

**IN THE OFFICE OF THE OMBUD FOR FINANCIAL SERVICES PROVIDERS**

HELD IN PRETORIA

CASE NO: FOC 882/05/KZN/(1)

In the matter between:

**RUKSHANA RAMDASS**

Complainant

and

**STANDARD BANK FINANCIAL CONSULTANCY –  
A DIVISION OF STANDARD BANK LTD**

Respondent

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**DETERMINATION IN TERMS OF SECTION 28(1) OF THE FINANCIAL  
ADVISORY AND INTERMEDIARY SERVICES ACT 37 OF 2002 ('FAIS Act')**

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**THE PARTIES**

[1] Complainant is Rukshana Ramdass, an adult female, assistant manager, residing at 6B Syringa Avenue, Kharwastan, Durban, KwaZulu Natal.

[2] Respondent is Standard Bank Financial Consultancy, a division of Standard Bank Limited, a registered bank in terms of the laws of the Republic of South Africa and an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act 37 of 2002, with its principal place of business at Standard Bank Centre, 7<sup>th</sup> Floor, 5 Simmonds Street, Johannesburg.

## THE COMPLAINT

- [3] Complainant wrote to this office on 17 May 2005 complaining about the conduct of the Respondent. In her complaint she alleges that one Kresan Maistry ('Maistry'), an employee and authorised representative of Respondent advised her to purchase a financial product without taking into account her needs and objectives. She further alleges that Maistry had misrepresented the financial product to her.

## THE CONTEXT

- [4] The complaint arises against the following factual background:-
- [4.1] During November 2004, Complainant accompanied by her husband went to the Chatsworth branch of the Standard Bank to seek advice on how to invest her funds in the amount of R87 000.
- [4.2] This amount, Complainant alleges was the proceeds from the sale of her immovable property. Complainant intended to hold this money until such time as she found another property. At the bank, Complainant was referred to Maistry.

- [4.3] Complainant had in mind the money market account. This is what she enquired about when she met Maistry. She was nonetheless advised to invest her money in Liberty Life. She claims that during the conversation with Maistry, she told him that she was house hunting and that she would need the money as soon as she had found a house. Maistry is alleged to have told the Complainant that she would not be allowed to take out money from the investment for any personal reasons. However, she could do so to purchase property as property is also an investment.
- [4.4] Documents to effect the investment were completed during the meeting with Maistry which, Complainant states, lasted no more than 30 minutes.
- [4.5] Complainant's next meeting with Maistry was during the month of February 2005 when, according to her, she went to the bank 'to put notice on the funds' as she had found property.
- [4.6] Maistry telephoned someone from Liberty in the presence of the Complainant. She was then told that R80 000 could be obtained. However about R4 000.00 would need to be left in the account for 'admin charges'.

- [4.7] After this discussion, Complainant handed Maistry a copy of the purchase and sale agreement in order that he could contact the conveyancing attorneys and confirm that the Complainant's funds were going to be available. This, Maistry did.
- [4.8] Approximately a week or two later, Maistry telephoned Complainant and advised her that she could only obtain a loan of R70 000 due to the fact that Maistry had invested for five years.
- [4.9] Complainant claims she was upset by the news as she had told Maistry, at the time of investing, that she would need the funds to purchase a house as soon as she had found one. She further claims that she had already applied for a personal loan to cover the transfer and bond registration costs.
- [4.10] Complainant continued to telephone Maistry demanding her money. However, after numerous calls, from her mobile phone, which she alleges were not returned by Maistry, it became clear to her that she was not going to access her entire investment as she had hoped. It was at this point that she decided to sell her vehicle and sought loans from her relatives in order to make up the funds for the purchase of the property.

[4.11] This Office enquired from Complainant whether a needs and risk analysis had been conducted during their first consultation. Complainant unequivocally advised that there was no mention of a needs analysis and certainly no mention was made of a risk analysis. She further states that no copies of any documents were given to her after the meeting.

#### RELIEF SOUGHT

[5] Complainant seeks repayment of the balance of her investment. She further seeks compensation for the inconvenience caused to her. She does not mention the amount she seeks as a result of the inconvenience.

#### THE RESPONSE

[6] Upon receipt of the complaint, this Office dispatched a letter together with the complaint on the 30 May 2005 to the Respondent, for it to resolve the complaint within the time prescribed by Rule 6 (b) of the Rules on Proceedings of the Office of the Ombud for Financial Services Providers ('the Rules').

[7] On the 25<sup>th</sup> July 2005 Respondent wrote to this Office, stating that it could not find any wrong doing on its part and that it was therefore unable to compensate Complainant for any of her losses.

[8] On the same day, this Office advised Respondent that the matter was proceeding to investigation and accordingly requested Respondent's response to the complaint in terms of section 27 of the FAIS Act together with any documents in its possession which would support its case.

[9] The response was received by the Office on the 25<sup>th</sup> July 2005. In its response, Respondent does not pertinently deal with the material allegations set out in the letter of complaint. Instead, in support of its version, it furnished this Office with the following:-

[9.1] A letter dated the 1<sup>st</sup> July 2005, from a Mr Alfred Meeding ('Meeding'), sales manager of the Respondent's Kwa-Zulu Natal Branch;

[9.2] A letter dated 9 June 2005 addressed to Meeding by Maistry;

[9.3] A one page document titled 'Financial Consultancy Summary of proposal contract';

[9.4] A four page document titled, 'Financial Consultancy Needs and Risk Analysis;

[9.5] A document titled, 'Financial Planning Disclosures by intermediary to long-term insurance policyholders and investment clients';

[9.6] A document titled, 'FICA REQUIREMENTS, together with one page of what appears to be a summary of the contract between Complainant and Liberty Life.

## THE ISSUES

[10] The issues in this complaint are:-

- (i) Misrepresentation;
- (ii) Appropriateness of advice;
- (iii) Non compliance with the FAIS Act.

## IS THIS COMPLAINT JUSTICIABLE BEFORE THE FAIS OMBUD?

[11] This complaint is justiciable before the FAIS Ombud. The broad allegations are that the Respondent rendered a financial service without

complying with the FAIS Act, the result of which is that Complainant suffered financial loss.

[12] Complainant further alleges that the financial product was misrepresented to her by the Respondent.

[13] That the financial service was rendered by Maistry, a representative of the Respondent, acting in the course and scope of his employment with the Respondent has not been disputed and needs no further comment.

[14] The alleged loss falls within the jurisdictional limits of this Office.

## DETERMINATION AND REASONS THEREOF

### **(i) Misrepresentation**

[15] Complainant's allegation is that Respondent falsely advised her that the financial product, namely the Excelsior Endowment was suitable for her circumstances as she would be able to access funds in order to purchase immovable property, when in truth and in fact, access to funds was restricted. Complainant argues that Respondent's conduct caused her financial prejudice.



I refer in this regard to the Complainant's letter of the 29<sup>th</sup> April 2005 in which she states:-

'He explained to me about an investment & made sure to tell me that the funds cannot be taken out for any personal reason, other than property, as this would be another investment. I agreed to this and invested my Eighty Seven Thousand Rand, of which approximately Four Thousand Rand went towards admin costs.'

In her letter of the 17 May 2005, the same allegation is made. In this letter she states:-

'He did tell me that I cannot take money out for personal (sic) reason, but for property being another investment was fine. I went ahead with his professional advice & invested with Liberty Life'.

[16] Respondent's version is contained in the letter written by Maistry to Meeding, supported by a letter written by Meeding to a Rehana Moolla and other supporting documents furnished to this Office. Although the Respondent does not fully respond to this allegation, it nonetheless relies on all the documents furnished to this Office.

[17] I now examine Maistry's letter. It is dated 9 June 2005, some seven months after the date of the Complainant's meeting with him.

[17.1] The letter states in the first two paragraphs:

'The abovementioned client had a lump sum to invest. I advised Mrs Ramdass on the relevant portfolios namely, Excelsior Property (G) and Excelsior CPI Plus (G). At no stage during our initial discussion did the customer make any mention of her intended property purchase.

I clearly explained to the customer that she had (sic) is allowed one withdrawal / loan only after one year. Commission / fees and charges were also explained to her. She was quite satisfied with the policy and was certain that she did not have a need for the funds and agreed to go ahead.'

[18] There is however sufficient indication that Maistry himself is ignorant of the rules governing the product he sold to the Complainant. I refer in this regard to paragraph 3 of the same letter, where he states:-

'Client approached me later and informed me that she require (sic) monies urgently to purchase a property. When we contacted liberty

(sic) to find out about doing a surrender we found that she was going to lose a few thousands of rands. (sic). She was not very pleased and I told her that the other alternative would be to take a loan from the policy....'. She left the bank happy and seemed to be content with the outcome. I completed the forms for her and was then reminded by SBFC that she cannot do any transaction on the policy before the 1 year period.'

[19] In the light of this paragraph, I find it difficult to accept that Maistry did in fact explain issues of withdrawals and loans to Complainant as he claims. A look at the documents would have clearly indicated to Maistry that the investment had been in force for less than a year. I see no reason why he had to be informed by SBFC about this fact. He ought to have known, considering that he sold the financial product.

[20] A further difficulty that I have in accepting Maistry's claim that he explained to the client about withdrawals and loans is that this is irreconcilable with his conduct when he met the Complainant in February 2005. At no stage did he deem it necessary to ask the Complainant why she did not mention that she would need funds so soon after the investment was effected. Instead, the first thought that comes to his mind is to inquire about surrender where after he advises Complainant about a loan. Yet on the 9<sup>th</sup> June 2005, some seven months later, he could still

easily recall his conversation with the Complainant in November 2004. This, he is able to do without even a record of advice.

[21] Another piece of evidence that Respondent is relying on is a document titled the 'Financial Consultancy Summary of proposed contract'. In this document there appears a paragraph headed 'customer's confirmation'. In this paragraph it is provided:-

'Please sign this confirmation after you have ensured that:

- you have read and understood the quotation presented to you (if applicable);
- the features of the proposed contract have been clearly indicated above;
- every point has been completed and any alterations have been signed/ Initialed;
- you fully understand and agree with the features and benefits of the proposed contract as summarised above.'

Given that Maistry himself was not aware of a material feature of the product, namely access before the first year is completed, it is reasonable to conclude that Maistry would not have been in a position to provide the Complainant with any of the material features of the financial product sold. This seriously calls into question what it is that was explained to Complainant, prior to her signing this document.

[22] A further difficulty I have in accepting Respondent's version is that I have no record setting out the basis for the advice. Similarly I have not been provided with any record of the advice furnished to the Complainant on the day of their subsequent meeting when a loan was taken from the policy. Neither is there any record of advice when the policy was eventually surrendered.

[23] In this regard I refer to section 9 of the General Code of Conduct for Authorised Financial Services Providers and Representatives, ('the Code'), which states that:-

(1) A provider must, subject to and in addition to the duties imposed by section 18 of the Act and section 3 (2) of this Code, maintain a record of advice furnished to a client as contemplated in section 8, which record must reflect the basis on which the advice was given, and in particular-

- (a) a brief summary of the information and material on which the advice was based;
- (b) the financial products which were considered; and
- (c) the financial product or products recommended with an explanation of why the product or products selected, is or are likely to satisfy the client's identified needs and objectives;

Provided that such record of advice is only required to be maintained where, to the knowledge of the provider, a transaction or contract in respect of a financial product is concluded by or on behalf to the client as a result of the advice furnished to the client in accordance with section 8.

(2) A provider, other than a direct marketer, must provide a client with a copy of the record contemplated in 9 (1) in writing.'

[24] It is clear that in the circumstances of this case, such a record should have been maintained. The evidence is clear that no such record exists.

[25] As part of the investigation by this Office, Complainant was asked to provide all documents to support her case. A copy of the agreement brokered by Wakefields Estate Agents and concluded on 3 March 2005 was provided. The total purchase price of the property is reflected as R300 000. The agreement provides that an amount of R135 000, would be paid in cash on the 31 March 2005. A further amount of R165 000 would be raised by way of a loan on the security of a mortgage bond.

[26] This is a copy of the agreement Complainant handed to Maistry when she called at the bank in February 2005 to 'place notice on the funds'.

[27] Respondent did not find it necessary to fully deal with the allegation of misrepresentation against it. Complainant's conduct is consistent with her version that she was acting under the belief that she could withdraw funds to purchase her property. This is evident in her conduct in taking a copy of the purchase and sale agreement to Maistry when the time came to pay the deposit and handing it over to Maistry without any specific prior arrangements. Maistry's conduct in not questioning Complainant about this and simply writing to the attorneys in fact re-enforces this version. On a balance of probabilities therefore, it is reasonable to conclude that the Complainant was told that she would be able to withdraw funds to purchase property. It is evident that the representation is false and one on which Complainant acted, to her detriment.

[28] This conclusion is bolstered by the Respondent's conduct in failing to pertinently refute this material allegation. There is ample authority to accept Complainant's version due to the fact that it has not been specifically challenged. Extrapolating the principle espoused in *Absa Bank v W Blumberg and Wilkinson 1997 3 SA 669 at 673 H* where the court stated,

'Every allegation of fact in the combined summons or declaration which is not stated in the plea to be denied or to be admitted shall be deemed to be admitted.'

I accept that Respondent admits the Complainant's version.

[29] The law provides that a representation is not regarded as wrongful merely because it is false and actually misleading to the other contracting party. The fact or facts to which the representation relates must fall within the compass of the norm protecting negotiating parties against misrepresentation. This qualification is usually expressed by the requirement that the misrepresentation must be material. Put differently, there must be a nexus between the false statement and the resultant contract in order to allow redress on the basis of the misrepresentation. In the case of *Hullet and others v Hullet 1992 4 SA 291 AD at 310, 311 I-B* the court stated:

'Where a plaintiff shows that the defendant has made a false statement to him intending thereby to induce him to enter into a contract and those statements are of such a nature as would likely to provide such inducement and the plaintiff did in fact enter into that contract and thereby suffered damage and nothing more appears, common sense would demand the conclusion that the false representations played at least some part in inducing the plaintiff to enter into the contract. However, it is open to the defendant to obstruct the drawing of that natural inference of the act by showing that there were other relevant circumstances. Examples commonly given of such circumstances are that the plaintiff not only actually knew the true facts but knew them to be the truth or that the



plaintiff either by his words or conduct disavowed any reliance on the fraudulent representation.'

[30] The Respondent's version is not persuasive enough to avoid drawing this conclusion.

[31] It is not in dispute that Complainant went into the bank to enquire about a money market account. It is also not in dispute that Complainant went into the bank to call for her funds when the need to utilise them arose. It is further common cause that Maistry had initially advised Complainant on surrender and later a loan even though the policy was only six months old. It is also not in dispute that Complainant became angry and upset when she got the news that she could only access a portion of her funds. All these factors indicate to me that ease in accessing funds would have been foremost in the Complainant's mind in selecting the appropriate investment. Maistry made the statement that she could access funds for property, (which has not been denied) knowing that Complainant would be induced into believing that the investment vehicle was appropriate to her, when in truth it was not.

[32] I therefore accept that Maistry's false representation was material in that it induced Complainant to conclude the investment contract.

**(ii) Appropriateness of Advice and Non Compliance with the Act**

[33] To the extent that I have not covered issues relating to non compliance in my earlier paragraphs, I shall deal with them hereunder simultaneously with the issue of the appropriateness or otherwise of the advice given to Complainant.

[34] The Code in section 8 stipulates that a provider, prior to providing a client with advice must:-

- (a) Take reasonable steps to seek from the client appropriate and available information regarding the client's financial situation, financial product experience and objectives to enable the provider to provide the client with appropriate advice;
- (b) conduct an analysis, for the purposes of the advice, based on the information obtained;
- (c) identify the financial product or products that will be appropriate to the client's risk profile and financial needs, subject to the limitations imposed on the provider under the Act or any contractual arrangement.

[35] I do not find this to have been the case with the Complainant for a number of reasons. Firstly, in his own words, Maistry in his letter of 9 June 2005 to Meeding states:

[35.1] 'The above client had a lump sum to invest. I advised Mrs Ramdass on the relevant portfolios namely Excelsior Property (G) and Excelsior CPI Plus (G). At no stage during our initial discussion did the customer make any mention of her intended property purchase.'

From this, one can readily conclude that Maistry already had a financial product in mind and was determined to sell it, regardless of the Complainant's needs and objectives.

[35.2] Secondly, Complainant's version is that at no stage did Maistry inform her about a needs or risk analysis. Maistry's letter of 9 June 2005 in fact confirms this version.

[35.3] Thirdly, I am of the view that it would not be possible for Maistry to shed any light as to what it is that he based his advice on due to the fact that no record has been maintained as required in section 9 of the Code.

[36] Had Respondent taken care in analysing this complaint; it would not have been difficult to notice that no needs or risk analysis had been done. This is clear from just a cursory examination of the papers.

[37] An examination of the document titled 'Financial Consultancy Summary Needs and Risk Analysis' reveals, *inter alia*:-

[37.1] On page 1 information is sought about existing insurance. The information required also relates to the company providing the product, beneficiary details as well as the needs addressed by such policies. This is simply marked 'N/A'. In the letter of complaint sent to this Office, which the Respondent has had the benefit of seeing, Complainant clearly states that she does have insurance with Liberty Life which had been in force at the time of taking this investment.

[37.2] On page 2 of the same document, Respondent embarks on an exercise to establish shortfalls in the event of death, disability, and retirement. Bearing in mind that Complainant has a policy which covers her in the event of death, which has not been taken into account, and further bearing in mind that no income and expenditure has been done to understand the true financial position of the client, the Respondent nonetheless concludes that

Complainant's dependants would need R50 400 in the event of the death of the Complainant, R72 000 in the event of disability, and R50 400 in the event of retirement. Some strange figures are then computed and reflected as capital required on the strength of the figures reflected as income. Again, there is no basis for such conclusion.

[37.3] Critical to the exercise of establishing client's needs is the enquiry into what existing insurance policies the client has. In this regard, there is a block for a 'Broker's note authorisation'. The entire block is crossed out with the letters 'N/A' written across it. This document enables providers to obtain as much information as is necessary to conduct the analysis set out in section 8 of the Code. How appropriate advice can be provided without these details is a cause for concern. In any event, this exercise is unlikely to be done within a 30 minute interview with a client one is meeting for the first time.

[37.4] On page 3 of the same document, information is sought as to the assets and liabilities of the Complainant. No information is included at all. Once again the entire section is crossed out with indecipherable inscriptions written thereon.

Complainant had a car as an asset at that stage. She also had liabilities.

[37.5] On Page 2 of this document, there is a space provided to record income. Complainant's income is reflected as R4200. It is however the version of Complainant that she was never asked this question at any stage. She further states that her income at the time was R2170.00 per month.

[38] All of this is sufficient indication that Maistry lacks the skill to conduct a needs analysis.

[39] Section 8 of the Code requires, *inter alia*, that a provider obtain appropriate and available information from the client. From the documents presented to me, no effort was made to carry out any of the requirements of this section of the Code. To my mind, the focus was on selling a policy to Complainant as opposed to rendering a professional service which took her needs and objectives into account. In my view, the documents were completed as a mere formality without paying any attention to the questions and answers provided. Needless to say, the advice could hardly be described as appropriate in the circumstances.

[40] I now deal with Meeding's letter to Rehana Moolla, dated 1 July 2005. I take it that the complaint Meeding is referring to is the letter from the Complainant dated 29 April 2005. Meeding's view is that there is no evidence that the Complainant had been misled. In this regard I refer to the 4<sup>th</sup> paragraph of the letter where he states:

'I have interrogated the consultant in this matter and based on his testimony and the ever changing stories and demands of the customer in this matter, I can find nothing to suggest that the customer was misled.'

[41] It is not surprising that Meeding did not see any evidence that Complainant was misled, due to the fact that he overlooked the crux of the complaint. In the third paragraph of his letter, Meeding states:-

'Her initial complaint was related to her perceived poor service from Liberty and time taken to process her loan.'

[42] One need only refer to Maistry's letter of the 9 June 2005 to understand that this in fact was not the case. The Complainant's issue always related to accessing funds from her investment, which she had been told, would be available when she purchases property. I disagree that the complaint was directed against Liberty. No reference in all the letters written by the

Complainant is made to Liberty's conduct in this matter. I refer to her letter of the 29<sup>th</sup> April 2005 where she states:

'UNSATISFACTORY SERVICE AT YOUR BANK

It is with great despair that I write to you, after trying other officials in this regard. My matter refers to an investment made in November 2004. I approached your PRO & she referred me to Kresan Maistry. I explained to him that I was in the process of property hunting, but had Eighty Seven Thousand Rand at hand & needed professional advice.'

[43] I find it unnecessary to quote the entire letter to make the point that nowhere in the letter is there reference to unsatisfactory service by Liberty as is implied in Meeding's letter. The essence of the complaint as set out in the letter is that a product has been recommended as being suitable to the Complainant's needs whereas it wasn't.

[44] The letter goes on to paint the difficulties the Complainant had to deal with due to the conduct of Maistry in misrepresenting the question of access to funds from the investment. I find no reference to Liberty's poor service or reference to the time taken to process the loan.

[45] Part VI, section 7 of the Code, requires inter alia that :-



'(1) Subject to the provisions of this Code, a provider other than a direct marketer, must –

- a) provide a reasonable and appropriate general explanation of the nature and material terms of the relevant contract or transaction to a client, and generally make full and frank disclosure of any information that would reasonably be expected to enable the client to make an informed decision;...

[46] In addition to the above, where the product is positioned as an investment the provider must disclose the following:-

- i) concise details of the manner in which the value of the investment is determined;
- ii) details of any underlying assets, separate disclosures of any charges and fees to be levied against the product, including the amount and frequency thereof; and
  - a) Where the specific structure of the product entails other underlying financial product in such a manner as to enable the client to determine the net investment amount ultimately invested for the benefit of the client;
- iii) To what extent the product is readily realisable or the funds concerned are accessible;

- iv) Any restrictions on or penalties for early termination of or withdrawal from the product or other effects, if any of such termination or withdrawal; and
- v) Material tax considerations.

[47] I do not have any record supporting the view that the disclosures set out in paragraphs 45 and 46 were made. It would therefore be unconscionable to conclude that because the Complainant has signed the documents relevant to the transaction, that the disclosures had been made. The Complainant's letter is to the effect that she spoke to Maistry about investing an amount of R87 000. She was advised about an investment which does not allow any withdrawals other for the purpose of purchasing property.

[48] Maistry's version is that he met the Complainant who had a lump sum to invest and he accordingly advised her on the Liberty Excelsior range. He does not allude, even once, to attending to a needs and risk analysis. Neither does he make any reference to the disclosures as required in the Code with a view to placing the Complainant in a position where she would have been able to make an informed decision about the product.

[49] However, due to the fact that he realised that the issue would revolve around disclosure relevant to access, he sets out in his first paragraph that

the Complainant never mentioned anything about purchasing property. In his second paragraph, he sets out certain isolated disclosures which he claims to have made during their meeting.

[50] On both versions the issue of a needs analysis or risk analysis or full disclosure about the product simply never arose. Clearly, when Complainant signed acknowledging that she has been made aware of all the material features of the contract (the financial product) that was not the case.

[51] Similarly, when the Complainant went to the bank with a view to calling for the funds, no disclosures were made relevant to the loan. What is evident however from the documents is that Complainant after being advised that a loan was the alternative signed the papers and left the bank. Maistry was left to complete the forms. This is evident from Maistry's letter where he state:

'She left the bank and seemed to be content with the outcome. I completed the relevant forms for her and was then reminded by SBFC that she cannot do any transaction on the policy before the 1 year period.'

[52] I do not accept that Maistry made even the few disclosures he claims to have made. Surely, if it was that simple to comply with the Code, such

would render the Code nugatory. Consumers would be left in jeopardy in the hands of the unskilled and unscrupulous intermediaries who are prepared to dispense advice precarious to consumers and when the advice is questioned, write down that this and that was done in terms of the Code.

[53] If I were to accept the Respondent's conduct as being in compliance with the Code, it would make a mockery of the Code and the provisions of the FAIS Act generally. The FAIS Act and the Code would fall short of protecting consumers if providers were allowed to simply pay lip-service to its provisions. In addition, it would undermine the efforts of the legislature in discouraging and condemning the improper conduct of providers selling inappropriate financial products designed to pay more commission to the provider, in complete disregard of the needs of the consumer, as is the case before me.

[54] There is sufficient basis to conclude that Maistry is incompetent, lacks integrity and has shown no regard for interests of the Complainant, when rendering this financial service.

[55] It is clear that Maistry's conduct has caused serious financial prejudice to the Complainant for which she must be compensated.

[56] I am therefore satisfied that the Complainant has a valid complaint in terms of the FAIS Act and the complaint is therefore upheld.

## ORDER

It is hereby ordered:

- a) The Respondent pays the Complainant the full investment amount of R87 000. Where certain amounts have already been paid to the Complainants, the amount of R87 000 is to be computed taking into account such payments;
- b) Interest at the rate of 15.5% p.a. on the outstanding sums effective from the date of investment to the date of final payment;
- c) The Respondent pay to this Office the case fee of R1000 together with Value Added Tax at the rate of 14 %.

DATED AT PRETORIA ON THIS THE 20th DAY OF OCTOBER 2005.



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**CHARLES PILLAI**  
**OMBUD FOR FINANCIAL SERVICES PROVIDERS**