

Northern Birch Credit Union Limited

Complaint Handling Policy

Table of Contents

Preamble..... 1

Policy Objectives..... 1

Responsibility..... 2

Policy Guidelines..... 2

Records & Reporting..... 3

Compliance 3

Policy Approval and Review..... 4

Appendix A – Complaints Procedures..... 5

 First Point of Contact and for General Feedback..... 5

 Initial Escalation 5

 Second and Further Escalation 5

 Unresolved and Unfounded Complaints..... 6

Appendix B – Compliments Procedures..... 7

Appendix C – Feedback Notes 8

Appendix D – Guidance for Receiving Negative Feedback 9

Preamble

Northern Birch Credit Union Limited (the “credit union”) has herein established a framework for the effective handling and consistent resolution of matters arising from feedback from members, account holders, depositors, and other consumers (collectively, “consumers”) in the forms of suggestions, complaints, and compliments.

This policy is a key component of the credit union’s code of market conduct.

Policy Objectives

To establish a documented, sound, and prudent framework for handling external feedback that will allow the credit union to:

- Build better relationships with its members, and broadly with consumers.
- Improve services, systems, practices, and procedures.
- Improve training and development of its employees.

To implement a policy that addresses:

- The credit union’s procedures for accepting feedback from consumers, including expectations for documentation and escalation (both internal and external).

Northern Birch Credit Union Limited

Complaint Handling Policy

- The credit union's procedures for fairly and transparently resolving complaints.
- Compliance with all regulatory requirements including the Credit Unions and Caisses Populaires Act, 2020, and its Regulations and Rules (the "Act"), and the credit union's code of market conduct.
- Frequency, form, and content of reporting to management and to the board.

Responsibility

The board is ultimately responsible for overall governance and supervision of management in its duties. Further, the board is responsible to:

- Establish appropriate controls and oversight measures to properly assess the adherence of the credit union to the requirements of FSRA's Rule 2021-001 Standards of Sound Business and Financial Practices.
- Establish and maintain an appropriate governance structure, compliance program, and controls and oversight measures to properly assess the adherence of the credit union to its code of market conduct including components related to handling of complaints.

Management is responsible to:

- Implement the standards of business conduct and ethical behaviour and the credit union's code of market conduct, including this consumer feedback policy, throughout the entire organization.
- Provide support and training to credit union employees who are tasked with fulfilling the credit union's commitments under this policy.

The Complaints Officer is responsible to:

- Provide a written response to complaints that are escalated to the Complaints Officer, and, when appropriate, further escalate complaints to management or the board, according to the procedures noted in Appendix A.
- Maintain a written record of details regarding consumer feedback received, particularly complaints, no matter the format in which the feedback was received (written, verbal, etc).

Policy Guidelines

- In implementing this policy, the credit union will fully adhere to:
 - The Act, specifically including section 122 of its Regulations.
 - FSRA's Rule 2021-001 Standards of Sound Business and Financial Practices.
 - The credit union's code of market conduct.
- This policy will be made available on the credit union's website and in its branches upon request.
- The credit union shall designate a Complaints Officer, who is an officer or employee of the credit union, to receive and attempt to resolve complaints made by consumers.
 - The credit union shall advise consumers of the name and contact information of the Complaints Officer by making this information available on the credit union's website and in its branches upon request.

Northern Birch Credit Union Limited

Complaint Handling Policy

- In the Complaints Officer's absence, a delegate shall be appointed. Upon the return of the Complaints Officer, the delegate shall provide a full report to the Complaints Officer on any matters that arose during their absence.
- Consumer feedback that is received will be addressed according to the procedures noted in the Appendices to this policy.
- Complaints will be addressed in a fair and transparent manner, and the credit union will issue responses in a timely manner. Responses to complaints will set out the credit union's proposed resolution of the complaint.
 - Specifically, if a person makes a written complaint to the credit union about the business activities of the credit union, the credit union shall give the complainant a written response to the complaint.

Records & Reporting

The credit union shall keep a copy of every complaint it receives, every response issued, and any other document that relates to a complaint, for six years from the date of the complaint.

The Complaints Officer will furnish management with a report, for each month, which contains the following information:

- Number of complaints received, and medium in which they were received (for example: by email, in person, by telephone)
- General nature of the complaints and whether they were resolved to the consumer's satisfaction.
- Commentary on any identified trends in member feedback.

Management will furnish the board with a report, for each fiscal quarter at the board's regular meetings, which contains the following information:

- Number of complaints received, and whether they were resolved to the consumer's satisfaction.
- Nature of any complaints that were escalated to the CEO, the board, or FSRA, and the status of their resolution.
- Confirmation of compliance with this policy and regulatory requirements. If there is non-compliance or other areas of concern, this will be reported along with proposed remedies or mitigating strategies where appropriate.

Compliance

If, at any point in time, there is an occurrence of non-compliance with this policy, it is incumbent upon management to implement timely measures to correct the non-compliance, and to report such measures to the Board of Directors.

The internal auditor will conduct whatever tests are necessary regarding this policy, in order to meet generally accepted auditing standards, and will report any shortfalls to the Audit & Risk Committee.

Northern Birch Credit Union Limited

Complaint Handling Policy

The credit union shall make its complaints records available if requested to do so by FSRA's Chief Executive Officer.

If, as a result of receiving a complaint, FSRA's Chief Executive Officer addresses an inquiry to a credit union or an officer about the conduct of the credit union's business, the credit union or officer shall promptly reply, in writing, to the inquiry. The credit union shall give a copy of the inquiry and the reply to each director of the credit union and the inquiry and reply shall form part of the minutes of the next meeting of the board.

Policy Approval and Review

This policy, and any subsequent recommended changes to this policy, must be approved by the board.

This policy shall be reviewed annually for ongoing appropriateness by the board (or by a delegated subcommittee of the board).

Northern Birch Credit Union Limited

Complaint Handling Policy

Appendix A – Complaints Procedures

Complaints may be received through various mediums, including email, telephone, in person, online, or mail. The credit union has herein committed to address all complaints in a fair and transparent manner.

Upon receipt of a complaint, the employee who is the first point of contact should endeavour to gather as much pertinent information as possible relating to the complaint (see Appendix D).

First Point of Contact and for General Feedback

- Where possible, complaints should be addressed with the consumer at the first point of contact (the employee who receives the complaint).
 - If the complaint is in the form of informal feedback or a suggestion that does not require immediate resolution, the complainant should be thanked for their input and a note made of the feedback (see Appendix C).
- If the matter is successfully resolved at this point:
 - The employee who was the first point of contact shall record the matter and its resolution in the employee's feedback notes.

Initial Escalation

- If the matter is not successfully resolved by the first point of contact, the employee should escalate as follows:
 - Any escalation of a complaint must be made by the employee in writing, and all internal records, including summaries of verbal conversations, related to the complaint must be preserved in writing.
 - The employee's manager should be informed, and that manager should initiate the next follow-up with the complainant.
 - IMMEDIATE ESCALATION TO THE COMPLAINTS OFFICER, CEO, AND APPLICABLE MEMBER(S) OF MANAGEMENT IS REQUIRED IN THE FOLLOWING CIRCUMSTANCES:
 - A complainant threatens legal action.
 - A complainant threatens negative media attention.
 - A complainant threatens to submit a complaint to FSRA.
 - Requests for access to information (must be received in writing).
- When a complaint is received, the credit union shall inform the person who made the complaint that, if the person is not satisfied with the proposed solution and if the person believes that the complaint relates to a contravention of the Act, the person may refer the complaint to FSRA's Chief Executive Officer.

Second and Further Escalation

- If the employee's manager cannot successfully resolve the complaint, the complaint must be escalated to the Complaints Officer and the CEO. This must be done in writing, and records of such communication must be retained according to this policy.

Northern Birch Credit Union Limited

Complaint Handling Policy

- If the complaint relates to the Complaints Officer, then the CEO (and not the Complaints Officer) must be informed.
- If the complaint relates to the CEO, then the Complaints Officer (and not the CEO) and the Chair of the Audit & Risk Committee must be informed.
- If deemed necessary by the CEO, the CEO is authorized to engage legal counsel to advise on the credit union's interests in resolving the complaint. The CEO shall inform the board of the complaint.
- The Complaints Officer should initiate the next follow-up with the complainant.
- It is expected that any escalation beyond this point will be with FRSA, and the credit union commits to cooperating with FSRA and the complainant in responding to any inquiries related to the complaint.

Unresolved and Unfounded Complaints

Complaints that are made without merit will be investigated and documented according to the requirements in this policy. It is expected that the matter can be resolved by providing an explanation of the circumstances to the complainant.

Consumers may, from time to time, issue complaints that, despite the credit union's best efforts, are not resolved to the consumer's satisfaction. In accordance with the Act and with this policy, the consumer should escalate the matter to FSRA.

The credit union will work with the complainant and with FSRA to come to a mutually acceptable conclusion to the matter. FSRA's final determination on the matter shall be considered final by the credit union and the complainant, subject to any rights of appeal under the Act or other applicable legislation.

Third-Party Complaints

Complaints related to third-party vendors should be forwarded to the relevant vendor directly.

Northern Birch Credit Union Limited

Complaint Handling Policy

Appendix B – Compliments Procedures

Consumers are far more likely to complain than they are to make a compliment. Receiving a compliment from a consumer means we have exceeded their expectations. It is important to note the compliments we receive so that we know to repeat and replicate that service and provide positive feedback to staff.

The person who accepts the consumer's compliment should take the following steps:

1. Thank the person for taking the time to make the compliment.
2. Explain to the person that a note will be made of the compliment so that the appropriate person or persons can be recognized.
3. Record details of the compliment and confirm your understanding back to the member to ensure accuracy.
4. Provide details to the employee's supervisor for follow-up and recognition.
5. Provide details to the Complaints Officer for tracking.

Northern Birch Credit Union Limited

Complaint Handling Policy

Appendix C – Feedback Notes

Consumers may, from time to time, issue informal complaints, feedback, or other comments that are not serious complaints but nevertheless provide useful information to the credit union about its operations.

Notes of this type of feedback are to be kept by employees when this feedback is received.

These feedback notes are kept internally and are reviewed periodically by management to assess trends in consumer experience (including product development and banking improvement) and staff performance (including training and development).

Northern Birch Credit Union Limited

Complaint Handling Policy

Appendix D – Guidance for Receiving Negative Feedback

PRINCIPLES	GUIDANCE
Listen	<ul style="list-style-type: none"> Actively listen to what the complainant has to say. Do not interrupt or hurry the explanation of the complaint. Venting is seen as an important part of the healing process and members can be patient, understanding, and forgiving if they feel that someone is listening. Remain calm. They are upset with the situation, not you. Obtain facts by asking open-ended questions. Try to avoid jargon and other organizational specific language that could confuse or anger members. Take detailed notes and confirm facts with the complainant.
Empathize	<ul style="list-style-type: none"> Empathize with the complainant by acknowledging their feelings. Clarify their concerns to confirm understanding. Paraphrase your understanding of the situation – this confirms that you understand what the complaint is and ensures that they feel as though they have been heard and their complaint acknowledged.
Acknowledge	<ul style="list-style-type: none"> Acknowledge and apologize regardless of the circumstance. You are acknowledging their unhappiness with the situation, not admitting guilt. Remain civil no matter how angry the complainant becomes. Take responsibility for the complaint regardless of the circumstances. Do not pass the complaint to another individual unless necessary. Do not give an excuse or assign blame.
Respond	<ul style="list-style-type: none"> Thank the members for their feedback and for taking time to raise their complaint with you. Let them know that you take the complaint seriously and that you are grateful for the opportunity to improve Northern Birch Credit Union services, policies and to keep them as a satisfied member. Promise to do something immediately, however, never promise what is unable to be delivered. If it is likely that a solution will take some time, make sure the complainant is informed of the time frame. Investigate the facts. Identify possible solutions. Offer solutions that would be helpful in resolving the complaint. Where possible ask the complainant to say what solution they would recommend or like. If the problem cannot be resolved immediately or must be passed along to another individual, explain this to the complainant and let them know what will happen next. Provide your contact information and, where appropriate, the individual that will be resolving the issue.
Follow-up	<ul style="list-style-type: none"> Follow-up with the complainant even if you do not yet have a solution. Implement remedies as soon as possible. Follow-up with the complainant to ensure their concern has been resolved to their satisfaction.