

Complaints Handling Procedures

1.0. Introduction

The Central Bank of Lesotho (CBL) offers consumer complaints resolution service to consumers of financial products and services provided by regulated financial service providers operating in Lesotho. Consumers can be assisted after they have received unsatisfactory responses to the complaints they have lodged against their financial service providers or when their financial service providers take too long to resolve their complaint, more than 30 days. The Bank draws its authority to adjudicate financial consumer complaints from section 49 (1) and (2) of FCP Act 2022. The complaints handling function is set up within Financial Consumer Protection Division.

2.0. Complaints handling procedures

Consumers who want to lodge a complaint for resolution at CBL are given the following guidance:

- 2.1. The complainant should submit a signed complaint letter describing the nature of the complaint to the Central Bank of Lesotho in-person or through this email address: registry@centralbank.org.ls or this postal address:

The Governor
The Central Bank of Lesotho
Corner Moshoeshoe & Airport Roads
P. O. Box 1184
Maseru 100.

- 2.2. The complaint letter should be accompanied by a Complaint Reference Number and complaint feedback letter from a financial service provider against which a complaint is lodged and other supportive documents such as product contracts and account statements.
- 2.3. The complainant should only lodge a complaint against regulated financial service providers operating in Lesotho. A complainant is advised to verify whether the financial service provider against which he or she wants to lodge a complaint is licensed or approved by the Central Bank.
- 2.4. The Complainant should only lodge a complaint after they have received an unsatisfactory response to a complaint they have

submitted against a financial service provider and in cases where a financial service provider has taken too long to resolve a complaint, more than 30 days.

- 2.5. The complainant should state his or her contact details such as cell phone number or email address or both through which CBL Complaints officers will contact him or her.
- 2.6. The Complainant will be contacted through the shared contact details to acknowledge complaint receipt, seek further complaint details, explain complaint handling processes and how and when complaint feedback and updates will be communicated.
- 2.7. The Complaint closure letter will be issued upon completion of the complaint resolution process.

Financial Consumer rights and responsibilities

1.0 Introduction

The financial landscape comprises many financial services and products which herald complexity in the environment. The financial landscape complexity is compounded by the prevalence of financial technology and digital financial products and services. Regardless of this complexity, consumers continue to enjoy the protection rendered through legal and regulatory regime, and the regulatory policy and procedural guidelines. In this context, consumers are accorded basic rights which are balanced with responsibilities.

2.0 Consumer rights and responsibilities

The Financial Consumer Protection Act No. 7 of 2022, provide for the following fundamental consumer rights:-

2.1 The consumers should be provided with the key fact statement which summarizes the major terms of the financial product or service prior to acquisition. The consumer has the responsibility to ensure understanding of the key fact statement prior to signing the related contractual obligation.

2.2 The consumer has the right to be provided with the material information related to the products or services in a clear, fair and legible, plain and intelligible language that can be easy to decipher. It remains the consumer's responsibility to ensure understanding prior to acquisition.

2.3 The consumer has the right to receive an explanation of the contract from the financial service provider. It is the consumer responsibility to seek

explanation in the event that there are unclear provisions in the contract relating to the service or product.

2.4 The financial consumer shall have the right to information on bundled or tied product package prior to acquisition.

2.5 The consumer should be adequately informed of the product/service cost or yield and the inclusive fees at any stage of the product or service lifecycle.

2.6 A consumer shall have the right to cancel a contract for a financial product or service within five working days after a date in which an agreement was entered into by both parties. The service provider shall disclose the cooling off right to the consumer in the key fact statement.

2.7 A consumer shall have the right not to be charged interest, fees or charged unless they have been disclosed and agreed in contract.

2.8 A consumer shall have the right to be issued periodic statement that contains sufficient information on a financial product or service upon request.

2.9 A consumer shall have the right to be informed on change of terms and condition within thirty day before the change take effect.

2.10 The consumer has to be notified of the default and his/her rights before enforcement proceedings on credit liability.

2.11 A consumer shall not be subjected to discrimination on the basis of gender, marital status, ethnicity, sexual orientation religion, political belief or any form of disability.

2.12 A consumer shall have the right to make advance payment on the product or service on an outstanding balance of credit account, at any time during the life of the product or service.

2.13 The consumer shall be given the right to raise a complaint with the service provider. This should be managed adequately through independent internal mechanism to ensure impartial resolution.

It is the responsibility of the consumer to understand all contract terms and conditions. A consumer should ensure that he/she meets contract terms and condition, make payments on or before due dates to avoid arrears and penalties.