



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

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## **MEDIA STATEMENT**

### **COMMENCEMENT OF THE OPERATIONS OF THE OMBUD COUNCIL**

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The Ombud Council has commenced its work to fulfil its statutory mandate, with the Ombud Council Board holding its first meeting on Wednesday, 26 May 2021.

The Ombud Council is established in terms of section 175(1) of the FSR Act. Its objective is to assist in ensuring that financial customers have access to, and are able to use affordable, effective, independent and fair alternative dispute resolution processes for complaints about financial institutions in relation to financial products, financial services and services provided by financial infrastructures.

The Ombud Council has oversight powers over both the statutory and industry financial sector ombuds. It will recognise industry schemes that meet minimum requirements, set enhanced governance and accountability requirements, and harmonise and strengthen standards of practice for each ombud scheme. This will be done through rule-making and enforcement powers, to develop a uniform and consistent framework for external dispute resolution mechanisms across the financial services sector.

The Ombud Council is now giving effect to its legal establishment and developing an operational plan to establish its office and fulfil its functions. Communication with existing financial sector ombud schemes will take place in due course.

During the start-up phase of the Ombud Council:

- The Ombud Council will focus on developing an institutional framework to support its operations.
- It confirms that, under the Financial Sector Regulation Act No. 9 of 2017 (FSR Act), Chapter 14, Section 194, all financial sector industry ombud schemes already recognised under the Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004) before its repeal, are deemed to be recognised for the stipulated period of 12 months up to 1 November 2021 after which a renewal process will be instituted.

- It will endeavour for the recognition process of new financial sector industry schemes to commence on 1 November 2021.
- The Ombud Council has requested the Financial Advisory and Intermediary Services (FAIS) Ombud according to the FSR Act, Chapter 14, Section 211, to continue addressing complaints as under the Financial Services Ombud Schemes Act, 2004 before its repeal. A letter of designation has been issued to the FAIS Ombud in this regard.

**Issued by the Ministry of Finance**

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