

GUIDANCE FACTSHEET

INTERNAL COMPLAINTS-HANDLING PROCEDURES

The ACCA Code of Ethics and Conduct (the Code) sets out the internal complaints-handling procedures for professional accountants. The procedures to handle client complaints are contained in section B9 (Professional Liability of Accountants and Auditors) of the Code. The Code is published in the *ACCA Rulebook* at accaglobal.com/rulebook.

This factsheet has no regulatory status. It is issued for guidance purposes only, and in the event of any conflict between the content of this factsheet and the content of the *ACCA Rulebook*, the latter shall at all times take precedence. Therefore, this factsheet should not be regarded by a member as a substitute for familiarising themselves with the appropriate regulations or, where necessary, obtaining specific advice concerning a specific situation.

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INTRODUCTION

A professional accountant in the UK and Ireland must implement adequate procedures to handle client complaints in respect of fee, service and contractual disputes. Professional accountants elsewhere are highly recommended to implement such procedures.

This factsheet describes the relevant provisions of ACCA's regulations and, in addition, provides guidance on the implementation of internal complaints-handling procedures. The terms **firm** and **practice**, when used in this factsheet, mean a sole practitioner, partnership, or body corporate, including a limited liability partnership. The term **principal** means an individual who is a sole proprietor, a salaried or equity partner of a partnership, a statutory, de facto or shadow director of a company, or a member (designated or non-designated) of a limited liability partnership, or any individual who is held out as being a partner, company director or member.

UNDERLYING PRINCIPLES

Complaints are a commercial reality for ACCA members and firms, and in any organisation which is people-based, occasional genuine errors, delays and misunderstandings will inevitably occur. Receiving a complaint is not a failure; it provides a learning opportunity and a chance to review the firm's procedures and processes. Ideally, you should try to retain as much control over the dispute as possible, and how you handle the complaint is critical. Ultimately, if handled well, it can lead to longer lasting client relationships and repeat business.

Section B9 of the Code of Ethics and Conduct in the *ACCA Rulebook* deals with internal complaints-handling procedures. 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.

FIRST TIER COMPLAINTS

When clients are dissatisfied with the service of a firm, they can complain directly to the firm. These are known as a **first tier complaints**.

In respect of all first tier 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 future repetition of the problem or issue; and
- after discussion with their line manager/partner, issue an apology to the affected party if appropriate in the situation.

SECOND TIER COMPLAINTS

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 and make a **second tier complaint**. 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 as a second tier complaint with ACCA by making them aware of that possible course of action.

Ultimately, clients also have the option to complain to a regulatory authority and ask it to review ACCA's handling of their complaint, and/or to raise a complaint with an ombudsman service (where appropriate).

Once the firm's internal complaints-handling procedures have been exhausted, members and firms should inform the client:

- 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; and
- whether the practice would be prepared to submit to ACCA's conciliation process should ACCA consider that the complaint is suitable for conciliation.

OVERARCHING AIMS

The overarching aims of the internal complaints-handling procedures should ensure:

- the proper handling of complaints from clients relevant to the firm's compliance with the regulatory system;
- that complaints are acknowledged promptly;
- where a complaint has been made orally, that the letter of acknowledgement states the professional accountant'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; and
- where a complaint is not promptly remedied, that the client is advised of any further avenue for complaint available to them under the regulatory system (eg taking the matter up with ACCA).

PROCEDURES

Many complaints can be resolved without recourse to litigation where adequate internal complaints-handling procedures exist within firms. In this way, not only does the level of client care improve, but issues of poor service can be resolved without the need for investigation by ACCA.

The purpose of the internal complaints-handling 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.

The procedures to be followed include:

- completion of the Complaint notification form
- acknowledgement of the complaint within **five** working days of receipt. 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 firm's understanding as to the nature of the complaint being made, and inviting the complainant to confirm in writing the accuracy of the letter

- investigating the complaint in a fair, prompt, constructive and honest manner. The investigation should be conducted by an individual of sufficient experience, seniority and competence who, where possible, was not directly involved in the particular act or omission giving rise to the complaint.
- taking any appropriate remedial action
- notifying the client in writing of the firm's final response within **four** weeks of receiving the complaint
- if the complainant is not satisfied within the four-week timeframe, advising the complainant in writing that they may take the matter up with ACCA (and a regulatory authority and/or ombudsman service, where appropriate) including the timeframe for doing so and full details of how to contact these organisations. It is important to avoid any charge that the matter is being covered up.
- cooperating with the ACCA (and a regulatory authority and/or ombudsman service, where appropriate) during the course of their investigation
- complying with any decision that ACCA (and a regulatory authority and/or ombudsman service, where appropriate) may make and promptly implementing any remedy ordered by ACCA (and a regulatory authority and/or ombudsman service, where appropriate)
- providing ACCA with such details of complaints as ACCA may request (whether by writing, visiting the firm's offices or other means) within 28 days of receiving such a request
- filing the completed Complaint notification form and related correspondence in a separate complaint file.

To assist firms to log complaints, an example of a **Complaint notification form** is provided in [Appendix 1](#).

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 them with the Complaint notification form
- the line manager discussing with a partner the proposed course of action and dealing with the complaint in the first instance, in conjunction with the partner
- where the complaint is against a line 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 Complaint notification form to the individual leading the investigation.

It is recognised that the procedures set out above may need to be adapted to suit the individual firm's requirements. 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.

ADDITIONAL PROCEDURES FOR FIRMS CARRYING ON SPECIFIC REGULATED WORK

All firms are required to implement fair, efficient and effective internal complaints-handling procedures for complaints which comply with ACCA's regulations. Additionally, firms carrying on specific regulated work (eg legal activities in England and Wales) must also comply with the internal complaints-handling procedures set by a recognised national body, regulatory authority and/or ombudsman service (where appropriate) in relation to that regulated work. Staff within the firm should be made aware of these additional procedures.

MAKING A COMPLAINT ABOUT AN ACCA MEMBER

Members (including firms, affiliates and students) regulated by ACCA are required to observe proper standards of professional conduct and in those instances where they do not ACCA will investigate and, where appropriate, take disciplinary action.

Further information on making a complaint against an ACCA member, firm, affiliate or student is available on our website at [Making a complaint about an ACCA member](#). Guidance to assist complainants and members to understand ACCA's complaints and disciplinary process is provided in the [Guide to the ACCA Complaints and Disciplinary Procedures](#). In order to make a complaint to ACCA the complainant should complete the [ACCA complaint form](#) and send it with all supporting documentary evidence by email to complaintassessment@accaglobal.com.

ACCA CONCILIATION SERVICE

ACCA provides alternative dispute resolution (ADR) through the [ACCA Conciliation Service](#) and is recognised as an ADR provider by the [UK Chartered Trading Standards Institute](#). In those instances where local resolution has failed, we offer conciliation to help resolve complaints which are unlikely to lead to disciplinary action.

When a complaint is lodged with ACCA against an ACCA member, firm, affiliate or student, it will be assessed for any aspects which may be appropriate for conciliation. Although members are required to cooperate in the investigation of a complaint, there is no obligation to submit to the conciliation process.

Further information to assist complainants and members to understand ACCA's Conciliation Service procedure, within the complaints and disciplinary process, is provided in the [Guide to ACCA's Conciliation Service](#).

INFORMING CLIENTS

You must make clients aware of their right to make a **first tier complaint** to your firm in the letter of engagement (or accompanying terms and conditions). This should include the name of the individual to be contacted and details of your firm's internal complaints procedures.

Firms are also required to advise clients of their rights to make a **second tier complaint** to ACCA (and a regulatory authority and/or ombudsman service, where appropriate) if the first tier complaint has not been resolved to the client's satisfaction within **four** weeks, and the process for doing so.

Further information on Engagement letters is available on our website at [Technical factsheet: Engagement letters for practitioners – accounts production](#).

In the Technical factsheet we provide example engagement letters, guidance notes to the appendices, covering letter, privacy notice, schedules of services, standard terms and conditions of business and disengagement letter wording. The template engagement letter for practitioners includes paragraphs on complaints.

Please note that the letters of engagement, specimen letters and terms and conditions provided by ACCA are **examples only**. They may not address all of the issues for each specific client you intend to issue letters of engagement, specimen letters and terms and conditions to. The terms included in an engagement letter in relation to complaints will depend on your circumstances. If there are any client matters not dealt with in the examples, you should undertake additional research and amend your letter accordingly.

RECORD KEEPING

The Complaint notification form and related correspondence, including information from ACCA (and a regulatory authority and/or an ombudsman service, where appropriate) should be filed in a separate complaints file. In line with general convention, it may be prudent to retain records of complaints for six years.

FURTHER INFORMATION

Further information is available on the ACCA website at www.accaglobal.com, or by contacting Technical Advice and Support in your region.

APPENDIX 1

COMPLAINT NOTIFICATION FORM

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
- staff directly involved in the complaint and their line managers
- legal advisers, professional indemnity insurance providers, ACCA, regulatory authorities, and ombudsman services (where appropriate).

Date of complaint:

Format of complaint (tick those applicable):

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

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 complaint resolved:

Details of how complaint was resolved:

Proposed course(s) of action:

Impact on firm's quality management 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)
