



27/11/2019 | Compliance Department

# Customer Complaints Policy

Version n° 2

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## 1. PURPOSE

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This Customer Complaints Policy (the “Policy”) is designed with a view to complying with the requirements set out in the CSSF Regulation 16-07 relating to the out-of-court resolution of complaints as well as those set out in CSSF Circular 17/671 on precisions on CSSF Regulation N° 16-07.

This CSSF Regulation 16-07 aims at updating and laying down in detail the framework within which customer complaints shall be handled and provides further clarifications on the obligations incumbent upon *Banque de Patrimoines Privés* (the “Bank” or “we”) in connection with the internal handling of complaints.

This Policy aims at facilitating the resolution of complaints in compliance with the CSSF Regulation 16-07.

This Policy applies to all complaints received by the Bank, from its customers, as such term is defined herein. It is applicable to all employees of the Bank.

This Policy shall be efficient and transparent, in view of the reasonable and prompt complaint handling in full compliance with the provisions of regulations.

## 2. PRELIMINARY NOTE

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As per the provisions of CSSF Regulation 16-07, this Policy shall provide clear, precise and up-to-date information on the Bank’s customer complaint handling process, including details on how to complain and the steps to be followed to handle the complaint.

The Bank shall publish:

- this Policy in an easily accessible manner via its internal e-file network available to all employees; and
- the details of its customer complaint settlement procedure in an easily accessible manner via its contractual documents.

It is worth highlighting that according to CSSF Circular 17/671, one member of the Bank’s Authorised Managers shall be appointed as the person in charge of the customer complaint handling process *vis-à-vis* the CSSF. At the time of issue of this Policy, the Chief Operating Officer is the Authorised Manager responsible for such process.

Within the Bank, the day-to-day management of this process is delegated to the Compliance function of the Bank.

All the complaints received from customers must be reported in accordance with the below instructions and shall be promptly reviewed and responded in a fair and equitable manner in compliance with the Bank’s policy as stated herein.

For the purpose of this Policy, the 'Customer Complaint Reporting Form', attached hereto as Annex I (the "Form"), must be completed and addressed to the Compliance function of the Bank on the day a complaint is received.

### 3. PARTIES INVOLVED

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- Authorized Management
- All employees of the Bank

### 4. DEFINITIONS

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For the purposes of this Policy, the following definitions shall apply:

- A. «**Complaint**»: written or verbal communication from a customer (or any person acting on its behalf in an official capacity) expressing dissatisfaction about the Bank's products or services to recognize a right or to redress a harm and/or requesting financial compensation or another form of remediation.

Consequently, the term 'customers' of the Bank includes:

- the Bank's customers; and
- counterparties which are offered services by the Bank.

Once received by the Bank, the above complaints, and any other feedback from customers, whether written or verbal, and irrespective of the entry point within the Bank, must be reported to the Compliance function of the Bank (the Chief Compliance Officer or his/her designated backup) immediately using the Form. If there is any doubt whether some customer feedback is a complaint or not, the Compliance function of the Bank should be contacted.

Sources of possible complaints: an error in the execution of an operation, a late execution, the application of different conditions to those stipulated, etc.

- B. «**Application/demand/request**»: a customer's request for an out-of-court settlement of a claim submitted to the CSSF in accordance with the CSSF Regulation 16-07.
- C. «**Complainant**»: means any natural or legal person having filed a complaint with the Bank.

## 5. COMPLAINTS HANDLING POLICY STATEMENT

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Complaints, where possible, are to be resolved closest to the source of the complaint. The policy of the Bank as regards handling of complaints is to facilitate the resolution of complaints against the Bank without judicial proceedings.

The Bank views complaints as an opportunity to learn and improve for the future, as well as a chance to put things right for the individual/company, who has made the complaint.

This Policy aims at:

- providing a fair complaints procedure which is clear and easy to use for any customer wishing to make a complaint;
- publicizing the existence of this Policy so that customers know how to contact us to make a complaint;
- making sure that everyone at the Bank knows what to do if a complaint is received;
- making sure that all complaints are investigated fairly;
- making sure that all complaints are addressed professionally, competently and in a timely manner;
- making sure that complaints are, wherever possible, resolved and that relationships are repaired; and
- gathering information which helps us to improve what we do.

Handling complaints well:

- demonstrates the Bank commitment to its clients and other stakeholders;
- demonstrates the Bank commitment to providing the best possible service;
- helps the Bank to find out about things that have gone wrong so that the Bank can fix them; and
- helps the Bank to prevent things from going wrong again in the future.

Complaints, where possible, are to be resolved closest to the source of the complaint.

## 6. PROCESS DESCRIPTION

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### 6.1. Out-of-court customer complaint handled at the Bank's level only

Responsibility: All departments

#### 6.1.1. Communication of the available channels to receive customer complaints

The General Terms and Conditions and the website of the Bank specify that any customer's complaint should be sent to the Compliance function of the Bank at:

*Banque de Patrimoines Privés, S.A  
Att. Chief Compliance Officer  
30, Boulevard Royal L-2449 Luxembourg  
compliance@bbpp.lu*

The complainant must clearly indicate his/her contact details and provide a brief description of the subject of his/her complaint.

If the Bank's response is not satisfactory for the complainant, it is possible that he/she addresses a request for an out-of-court settlement before the CSSF according to art. 5 of CSSF Regulation n°16-07. More details regarding this process may be found using the following link:

<http://www.cssf.lu/consommateur/reclamations/>

## 6.1.2. Customer complaints handling process

### 6.1.2.1. Receipt of a customer complaint

Responsibility: All departments

If an employee receives a complaint from a customer by telephone, in writing or face-to-face, it is his/her responsibility to ensure that the details of the complaint, as detailed in the Form, are escalated to the Compliance function of the Bank.

### 6.1.2.2. Acknowledgement of receipt

A written acknowledgement of receipt will be provided to the complainant within a period, which shall not exceed **ten (10) Luxembourg business days** after receipt of the complaint, unless the answer itself is provided to the complainant within this period.

The customer will be notified of the receipt of the complaint and of the name and contact details of the person in charge of the case at the Bank (the "Designated Employee").

The Head of the concerned department (or the Authorised Manager in charge if the Head of the concerned department is involved in the complaint as complainee) shall designate the Designated Employee and provide his/her name to the Compliance function.

The Designated Employee will keep the complainant up-to-date with the developments in the handling of his/her complaint in accordance with the terms hereof.

### 6.1.2.3. Assessment of the complaint

Responsibility: Designated Employee, Risk Control function and Compliance function

Upon receipt of a complaint, the Designated Employee, upon supervision of his/her Head of department, shall:

- seek to gather and to investigate all relevant evidence and information on the complaint;
- seek to communicate in a plain and easily comprehensible language;
- make a recommendation as to how to resolve the matter;
- immediately inform the Compliance function and the Authorised Management, providing them with the executive summary of the customer complaint;

- copy the Authorised Management and the Compliance function of the Bank in on all e-mails related to the complaint handling.

The original of any correspondence or documentation received from the customer, unmarked in any way, as well as any documentation relating to the customer complaint (i.e. Form, customer statements, orders, customer e-mail, etc.) should be passed to the Compliance function of the Bank.

There should be no communication, written or otherwise, with customers who filed complaints by any of the employees of the Bank, including the Designated Employee, without prior consultation with the Compliance function of the Bank.

The Designated Employee, as the case may be his/her Head of department, the Risk Control function, as appropriate, and the Compliance function consider all evidences and background, try to identify and find remedies, as well as legal and operational risks involved. They shall carefully consider as a whole:

- cause analysis;
- processes involved;
- identifies and mitigates potential conflicts of interest; and
- more specifically, and regarding product governance requirements, the review of the complaints over specific financial instruments may need to be made in order to identify potential failures in the distribution of the product or in the target market definition.

#### 6.1.2.4. How to deal with possible conflicts of interest?

The employee, who has or might have a conflict of interest with one or more of the parties to a complaint, shall immediately inform his/her Head of department and the Compliance function of the Bank. The same applies when the employee considers that his/her independence or his/her impartiality can or could be challenged at any time during the procedure.

No employee involved as a complaine in a complaint can be designated as a Designated Employee or be in liaison in any ways with the complainant.

In the case where, within the context of the examination of a complaint, an employee notices that a question of a prudential nature exceeding the framework of the complaint arises, s/he shall transmit the required information to the Compliance function of the Bank.

### 6.1.3. Response to the customer

#### 6.1.3.1. Preparation of the response

After the previous assessment, once a decision is taken by the Designated Employee and the Compliance function of the Bank, a formal response will be drafted by the Designated Employee. The draft will have to be submitted to the Compliance function of the Bank for review before being signed and sent to the complainant.

The Bank shall issue a reasoned answer within one (1) month from the date of receipt of the complaint depending on the nature and the complexity of the complaint.

The (1) month-period starts running where the Bank receives the complaint. The (1) month-period may be extended in the case of complex files. In this event, the Bank will inform the customer of the approximate necessary extension.

#### 6.1.3.2. Confirmation and signature by the Authorised Management

The Authorized Management shall review the suggested response to the customer once reviewed by the Compliance function of the Bank. Should there be no objection and/or comments to be added, the Authorized Management validates the formal answer by adding their respective signature on the formal response.

The formal response will always be sent to the customer by registered post with acknowledgement of receipt. A copy of the response will be sent for information purposes by the Designated Employee to the Head of department of the latter, the Compliance function and the Authorized Management.

The Compliance department will save a copy of the response to the complaint in a dedicated folder.

#### 6.1.3.3. Communication requirements

According to CSSF Regulation 16-07, if the Bank is not able or willing to respond favourably to a customer complaint, it needs to inform the customer in writing about the possibility to introduce a complaint with the CSSF and to include the information about the time limit of one (1) year to filing a complaint with the CSSF.

## 6.2. Possible intervention of the CSSF as an out-of-court authority

The CSSF is the competent authority to receive complaints by clients of institutions subject to its supervision and to act as an intermediary with them in order to seek an amicable settlement.

Where the complainant did not receive an answer or a satisfactory answer within the period on one (1) month, s/he may file his/her request with the CSSF within **one (1) year** after he/she filed his/her complaint with the Bank.

## 6.3. Out-of-court customer complaint handled with CSSF involvement scope

### 6.3.1. Scope

Are to be concerned within this section any request for the out-of-court resolution of complaints filed with the CSSF.

It is to be noted that a request shall not be admissible with the CSSF in the following cases:

- the complaint has been previously or is currently being examined by another alternative dispute resolution body, arbitrator, arbitration tribunal or a court, in Luxembourg or abroad;
- the complaint concerns the business policy of the professional;
- the complaint concerns a non-financial product or service;
- the request is unreasonable, frivolous or vexatious;
- the complaint has not been previously submitted to the relevant professional in accordance with article 5(1) of the CSSF Regulation 16-07;



- the complainant has not filed a request with the CSSF within (1) one year after s/he filed a request with the professional; and
- the request handling would seriously impair the efficient functioning of the CSSF.

Consequently, it results from the previous paragraph that the scope as defined in this section covers cases where:

- the processes foreseen under the section 6.1 have already been applied.
- the customer has not received an answer or a satisfactory answer from that person within (1) one month from the date at which the complaint was sent.

### 6.3.2. Out-of-court Customer compliant settlement process with CSSF involvement

#### 6.3.2.1. Procedure at the CSSF level – main steps

The CSSF Regulation 16-07 details the procedure followed by the CSSF for handling such request. The main steps are the following:

- request for additional documentation, if needed;
- transmission of a copy of the complaint to the Bank, with the request to take position within a period up to (1) one month from the date at which the file was sent. The CSSF informs the complainant of such transmission;
- acknowledgement of receipt;
- analysis of the request admissibility;
- in case where the CSSF is unable to deal with the request, it provides the two parties within (3) three weeks after receipt of the complete request with a detailed explanation of the reasons why it does not accept to deal with the complaint.
- within the same period of (3) three weeks, the CSSF might inform the parties if it accepts to treat the request.

When the request is admissible and complete:

- analysis by the CSSF of the file relating to the request.
- while analysing the file relating to the request, the CSSF may request the Bank and the complainant to provide it with additional information, documents or explanations, in any form whatsoever, and to take position on the facts or opinions as presented by the other party within a reasonable period that cannot exceed (3) three weeks.
- Conclusion of the CSSF (within 90-day period extendable), including the statement of reasons for the position taken. Where the CSSF concludes that the request is totally or partly justified, it may ask the parties to contact each other to settle their dispute in view of the reasoned conclusion and to inform it of the follow-up.

#### 6.3.2.2. Handling process with the CSSF request

##### During the CSSF review

The written request received from the CSSF will follow the usual process related to the correspondence received from the CSSF.

The Compliance function of the Bank will be in charge of ensuring that the CSSF request is handled appropriately as soon as possible and at the latest within (1) one month from the date at which the letter was sent.

The Designated Employee and the Compliance function of the Bank will work jointly to answer to all CSSF requests related to the concerned complaint. The Authorised Management will be associated to the drafting of answers addressed to the CSSF.

The Bank shall join copies of the documents which are useful for the examination of the CSSF request and will keep the original versions of these documents.

#### When the CSSF has taken position

Where the analysis of the file relating to the request is completed, the CSSF addresses a conclusion letter to the parties, including the statement of reasons for the position taken.

✘ Customer request totally or partly justified according to the CSSF.

Where it concludes that the request is totally or partly justified, the CSSF asks the parties to contact each other to settle their dispute in view of the conclusions and to inform it of the follow-up.

The conclusions of the CSSF are not binding on the parties. They are free to accept or refuse to follow them. As a result, the Bank has the possibility to seek remedies through legal proceedings, in particular, if the parties fail to reach an agreement after the CSSF issued its reasoned conclusion.

In such a case, the customer complaint file will be handed over to the Compliance function of the Bank, who will address detailed recommendation to the Authorised Management on the best approach to deal with this complaint, i.e.

- to reach an agreement after the CSSF issued its conclusions; or
- to refer the matter before the court.

The Authorised Management has to decide whether it agrees with a contractual agreement with the customer or whether it launches the procedure related to the resolution of customer complaints with a court.

The Compliance function of the Bank will act accordingly.

✘ Customer request which is not totally or partly justified according to the CSSF.

The CSSF does not take position as regards the customer request. As an alternative position, the CSSF may inform that “the CSSF comes to the conclusion that the positions of the parties are irreconcilable or unverifiable, it informs the parties thereof in writing”.

In such a case, the customer complaint file will be handed over to the Compliance function of the Bank who will follow same procedure as above mentioned under previous sub-section but, in this case, the Bank is not requested to keep CSSF informed about the follow-up.

## 6.4. In-court customer complaint

Application of processes related to in-court matter will be handled by an external law firm.

The Compliance function of the Bank is responsible to liaise with the latter and to keep record of any processes progress.

## 7. COMPLAINTS REGISTER

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Responsibility: Compliance function

The Bank ensures that each complaint as well as each measure taken to handle is properly registered.

The Compliance function of the Bank manages a special register of complaints in which the customer's original request and all the documents and information related thereto are saved. All documents shall be also scanned.

## 8. REPORTING

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Responsibility: Compliance function

### 8.1. Internal reporting

Every quarter, in its Quarterly Compliance Report addressed to the Authorised Management, the Compliance function will report to the Authorized Management the complaints received within the past quarter.

### 8.2. Reporting to the CSSF

#### 8.2.1. Cooperation in complaints handling

The Bank is required to answer to, and cooperate fully with, the CSSF in the handling of complaints and requests.

#### 8.2.2. Annual reporting

The Compliance function of the Bank is required to communicate to the CSSF, on an annual basis, a table including:

1. the number of complaints registered by the Bank, classified by type of complaints, as well as
2. a summary report (the compliant synthetic report) of
  - a. the complaints; and
  - b. the measures taken to handle them

## 9. PROVISIONS AND REFUND

**Responsibility:** Accounting Department, Risk Control function, Compliance function and Authorized Management

### 9.1. Provisions

The complaint and related information / documentation shall be provided to the Risk Control function, who might recommend to define potential provisions required on the basis of a risk assessment. This report is due to be submitted to the Authorized Management for approval.

The Accounting department will then enter the required provisions in the accounts. If this provision must subsequently be reassessed (upward, downward or cancellation), The Designated Employee with the Authorized Management's approval shall ask the Accounting department to make the necessary adjustment. The Risk Control function together with the Compliance function shall be informed accordingly.

### 9.2. Refund

Where the response to the complaint provides for economic reimbursement at the Bank's expense, after obtaining the Authorized Management's approval, the Designated Employee shall communicate this information to the Accounting department and the Compliance function.

## 10. LEGAL REFERENCES\*

CSSF Regulation No. 16-07 relating to the out-of-court complaint resolution
CSSF circular 17/671 relating to specifications regarding CSSF Regulation No 16-07
Consumer Code, sub section 3 - Alternative dispute resolution Art. L. 224-26
Law of 17 February 2016 introducing the alternative dispute resolution for consumer disputes into the consumer code and amending certain other legal provisions of the consumer code

\*non exhaustive

## 11. HISTORY

Version n°	Date	Author	Modification
1	06/12/2017		
2	11/2019	Jérôme GOEPFERT	Yearly update / Review of processes / Addition of a reporting form / Conversion to the Bank's policy template

## ANNEX I – Customer Complaint Reporting Form

### CUSTOMER COMPLAINT REPORTING FORM

*All customer complaints must be handled without delay.  
Accordingly, this Form must be completed and sent by e-mail to the Compliance function of the Bank on the day the complaint is received; a hard copy must also be handed over to Compliance. Where available, all relevant information should be retained pending the outcome of the complaint.*

#### COMPLAINT DETAILS

<b>Date of the complaint:</b>			
<b>Method of transmission of the complaint:</b>	<input type="checkbox"/> Letter	<input type="checkbox"/> Telephone	<input type="checkbox"/> Meeting
	<input type="checkbox"/> E-mail	<input type="checkbox"/> Fax	
<b>Customer name</b>			
<b>Nature of complaint</b>	<i>Please use same wording as CSSF reporting</i>		
CSSF Category			
CSSF Sub-category			
<b>Details of complaint:</b> (if necessary, please continue on a separate sheet of paper and attach)			
<b>First assessment:</b> (if necessary, please continue on a separate sheet of paper and attach)			
If the complaint relates to a specific transaction, please complete the section below:			
<b>Date of the transaction:</b>			
<b>Security name:</b>			
<b>Volume:</b>		<b>Price:</b>	
<b>Type of transaction:</b>	<input type="checkbox"/> Buy	<input type="checkbox"/> Sell	

#### EMPLOYEE RECEIVING COMPLAINT:

<b>Name:</b>			
<b>Department:</b>			
<b>Signature:</b>			
<b>Date:</b>			
<b>Information made to the Head of department :</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

#### FILE CLOSED – FOR COMPLIANCE SIGN-OFF ONLY

<b>Name:</b>	
<b>Signature:</b>	
<b>Date:</b>	
<b>File reference No:</b>	