0.10%	-	-		0.13%	**0.25%**
Personal Loan	-	0.47%	0.47%	8.78%		2.14%	**14.41%**
Savings Account	-	0.24%	-	0.60%		6.18%	**16.32%**
Savings and Investments	-	-	-	0.04%		0.74%	**1.54%**
Vehicle Finance	-	0.16%	0.62%	2.63%		2.95%	**7.14%**
TOTAL	-	**2.20%**	**0.25%**	**20.47%**	**45.78%**	**29.49%**	**100.00%**

BANKING CASE SUMMARIES

CASE SUMMARY 1

BACK TO THE FUTURE

The complaint related to a Mortgage Loan obtained by the complainant. The complainant approached the bank for a mortgage loan during November 2021 which was approved at an interest rate of 7% per annum and a monthly instalment of R19 081.48, however, the loan agreement was not finalised due to a suspensive condition that was not met. The suspensive condition was ultimately met during 2024. Thereafter, the mortgage loan agreement was finalised and the mortgage bond registered during September 2024.

According to the complainant, he was reassessed and approved for the same interest rate and at the same instalment granted during 2021. The complainant, however, advised that when he subsequently contacted the bank, he was informed that the applicable interest rate was 11.5% and that the monthly instalment was R28 550. The complainant requested that the bank honour their agreement as the increased interest rate and instalment were never communicated him.

The bank submitted that, during 2024, the complainant was made to re-sign the Mortgage Loan Agreement containing the same contractual terms concluded in 2021 but submitted that the Mortgage Loan Agreement was already concluded in 2021 and, considering the fact that the interest rate was variable, the applicable rate in 2024 was 11.25% and not 7%. This was due to the prime lending rate increasing since 2021 and the instalment had therefore also increased to R28 609.82 instead of R19 081.48.

Our office investigated the matter and obtained proof from the complainant that he had queried the applicable interest rate during July 2024, prior to signing the Mortgage Loan Agreement, and that he was informed that the interest rate was still 7%. Upon further inquiry, it was also found that the complainant had never signed the Mortgage Loan Agreement during 2021.

The bank argued that, although the complainant never signed the Mortgage Loan Agreement during 2021, consensus was reached during 2021. Our office challenged the validity of the bank's argument and questioned whether the Mortgage Loan Agreement presented in 2024 should not have reflected the increased interest rate and instalment. Furthermore, whether, based on the bank's argument, the Mortgage Loan Agreement was compliant with the provisions of the National Credit Act, 34 of 2005 ("NCA") in that the Cost of Credit presented in 2021 was no longer valid during 2024. The fact that the complainant queried the applicable interest rate during 2024 and was advised that the rate was still 7% further affirmed the complainant's submission that there was no consensus with regards to the interest rate and instalment being applied by the bank.

In the NFO's view and in terms of contractual law, the Mortgage Loan Agreement might therefore have been void or voidable. However, as the complaint related to a Mortgage Loan and not unsecured debt, placing both parties in the position they would have been had the Mortgage Loan Agreement not been entered into might entail severe consequences.

Following our investigation and submission to the bank, the bank presented the complainant with 2 options:

- To offer him the 7% interest rate, which was prime less 4% at the time of the offer being made, as well as refunding any additional interest charged to the account from inception; or
- To cancel the Mortgage Loan Agreement and refund any attorneys costs as well as charges and fees debited to the account and refund the complainant all payments made towards the account, minus the rental amount the complainant would have paid for a similar property.

The complainant subsequently elected to not cancel the Mortgage Loan Agreement and the interest rate on the Mortgage Loan Agreement was amended accordingly.

PRINCIPLE: A Mortgage Loan agreement requires true consensus and valid disclosure of the cost of credit; if a bank misrepresents or fails to accurately disclose essential terms like interest rate and instalment, the agreement may be void or voidable under contractual law and the National Credit Act. When a bank's conduct falls short of the requirements of the law, it bears the responsibility to take accountability and implement the necessary corrective measures to rectify the situation.

Adriaan du Plooy
Adjudicator - Banking and Credit Division of NFO

CASE SUMMARY 2

BANK REPOSSESSES WITHOUT COURT ORDER

The complainant's vehicle was repossessed by the bank while in the possession of her employed driver. The complainant disputed that the vehicle was voluntarily surrendered and maintained that the repossession occurred without a court order, without a sheriff, and without any signed surrender documentation.

The bank alleged that the driver voluntarily handed the vehicle over. However, during our investigation, the bank was unable to produce any signed voluntary surrender form by the complainant, nor any evidence that it had obtained a court order authorising the repossession of the vehicle. Despite this, the bank proceeded to sell the vehicle on 16 July 2025 for R419 750.

The banking division of the National Financial Ombud Scheme found that, in the absence of a court order or signed voluntary surrender, the bank was in unlawful possession of the vehicle and was not entitled to sell it.

It was also noted that at the time of repossession, the account was significantly in arrears, and the complainant had made only two partial payments since inception of the agreement. While the bank was within its rights to pursue enforcement due to default, it was required to do so through proper legal process, which it failed to follow.

The sale of the vehicle resulted in a shortfall of R387 712.15, which the bank continued to claim payment of from the complainant. It was recommended that, due to its failure to follow due process in uplifting and selling the vehicle, the bank should write off the full shortfall. The bank accepted the recommendation and the write-off effectively cleared the complainant's debt on the account in full.

We considered this write-off to be fair and reasonable, particularly in light of the complainant's extensive arrears and limited repayments while having had use and enjoyment of the vehicle for several months.

PRINCIPLE: A bank may be entitled to enforce a credit agreement when a customer defaults, but it must do so strictly in accordance with legal process. Failure to obtain a court order or valid voluntary surrender before repossessing and selling an asset renders the bank's actions unlawful. In such circumstances the NFO will use its equity and fairness jurisdiction to make an appropriate recommendation on how the dispute should be resolved.

Dhirishka Maharajh-Ramnarayan
Senior Adjudicator - Banking and Credit Division of NFO

CASE SUMMARY 3

SETTING IT RIGHT

The complainant has a home loan account, and payments had been defaulted upon, resulting in an arrears balance owing. The complainant, however, sought to be reimbursed for a "double debit" as the complainant's account was debited two weeks before the scheduled instalment date, in an amount slightly lower than the instalment amount, in spite of the usual instalment being debited on the scheduled instalment date thereafter, in the full amount of the instalment. The previous month's instalment was collected on its scheduled date.

The bank asserted that it is authorised to conclude the double debit based on previous non-payment of the account, and the arrears status. They relied upon a clause in the Terms and Conditions which stated: *In the event that I have insufficient funds to satisfy the amount on the Debit Order Date and/or Changed Debit Order Date, I agree that the Bank may re-present the authority, without prior notification to me, on the following debit order date and/or Changed Debit order date and thereby debit my account up to the maximum amount.*

Our review of the Debit Order Authorisation form indicated that there was indeed an allowance for a debit of double the instalment amount when there are insufficient funds to satisfy the amount on the debit order date. Our office asserted, however, that the double debit which was done was outside of process as instalments for at least three months prior were successfully collected prior to this arbitrary debit.

The debit order was a Non-Authenticated Early Debit Order, which is accompanied by a 32-day credit tracking system where a credit into the account would trigger the presentment of a debit order payment. In this instance, there would have been no need for a trigger to alert as the payments in the previous 3 months were up to date.

It became apparent to our office that the Bank had applied set-off, and that there was no permission granted by the customer to debit the account twice.

Set-off refers to when a bank automatically uses funds from a customer's credit balance in another account, such as a savings account, to settle an overdue debt on another account.

As the account was in arrears, a reimbursement to the complainant would not have benefitted the complainant as it would have increased the outstanding balance, so our office took a decision to award a distress and inconvenience payment of R3 000.

PRINCIPLE: A bank may only debit a customer's account in accordance with the authority granted under the debit order mandate. A debit outside of the agreed process, or without proper authorisation, may amount to an unlawful application of set-off. Even where an account is in arrears, the bank must act strictly within the contractual and regulatory framework, and failure to do so requires accountability and possibly redress for the customer's distress and inconvenience.

Aisha Laher
Adjudicator - Banking and Credit Division of NFO

CASE SUMMARY 4

INTEREST-ING LOGIC

The complaint related to a Loan obtained by the complainant. The complainant advised that they obtained the Loan during June 2018 for an amount of R180 000, which was to be repaid over 72 monthly instalments and the total amount repayable was R435 303.45. The complainant made the submission that he would therefore repay an amount of R255 303.45 over and above the R180 000 and that the *In Duplum* principle states that the total interest and charges may not exceed the capital amount. According to the complainant, they should therefore not be paying more than double the capital amount advanced and the bank was in breach of *In Duplum* and the provisions of the National Credit Act, 34 of 2005 ("NCA"). The complainant requested a refund of all amounts paid towards the account, in excess of double the principal debt.

Our office investigated the matter and found that, the complainant's understanding of the *In Duplum* principle was incorrect. The complainant's understanding was that the amount repayable to the bank, in terms of credit advanced, may never exceed an amount equal to the principal debt. The statutory *In Duplum* principle and/or Section 103(5) of the NCA, however, provides that the total interest and fees that accrue during the time that a consumer is in default under a Credit Agreement may not exceed the unpaid balance of the principal debt as at the time the default occurs. Therefore, central to the definition of the *In Duplum* rule is the element of default. In terms of the National Consumer Tribunal judgment of Coetzee v Nedbank, it was stated that the following factors drive the determination if *In Duplum* has been contravened:

- The date the default occurred;
- The principal debt at the time of default;
- The period of default;
- The charges in terms of section 102(1)(a)-(g), of the NCA, levied over the period of default; and
- The abovementioned amounts do not exceed the principal debt amount in as at time of default.

Simply put, once in default, the amounts allowed in terms of section 102(1)(a)-(g) of the NCA may not exceed the principal debt at the time of default. Once the default is cured, the credit provider may once again continue to charge interest, costs and fees.

PRINCIPLE: The *In Duplum* principle is only applicable once you default on your repayments in terms of a Credit Agreement. It might be that a consumer signs a Credit Agreement, whereby the total amount repayable will exceed the principal debt or credit advanced. In such instance it cannot be argued that *In Duplum* was breached.

Adriaan du Plooy
Adjudicator - Banking and Credit Division of NFO

Banking Division

CASE SUMMARY 5

MAKE SURE BEFORE YOU PAY

The complainant reported that they were the victim of an investment scam after transferring funds under the belief that they were investing with a company X.

Between 15 and 20 February 2023, the complainant made several payments using the mobile banking application. The complainant stated that they were assured they would be able to withdraw their investment within 24 hours, but when this did not occur and company X became unreachable, they realised they had been defrauded.

The bank confirmed that the payments were made voluntarily by the complainant, that sufficient funds were available at the time, and that the complainant had increased their electronic payment limit at the request of the fraudsters. The fraud was only reported to the bank several days after the transactions had been processed. Upon receiving the report, the bank contacted the beneficiary bank to attempt recovery of any remaining funds. However, by the time the matter was reported, the funds had already been withdrawn or utilised, and no meaningful recovery was possible.

In assessing the complaint, this office considered whether the loss suffered arose from any act or omission on the part of the bank amounting to maladministration. It was found that the bank had acted on the complainant's lawful instructions, that the payments were authorised, and that the bank had responded timeously once the fraud was reported. There was no evidence that the bank had been negligent or complicit in the fraudulent scheme.

Accordingly, our office concluded that the complainant's loss did not arise from any maladministration by the bank.

PRINCIPLE: Where a customer voluntarily authorises payments as a result of an investment scam and no maladministration by the bank is established, the bank cannot be held liable for the resulting loss.

Kishendren Pillay
Adjudicator - Banking and Credit Division of NFO

CASE SUMMARY 6

FORMAL RULING AGAINST PARTICIPANT: "STANDARD BANK – MOTOR INDUSTRY OMBUDSMAN RULING"

The complainant purchased a motor vehicle financed through an instalment sale agreement with the bank for an amount of R511 660. Shortly after delivery, she experienced persistent mechanical problems, despite attempted repairs by the dealership; these problems were not resolved.

The complainant and the dealership agreed to cancel the sale, and she returned the vehicle. However, the dealership failed to refund the purchase price and the customer remained liable for the outstanding balance owed to the bank.

After lodging a dispute with the Motor Industry Ombudsman (MIOSA), MIOSA confirmed the cancellation of the sale agreement and ordered that the dealership refund the purchase price, less usage costs in terms of section 20 of the Consumer Protection Act (CPA).

Following this, the dealership requested a settlement amount from the bank. The bank provided the settlement amount to the dealership who paid R470 070.04 into the complainant's vehicle finance account, which the bank treated as a settlement and closed the account. Prior to the payment being made, the complainant disputed the issuing of the settlement amount arguing that she had not requested settlement and provided the bank with the MIOSA ruling. She believed the bank should have engaged with her before closing the account and facilitated resolution with the dealership. Instead, the bank advised her that her dispute was with the dealership and not with them.

The complainant approached the NFO seeking a refund of all instalments paid to the bank, or alternatively that the bank cover her legal costs in recovering funds from the dealership.

From a legal perspective, the NFO noted that under common law and case law, a debt may be validly settled by a third party if payment is made in the debtor's name and for their benefit, even without the debtor's consent. This meant that the dealership's payment was legally effective in extinguishing the debt owed to the bank, and the account closure was technically correct. However, the NFO also considered the broader principles of fairness and equity. The Code of Banking Practice requires banks to prioritise the fair treatment of customers, ensuring that customers can be confident their interests are central to the bank's culture. In this case, the complainant had alerted the bank to the MIOSA ruling before the account

was closed, yet the bank proceeded to accept the dealership's payment and close the account without engaging with her or facilitating resolution.

Other banks consulted by the NFO indicated that they would not have closed the account under such circumstances. Instead, they would have engaged the dealership in respect of the ruling by MIOSA, and required the dealer to repay the full purchase price less usage costs. This approach would have aligned with fair treatment and ensured the complainant received accurate figures and clarity on her liability.

The NFO found that the bank's conduct prioritised its relationship with the dealership over its duty of care to the complainant. By closing the account despite being aware of the MIOSA ruling, the bank acted inconsistently with fair banking practice and failed to protect its customer's interests. While the complainant's claim in terms of the MIOSA ruling for the difference between the settlement amount and the purchase price less fair usage lay against the dealership, the NFO emphasised that the bank had a responsibility to foster trust and act equitably in its dealings with customers.

The NFO initially issued a provisional ruling in which it awarded the complainant R10 000 for distress and inconvenience, noting that she had endured unnecessary hardship as a result of the bank's conduct in closing her account despite being alerted to the MIOSA ruling. The bank subsequently made further submissions, expressing its disagreement with the NFO's position that it had prioritised its relationship with the dealership over its duty of care to the complainant. In its response, the bank also advised the NFO that the dispute between the complainant and the dealership had since been resolved through the National Consumer Commission.

While maintaining its objection to the reasoning, the bank indicated that it would nonetheless accept the provisional ruling should the NFO decide to uphold its original position in light of the new information in order to resolve the dispute.

The complainant confirmed that her dispute with the dealership had been resolved to her satisifaction.

Given that the complainant had already resolved her dispute with the dealership through the National Consumer Commission, the Ombud concluded that no monetary refund could be awarded against the bank. However, recognising the distress and inconvenience caused by the bank's handling of the matter, the NFO ultimately ordered the bank to pay the complainant an amount of R5000 as compensation.

The bank and the complainant accepted the ruling and the dispute was finalised on this basis.

Siyabonga Ledwaba
Senior Adjudicator – Banking and Credit Division of NFO

CREDIT DIVISION

STAFF

Following the amalgamation, the Credit Division's staff complement was adjusted. Five staff members were retained, while the remaining staff were transferred to other divisions within the NFO. The reduction in the staff complement was implemented as a strategic initiative to optimise operational costs, while maintaining the efficiency of the department. The transition for credit staff in respect of the amalgamation was smooth.

In December, we appointed a new Case Administrator to assist the team.

OPERATIONAL PERFORMANCE

2025 was a breakthrough year for the Credit Division. Not only did more consumers turn to us for help, but the impact of our work became even more visible.

During the year, the office registered 3126 complaints, up from 1979 in 2024 – an increase of 58%. Despite the higher number of complaints, the team closed 2854 matters, compared to 2040 the previous year, reflecting a 40% increase in finalised cases. This demonstrates both growing consumer confidence in our office and the division's ability to handle higher volumes efficiently.

Over the past year, 62% of complaints were resolved in favour of consumers, meaning that in more than half of cases, we helped individuals obtain the redress they needed. This is particularly significant given that many consumers in this space are debt-stressed and may not fully understand the implications of the credit they take on. Securing positive outcomes in the majority of cases highlights the Ombud's important role in protecting consumers and promoting fair treatment across the financial sector.

The impact of our work is also evident in the financial relief obtained for consumers. Total amounts recovered increased from R2.36 million in 2024 to R7.47 million in 2025 – more than triple. This shows that more consumers were not only heard, but were also placed back in a better financial position through the office's interventions.

TRENDS ANALYSIS

Complaint analysis during the year highlighted persistent trends across key product categories. Store cards and store accounts remained the most complained-about products, with disputes largely centred on value-added services, reversals of charges, service-related issues, allegations of settled accounts, prescription, and fraud.

Personal loan complaints were primarily driven by prescription-related disputes, allegations of reckless lending, disagreements regarding outstanding balances, and accounts handed over for collection. Complaints relating to contractual interpretation and statements of account also featured prominently.

Telecommunications-related credit disputes continued to reflect challenges concerning contractual terms, allocation of payments, overcharging reversals, issuance of paid-up letters, and failures to update credit bureau records.

Beyond traditional credit disputes, 2025 saw a noticeable increase in fraud-related complaints, particularly involving card-not-present transactions linked to vishing scams and the unauthorised use of card details and one-time passwords. These matters often required more intensive investigation and engagement, reflecting the evolving risks faced by consumers in the credit market.

Engagements with the relevant participants remain ongoing. This trend shows that while traditional credit disputes remain important, fraud, unauthorised transactions, and service-related complaints are increasingly prominent – particularly for store cards and telecom products.

It also reflects the changing risks faced by consumers in the credit market and confirms that the role of the Credit Ombud is evolving – moving from primarily handling contract disputes to increasingly protecting consumers from the very real and growing impact of financial crime.

STAKEHOLDER ENGAGEMENT

During the reporting period, the Credit Division engaged extensively with Participants and key industry stakeholders to address recurring complaint themes and process-related shortcomings identified through case analysis. These engagements focused on improving early-stage complaint resolution, aligning internal processes with the NFO Rules, and reducing unnecessary escalations.

As a result, Participants committed to reviewing and refining internal processes relating to account closures, affordability assessments, complaint escalation mechanisms, and credit bureau reporting.

The data suggests that these engagements contributed to improved responsiveness and greater consistency in complaint handling during the year.

Participant engagement levels remained strong, with all major credit providers continuing their active participation in the Credit Division. This sustained buy-in reflects recognition of the NFO's role in delivering fair, independent, and effective dispute resolution.

WORD OF GRATITUDE

I would like to sincerely thank the Banking and Credit Division for their hard work, passion, and commitment to excellence, which made 2025 yet another successful year. Thank you to the Shared Services Division - your contribution was instrumental in helping us deliver on our mandate.

I am grateful to the NFO Board for their guidance and continued support throughout the year.

I also extend my sincere thanks to Ms Reana Steyn, Head Ombud and Chief Executive Officer of the NFO, for her leadership in navigating the changes and challenges during this period. To my follow Leads, thank you for the support and guidance, it is much appreciated.

Lastly, and certainly not least, I wish to thank our participants in the Banking and Credit Division for their continued support in navigating the transition into the new organisation and unwavering commitment to alternative dispute resolution. "We can change the world and make it a better place. It is in your hands to make a difference." - Nelson Mandela

Nerosha Maseti
Lead Ombud: Banking and Credit Division of NFO

Credit Division

CREDIT KEY STATISTICS

	2025	2024
AVERAGE TIME TO CLOSE FORMAL CASES (WEIGHTED AVERAGE OVER TWO SYSTEMS)	57 DAYS	79 DAYS
FINDINGS IN FAVOUR OF PARTICIPANT	38%	51%
FINDINGS IN FAVOUR OF COMPLAINANT	62%	49%
RECOVERED ON BEHALF OF COMPLAINANTS	R7 M	R2 M

CASES OPENED

	2025	2024
Premature Cases Opened	2 561	1 099
Formal Cases Opened	1 893	1 410
Total Cases Opened	**4 454**	**2 509**
Less converted from Premature to Formal	1 328	530
Total Registered Cases	**3 126**	**1 979**

CASES CLOSED

	2025	2024
Premature Cases Closed	1 078	487
Formal Cases Closed	1 776	1 553
Total Cases Closed	**2 854**	**2 040**

> Good day. I would like to extend my gratitude for your service and assistance. You have helped me on a matter that was beyond my reach. Thank you so much, sincerely.
>
> Complainant Testimonial

TOP 3 CATEGORIES PER PRODUCT AND REASONS FOR COMPLAINTS

Store Card/Account	
Value added Service	**17%**
Reversal - VAS	47%
Service related complaint	19%
Allegations of account settled	5%
Prescription	13%
Fraud	12%
Personal Loans	
Prescription	**27%**
Prescribed Debt	45%
Balance written off	36%
Account handed over	9%
Statement of Account	13%
Contractual Dispute	13%
Telecoms Transactions	
Contractual Dispute	**16%**
Allocation of payment	33%
Agreement terms disputed	22%
Reversal overcharged	11%
Paid up letter	15%
Credit information not updated	13%

FORMAL CASES CLOSED PER PRODUCT

	2025	2024
Store Card/Store Accounts	36.39%	26,55%
Personal Loan	21.32%	8,57%
Telecoms Transaction	18.84%	7,68%
Credit Information	4.89%	11,47%
Furniture Loans	4.61%	3,51%
Vehicle Finance	4.33%	4,03%
Non Bank Credit	3.88%	28.10%
Home Loan	2.02%	2,17%
Micro Loans	1.41%	7,02%
Credit Card	1.18%	1,24%
Current Account	0.45%	0,62%
Short-Term Loans	0.34%	0,52%
Business Transactional Account	0.11%	0,00%
Savings and Investments	0.06%	0,10%
Insurance	0.06%	0,21%
Estates and Trusts	0.06%	0,10%

FINDINGS IN FAVOUR OF COMPLAINANT VS IN FAVOUR OF PARTICIPANT

	2025	2024
In favour of participant	38%	51%
In favour of complainant	62%	49%

AMOUNTS RECOVERED ON BEHALF OF COMPLAINANTS

	2025	2024
Banking	R7 473 666,41	R2 355 840.20

AVERAGE TIME TO CLOSE CASES - WORKING DAYS

	2025	2024
Banking	57	79

TCF OUTCOMES PER PRODUCT

	Appropriate Advice	Claim/ Switching/ Complaint Processes	Fairness/ Culture	Information/ Disclosure	Product / Service Design	Product Performance and Service Quality	TOTAL
Non Bank Credit		0.83%	4.34%	15.50%		5.17%	**28.10%**
Store Card/Store Accounts		0.52%	7.75%	7.64%		8.37%	**26.55%**
Credit Information		-	4.34%	4.65%		2.17%	**11.47%**
Personal Loan		0.83%	2.07%	3.82%		1.45%	**8.57%**
Micro Loans		0.31%	0.52%	3.00%		2.38%	**7.02%**
Telecoms Transaction		-	1.14%	1.96%		1.96%	**5.68%**
Vehicle Finance		0.21%	0.21%	1.65%		0.93%	**4.03%**
Furniture Loans		0.10%	0.83%	1.24%		0.93%	**3.51%**
Home Loan		0.41%	0.10%	0.83%		0.52%	**2.17%**
Credit Card		-	0.31%	0.10%		0.62%	**1.24%**
Current Account		-	-	0.31%		0.21%	**0.62%**
Short-Term Loans		-	0.10%	0.10%		0.31%	**0.52%**
Insurance		0.10%	-	0.10%		-	**0.21%**
Savings Account		-	-	-		-	**0.10%**
Savings and Investments		-	-	-		0.10%	**0.10%**
Estates and Trusts		-	0.10%	-		-	**0.10%**
TOTAL	**0.25%**	**3.31%**	**0.25%**	**40.91%**	**0,30%**	**25.10%**	**100.00%**

STATISTICS PER TOP 25 PARTICIPANTS 2025

	Premature cases Opened	Formal Cases Opened	Converted from premature to formal	Total Cases Registered (Premature+Formal less converted)	% of total Formals opened
RCS	381	338	228	491	18%
Edcon Limited (RCS)	103	104	67	140	5%
Builders	2	1	1	2	0%
Jet	18	10	8	20	1%
Game	44	41	35	50	2%
Quuenspark	2	2	1	3	0%
Makro	13	11	7	17	1%
Mobicred	17	10	7	20	1%
RCS Cards	182	159	102	239	8%
OPCO 365	279	191	145	325	10%
DMC Debt Management (DMC)	268	182	137	313	10%
Real People Group	6	6	5	7	0%
Real People Home Improvement Finance	2	2	2	2	0%
Evolution Finance	3	1	1	3	0%
MTN SP (Pty) Ltd	291	221	150	362	12%
Home Choice Group	146	124	84	186	7%
Homechoice	63	57	34	86	3%
Finchoice	83	67	50	100	4%
Woolworths Financial Services	111	67	42	136	4%
MBD CREDIT SOLUTIONS PTY LTD	142	71	47	166	4%
TFG	150	148	129	169	8%
Foschini	99	96	84	111	5%
Sportscene	8	11	7	12	1%
Sterns	3	3	3	3	0%
Relay Jeans	1	1	1	1	0%
The Fix	2	2	2	2	0%
Total Sports	10	10	9	11	1%
Markham	18	15	14	19	1%
Exact	4	6	5	5	0%
American Swiss	2	2	2	2	0%
(@home	3	2	2	3	0%
Vodacom (Pty) Ltd	163	96	47	212	5%
Bayport Fianancial Sevices 2010 (Pty) Ltd	66	50	41	75	3%
Old Mutual Finance Pty Ltd	54	28	20	62	1%
Cell C Pty Ltd	36	38	31	43	2%
SA Home Loans (Pty) Ltd	42	47	31	58	2%
Truworths Group	58	29	20	67	2%
Truworths	51	27	18	60	1%
Identity	7	2	2	7	0%
Lewis Group	74	45	29	90	2%
Lewis Stores	59	39	26	72	2%
Bears	9	3	2	10	0%
Best Electirc	4	3	1	6	0%
Best Home	2	0	0	2	0%
BMW Financial Services SA (Pty) Ltd	15	18	10	23	1%
Mercedes Benz Finance	17	7	7	17	0%
S A TAXI DEVELOPMENT FINANCE	29	33	25	37	2%
JD Group	35	33	21	47	2%
Bradlows	14	13	10	17	1%
Connect Financial Solutions	7	5	4	8	0%
HI FI Corporation	4	4	1	7	0%
Sleepmasters	2	2	1	3	0%
Rochester	1	2	1	2	0%
Incredible Connection	2	2	1	3	0%
Russels	5	5	3	7	0%
Mr Price Group	37	15	11	41	1%
MR Price Home/Sport/Cellular/Money	35	15	11	39	1%
Sheet street	2	0	0	2	0%
Atlas Finance	37	29	25	41	2%
Wonga Finance SA	25	18	12	31	1%
Sanlam Personal Loans (Pty) Ltd	34	23	17	40	1%
Rainbow Finance	19	22	17	24	1%
Ok Furnisher	13	16	12	17	1%
Rainbow Finance	2	3	3	2	0%
House & Home	4	3	2	5	0%
Pepkor	83	24	22	85	1%
Ackermans	29	7	6	30	0%
Capfin	30	9	9	30	0%
PEP	17	7	6	18	0%
Shoe City	1	0	0	1	0%
Tekkietown	1	0	0	1	0%
Tanacity Financial Services	5	1	1	5	0%
Toyota Financial Services	30	12	10	32	1%
Volkswagen Financial	27	15	13	29	1%

Premature Cases Closed	Formal Cases Closed	Findings in Favour of Participant	% Finding in Favour of participant	Findings in Favour of Complainant	% Finding in Favour of Complainant (overturn ratio)
128	309	81	26%	228	74%
38	120	22	18%	98	82%
1	1	0	0%	1	100%
7	2	0	0%	2	100%
9	23	8	35%	15	65%
1	1	0	0%	1	100%
6	11	3	27%	8	73%
11	14	4	29%	10	71%
55	137	44	32%	93	68%
120	195	86	44%	109	56%
114	187	81	43%	106	57%
4	6	5	83%	1	17%
	2	0	0%	2	100%
2	0	0	0%	0	0%
122	207	49	24%	158	76%
58	105	29	28%	76	72%
29	55	12	22%	43	78%
29	50	17	34%	33	66%
59	64	34	53%	30	47%
82	76	35	46%	41	54%
16	62	28	45%	34	55%
9	30	10	33%	20	67%
1	8	3	38%	5	63%
0	2	1	50%	1	50%
0	1	1	100%	0	0%
0	1	0	0%	1	100%
1	6	2	33%	4	67%
4	10	8	80%	2	20%
0	4	3	75%	1	25%
0	0	0	0%	0	0%
1	0	0	5%	0	0%
99	105	24	23%	81	77%
19	36	28	78%	8	22%
30	34	11	32%	23	68%
9	33	9	27%	24	73%
6	37	31	84%	6	16%
33	25	13	52%	12	48%
29	22	11	50%	11	50%
4	3	2	67%	1	33%
44	42	22	52%	20	48%
33	36	19	53%	17	47%
6	2	0	0%	2	100%
2	4	3	75%	1	25%
3	0	0	0%	0	0%
5	19	17	89%	2	11%
8	6	4	67%	2	33%
3	28	17	61%	11	39%
12	29	16	55%	13	45%
2	12	8	67%	4	33%
3	5	1	20%	4	80%
2	3	1	33%	2	67%
1	1	1	100%	0	0%
0	1	0	0%	1	100%
1	2	2	100%	0	0%
3	5	3	60%	2	40%
24	11	3	27%	8	73%
23	11	3	27%	8	73%
1	0	0	0%	0	0%
4	20	6	30%	14	70%
12	21	5	24%	16	76%
16	19	10	53%	9	47%
5	20	8	40%	12	60%
2	14	6	43%	8	57%
1	2	1	50%	1	50%
2	4	1	25%	3	75%
56	11	6	55%	5	45%
22	5	4	80%	1	20%
20	3	2	67%	1	33%
8	3	0	0%	3	100%
1	0	0	0%	0	0%
1	0	0	0%	0	0%
4	0	0	0%	0	0%
12	10	6	60%	4	40%
15	16	15	94%	1	6%

CREDIT CASE SUMMARIES

CASE STUDY 1

UNLAWFUL RETENTION OF A FINANCED VEHICLE

SUMMARY:

A consumer entered into a vehicle finance agreement and later experienced mechanical failure, resulting in the vehicle being taken to a dealership for repairs. At the time, the account was in arrears. The credit provider refused to release the vehicle unless the arrears were fully settled. The investigation found that there was neither a voluntary surrender under section 127 of the National Credit Act nor a court order authorising repossession. Despite this, the vehicle was effectively retained without legal basis, leading to an escalation of arrears and the consumer withholding further payments due to the dispute. The matter was resolved through a full write-off of the outstanding balance and the removal of all adverse credit information.

LESSON TO BE LEARNT:

Credit providers may not repossess or retain financed goods without following the prescribed legal processes, even where an account is in arrears.

Njabulo Bhembe
Senior Adjudicator - Banking and Credit Division of NFO

"Although my matter is now formally closed, I want to share a final note of appreciation as a gesture of closure. Should you or the NFO ever feel that your work goes unnoticed, please know that this one person is deeply grateful. Your professionalism and persistence have restored more than just a credit profile - they've restored trust."

Complainant Testimonial

CASE STUDY 2

EXCESSIVE EXTENSION OF A CREDIT AGREEMENT TERM

SUMMARY:

A consumer disputed the unilateral extension of a credit agreement by 24 months without consent. The credit provider indicated that the extension was implemented following default, with the intention of recapitalising the account and assisting the consumer in terms of section 120 of the National Credit Act. The investigation found that the arrears were limited to approximately three months and that the consumer was able to maintain ongoing payments. The duration of the extension was found to be disproportionate and unsupported by the level of arrears. The matter was resolved when the credit provider agreed to close the account and issue a paid-up letter.

LESSON TO BE LEARNT:

Any amendment to a credit agreement must be proportionate, reasonable, and clearly linked to the consumer's actual financial position.

Njabulo Bhembe
Senior Adjudicator - Banking and Credit Division of NFO

CASE STUDY 3

FRAUD PREVENTION LISTING WITHOUT SUPPORTING EVIDENCE

SUMMARY:

A consumer challenged a fraud prevention listing arising from an alleged fraudulent loan application. The credit provider indicated that bank statements submitted during the application were verified and later confirmed by the issuing bank to be fraudulent, prompting the listing. During the investigation, the credit provider was unable to produce the underlying documentary evidence or confirmation from the bank to substantiate the listing. In the absence of credible supporting information, the credit provider agreed to remove the fraud prevention listing.

LESSON TO BE LEARNT:

Fraud related listings must be supported by credible and retrievable evidence and cannot be sustained where such information is no longer available.

Njabulo Bhembe
Senior Adjudicator - Banking and Credit Division of NFO

CASE STUDY 4

CONTINUED BILLING AFTER NON-PAYMENT

SUMMARY:

A consumer stopped paying a contractual account due to financial difficulties and later disputed the growing outstanding balance. The credit provider confirmed that monthly billing continued after non-payment and that the account was eventually handed over for collection. The investigation found no reasonable basis for the account to continue billing at full access rates for nearly a year without being classified as in breach, particularly where internal processes indicated that collection action should commence after three months of non-payment. The credit provider agreed to recalculate the account, remove charges incurred beyond the three-month period, and reduce the outstanding balance accordingly. The consumer accepted liability for the adjusted amount and agreed to repay it.

LESSON TO BE LEARNT:

Credit providers must apply their collection and breach processes consistently and timeously to avoid unfair accumulation of charges.

Njabulo Bhembe
Senior Adjudicator - Banking and Credit Division of NFO

CASE SUMMARY 5

SAFPS LISTING FOR ALLEGED FRAUD

The consumer disputed a listing on the fraud prevention database, denying that they applied for a loan using fraudulent documents. The credit provider's investigation confirmed that fraudulent financial documents were submitted, while biometric verification placed the consumer at the point of application. No evidence of identity theft was found to support the consumer's claims. Based on the information available, our investigation was unable to conclude that the consumer did not participate in the application or submission of fraudulent documentation. The listing was found to have been made following due process and in line with fraud prevention requirements. Our investigation found no wrongdoing on the part of the credit provider.

LESSON TO BE LEARNT:

Using false or altered documents when applying for credit is a serious offence that can lead to a fraud listing and long-term harm to your credit record; a criminal conviction is not required, as confirmed fraud alone is sufficient, so consumers should always provide truthful and accurate information when applying for credit.

Sadhia Khan
Adjudicator - Banking and Credit Division of NFO

> Thank you for your assistance and for confirming the resolution of my complaint. I acknowledge receipt of the R1000 refund and appreciate your support throughout the process.
>
> Complainant Testimonial

PRIYA RAJAH

08 COMMUNICATIONS, PUBLIC RELATIONS, MARKETING AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

PRIYA RAJAH
COMMUNICATION AND PUBLIC RELATIONS MANAGER

COMMUNICATIONS: INDISPENSABLE FOR THE PROGRESS & LONGEVITY OF THE NFO

Communications, public relations and marketing are vital tools for most organisations. This is true of the NFO as an impartial national Ombud scheme, and doubly so due to the amalgamation just two years previously - a fairly brief period in which to spread the word. Within the NFO's Values appear the words Accessibility, Openness and Transparency. These must be communicated clearly and efficiently to the target audiences to bolster the NFO's mission itself, along with the supporting facts and figures. An effective communication strategy well executed is key to the growth and sustainability of the NFO - Priya's report spells out the Office's progress in this vital area.

INTRODUCTION

The second year of the National Financial Ombud of South Africa's operations has been shaped and guided with clarity and purpose to advance the organisation from its formative stage into one of growing influence and credibility. Within this context, the Marketing, Communications and Public Relations function experienced a year of strong momentum and growth. Building on the foundation as laid down in our inaugural year, the past reporting period has seen the organisation transition from establishment to consolidation, strengthening visibility, trust, and engagement across both the consumer and the broader financial services ecosystems.

Our communications and marketing efforts have been purpose-driven, focused on ensuring that consumers are aware of their rights and of the NFO as an accessible and credible avenue for dispute resolution. Through consistent messaging, enhanced media engagement and expanding our digital footprint, the NFO brand continued to mature and resonate with consumers.

Through consumer education, financial literacy initiatives, and outreach programmes, the NFO has contributed to empowering individuals and communities with knowledge, awareness, and access. These efforts are guided by the conviction that "An informed consumer is an empowered consumer."

This year marks not only progress in scale and reach, but also a deepening of impact - positioning the NFO as a resilient, consumer-centric institution that continues to serve South Africa with credibility, compassion, and professionalism.

1. MARKETING AND DIGITAL MEDIA

Building on the awareness established in 2024, our focus this year shifted toward deeper education and clarity around consumer rights and financial protection. We introduced a broader mix of informative content, including Did You Know posts, Financial Freedom messaging, practical financial guidance, and clear, explanatory posts that unpack the NFO's services and mandate. This strategic shift marked a turning point in performance.

The results were a resounding success, with engagement, reach, and overall platform performance increasing significantly across the board. Educational and service-led content was strongly received by audiences, reinforcing trust and positioning the NFO as a credible, authoritative voice in the consumer protection and financial fairness space.

The growth in visibility: Facebook achieved 1.25 million impressions (up 845%), LinkedIn generated over 782 000 impressions (up 138%), and X reached nearly 5.49 million impressions (up 306.48%) compared to 2024.

This content-driven approach enabled us to connect more effectively with our core target market, particularly consumers aged 25–54, who showed higher engagement and interaction levels throughout the year compared to the previous year.

Overall, the strategy has proven highly effective and it lays a solid foundation for continued growth. The results achieved are not an endpoint, but the beginning of an even stronger phase of impact and engagement in the years ahead.

WEBSITE AND GOOGLE

The National Financial Ombud website recorded exceptional growth in 2025 compared to 2024. Total sessions increased to 892 328 (+182%), while users grew to 780 863 (+236%) and page views more than doubled to 1.35 million (+118%), reflecting significantly higher visibility and demand for services.

The addition of the YouTube campaign significantly bolstered the NFO's visibility with a total of 303 224 views at a cost per view of only R0.02 representing exceptional value. The view rate on videos averaged over 50% showing meaningful engagement with the content and accurate targeting and placement.

Overall, the results highlight a year of accelerated digital growth and increased public interaction with the brand.

2. MEDIA AND PUBLIC RELATIONS

During the 2025 reporting year, the NFO delivered a strong and measurable media performance, reflecting growing visibility, credibility, and relevance across South Africa's media landscape. An impressive 19 press releases were published during this reporting period, generating an AVE of R47 367 103, with an outstanding readership and listenership across the print, broadcast, and online platforms.

Collectively, media coverage achieved an estimated circulation of 1 617 418 065 across print, broadcast, and digital distribution channels resulting in outstanding listenership and readership. Overall media clip count increased by 363 mentions representing a 52% growth compared to 2024. This significant uplift underscores heightened media engagement and sustained interest in the organisation's work and consumer-focused mandate.

Top performing print coverage was achieved through Huisgenoot, Business Report (The Star) and JSE publications. Broadcast performance was particularly strong on Lesedi FM, SAFM and RSG, while online visibility was reinforced through consistent coverage on News24, IOL, and The Mercury. Notably, local, and rural newspapers accounted for 40% of total print coverage in 2025, followed by 28% from daily newspapers, highlighting the organisation's reach into diverse and underserved communities.

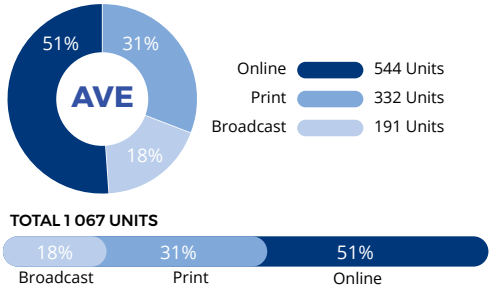
We are deeply appreciative of the media fraternity for their continued support, collaboration, and commitment to responsible reporting. They play a pivotal role in shaping meaningful conversations and advancing the shared goal of educating and empowering South African consumers through factual, accessible, and impactful information.

ADVERTISING VALUE EQUIVALENT (AVE) JAN TO DEC 2025

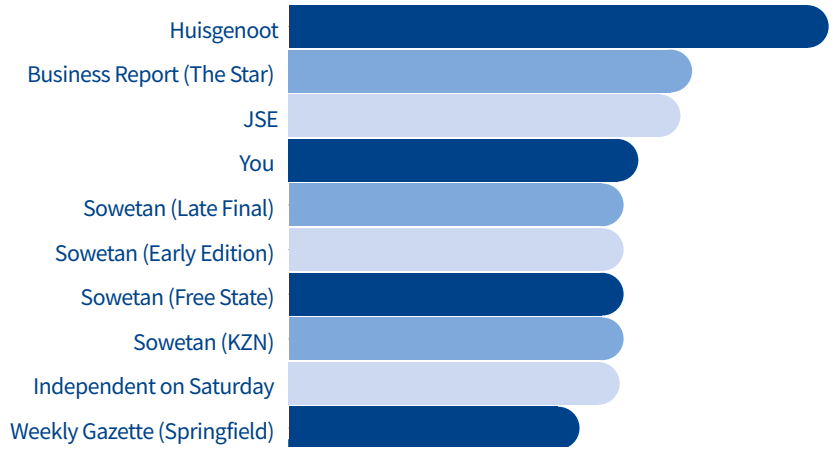
1 Jan - 31 Dec 2025

	AVE	Percentage
Print	R8 718 924	18%
Broadcast	R19 984 893	42%
Online	R18 663 286	40%
Total	**R47 367 103**	**100%**

Total combined Clip Count/Mentions/Stories

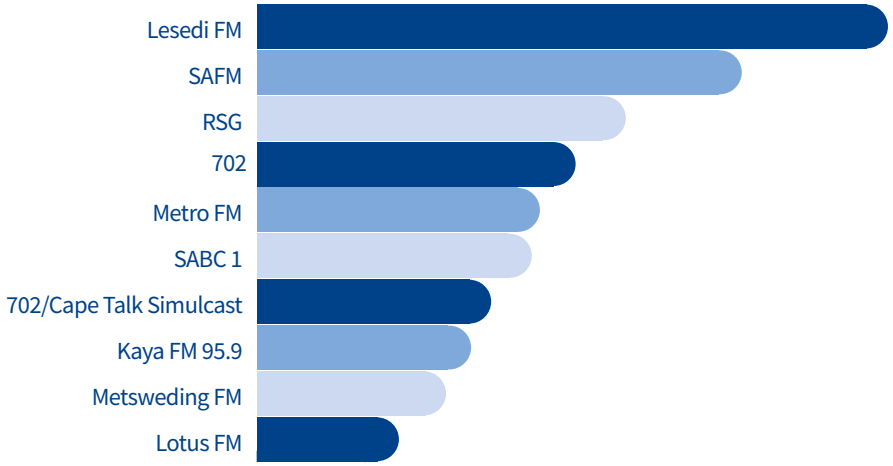


Top Print Publications: 1 Jan - 31 Dec 2025



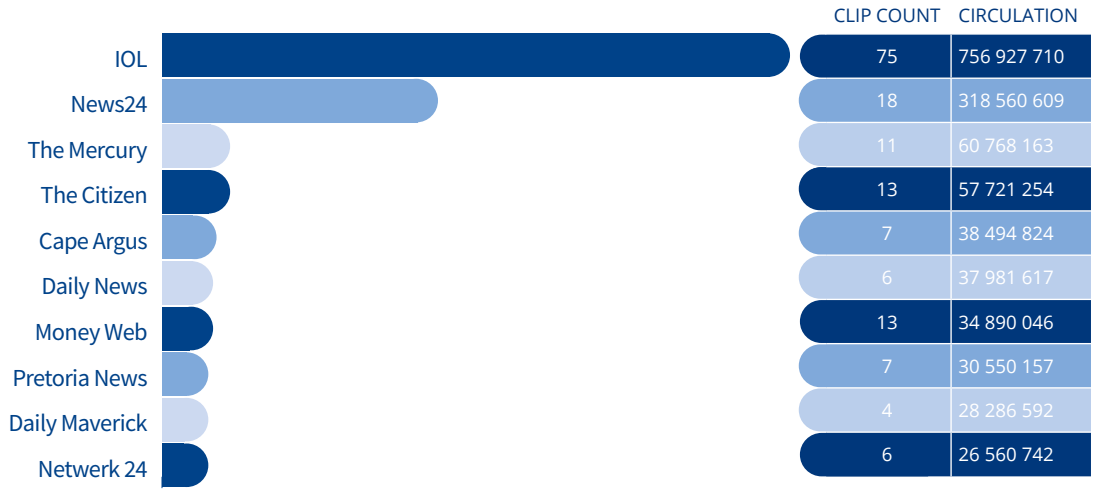
	CLIP COUNT	CIRCULATION
Huisgenoot	3	206 269
Business Report (The Star)	8	152 151
JSE	1	147 566
You	4	130 947
Sowetan (Late Final)	7	124 438
Sowetan (Early Edition)	7	124 438
Sowetan (Free State)	7	124 438
Sowetan (KZN)	7	124 438
Independent on Saturday	12	123 108
Weekly Gazette (Springfield)	2	106 960

Top Radio Stations: 1 Jan - 31 Dec 2025



	CLIP COUNT	CIRCULATION
Lesedi FM	3	11 328 000
SAFM	15	8 565 000
RSG	5	6 425 000
702	8	5 504 000
Metro FM	1	4 839 000
SABC 1	18	4 676 451
702/Cape Talk Simulcast	5	3 955 000
Kaya FM 95.9	5	3 545 000
Metsweding FM	1	3 122 000
Lotus FM	9	2 241 000

Top Websites: 1 Jan - 31 Dec 2025



3. COMMUNICATION AND STRATEGIC STAKEHOLDER MANAGEMENT

This past year has marked a significant step forward in growing and embedding our communications and strategic stakeholder management, with deliberate efforts focused on deepening relationships, expanding reach, and enhancing meaningful engagement with consumers and our stakeholders. Through a targeted and coordinated approach, the NFO successfully built trust-based relationships that reinforced its role as an accessible, consumer-centric ombud. We recognise and thank those institutions who have played their part in our journey: the National Treasury, FSCA, Ombud Council, BASA, Government bodies and other Ombud schemes.

A key area of progress was the expansion of our footprint into new regions and provinces, enabling greater visibility and accessibility across South Africa. Emphasis was placed on reaching underserved and vulnerable communities through the launch of a dedicated rural campaign, designed to address information gaps and improve access to consumer education and financial literacy. This strategy prioritised communities with limited access to formal financial education and dispute resolution mechanisms. To support this objective, the NFO activated a comprehensive outreach programme incorporating radio campaigns, podcasts, interviews, and targeted social media messaging to outlying and rural areas nationwide. These initiatives ensured that information was delivered in an inclusive, relatable, and culturally responsive manner.

Over the reporting period we successfully concluded 90 outreach events, engaging more than 10 000 consumers through targeted awareness campaigns, literacy initiatives, and education workshops.

By prioritising accessibility, partnerships, and community-level engagement, the NFO continues to make meaningful inroads in bridging knowledge gaps, strengthening consumer confidence and advancing financial inclusion across the country.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a registered non-profit organisation, Corporate Social Responsibility (CSR) forms an important part of our annual strategy to deliver operational impact. During the 2025 fiscal year, our CSR programme was deliberately formulated to deliver measurable, sustainable outcomes for vulnerable communities, with a strong emphasis on children, community care institutions, and long-term wellbeing.

We provided structured support to existing beneficiary charities while expanding its CSR footprint through the onboarding of three new community-based charities. This expansion reflects a strategic approach to scaling impact responsibly while maintaining depth and quality of engagement.

Our CSR contributions extended beyond financial aid to include direct community engagement, with

staff dedicating time to on-site support, needs assessments, and relationship building within beneficiary communities. Support interventions were designed to address year-long sustainability requirements, including essential supplies, food security, and resources aligned to children's daily care and development.

Partnerships played a critical role in amplifying impact. During the year, we actively collaborated with external partners and donors who aligned with our mission and values. These partnerships enhanced the scale and reach of our CSR initiatives, particularly in the provision of meals, essential goods, and ongoing care support.

Through these efforts, the NFO demonstrates a clear commitment to measurable social impact, responsible stewardship of resources, and meaningful contribution to community development. Our CSR activities are aligned with broader national priorities on social protection and child welfare, reinforcing our role as a purpose-driven NPO that delivers value beyond its core operational mandate.

CSR CHARITIES, PARTNERS & SPONSORS

Supported Charities

With the combined generosity of our staff and partners, the NFO contributed in excess of R100 000, to the following charities:

- Givers Gift – Orphanage in Roodepoort, Gauteng.
- Word In Motion – Feeding Scheme for Children in Diep Sloot, Johannesburg.
- The Safe House – a centre for abused women and children in the Western Cape.
- The Bridge – an orphanage for children in the Western Cape.
- Bonginkosi Edu-care House – a pre-school in the Western Cape.
- Where Rainbows Meet – Training and Development Foundation in the Western Cape.
- Marilyn Franklin Foundation – Community Feeding Scheme for the less fortunate in Eldorado Park, Johannesburg.

Contributions

Gratefully received contributions and valuable support from:

- NFO Staff,
- Oryx Energies,
- Black Ignition, and
- Pick n Pay.

Looking ahead, we are committed to significantly enhancing our focus on community outreach and empowering communities through our financial inclusion initiatives. Our initiatives will include a variety of meaningful, non-monetary strategies designed to make a lasting impact.

5. OUR DEEPEST APPRECIATION

As we close this reporting year, we do so with a deep sense of gratitude and pride. The progress we have made and the milestones we have achieved were not the result of isolated efforts, but of a collective commitment to excellence, integrity, and service. Our ability to deliver on our strategic goals has been met - by a shared belief in our purpose and a unified approach to execution.

We extend our sincere appreciation to our employees and Leadership Team, who assisted on numerous fronts and often on short notice to help deliver on our outreach and media campaigns.

We are deeply grateful to our leader and mentor Reana for steering the NFO, her unwavering commitment to employee wellbeing and upliftment.

We are equally grateful to our stakeholders, partners, regulators, and the broader ecosystem in which we operate. Your continued support, collaboration, and confidence in our mandate have been invaluable.

As we look ahead, we remain focused on advancing our strategic priorities with the same spirit of inclusivity and purpose that has defined the past year.

"Winning is never about individual success; it is about bringing people together around a shared purpose and ensuring that everyone is part of the journey forward."

Priya Rajah
Communication and Public Relations Manager

NFO CAPE TOWN & NFO JOHANNESBURG INITIATIVES AND CELEBRATIONS

Shared Services celebrating the 1st anniversary of the NFO.

The Credit Division Team at 1st anniversary celebrations.

NFO Inaugural Report Launch - guests at the Houghton Hotel.

Haroon Laher NFO Chairperson, presiding at the inaugural Report launch.

Avitha Nofal (Ombud Council), Leanne Jackson (Ombud Council), Reana Steyn (NFO), & John Simpson (FAIS Ombud).

The NFO Team at the inaugural Report launch in Houghton.

University Career Day, represented by NFO's Janine Jacobs.

Heritage Day event with the NFO Cape Town Team.

Heritage Day, JHB Staff celebrations.

NFO at the Student Consumer Education Workshop.

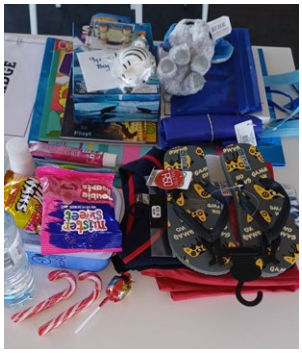
"Please be advised that funds are in my account. Thank you for your assistance in this matter. Really appreciate your help. Keep well and hope you can help other people who have nowhere else to go with such complaints."

Complainant Testimonial

Amulaleni Maringa of the NFO with Stellenbosch Law Clinic students.

Deliveries at Word in Motion Feeding Scheme for Children, Diepsloot, JHB.

Delivery by Kathy Heath to the Safe House Centre for Abused Women & Children, Western Cape.



Donations at the Bridge Orphanage for Children, Western Cape.

NFO Cape Town staff drop-off at the Bonginkos Educare Centre.

Youth Day celebrations with Seriti Institute Mentorship Programme.

NFO JHB Staff at Givers Gift orphanage in Roodepoort - Mandela Day.

NFO Banking Division at the Annual Banking Law Update at UJ, October 2025.

NFO at the Student Consumer Education Workshop.

Kwanda Vabaza of the NFO Credit Division presenting at the DCASA Annual Awards.

At the Debt Counsellors Industry event: Johan Bouwer, Nerosha Maseti, Priya Rajah & Amukelani Maringa.

NFO Cape Town Staff at Where Rainbows Meet Foundation, Western Cape, on Mandela Day.

NFO JHB Team at the Marylin Franklin Foundation Community Feeding Scheme, Eldorado Park.

Our NFO Team in force at the Rand Show.

LOLO NGUBENI

09
PEOPLE

LOLO NGUBENI
HR MANAGER SHARED SERVICES

A HUMAN RESOURCES PERSPECTIVE: PLACING PERSONAL GROWTH FOR OUR OVERALL SUSTAINABILITY FRONT & CENTRE

As our name states, financial matters are central to operations at the National Financial Ombud. At the heart of every case undertaken by the NFO, however, are people, all of whom deserve fair treatment – an Ombud after all is impartial by definition. Another of the NFO's duties is the overall health of our national economy, but again, the wellbeing of individual NFO employees is likewise crucial – which is where the Human Resources department comes to the fore. It is the responsibility of HR to assist the management team to plan, implement and maintain its people-driven initiatives. Here follows Lolo Ngubenu's perspective on how the department's operations assisted to drive the NFO's own growth and sustainability in human terms in 2025.

INTRODUCTION

With fairness at the heart of the National Financial Ombud's mandate, our people remain central to delivering trusted dispute resolution services and fair outcomes for the public. Guided by our organisational values and a culture of accountability, 2025 marked a year of consolidation and capability-building for the human resources component of our business.

As the NFO adapted to an evolving financial services landscape, HR focused on strengthening foundational people systems, deepening employee wellbeing and supported management to build a more resilient, skilled and engaged workforce. This report outlines our key achievements during the 2025 reporting period and gives a glimpse of our strategic HR priorities for 2026.

OPERATIONS AND IMPLEMENTATION

The overall organisation structure remained stable year-on-year, with a lean leadership layer comprising top and senior management, representing only 7.4% of total headcount, while the majority of organisational capacity continues to sit within the middle and junior management levels at 71.8%.

The gender composition of the workforce remains strongly female, with women representing 72.0% of total staff. This high representation is consistent across most occupational levels, including junior management and semi-skilled roles. The concentration of women in these levels reflects a healthy entry and mid-pipeline, which is favourable to long-term talent development, leadership continuity and succession planning. At senior management level, gender parity has almost been achieved, with women representing 48.9% of employees at this level. This balance is a positive indicator for the leadership pipeline, as senior management is a critical feeder level into top management. Top management is currently female led, with women occupying 100% of positions. Overall, the gender profile suggests that the organisation does not face barriers to the advancement of women. In line with national employment equity objectives, the organisation's race profile shows that African employees constitute the largest proportion of staff, representing 50.9% (82 employees), followed by coloured employees at 19.9% (32 employees), white employees at 19.0% (31 employees) and Indian employees at 9.9% (16 employees). This overall distribution broadly aligns with the national transformation agenda and reflects a strong presence of designated groups across the organisation.

Recruitment activity during 2025 strongly supported our Employment Equity objectives. Of the 22 appointments made through external recruitment, 20 (91%) were from designated groups as defined by the Employment Equity Act, and 15 (68%) were women, consistent with our strongly female organisational profile. Most hires were placed at semi-skilled and junior management levels, aligning with operational demand, while middle management recruitment (primarily adjudicators) also reflected EE-aligned race and gender representation.

We began the year with internal appointments that included two promotions to senior adjudicator roles and two employees progressing from internship roles into adjudication positions. These movements signal the activation of internal talent pathways and the organisation's commitment to growing capability from within. During 2025, a total of eight internal movements took place across the organisation, with the Non-life Division accounting for the majority. These movements included several upward transitions into leadership and specialist roles, reflecting a strengthening internal pipeline and continued investment in employee development.

In 2025, the organisation recorded seven separations, including one retirement and one relocation overseas, resulting in an overall low attrition rate of 4.35% based on a year-end headcount of 161 employees. This remains very low for a medium-sized organisation and is considered healthy, signalling the absence of systemic or structural issues.

The NFO has made significant progress in aligning salaries to the adopted Paterson grading framework and minimum pay bands. The transition and adoption across all staff who historically had very different salary and benefit structures, is an achievement in itself. Organisationally, we have reduced the number of employees outside their salary bands from 14 to only 3. This improvement reflects a strong commitment to fairness in salary management and strengthened internal governance, with consistent application of remuneration principles and a clear focus on internal equity.

BUILDING A CULTURE OF CARE: EMPLOYEE WELLBEING AND WELLNESS

Proactive, holistic wellbeing forms a core pillar of our people strategy. We expanded our approach in 2025 to psychological safety, preventative wellness and organisational care.

Our flagship initiative, October Wellness Month, offered restorative and educational activities, including:

- Partnership with Discovery medical aid for wellness checkups
- Therapeutic massages (Office Angels)
- Psychologist led staff debriefings
- A mental health awareness workshop
- Breakfast with a nutritionist
- Tension deescalation tactics

We strengthened access to psychological support, improved confidentiality and safe reporting mechanisms, and sustained weekly wellness communications throughout the year. Monthly birthday celebrations continued to support connection between staff, while the winter warmer initiative expressed appreciation across both Gauteng and Western Cape offices. Employees received appreciation "winter warmer" gifts.

Collectively, these interventions enhanced engagement and demonstrated our support for our people, laying the groundwork for a more integrated, co created wellbeing programme in 2026.

EMPLOYEE ENGAGEMENT

Employee voices remain central to shaping an inclusive and high performing organisation. Following the 2024 organisational wellness survey, rapid subject specific surveys were conducted in September and October 2025, providing valuable insights into staff experience.

These inputs informed upcoming initiatives, including strengthened manager feedback mechanisms, the establishment of employee networks or social clubs and reinforcement of our culture of care, support and wellbeing. Our approach emphasises shared responsibility wherein both employees and management contribute to a respectful, equitable and psychologically safe workplace.

HR GOVERNANCE AND COMPLIANCE

Statutory compliance: Employment equity and skills development reporting remained a priority and a key aspect of our organisational accountability and we successfully completed our statutory report.

In 2025, we continued to strengthen our robust HR policy framework, which underpins fair treatment, consistency and transparency. Key achievements included:

- Advancing the integrated HR policy handbook, consolidating multiple policies into one accessible document, and
- Enhancing alignment with audit, compliance and labour legislation

Reflecting the communities we serve is central to our mandate. In 2025, NFO established our staff forum grounded in inclusion and legislative compliance.

LEARNING AND DEVELOPMENT

We made significant progress in establishing a more structured and equitable learning environment. Achievements included:

- A formalised approach to study assistance, accredited training and coaching/mentoring
- Tracking and reporting mechanisms across all areas of the business
- A quarterly reporting model to ensure accountability and visibility of development investments

This work ensures capability-building is intentional, fair and aligned with organisational needs.

LOOKING AHEAD: HR STRATEGIC PRIORITIES FOR 2026

2026 will be a transformative year as HR moves from foundational work toward more integrated, high impact people strategies.

A TALENT MANAGEMENT STRATEGY

- Focused on staff retention, leadership pipeline development, structured development pathways, internal mobility, succession planning and an EVP refresh.

A COMPREHENSIVE WELLBEING PROGRAMME

- A co-designed, year round programme emphasising continuity, psychological safety and resilience.

HR GOVERNANCE

- Implementation of the integrated HR policy handbook, supported by training and strengthened compliance maturity.

EMPLOYEE EXPERIENCE

- Refreshed onboarding, stronger recognition and deeper engagement pathways.

STRATEGIC REPORTING

- A shift toward refreshed reporting mechanisms and the introduction of dashboards for leadership decision making.

IN CONCLUSION

2025 was a pivotal year in strengthening the foundations of the HR function and embedding a culture of care, fairness and capability. As we move into 2026, our priorities will deepen leadership effectiveness, enhance employee experience and expand organisational wellbeing - positioning the National Financial Ombud as a modern, people driven, high performing institution committed to fair outcomes for all.

Leadership & Mentor Award presented to Janitra Hollenberg by Nerosha Maseti.

Bonita Hughes accepts her Trail-blazer Award from Lolo Ngubeni.

Reana Steyn honours Quinton Mynhardt with the Values & Customers Excellence Ambassador Award.

Amukelani Maringa receives the Rising Star Award from Denise Gabriels.

Also enjoying the 2025 Staff Awards: Priya Rajah with Wandile Shabangu.

NFO's colourful staff strike a pose 2025 Staff Awards!

At the 2025 Staff Awards: Denise Gabriels, Kwanda Vabaza, Reana Steyn & Tumelo Babuzi.

MIRIAM KOMANE MATABANE

Manager Finance & Company Secretary

FINANCE REPORT 10

DETAILED FINANCIAL STATEMENTS ARE AVAILABLE ON OUR WEBSITE WWW.NFOSA.CO.ZA

We are pleased to present the financial report for the year ended 31 December 2025, covering the first full 12-month operating period of the National Financial Ombud Scheme South Africa (NFO). This report summarises the NFO's financial performance and highlights its strong financial position, liquidity, and solid cash flow for the year under review.

FINANCE OVERVIEW

KEY RESULTS FOR THE NFO FOR THE YEAR ENDED 31 DECEMBER 2025 ARE SET OUT BELOW:

	2025	2024	Variance	% Change
Revenue (Participation Fees)	R162.2m	R127.2m	R35.0m	+27.5%
Other Income	R9.2m	R7.3m	R1.9m	+26.0%
Operating Expenditure	R157.5m	R126.7m	R30.8m	+24.3%
Net Surplus	R11.6m	R5.0m	R6.6m	+132.0%

Our strong financial results were driven by targeted revenue growth and disciplined cost management.

KEY CONTRIBUTORS:

- Enhanced systems and investment in digital infrastructure, enabling continuous improvements in operational efficiency.
- Phased filling of vacancies and delayed staff appointments, together with other postponed budgeted expenditure.
- Disciplined cost containment and a sustained focus on operational sustainability.

STATEMENT OF FINANCIAL POSITION

The NFO continues to maintain a robust financial position, reflected in a strong balance sheet with high liquidity and low financial risk. Total assets amounted to R107.2 million, of which R86.5 million held in cash and short-term investments. Total liabilities were R23.0 million, mainly related to lease obligations and accrued expenses.

Equity remained strong at R84.2 million, supported by retained earnings from prior-year accumulated surplus. The NFO's current ratio of 6.86 indicates that it holds R6.86 in current assets for every R1 of current liabilities, demonstrating a strong capacity to meet short-term obligations and reinforcing overall financial stability.

COMPARATIVE INFORMATION NOT PRESENTED

The 2025 results are not directly comparable to the prior-year figures. Any comparisons should be interpreted in the context of the different reporting periods.

- **Prior-year comparative period:** 15 months from the entity's registration with the Companies and Intellectual Property Commission (CIPC). NFO operations commenced on 1 March 2024.
- **2025 financial year:** 12-month period (1 January to 31 December 2025).

KEY STATEMENT OF FINANCIAL POSITION MOVEMENTS

- **Lease liabilities and right-of-use assets:** Lease liabilities decreased as payments were made. Right-of-use assets decreased due to depreciation, partly offset by additions during the year.
- **Trade receivables:** Decreased significantly compared to the prior year, reflecting the near-complete recovery of outstanding debtors in 2025.
- **Equity:** Increased due to an accumulated surplus, primarily driven by savings in employee costs arising from delayed appointments and overall lower-than-budgeted expenditure.
- **Trade payables:** Decreased mainly due to the timing of payroll-related payments, with PAYE settled before year-end (compared to after year-end in the prior period).

REVENUE

Revenue is generated from participation fees, case fees, and other charges (including penalty fees and complex-case fees).

The NFO generated revenue of R162.2 million (2024: R127.2 million). This increase was mainly driven by higher case volumes during the year.

Key revenue contributors included:

- Participation fees provided a stable base of income.
- Case fees and additional charges supported overall revenue growth.

Debtor collections remained robust across all four divisions, with minimal variances between amounts invoiced and amounts collected.

OPERATING EXPENDITURE

Total operating expenditure increased to R157.5 million (2024: R126.7 million) but remained below budget. The main cost drivers were:

- **Employee costs:** R123.9 million, reflecting staffing required to deliver dispute resolution services across all divisions (including shared services).
- **ICT (including subscriptions):** R6.7 million, relating to software and hardware upgrades to enhance efficiency and support seamless service delivery.
- **Accommodation and leases:** R8.3 million, relating to leased office space (including utilities) in Johannesburg and Cape Town.
- **Consulting and specialist services:** R8.0 million, comprising audit and professional fees and other advisory services that support decision-making and strengthen organisational capability.

Budget oversight and monitoring were maintained throughout the year to ensure expenditure remained within approved limits. Monitoring is performed at divisional level and coordinated by the Finance Department in collaboration with the Lead Ombuds.

The favourable budget variance reflects effective cost management, reinforcing organisational efficiency and long-term sustainability.

INTEREST INCOME

During the year, interest income contributed R9.2 million to overall earnings, mainly due to higher-than-anticipated cash balances across all four divisions. These elevated balances were driven by expenditure coming in below budget, with the most significant savings in salary costs. In line with the cash flow management process, surplus funds were transferred to interest-bearing investment accounts, generating additional interest income.

NET SURPLUS

Net surplus increased to R11.6 million, mainly due to higher revenue and reduced salary and other operating expenses.

Key drivers:

- Effective cost management, particularly in staff-related expenses, while maintaining the core staffing required to deliver dispute resolution services.
- Ongoing operational improvements that strengthened the NFO's financial position and supported sustainable growth.
- New participants that joined during the period.

Surplus funds are placed in short-term investment accounts to benefit from favourable interest rates. The interest earned supplements participant-generated revenue, and a portion of the reserves was allocated to subsidise the 2026 invoicing.

CAPITAL MANAGEMENT

The NFO manages its capital to maintain financial resilience and support ongoing operations. Our capital structure comprises net debt (net of cash) and equity (retained earnings).

Management's reserve approach is to maintain capital reserves sufficient to cover at least **six months** of operating expenditure.

At the end of the 2025 financial year, the NFO was well positioned to meet this target, with reserves providing approximately **5.5 months** of operational cover, supporting short-term financial resilience.

The year-end results underscore the strength of the NFO's capital base and its prudent approach to managing risks throughout the reporting period.

CHIEF EXECUTIVE OFFICER RESPONSIBILITY STATEMENT

The Chief Executive Officer confirms that:

- Operational activities align with the NFO's financial and strategic objectives.
- Budgeted expenditure is adhered to and effectively monitored.
- Operational resources are used efficiently and effectively.
- Operational performance supports the NFO's financial sustainability.

MANAGER FINANCE RESPONSIBILITY STATEMENT

The Manager Finance confirms that:

- The annual financial statements (including the Statement of Financial Position, the Statement of Surplus or Deficit and Other Comprehensive Income, and the accompanying notes) fairly present, in all material respects, the NFO's financial position and financial performance, and provide relevant information to users.
- The NFO complies with International Financial Reporting Standards (IFRS) and all other applicable accounting standards and regulations.
- Adequate internal financial controls have been implemented to ensure that all material transactions and information are properly recorded and reflected in the preparation of the annual financial statements.
- Proper accounting records have been maintained.

CONCLUSION

The continued viability of the NFO depends on several key factors, foremost among them sustained ongoing participant engagement and the timely settlement of accounts. Participation fees are determined through a comprehensive and equitable budgeting process. ***We extend our sincere appreciation to all our participants for their diligence in settling debtors' accounts and for their continued support of the NFO's success.***

As at 31 December 2025, the NFO maintained a strong financial position, with healthy liquidity to meet obligations as they arise. Prudent financial management has enabled sustainable operations, supported by:

- Strong operational performance, driven by enhanced systems and strategic investments in digital infrastructure, which improved the quality and timeliness of operational reporting.
- Effective cost containment measures and operational efficiencies that have delivered favourable financial outcomes.
- A robust balance sheet, underpinned by disciplined capital management.

We remain committed to strengthening our internal financial control environment to mitigate risks, ensure disciplined resource allocation, and support long-term financial sustainability. ***Our commitment to delivering value remains steadfast through prudent capital allocation, consistent financial performance, and a sustained focus on growth.***

LOOKING AHEAD

The NFO will focus on the following priorities to support sustainable growth and maximise value for stakeholders:

- **Digital enablement:** Continue adopting digital solutions to enhance operational efficiency and improve the accuracy, accessibility, and integrity of data.
- **People and capability:** Invest in attracting, developing, and retaining the skills and expertise required to deliver high-quality services.
- **Insights and planning:** Use trend analysis to anticipate emerging developments, enabling proactive decision-making and identifying opportunities for revenue growth and cost optimisation.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The NFO Board of Directors is committed to upholding the highest standards of corporate governance, as set out in the Memorandum of Incorporation (MOI). The Board operates according to an approved charter that clearly defines its roles, duties, and responsibilities. .

The Board consists of nine non-executive directors, the majority of whom are independent, while the remaining members represent the financial sector. The Board affirms that it has discharged and executed its mandate in accordance with the Companies Act, King IV, the MOI, and its terms of reference.

During the reporting period, the Board convened four meetings and one Special Board meeting. In addition, an annual strategy session was held to assess and refine the organisation's strategic direction.

BOARD COMMITTEES

To support the execution of its fiduciary responsibilities and provide effective oversight of the NFO's mandate, the Board has established two committees: the Remuneration Committee (RemCo) and the Audit and Risk Committee (ARC). Each committee operates under formally approved terms of reference, which are reviewed periodically by the Board as required.

REMUNERATION COMMITTEE

The Remuneration Committee (RemCo) is responsible for overseeing that the NFO attracts, develops, and retains employees with the skills and competencies required to achieve its mandate. The RemCo oversees human capital performance and remuneration-related matters, recognising that effective talent management is critical to sustaining the institutional capability.

During the reporting period, the RemCo reviewed and made recommendations to the Board on salary budget and discretionary performance bonuses. The Committee met twice during the year under review.

Directors' Name	Attendance
IH van Schalkwyk	2/2
R Lightbody	2/2
EM Mphahlele	2/2
TP Zulu	2/2

Standing Attendees: Head Ombud & Chief Executive Officer, Manager Finance & Company Secretary and Human Resources Manager

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) is a subcommittee of the Board, constituted in accordance with the NFO's governance framework and aligned with leading principles of corporate governance.

The ARC operates under formal terms of reference, which are reviewed at least every two years, or more frequently if circumstances require. Its primary role is to safeguard the integrity of the NFO's financial reporting and assurance processes, and to support effective risk management and internal control.

Key responsibilities include:

- Oversee financial reporting processes and related audit activities.
- Provide oversight of risk management and the internal control environment to ensure controls are appropriately designed and operating effectively.
- Manage the relationship with the external auditors and oversee the independent regulatory audit process.

The Board is satisfied that the ARC collectively has the knowledge, skills, and experience required to oversee the NFO's financial management, external audit processes, internal financial controls, and the review of the audited annual financial statements.

EXECUTION OF AUDIT AND RISK COMMITTEE MANDATE

During the reporting period, the Audit and Risk Committee (ARC) diligently executed its responsibilities in accordance with its Board-approved terms of reference and annual work plan. The ARC's mandate includes oversight of NFO's internal controls, financial reporting processes, risk management and broader governance processes.

The Board confirms that the ARC complied with its terms of reference and fulfilled its statutory and regulatory obligations in accordance with the Companies Act, 71 of 2008 (as amended), and the King IV Report.

RISK MANAGEMENT

The ARC provides oversight in assessing material and emerging risks to support the NFO's sustainability and strategic objectives. The Risk Register is reviewed quarterly to ensure that significant risks are appropriately identified, assessed and mitigated.

The NFO maintains a robust system of internal controls, including clearly defined delegation of authority, established accounting procedures, and appropriate segregation of duties to minimise risk and support the organisational objectives.

During the year under review, it oversaw the financial, operational, strategic, and compliance risks, and is satisfied that appropriate risk management processes are in place and functioning effectively.

CONTROL AND COMBINED ASSURANCE

The NFO has implemented a Combined Assurance function to support and embed the combined assurance framework, as approved by the ARC. This framework provides coordinated assurance through clearly defined risk ownership and accountability, supported by independent layers of oversight.

The ARC maintains oversight of the combined assurance model and is satisfied that the level of assurance provided is appropriate and effective.

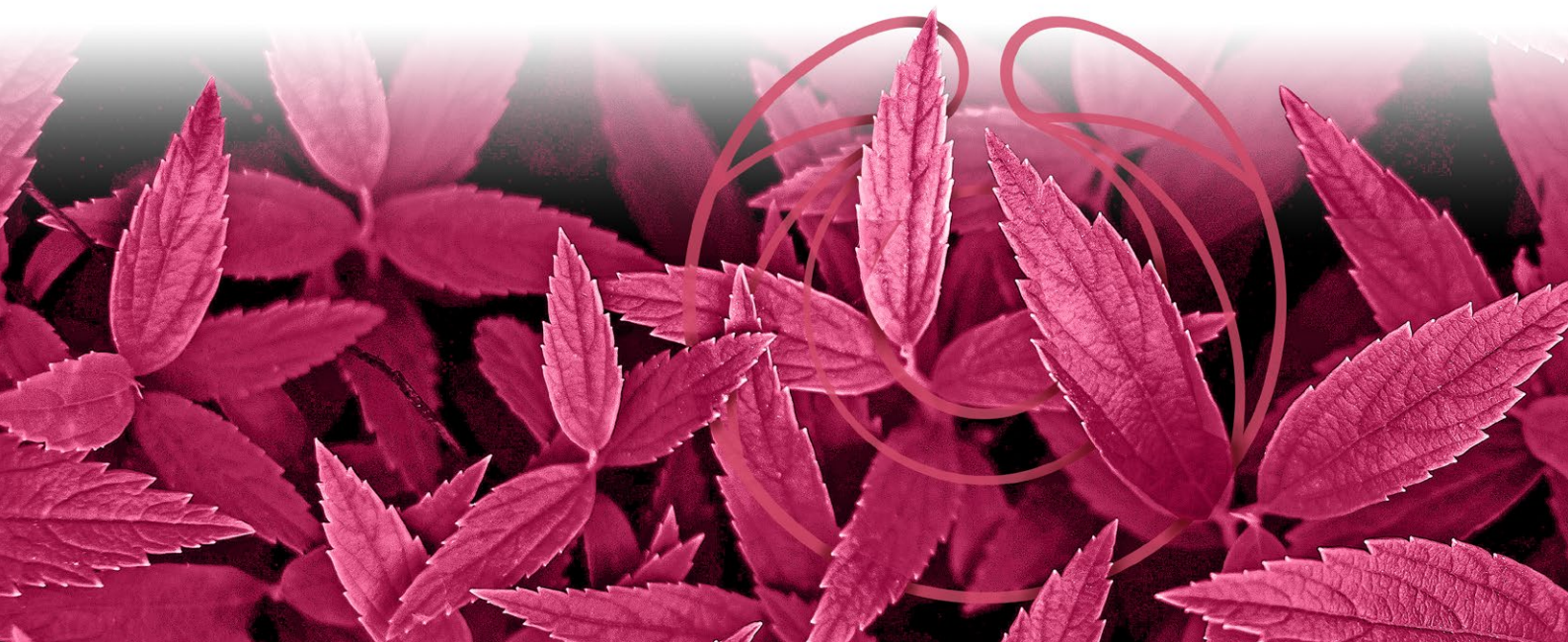
INTERNAL AUDIT

The Audit and Risk Committee (ARC) reviewed reports from the internal audit function and is satisfied it operates independently and efficiently.

The ARC approved internal auditor fees for the 2025 financial year and emphasises that ongoing monitoring, together with timely implementation of audit recommendations, will further strengthen internal controls and risk management processes.

Following its assessment of the internal control environment, the ARC concluded that controls are adequate and functioning as intended. No material breakdowns in controls were identified during the year.

Based on the information and explanations provided by management and the internal auditors, the Directors are of the view that the system of internal controls remains adequate.



EXTERNAL AUDIT

The external auditors (RSM South Africa) maintained their independence throughout the financial year. The ARC evaluated and confirmed the independence of both the audit firm and the engagement partner.

The ARC thoroughly reviewed the reports presented by the external auditors and is satisfied with the quality of the auditing process and its outcomes.

The ARC retains primary responsibility for overseeing the relationship with the external auditors and monitoring their performance. This includes making recommendations regarding their appointment, reappointment, or removal, continuously assessing their independence, and reviewing and approving audit fees.

External Audit Opinion

An unqualified audit opinion was issued, indicating sound ethical leadership and effective governance to the users of the financial statements.

AUDITORS' INDEPENDENCE

The Audit and Risk Committee (ARC) ensures that auditors maintain the required level of independence. The ARC has assessed and confirmed adherence to the independence criteria prescribed by the Independent Regulatory Board for Auditors (IRBA) and applicable legislation. For the reporting period, the ARC is satisfied that the auditors remain independent of the NFO.

INTERNAL CONTROL ENVIRONMENT

During the reporting period, the ARC oversaw the effectiveness of the NFO's internal control systems and risk management procedures. Following its review, the ARC affirms that the internal control environment is adequate and supports the integrity and reliability of financial reporting.

AUDIT AND RISK COMMITTEE COMPOSITION AND MEETINGS

The Audit and Risk Committee (ARC) comprise independent, non-executive members who possess the necessary financial and risk expertise to effectively discharge their responsibilities. These members bring valuable skills and knowledge, ensuring that the Committee is well-equipped to oversee the organisation's audit and risk functions.

During the year under review, the Committee met three times, diligently fulfilling its mandate. The attendance record of ARC members for these meetings is detailed below:

Directors' Name	Attendance
MR Burton	3/3
T Raditapole	3/3
V Pearson	3/3
D Beyers	3/3

***Standing Attendees: Head Ombud & Chief Executive Officer, Manager Finance & Company Secretary**

AUDIT AND RISK COMMITTEE STATEMENT

Following comprehensive review of information provided by management and external auditors, as well as substantive discussions held with both parties, the Audit and Risk Committee (ARC) is of the opinion that the financial records provide a sound and reliable basis for the preparation of the annual financial statements.

The ARC has reviewed and deliberated on the annual financial statements. Throughout this process of its review, the ARC has:

- Assessed key judgments and reporting determinations.
- Established that the going concern basis of accounting is appropriate.
- Reviewed the NFO's liquidity position, financial sustainability, and related disclosures.
- Discussed significant and unusual transactions with management and the external auditors.
- Considered material matters and risks impacting the annual financial statements.
- Evaluated the appropriateness of changes to accounting policies and the effectiveness of internal financial controls; and
- Confirmed and satisfied itself as to the adequacy of controls supporting the preparation of the annual financial statements.

FULFILMENT OF RESPONSIBILITIES

The ARC has fulfilled its responsibilities in line with its approved mandate and charter. The Committee confirms that the organisation's financial reporting processes, internal control environment, and the risk management systems are effective and robust, thereby supporting the integrity and reliability of all financial and risk-related disclosures.

The ARC also confirmed that appropriate accounting policies have been consistently applied, and that significant judgments and estimates are reasonable and appropriately substantiated.

CHAIRPERSON'S REPORT: AUDIT AND RISK COMMITTEE

I am pleased to present the Audit and Risk Committee (ARC) Report for the financial year ended 31 December 2025. This report summarises the Committee's oversight activities and its conclusions on the integrity of the NFO's financial reporting and governance processes.

The ARC has reviewed the annual financial statements for the year ended 31 December 2025 and is satisfied that they fairly present the financial position and performance of the NFO, in compliance with International Financial Reporting Standards (IFRS), applicable accounting standards and the requirements of the Companies Act of South Africa.

Acknowledgements

- To the ARC members and the finance team, for their continued dedication and valuable contributions throughout the year.
- To the members of the Board and Board subcommittees, for their continued support and guidance.
- To all participants for the ongoing contributions and support.

Mervyn Burton CA (SA)

Chairperson: Audit and Risk Committee

EXTRACT OF INDEPENDENT AUDITOR'S REPORT:

OPINION:

We have audited the financial statements of National Financial Ombud Scheme South Africa, which comprise the statement of financial position as at 31 December 2025, statement of profit or loss and other comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information. In our opinion, the financial statements present fairly, in all material respects, the financial position of National Financial Ombud Scheme South Africa as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

RSM South Africa Inc who is our external auditors, has issued an unmodified audit report on the financial statements of National Financial Ombud Scheme South Africa for the year ended 31 December 2025. The audit was conducted in accordance with the International Standards on Auditing. The opinion above should be read together with the complete set of financial statements which is available for inspection at the Company's registered office or on the NFO website www.nfosa.co.za.

The company financial information as extracted from the complete set of financial statements is included in page 109 to 117 which includes statement of financial position, statement of profit or loss and other comprehensive income; the statement of changes in equity and selected notes to the financial statements.

CERTIFICATE FROM THE COMPANY SECRETARY

I hereby confirm, in my capacity as company secretary of National Financial Ombud Scheme South Africa NPC, that for the financial year ended 31 December 2025, the company has filed all required returns and notices in terms of the Companies Act of South Africa No 71 of 2008, with the Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

MKMatabane

Miriam Komane Matabane
Company Secretary
22 May 2026

BOARD OF DIRECTORS 12

HY Laher
Chairperson
Appointed 29.01.2024

TP Zulu
Vice-Chairperson
Appointed 29.01.2024

DC Beyers
Appointed 29.01.2024

MR Burton
Appointed 29.05.2024

EM Mphahlele
Appointed 29.01.2024

R Lightbody
Appointed 29.01.2024

V Pearson
Appointed 29.01.2024

TN Raditapole
Appointed 29.01.2024

IH van Schalkwyk
Appointed 29.01.2024

SUMMARY FINANCIAL STATEMENTS 13

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa No 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information. The annual financial statements, which are available on our website: www.nfosa.co.za, have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are continuously monitored throughout the company. All employees are expected to uphold the highest ethical standards, ensuring the company's operations are conducted with integrity and remain beyond reproach under all reasonable circumstances.

The directors are also responsible for the controls over, and the security of the company's website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to the participants and to the Companies and Intellectual Property Commission.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The full set of financial statements have been audited by the independent auditing firm, RSM South Africa, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the stakeholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. An extract of the external auditor's unqualified audit report is presented on page 102.

The summary financial statements set out on pages 109 to 115 of this annual report, and the supplementary information set out on pages 116 to 117 which have been prepared on the going concern basis, is the direct extract of the full set of the financial statement which is available on our website: www.nfosa.co.za and the financial statements were approved by the directors and were signed on 22 May 2026 on their behalf by:

Haroon Laher

HY Laher

MR Burton

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2025.

1. Review of activities

Main business and operations

The company is an independent industry ombud scheme that resolves complaints brought by consumers against South African financial institutions. There were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

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

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Operating period and business combination

The company was registered in October 2023 and had minimal activities during the first five-month period until 29 February 2024. On 1 March 2024, the company obtained control of four independent ombud schemes, namely the Credit Ombud Association (CO), The Ombudsman for Banking Services South Africa (OBSSA), The Ombudsman for Long-Term Insurance (OLTI) and the Ombudsman for Short-Term Insurance (OSTI).

The company formally commenced its operations as an industry financial ombud scheme from 1 March 2024 when the business combination of these four ombud schemes became effective and obtained its recognition from the Ombud Council in terms of Section 194 of the Financial Sector Regulation Act No.9 of 2017. Refer to the financial statements for further details.

The figures presented for the 2024 financial year represents the operating results for the 15-month period from registration until 31 December 2024. Figures presented for the 2025 financial year are for a normal 12 month period commencing on 1 January 2025 until 31 December 2025.

5. Directors

The directors of the company during the year and up to the date of this report are as follows:

- DC Beyers
- MR Burton
- HY Laher
- R Lightbody
- EM Mphahlele
- V Pearson
- TN Raditapole
- IH van Schalkwyk
- TP Zulu

6. Secretary

The company's designated secretary is Miriam Komane Matabane.

7. Stakeholder

The National Financial Ombud Scheme South Africa NPC is registered as a non-profit company without members and therefore does not have owners or shareholders.

8. Income tax exemption

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

9. Independent Auditors

RSM South Africa were the independent auditors for the year under review.

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Extract of the Financial Statements for the year ended 31 December 2025

Statement of Financial Position

Figures in R	2025	2024
Assets		
Non-current assets		
Property, plant and equipment	2,518,054	3,115,233
Right-of-use assets	14,802,309	21,900,921
Intangible assets	96,000	144,000
Total non-current assets	**17,416,363**	**25,160,154**
Current assets		
Trade and other receivables	1,621,235	2,499,243
Loan to employee	6,667	10,000
Prepayments	1,579,095	1,161,652
Cash and cash equivalents	86,531,091	79,096,428
Total current assets	**89,738,088**	**82,767,323**
Total assets	**107,154,451**	**107,927,477**
Equity and liabilities		
Equity		
Accumulated surplus	84,154,118	72,511,008
Liabilities		
Non-current liabilities		
Lease liabilities	9,919,739	17,384,308
Current liabilities		
Provisions	3,965,694	3,742,542
Trade and other payables	1,706,114	8,046,586
Lease liabilities	7,408,786	6,104,069
Bank overdraft	-	138,963
Total current liabilities	**13,080,594**	**18,032,161**
Total liabilities	**23,000,333**	**35,416,469**
Total equity and liabilities	**107,154,451**	**107,927,477**

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Extract of the Financial Statements for the year ended 31 December 2025

Statement of Surplus or Deficit and Other Comprehensive Income

Figures in R	12 month period ended 31 December 2025	15 month period ended 31 December 2024
Revenue	162,238,630	127,182,793
Other income	12,511	242,594
Administrative expenses	(8,927,591)	(8,082,991)
Other expenses	(148,537,236)	(118,587,408)
Other gains and (losses)	49,491	(621,527)
Surplus from operating activities	**4,835,805**	**133,461**
Finance income	9,212,245	7,294,065
Finance costs	(2,404,940)	(2,408,644)
Surplus before tax	**11,643,110**	**5,018,882**
Income tax expense	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**11,643,110**	**5,018,882**

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Extract of the Financial Statements for the year ended 31 December 2025

Statement of Changes in Equity

Figures in R	Accumulated surplus
Balance at 19 October 2023	-
Increase (decrease) due to business combination	67,492,126
Balance of reserves directly after business combination	**67,492,126**
Changes in equity	
Surplus for the period	5,018,882
Total comprehensive income for the year	5,018,882
Balance at 31 December 2024	**72,511,008**
Balance at 1 January 2025	72,511,008
Changes in equity	
Surplus for the year	11,643,110
Total comprehensive income for the year	11,643,110
Balance at 31 December 2025	**84,154,118**

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Extract of the Financial Statements for the year ended 31 December 2025

Statement of Cash Flows

Figures in R	12 month period ended 31 December 2025	15 month period ended 31 December 2024
Net cash flows from / (used in) operations	**7,246,803**	**(27,971,297)**
Interest paid	(2,460,408)	(2,365,369)
Interest received	9,215,999	7,290,311
Net cash flows from / (used in) operating activities	**14,002,394**	**(23,046,355)**
Cash flows (used in) / from investing activities		
Cash flows received in obtaining control of subsidiaries or other businesses	-	106,230,379
Proceeds from sales of property, plant and equipment	83,545	35,998
Purchase of property, plant and equipment	(413,858)	(328,277)
Proceeds from sales of right of use assets	30,600	-
Loan advanced to employee	(20,000)	(10,000)
Repayment of loan by employee	23,333	-
Cash flows (used in) / from investing activities	**(296,380)**	**105,928,100**
Cash flows used in financing activities		
Repayment of lease liabilities	(6,132,388)	(4,024,280)
Loan received from division	-	100,000
Cash flows used in financing activities	**(6,132,388)**	**(3,924,280)**
Net increase in cash and cash equivalents	**7,573,626**	**78,957,465**
Cash and cash equivalents at beginning of the year	78,957,465	-
Cash and cash equivalents at end of the year	**86,531,091**	**78,957,465**

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Extract of the Financial Statements for the year ended 31 December 2025

Divisional information

General information

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

Costs incurred by the Shared Services division are allocated to the income generating divisions. The basis of allocation differs based on the nature of the cost incurred. The main bases for allocation is:

- the division's revenue as percentage of total revenue,
- the division's number of employees as percentage of total employees,
- the division's number of Shared Services employees as percentage of total Shared Services employees and
- the Johannesburg office division's number of employees as percentage of total employees in the Johannesburg office.

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

Divisional revenues

Figures in R	Total divisional revenue	Other income including interest received	Total income received
Year ended 31 December 2025			
Banking division	41,775,337	2,262,995	**44,038,332**
Credit division	11,100,171	487,821	**11,587,992**
Life Insurance division	48,344,256	2,388,443	**50,732,699**
Non-life Insurance division	61,018,867	4,147,287	**65,166,154**
Total divisional income	**162,238,630**	**9,286,547**	**171,525,177**
Year ended 31 December 2024			
Banking division	34,794,287	1,742,627	**36,536,914**
Credit division	9,904,403	467,898	**10,372,301**
Life Insurance division	34,940,995	1,535,074	**36,476,069**
Non-life Insurance division	47,543,109	3,810,190	**51,353,299**
Total segment revenues	**127,182,793**	**7,555,790**	**134,738,583**

National Financial Ombud Scheme South Africa NPC

(Registration Number 2023/162407/08)

Extract of the Financial Statements for the year ended 31 December 2025

Figures in R

Divisional information continued...

Total expenses

	Salaries	Other Staff Costs	Accommodation	Other Accommodation Costs
Year ended 31 December 2025 Divisional and Shared Service figures				
Banking division	24,884,327	200,296	-	-
Credit division	6,868,737	58,666	-	305
Life Insurance division	28,239,636	349,298	2,801,360	817,364
Non-Life Insurance division	42,160,018	533,722	-	69,617
Shared Services division	25,791,864	966,757	5,157,396	1,548,665
Total expenses	**127,944,582**	**2,108,740**	**7,958,756**	**2,435,951**
Divisional figures including Shared Services allocation				
Banking division	31,849,712	428,553	1,315,682	396,206
Credit division	8,657,266	140,934	670,760	201,411
Life Insurance division	35,374,473	555,770	2,801,279	817,364
Non-Life Insurance division	52,063,131	983,483	3,171,035	1,020,971
Total expenses	**127,944,582**	**2,108,740**	**7,958,756**	**2,435,951**

*The expenses set-out above exclude adjustments made in respect of IFRS 16 leases to account for the finance leases.

Figures in R

Related parties for the year ended 31 December 2025

Compensation paid to directors

Name	Directors remuneration received as director of NFOSA	Directors remuneration received as director of acquiree	Total remuneration
MR Burton	260,760	-	260,760
HY Laher	174,900	-	174,900
R Lightbody	169,176	-	169,176
EM Mphahlele	193,344	-	193,344
V Pearson	193,344	-	193,344
TN Raditapole	193,344	-	193,344
IH van Schalkwyk	166,632	-	166,632
TP Zulu	169,176	-	169,176
Total compensation paid to directors	**1,520,676**	**-**	**1,520,676**

Public Relations	Communication	Sundry Business Costs	Audit fees	Director fees	IT and Office equipment	Total expenses
138,016	4,620	554,575	-	-	86,547	**25,868,381**
67,042	20,747	(398,111)	-	-	87,006	**6,704,393**
165	165,597	1,482,364	-	-	352,379	**34,208,163**
990	8,265	956,144	-	-	521,494	**44,250,251**
2,398,500	941,382	2,683,876	1,112,063	1,569,728	5,741,065	**47,911,297**
2,604,714	**1,140,610**	**5,278,848**	**1,112,063**	**1,569,728**	**6,788,492**	**158,942,485**
784,357	256,839	1,273,592	297,937	423,827	1,632,065	**38,658,769**
248,986	92,923	(207,702)	76,684	109,881	498,296	**10,489,438**
668,311	401,253	2,227,262	312,538	439,524	1,931,149	**45,528,922**
903,061	389,595	1,985,696	424,904	596,497	2,726,983	**64,265,355**
2,604,714	**1,140,610**	**5,278,848**	**1,112,063**	**1,569,728**	**6,788,492**	**158,942,485**

Figures in R

Detailed Income Statement

	12 month period ended 31 December 2025	15 month period ended 31 December 2024
Revenue		
Bad debts recovered	4,674	-
Revenue from participation fee subscriptions	162,233,956	127,182,793
	162,238,630	**127,182,793**
Other income		
Sundry income	12,511	242,594
Administrative expenses		
Accounting fees	1,043,618	1,030,273
Auditors remuneration - Fees	1,112,063	1,022,282
Bank charges	42,152	60,282
Computer expenses	2,580,937	1,898,296
Subscriptions	3,234,976	3,040,123
Telecommunication	913,845	1,031,735
	8,927,591	**8,082,991**
Other expenses		
Amortisation - intangible assets	48,000	269,707
Appeals	1,315,906	1,172,150
Bad debts	41,507	1,214,772
Consulting fees	5,841,257	4,038,868
Depreciation - property, plant and equipment	8,080,733	6,535,984
Employee costs - directors	1,520,676	2,235,777
Employee costs - salaries	123,975,734	96,558,286
Fines and penalties	12,810	-
Impairments and reversals - property, plant and equip.	2,866	-
Impairments and reversals - trade and other receivables	(628,139)	365,473
Insurance	606,935	445,494
International travel and conferences	811,027	841,813
Local travel and conferences	282,100	302,668
Membership fees	41,974	-
Municipal charges and diesel expense	1,170,497	855,069
Off-site storage	159,930	204,381
Office related expenditure	498,228	433,336
Operating lease expenses	376,131	307,393
Public relations	2,419,526	1,411,069
Staff welfare and functions	1,187,033	762,111
Training and personnel development	772,505	633,057
	148,537,236	**118,587,408**

Figures in R

Detailed Income Statement

	12 month period ended 31 December 2025	15 month period ended 31 December 2024
Other gains and losses		
Fair value changes - financial liabilities	-	(344,325)
Forex gain or loss - trade and other payables	(10,600)	376
Gain or loss on sale - intangible assets	-	(238,549)
Gain or loss on sale - property, plant and equip.	60,091	(39,029)
	49,491	**(621,527)**
Surplus from operating activities	4,835,805	133,461
Finance income		
Bank balances	9,212,245	7,294,065
Finance costs		
Bank overdraft	10,883	979
Lease obligations	2,394,057	2,364,390
Unwinding of retirement benefit obligation	-	43,275
	2,404,940	**2,408,644**
Surplus for the period	**11,643,110**	**5,018,882**

BOARD OF DIRECTORS' MEETING INFORMATION 14

BOARD MEETINGS	
HY Laher (Chairperson)	
TP Zulu	
TN Raditapole	
IH van Schalkwyk	
EM Mphahlele	
R Lightbody	
V Pearson	
MR Burton	
DC Beyers	
REMUNERATION COMMITTEE MEETINGS	
IH van Schalkwyk (Chairperson)	
TP Zulu	
EM Mphahlele	
R Lightbody	
AUDIT AND RISK COMMITTEE MEETINGS	
MR Burton (Chairperson)	
TN Raditapole	
V Pearson	
DC Beyers	
FUNDING COMMITTEE MEETING	
MR Burton (Chairperson)	
EM Mphahlele	
DC Beyers	

	SPECIAL BOARD MEETING	2025								
20.02	07.05	08.05	20.05	28.05	14.08	27.08	23.09	29.10	11.11	20.11
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NFO PARTICIPANTS 15

CREDIT DIVISION

Acquifin (Pty) Ltd	Koopkrag Ltd	Prime Loans Technology (Pty) Ltd
Advance Finance (Pty) Ltd	Landbank	Protea Loans
Africa Direct Edubond (Pty) Ltd	Le Morgan Direct Marketing	QMS Consulting (Pty) Ltd
Afri-Loan (Pty) Ltd	Leading Financial Services Ltd	Quantum Loans (Pty) Ltd
AMC Classic	Letsatsi Finance and Loan (Pty) Ltd	Quickfin Holdings
AO Finance CC	Lewis Group	Railway Furnishers
Archfin Capital	Limali Financial Services Five Star	Rainbow Finance
Atlas Finance (Pty) Ltd	Lime Loans SA (Pty) Ltd	RCS Group (Including Edcon/Jet) (Pty) Ltd
Avok Financial Services	Liquifin (Pty) Ltd	Renu Finance (Pty) Ltd
Avon Justine (Pty) Ltd	Loanwize CC	Rhino Money Loans (Pty) Ltd
Babereki Finance	MacRobert Incorporated Attorneys	Risma Housing Finance Corp (Pty) Ltd
Bayport Financial Services (Pty) Ltd	Mafori Investment (Pty) Ltd	RNP Finance (Pty) Ltd
Best Debt Finance (Pty) Ltd	Magdel Finansiele Dienste (Pty) Ltd	Roisin (Pty) Ltd
BMW Financial Services SA (Pty) Ltd	Man Finacial Services	SA Home Loans (Pty) Ltd
Bridge Debt (Pty) Ltd	Manati Alternate Student Funding	SA Taxi Development Finance
Bronco Trading 533 (Pty) Ltd	Maxi Credit Solutions (Pty) Ltd	Sanlam Person Loan (Pty) Ltd
Cape Town Community Housing (Pty) Ltd	Mazwe Financial Service (Pty) Ltd	Scottfin Financial Services (Pty) Ltd
Cash Converters SA (Pty) Ltd	MBD Legal Collections (Pty) Ltd	Scottfin Investment (Pty) Ltd
Cell C (Pty) Ltd	Medaco Revenue Solutions (Pty) Ltd	Seven Mile Trading 159 CC
Centrafin (Pty) Ltd	MENSE Finansiering t/a Snappy Bucks	Silver Streak Trading 508 (Pty) Ltd
Challenor Finnace CC	Mercedes Benz Financial Services (Pty) Ltd	Smart Advance (formerly Getbucks) (Pty) Ltd
Chartwell Housing Finance Solutions Pty	Miloc Kimberley	Southern Finance
Club Leisure Development (Pty) Ltd	Miloc Paarl	Speedy Cash Loans CC
Commonwealth Finance SA (Pty)	Miloc Parow	Station Finance
CT International Financiers	Mobicash CC	SWU Credit Solutiobns
Dal Holdings (Pty) Ltd	MoneySpot Finance SA (Pty) Ltd t/a Sunshine Loans	The Foshini Group
Dexios Finance (Pty) Ltd	Montana General Trading 196 CC	Thuthukani Financial Services (t/aRoyal Finance)
Dola Money (Pty) Ltd	Mpowa Finance	Tirhelo Financial Services
Edu-Loan (Pty) Ltd t/a Fundi Capital	Mr Price Group Limited	Toyota Financial Services Ltd
Eskom Finance Company SOC Ltd	MTN (Pty) Ltd	Truworths
Fasta Loans Film Fun Holdings (Pty) Ltd/Teljoy	MultiChoice Support Services (Pty) Ltd	TWK Agriculture (Pty) Ltd
Finchoice Africa Ltd	Nairtime South Africa (Pty) Ltd	Typhon National Finance
Flexiloans CC	National Housing Finance Corp LTD	Umsuku Wemali Finance (Pty) Ltd
FLYT 12J (Pty) Ltd	NFB Finance (Pty) Ltd	University of Stellenbosch
Full House Retail (Pty) Ltd	Nvest Securities (Pty) Ltd	Van Shaik Bookstore
Gemsbok Finansiele Dienste	Obaro Finansiele Dienste (Edms) Bpk	Vecto Finance (Pty) Ltd
Getstarted SA (Pty) Ltd	Old Mutual Finance (Pty) Ltd	Versa Finance (Pty) Ltd
Homechoice (Pty) Ltd	OPCO 365 (Pty) Ltd	Vincemus Investments (Pty) Ltd
iBuild Home Loans (Pty) Ltd	Opperman Finansiele Dienste	Vodacom (Pty) Ltd
IMAS Finance (Co-Operative) Ltd	Pandero Investments 503 (Pty) Ltd	Volkswagen Financial Services SA
Investcan (Pty) Ltd	Pause finance CC	Welltech Finance (Pty) Ltd
JM Cash Loans Credit Solutions (Pty) Ltd	Pepkor Trading (Pty) Ltd	Wonga Finance SA
Just Bridge (Pty) Ltd	Pokkit (Pty) Ltd	Woolworths Financial Services
Kagiso Finansiele Dienste (Pty) Ltd	Presles (Pty) Ltd	Xtreme Discounters (Pty) Ltd
Kobezi Loans	Pretorium Trust (Co-Operative) Ltd	Zani Financial Services (Pty) Ltd
		Zwane Financial Services (Deeds & Lloyds) (Pty) Ltd

BANKING DIVISION

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

NON-LIFE INSURANCE DIVISION

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

LIFE INSURANCE DIVISION

1Life Insurance Limited	Dotsure Life Limited	New Era Life Insurance Company Limited
3Sixty Life Limited	Easypay Insurance Limited	Ninety One Assurance Life Limited
Abacus Insurance Limited	Emerald Life (Pty) Limited	NMS Insurance Services (SA) Limited
ABSA Life Limited	FedGroup Life Limited	Old Mutual Alternative Risk Transfer Limited
Affinity Life Limited	First Rand Life Assurance Limited	Old Mutual Life Assurance Company (South Africa) Limited
AIG Life South Africa Limited	Guardrisk Life Limited	OUTsurance Life Insurance Company Limited
Alexander Forbes Investments Limited	Guardrisk Microinsurance Limited	Professional Provident Society Insurance Company Limited
Alexander Forbes Life Limited	Hollard Life Assurance Company	PSG Life Limited
Allan Gray Life Limited	Hollard Specialist Life Limited	RMA Life Assurance Company Limited
Assupol Life Limited	Incub8	Safrican Insurance Company Limited
AVBOB Mutual Assurance Society	Investec Life Limited	SAHL Life Assurance Company Limited
Bidvest Life Limited	Just Retirement Life (South Africa) Limited	Sanlam Developing Markets Limited
BrightRock Life Insurance Limited	King Price Life Insurance Limited	Sanlam Life Insurance Limited
Bryte Life Company Limited	Liberty Group Limited	Santam Structured Life Limited
Capitec Life Limited	Linar (Pty) Limited	Shield Life Limited
Centriq Life Insurance Company Limited	Metropolitan Life Limited	Viva Life Insurance Limited
Clientèle Life Assurance Company Limited	MMI Group Limited	Vodacom Life Assurance Company Limited
Constantia Life Limited	Monarch Life	Workerslife Assurance Company Limited
Discovery Life Limited	Nedgroup Life Assurance Company Limited	

EPILOGUE 16

2025: MANDATES MET, VALUES PROTECTED, PROMISES KEPT - MISSION ACCOMPLISHED!

Thank you for joining us and reaching the end of this second voyage of our long-term journey! We do hope that you found it in some way as illuminating and stirring as it was for our staff to experience it in real time.

We also trust you'll agree that we not only successfully met our mandate for the second year running, but also demonstrably delivered on this year's themes of growth and stability.

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

We invite you to tune in next year for our third instalment!

Yours sincerely,

The NFO Team

CONTACT DETAILS 17

NATIONAL FINANCIAL OMBUD SCHEME SOUTH AFRICA NPC

The NFO is recognised as an industry ombud scheme by the Ombud Council (OC/001/24).
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Physical Address: 110 Oxford Road, First Floor, Houghton Estate, Johannesburg, Gauteng, 2198

AUDITORS: RSM South Africa Inc

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

NFO

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South Africa

Growth & Sustainability

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