

Internal complaints-handling procedures

The purpose of this factsheet is to assist members to handle complaints appropriately, including the implementation of internal complaints-handling procedures.

This document has no regulatory status. It is issued for guidance purposes only. Nothing contained in this document should be taken as constituting the amendment or adaptation of the ACCA Rulebook. In the event of any conflict between the content of this document and the content of the ACCA Rulebook, the latter shall at all times take precedence.

Introduction

In line with the recommendation by the Financial Reporting Council Professional Oversight Team (FRC–POT), members in the UK and in Ireland must implement adequate procedures to handle client complaints in respect of fee, service and contractual disputes. Members based elsewhere are highly recommended to implement such procedures. This factsheet also considers the obligations upon members after an internal complaints-handling procedure has been exhausted.

The underlying principles

As in any organisation which is people-based, occasional genuine errors or delays will inevitably occur. The principles and procedures set out in this factsheet are concerned with learning from your experiences, and ensuring fair dealing with those with whom firms come into contact. In respect of all complaints about the firm, the staff should:

- focus on putting matters right where possible
- ensure that their line manager/partner is aware of the matter at the earliest possible stage
- assess with their line manager/partner what lessons might be drawn from the situation in order to avoid any repetition of the problem or issue
- after discussion with their line manager/partner, issue an apology to the affected party if appropriate in the situation.

In most cases, the client (or other party making the complaint) will be content that matters have been put right and an

apology given. However, there will be occasions where clients (or others) will feel sufficiently strongly about an issue that they will want to take matters further. In such cases, it is important that the firm does not, in any way, impede such further reviews. The firm's procedures should always allow for clients to take the matter up with ACCA by making them aware of that possible course of action.

Overarching aims

The overarching aims of the procedures, which are set out in section B9 of the Code of Ethics and Conduct, should ensure:

- the proper handling of complaints from clients relevant to members' and firms' compliance with the regulatory system
- that complaints are acknowledged within a reasonable time of their being received
- where a complaint has been made orally, that the letter of acknowledgement states the member's understanding as to the nature of the complaint being made, and invites the complainant to confirm in writing the accuracy of that statement
- that complaints are investigated by a person of sufficient experience, seniority and competence who, where possible, was not directly involved in the particular act or omission giving rise to the complaint
- that any appropriate remedial action on those complaints is promptly taken
- where a complaint is not promptly remedied, that the client is advised of any further avenue for complaint available to him or her under the regulatory system (eg taking the matter up with ACCA)
- where a complaint is not promptly remedied, that the client is advised of the availability of alternative dispute resolution (see below).

The procedures

Many complaints can be resolved satisfactorily by following the procedures set out below. In this way, the level of 'client care' is improved and issues of 'poor service' may be resolved without the need for matters to be taken further.

The purpose of this process is to focus on the issues that gave rise to the complaint. Further, it is taken as read that firms will, at all times, be professional and courteous in their dealings with clients and others.

To assist firms to log complaints, an example of a complaint notification form is reproduced in the appendix to this factsheet.

The procedures to be followed include:

- completion of the complaint notification form
- acknowledgement of the complaint within, say, 5 days of receipt (Although a longer period may be acceptable, a prompt acknowledgement reassures the client that the complaint is being given the appropriate level of attention.)
- where the complaint was received by telephone, making a telephone attendance note and sending a letter of acknowledgement outlining your understanding as to the nature of the complaint being made, and inviting the complainant to confirm in writing the accuracy of the letter
- taking any appropriate remedial action
- where the complaint cannot be promptly remedied, advising the complainant of this and setting out the proposed time frame for dealing with it
- if the complainant is not satisfied, advising that he or she may take the matter up with ACCA (or other regulator if appropriate). It is important to avoid any charge that the matter is being covered up
- filing the completed complaint notification form and related correspondence.

Additional procedures for 'larger' firms

For 'larger' firms additional procedures may be necessary and include:

- bringing the matter to the attention of the line manager (or partner as appropriate) at the earliest possible opportunity, and supplying him or her with the complaints notification form
- the line manager discussing with a partner the proposed course of action, and the complaint, in the first instance, being dealt with by the line manager in conjunction with the partner
- where the complaint is against a manager, it should be investigated by a partner. In the event of a complaint against a partner, it should be investigated by another partner with sufficient experience, seniority and competence who, where possible, was not directly

involved in the particular act or omission giving rise to the complaint

- when filing the completed complaint notification form and related correspondence, passing a copy of the completed complaints notification form to the partner leading the investigation.

It is recognised that the procedures set out above may need to be adapted to suit the individual firm's circumstances. The underlying principles and the overarching aims will, nevertheless, apply whatever the size of the organisation, and staff within the organisation should be made aware of those procedures.

Alternative dispute resolution (ADR)

In March 2015, The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 ('the ADR Regulations') were laid before Parliament. Parts 4 and 5 (which include the trader information requirements) are effective from 9 July 2015.

ACCA will be the ADR entity for a practice in which one or more principals are ACCA members. The ADR function is performed by ACCA's Conciliation Service. Disputes will only be considered for conciliation after they have been assessed and considered suitable.

Although a member of ACCA (and his or her firm) would be required to cooperate in the investigation of a complaint, a member is not obliged to submit to the conciliation process. However, where an accountancy practice has exhausted its internal complaints-handling procedures, the ADR Regulations require the practice to disclose to the consumer (on a durable medium) the following:

- that the practice has been unable to resolve the complaint
- that ACCA is competent to deal with the complaint, should the consumer wish to further the complaint
- ACCA's website address
- that the practice is not obliged to submit to ACCA's conciliation process should ACCA consider that the complaint is suitable for conciliation
- whether the practice would be prepared to submit to ACCA's conciliation process should ACCA consider that the complaint is suitable for conciliation.

Informing clients

A convenient place to make clients aware of your firm's internal complaints procedures is the letter of engagement (or accompanying terms and conditions), and this is the practice recommended in the Code of Ethics and Conduct. The example wording below is recommended by ACCA.

'We aim to provide a high quality of service at all times. If you would like to discuss with us how our service could be improved or if you are dissatisfied with the service that you are receiving please let us know by contacting [Insert name of relevant partner].

We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may take up the matter with the Association of Chartered Certified Accountants. This should be done promptly and in any event no later than 6 months after exhausting our procedures.'

The engagement letter may also include information in respect of ACCA's Conciliation Service. Although this would not remove the need to inform the client following the internal handling of a particular complaint, members may find it useful to set out their obligations in advance of any complaint arising. Therefore, the following additional wording may be considered appropriate:

'Should ACCA consider a complaint appropriate for conciliation, it is competent to offer alternative dispute resolution through its Conciliation Service. ACCA's website address is www.accaglobal.com.

Please note that, under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015, we are not obliged to submit to ACCA's conciliation process.'

Record keeping

In line with general convention, it may be prudent to retain records of complaints for six years.

Appendix

COMPLAINT NOTIFICATION FORM

(Note: This form should be adapted to suit the individual requirements of the firm.)

PRIVATE AND CONFIDENTIAL

Circulation of this form should be restricted to:

- principals of the firm
- personnel directly involved in the complaint and their line managers
- legal advisers, professional indemnity insurance providers, ACCA and other regulators (where appropriate).

Date of complaint:

Format of complaint (tick those applicable):

- Letter (attach copy)
- Telephone call (attach file note)
- In person (attach meeting note)
- Email (attach copy)
- Fax (attach copy)

Person against whom complaint was made:

Department:

Line manager:

Engagement partner:

Complainant:

Partner managing complaint:

Brief description of complaint:

Date of letter acknowledging complaint:

Date matter resolved:

Details of how it was resolved:

Proposed courses of action:

COMPLAINT NOTIFICATION FORM (Cont.)

Impact on firm's quality control system:

Date of letter to client summarising outcome:

Date discussed with person against whom complaint was made:

Date discussed with line manager/engagement partner:

Signed by:

(Person against whom complaint was made)

(Partner managing complaint)

(Line manager)