

Complaints

No firm, regardless of the sector in which it operates, enjoys receiving complaints. However, **complaints are important** for several reasons, and financial services firms are typically subject to **specific regulatory obligations** in relation to how they handle client complaints.

#1

Complaint: an oral or written expression of dissatisfaction

Whether or not the complaint is considered justified, your firm must **address the issue** and take steps to resolve it.

This will not always mean agreeing with the client, or providing the redress they are seeking, since this will depend on the outcome of the investigation into the complaint.

#2

Possibility of reputational damage

A failure to respond to complaints effectively can result in damage to your firm's **reputation**. This risk is more significant where a complaint indicates **widespread failure**.

In contrast, a complaint handled well can improve client relations and help build trust in the firm's culture and processes.

#3

An indicator of a deeper problem

Multiple complaints relating to the same, or related, grievance may indicate a **wider problem**, such as systemic misconduct or a failure of procedures.

Robust tracking and analysis of complaints will provide your firm with an opportunity to identify and resolve such issues before they escalate further.

#4

Danger of a compliance breach

There are specific regulatory requirements in relation to certain types of complaints. These generally focus on **treating customers fairly** and **delivering good outcomes**.

Your firm will have put in place policies and procedures in relation to complaints. These must be followed at all times.

