

Complaints Handling Policy / Procedure

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Version History:

1.1	10.11.2023	SG	Branding alignment, Customer Support email update, Customer Services phone number change
1.2	29.11.2023	SG	Appendix 1 "Procedure Timelines for complaints falling within the remit of TPL" added,
1.3	30.11.2023	SG	Section 5.1 and 5.5 the acknowledgement days changed from three to two days. GFSC escalation process amended in Appendix 1 as requested by TPL
1.4	11/03/2024	LC	Section 5.3 "How a complaint can be made" updated to include Hubspot and Account Managers.
1.5	21/01/2025	LC	Policy alignment with TransactPay - Appendix 1

1. INTRODUCTION

This document forms part of Pax2Pay overall Governance & Controls Framework and describes the policy associated with the handling of customer complaints. Pax2Pay takes the need to handle complaints very seriously. This Policy describes the board level commitment to ensure that all employees review and understand this Complaints Handling Policy.

It is Pax2Pay's policy to ensure that complaints are handled in a manner that is compliant with the FCA's handbook DISP: Complaint handling rules for firms. The general requirement is summarised in FCA DISP 1.3.1 as: "Effective and transparent procedures for the reasonable and prompt handling of complaints must be established, implemented and maintained."

2. SCOPE

The policy contained within this document must be adhered to by all staff of Pax2Pay and by all staff of any organisations that provide outsourced operational services on behalf of Pax2Pay. This document is made available to all staff for future reference in electronic and paper copies.

3. POLICY

It is the policy of Pax2Pay to provide a compliant and effective complaints handling policy. An effective complaint handling process will bring business benefits to Pax2Pay by:

- Enhancing the firm's reputation and brand.
- Providing an opportunity to salvage a customer relationship. Complaints provide an opportunity to improve a relationship with the customer. Customers who make a complaint, which is dealt with fairly, will increase their loyalty to the firm and will feel more confident about their relationship with Pax2Pay;
- Acting as an early warning system to help Pax2Pay identify weaknesses/failures.
- Knowledge of problem areas provide an opportunity to improve products and services to suit customer needs and expectations;
- Confidentiality may be more easily preserved if the complaint is handled in-house and the internal resolution of complaints is significantly cheaper than litigation;
- Reducing the costs of reworking and compensation;

4. REQUIREMENTS

Complaint files are held for five years from the handling of the complaint, so that these can be used to assist the Financial Ombudsman Service should this be necessary.

- The general requirements are that Pax2Pay complaints policy will provide for:
- Receiving complaints
- Investigating complaints.
- Responding to complaints.
- Notifying complainants of their right to go to the Financial Ombudsman Service.

Additional requirements:

- Time limits for dealing with complaints;
- Records of the complaint that must be made and retained;
- Reporting of complaints to the FCA (Annually);
- Cooperation with the Financial Ombudsman Service

5. COMPLAINTS HANDLING

For a complaint handling policy to be effective, Pax2Pay has:

- an easily understood process for customers to provide feedback (not exclusively complaints but also suggestions, requests for service etc);
- clear delegations to staff that clearly defines their responsibility for handling complaints (and scope of decision-making) and their authority to provide resolution (including redress);
- staff who are skilled, motivated and empowered to be sensitive to and welcome complaints and other feedback on service;
- process for investigating and resolving complaints;
- standards for complaint handling such as response times, progress reports to complainants.
- control systems to make sure that complaints are dealt with and performance standards are met.
- manual forms or a database for capturing complaint feedback data to enable senior managers to identify problems and analyses trends for use in improvement planning.

Complaint Handling Deadlines:

As set out above, Pax2Pay must comply with certain requirements when handling a customer complaint. The complaints handling process is dependent on whether the complaint is "PSD/EMD" complaint or a general complaint. PSD/EMD complaints are those expressions of dissatisfaction concerning rights and obligations under Part 5 of the Electronic Money Regulations (EMRs) and Payments Services Regulations (PSRs).

For the purposes of Pax2Pay's complaints handling process and considering that the majority of the complaints will solely or partially fall under either PSD or EMD definition, Pax2Pay will handle all the complaints in line with the time limits for PSD/EMD complaints in line with DISP 1.6.2B and DISP 1.6.2C. This means that general complaints that may allow for a longer investigation and response will be treated as PSD/EMD complaints and therefore adhere to the time limits under the PSRs and EMRs.

- Acknowledgment (DISP 1.6.1)

Pax2Pay is required to acknowledge the complaint in writing, this can be by email, intercom or letter (template available on the request from Compliance).

The acknowledgement must be sent soon after receiving the complaint from the customer, ideally the day the complaint is received or the latest, within two business days. It must set out the nature of the complaint and how Pax2Pay intends to investigate and resolve the matter.

- 15 Business Days Response

Fifteen business days from the date the complaint was received, Pax2Pay must send a final response to the customer setting out the steps it has taken to resolve the matter and if the customer remains unhappy with Pax2Pay's response, how the customer can refer their complaint for review by the Financial Ombudsman Service (FOS) (template available on the request from Compliance). Pax2Pay will provide contact details for the FOS and include a copy of the standard explanatory electronic Consumer Leaflet in PDF format.

- Holding Response

In exceptional circumstances, where Pax2Pay is unable to resolve the complaint within this deadline and, therefore, not able to issue the final response, it must send the customer a Holding Response in which they must clearly indicate the reasons for the delay in answering the complaint and specify the deadline by which they will send the final response (template available on the request from Compliance). At this point, Pax2Pay will also need to inform the customer about their rights under the FOS and provide the contact details and / or copy of the FOS's Consumer Leaflet.

- 35 Business Days Response

Thirty-five business days is the extension deadline allowed in exceptional circumstances only, for Pax2Pay to resolve complex or difficult complaints, however, it is envisaged that most complaints should be resolved within the fifteen business day deadline. If Pax2Pay needs to use this extended deadline, it must

5.1. Recognising a complaint

Pax2Pay and the FCA define a complaint as being: "any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination, which:

- alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- relates to an activity that has some connection in marketing or providing financial services or products, which comes under the jurisdiction of the Financial Ombudsman Service.

This definition requires a customer to express dissatisfaction. Pax2Pay policy is in place to enable staff to deal with any such expressions of dissatisfaction. This policy and best practices adopted by Pax2Pay have been endorsed by the senior management. All staff have been made aware of and required to follow Pax2Pay's complaint handling process.

Complaints can include unauthorised payment transactions, compromised accounts, confirmation of payee issues for payment accounts, declined card transactions, account deactivation, etc.

5.2. How a complaint can be made

Pax2Pay complaints department can be contacted in several ways:

- 1. Via direct email or support team (support@pax2pay.com or help desk) which creates a support ticket in Hubspot
- 2. By writing to us at: Pax2Pay, The Landing, 125 Redcliff Street, Bristol, BS1 6HU, UK
- 3. Via the 'Contact Us' page on our website <https://pax2pay.com/contact-us/>
- 4. By calling our Customer Support Team directly on + 44 (0)117 471 5611
- 5. Via Account Managers

Our UK Customer Support Team is available 09:00 to 17:00 GMTT

5.3. Investigation, assessing and resolving complaints

Once a complaint has been received by a respondent, they must:

- Record details of the complaint in the Complaints Register;
- Investigate the complaint competently, diligently and impartially, obtaining additional information as necessary;

- Assess fairly, consistently and promptly the subject matter of the complaint; whether the complaint should be upheld; what remedial action or redress (or both) may be appropriate; if appropriate, whether it has reasonable grounds to be satisfied that another respondents may be solely or jointly responsible for the matter alleged in the complaint; taking into account all relevant factors; offer redress or remedial action when it decides this is appropriate. explain to the complainant promptly and, in a way that is fair, clear and not misleading, its assessment of the complaint, its decision on it, and any offer of remedial action or redress;
- Comply promptly with any offer of remedial action or redress accepted by the complainant
- Consider any procedural and policy amendments to avoid future repeats of the same complaint typology

Internal escalation process:

Stage 1

Complaints are normally settled by talking directly to the Customer Service Team. Customers engage with Pax2Pay via the Service Desk or in some limited cases via email to the Customer Service Mailbox. If the issue is not resolved to the satisfaction of the customer, or the particular Customer Service Team Member feels the complaint warrants immediate escalation then the staff member engages with either a senior member of the team or the Customer Service Manager.

Stage 2

If either the customer is unhappy that the Customer Service Team has been unable to address their concerns or the team member has escalated the complaint immediately then the complaint is investigated fully by the Customer Service Manager. A response is then provided to the customer via their Service Desk ticket or directly via email.

Stage 3

If during stage one or two the Customer's complaint has not been fully resolved / reason for cause addressed then the customer or Customer Service Manager will engage with either the Chief Sales Officer (CSO) or Chief Operations Office (COO). Further investigations are undertaken and a conclusion reached, which will be communicated to the customer in line with the timelines within this Policy using the internal complaints templates.

If after stages one to three the customer is still unhappy with the outcome then the CSO / COO will engage with the CEO. The CEO will evaluate the complaint and responses in order to make a final conclusion. The CEO decision is final, which will be communicated to the customer in line with the timelines within this Policy using the internal complaints templates.

5.4. Keeping the complainant informed

On receipt of a complaint, a respondent must:

- Send the complainant a prompt written acknowledgement (within two business days) providing early reassurance that it has received the complaint and is dealing with it; and
- Ensure the complainant is kept informed thereafter of the progress of the measures being taken for the complaint resolution

Complaint timeframes

- Pax2Pay will resolve the complaint by the end of 15 business days following receipt of the complaint.
- If a complaint cannot be resolved within the 15 days period, a holding response will be issued giving up to a maximum of 35 days, from receipt of the original complaint, to issue a final response.

For complaints relating to TransactPay cases, please see Appendix 1 for the process.

5.5. Final Response Timeframe

A 'final response' is a written response from the respondent which:

- accepts the complaint and, where appropriate, offers redress or remedial action; or
- offers redress or remedial action without accepting the complaint; or
- rejects the complaint and gives reasons for doing so; and which:
 - encloses a copy of the Financial Ombudsman Service's standard explanatory leaflet;
 - provides the website address of the Financial Ombudsman Service

Under no circumstances can a response be issued to the complainant beyond the maximum timeframe of 35 business days from receipt.

5.6. Financial Ombudsman Service (FOS)

If Pax2Pay cannot resolve a complaint for the customer, the FOS can give an unbiased answer about what's happened. If they decide someone has been treated unfairly, the FOS has legal powers to put things right.

In such cases Pax2Pay will:

- inform customers promptly and in writing that they would like to refer the Complaint, either entirely or in part, to another Regulated Financial Institution and obtain customers written consent to do so;
- if customer consents to the referral of the Complaint, Pax2Pay will then refer the Complaint to the other Regulated Financial Institution promptly and in writing;
- inform customers promptly and in writing that the Complaint has been referred and include adequate contact details of any individual at the other Regulated Financial Institution responsible for handling the Complaint; and
- continue to deal with any part of the Complaint not referred to the other body.

If a customer is dissatisfied with the way Pax2Pay will have handled your complaint or the final outcome, they may refer the matter to the FOS. The FOS provides a free, independent and unbiased informs the complainant that if he remains dissatisfied with the respondent's response, he/she may now refer his complaint to the Financial Ombudsman Service; and indicates whether or not the respondent consents to waive the relevant time limits in FCA handbook reference: DISP 2.8.2 R or DISP 2.8.7 R (Was the complaint referred to the Financial Ombudsman Service in time?) by including the appropriate wording set out in DISP 1 Annex 3R; assessment of complaints referred to it. Pax2Pay generally regards the Ombudsman's findings as binding. Customers are, however, still able to pursue the matter privately via the courts.

The Financial Ombudsman Service ('FOS') The Ombudsman can only consider a case when Pax2Pay's own complaints procedure has been exhausted. The FOS services are available to eligible customers which are:

- an individual customer - or joint customers - of a financial business that provided service or products in the UK. Customers can ask someone else to help bring a complaint to us, e.g. family member, a friend, Citizen Advice, local MP, solicitors or a claims company. If you're complaining on behalf of someone who's died, we might ask to see a copy of the will and the grant of probate.
- individuals who act as personal guarantors for loans to businesses they're involved in
- a 'micro-enterprise' (a type of small business) with an annual turnover or balance sheet that does not exceed €2 million and fewer than ten employees
- a charity with an annual income of less than €6.5 million
- a trust that has a net asset value of less than €5 million
- a small or medium-sized enterprise (SME) with an annual turnover of no more than €6.5 million and fewer than 50 employees

Customers usually need to complain to a business or to the FOS within six years of the problem happening. If customers have not done this, FOS can not usually investigate the complaint unless a customer made your complaint within three years of becoming aware (or when they should reasonably have become aware) that they had cause to complain. FOS may also be able to consider a complaint if there are exceptional circumstances that account for the delay.

The FOS contact details are as follows:

Address: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, United Kingdom.

Telephone number: 0800 023 4567.

E-mail: complaint.info@financial-ombudsman.org.uk;

Website: www.financial-ombudsman.org.uk

5.7. Informally resolved complaints

Pax2Pay will adhere to FCA Handbook that refers to dealing with the informal resolution of complaints (DISP 1.5) that stipulates that it has until close of the third business day to resolve complaints informally. If a complaint is resolved to the complainant's satisfaction by the close of the third business day, Pax2Pay will send a 'Summary Resolution Communication', rather than a final response letter.

However, Pax2Pay will now also fulfil its obligatory report requirement on complaints that have been informally resolved. Complainants must have an actual, or potential, client relationship with Pax2Pay. If Pax2Pay has any doubt about the eligibility of any complainant, it shall treat the complainant as eligible and allow the Financial Ombudsman Service to determine the matter.

In certain circumstances, Complainants could take the matter to court.

6. SENIOR MANAGEMENT RESPONSIBILITY

It is the responsibility of Pax2Pay 's senior management to ensure that:

- Complaints handling process is published and made available to customers;
- Complaints are handled fairly, consistently and promptly;
- Complaints are investigated and settled by employees with the necessary competence and authority;
- Fair compensation is provided where appropriate;
- All employees are aware of the firm's complaint handling process.

7. RECORD KEEPING AND REPORTING REQUIREMENTS

- Complaints Register

The person responsible for compliance will maintain the Complaints Register and monitor the progress made with each complaint until the complaint is resolved. The Complaints Register will include details of all open complaints reported, when they were received, what the client classification is, where the relevant files are held and details of all other material developments until each complaint is resolved.

- Analysis

The person responsible for compliance will periodically review the Complaints Register to establish whether there are any trends or common reasons leading to customer complaints for example, unclear policy conditions or systemic failings in sales or operational processes. Where such issues are identified, these will be raised with management and an action plan will be developed and implemented to address the issue. Following the implementation of the action plan, the person responsible for compliance will continue to monitor complaints to determine if the action taken has been effective.

- Reporting to the FCA

The person responsible for compliance will include relevant complaints in a mandatory report to the Financial Conduct Authority in line with Pax2Pay's Reporting Policy.

- Record Keeping

Appropriate records must be maintained:

- All complaints received and action taken must be maintained for 5 years.
- Records retained must be legible, auditable and easily retrievable.
- Records of complaints training conducted with included the names of Departments.

Rights of a complainant:

The complainant has the right to enquire as to the status of his/her complaint by communicating with the Pax2Pay via e-mail at support@pax2pay.com.

Rights of a complainant after the complaints process should a complainant be unsatisfied with the Pax2Pay's reply or no agreement was reached with Pax2Pay, customers can contact the UK's Financial Ombudsman Service (FOS): <http://www.financial-ombudsman.org.uk>.

Appendix 1

Procedure Timelines for complaints falling within the remit of TPL

1. Complaints are to be acknowledged and process to be followed as per section 5 of this document
2. Once the 15 business days period referred in section 5, Transact Payments are to be immediately notified at this stage by Pax2pay Compliance officer that a complaint has been raised, as well as the timeframe that has passed. The notification should advise the details of the complaint and an explanation as to why the complaint cannot be resolved.
3. If, having received a response from the Program Manager or Cobrand, complainants are unhappy with the outcome, they can escalate the complaint to TransactPay's Complaints Department by writing to complaints@transactpay.com
4. Transact Payments will advise the complainant that the complaint has been escalated, as well as the expected timeline (the further 20 business days mentioned above, after the initial 15 business days have passed) for the resolution of the complaint. Transact Payments will investigate the complaint, with the help of the Pax2pay Compliance officer and respond to the complainant (and Pax2pay) with their findings. In any event, the deadline for receiving the final reply from Transact Payments shall not exceed 35 business days from the date the complaint was first made.
 - a. When Transact Payments just acts as a channel of information between the cardholder and the Program Manager, and ultimately between Pax2pay and the Gibraltar Financial Services Authority, the Head of Compliance will gather the information and the transaction history of the cardholder, and will provide the GFSC with a chronological report including the investigations performed and the findings.
 - b. When Transact Payments took active part in the resolution of the complaint via proposing or requesting prompt action or restitution from Pax2pay, or internally, the Head of Compliance will prepare a report for the regulator providing explanations and justification for actions taken or the rationale for not having taken action, which must be signed off by the Head of Compliance.
5. All communication to (and from) the complainant should also be sent along with any transactional information, where applicable. The complainant should also be advised that the complaint has been escalated to the issuer. At such time, Pax2pay Compliance officer should stop all communications to the complainant.
6. If complainants are dissatisfied with the final outcome of the complaint, they should be informed that they can escalate to the following bodies:
 - a. For Gibraltar/UK issuance, they must be informed that they could escalate the complaint to the Gibraltar Financial Services Commission (GFSC) or to,

at least, one alternative dispute resolution body (ADR) which is competent to deal with any disputes concerning payment services rights and obligations. Complaints to the GFSC must be submitted within 12 months of the date on which the cardholder first became aware of the circumstances of the complaint. There is no charge for submitting a complaint to the GFSC.

- b. For EU/EEA issuance, they must be informed that they could escalate the complaint to the Office of the Arbiter for Financial Services (OAFS), which is the alternative dispute resolution body (ADR) appointed by the Malta Financial Services Authority (MFSA). Please note that the OAFS is only able to accept complaints from eligible customers (please see section 11).
 - c. For not eligible customers, if complainants are dissatisfied with the final outcome of the complaint, they must be informed that they could escalate the complaint to the Central Bank of Malta.
7. Before escalating a complaint to the GFSC, to the OAFS, to the Central Bank of Malta, or to an Alternative Dispute Resolution body, the complainant must exhaust the complaints procedure at the Partner and TransactPay first.
 8. Complaint resolution procedures must be made available in English, or in any other language agreed upon between the Partner and the payment service user. Notwithstanding, any escalation submitted to Transact Payments must be translated to English.
 9. In addition to the above, with regard to record keeping, Pax2pay must report to TPL the information on complaints received in the preceding month within the Monthly Compliance Report. In the event of a serious or Regulatory Authority complaint, this must be reported to Transact Payments immediately.