

**References**

Version 3, Operative 11/3/2004

BSX Business Rules, Chapters 4 & 5  
Corporations Act, Ch.7**Introduction**

This guidance note has been issued to assist BSX brokers comply with their obligations in relation to complaints under the BSX Business Rules.

**Regulatory Objectives**

The way in which BSX brokers deal with complaints by their clients can have an important impact on the overall operations of the BSX market. BSX therefore has an interest in how BSX brokers deal with client complaints.

The BSX Business Rules include a number of requirements that supplement the requirements of the Australian Securities and Investments Commission (ASIC) and the Corporations Act in relation to the handling of complaints.

This guidance note describes BSX's expectations of BSX brokers and the role played by BSX in relation to complaints.

**Corporations Act and ASIC Requirements of BSX Brokers**

BSX brokers who provide investment advisory services to retail investors are required to have certain complaints handling procedures in place.

In particular, they are required to have internal complaints handling procedures that comply with the Australian Standard on Complaints Handling (AS 4269-1995). They are also required to be a

member of an ASIC approved external complaints resolution scheme.

**Australian Standard on Complaints Handling**

The objectives of the Australian Standard on Complaints Handling are to:

- increase the level of client satisfaction with the delivery of services and enhance the client/broker relationship;
- recognise, promote and protect the clients' rights, including the right to comment and complain;
- provide an efficient, fair and accessible mechanism for resolving client complaints;
- provide information to clients on the complaints handling process; and
- monitor complaints in an endeavour to improve the quality of services.

BSX brokers should try to implement their internal complaints handling procedures in such a way that they can achieve these objectives.

BSX brokers can obtain a copy of the Australian Standard on Complaints Handling from Standards Australia's Research and Information Centre's at:

Free Phone: 1 800 672 321

*Sydney*

1 The Crescent, Homebush NSW 2140

Tel: 02 9746 4748

Fax: 02 9746 4765

Email:

[research.sydney@standards.com.au](mailto:research.sydney@standards.com.au)

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19-25 Raglan Street, South Melbourne  
VIC 3205

Tel: 03 9693 3533

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**External Complaints Resolution Scheme**

The only external complaints resolution scheme approved by ASIC is the Financial Industry Complaints Service (FICS).

Therefore, BSX brokers who provide investment advisory services to retail investors are required to be a member of FICS. Further information can be obtained about FICS on 1800 335 405.

**Role of BSX in Complaints Handling**

BSX is required under s792A of the Corporations Act to have adequate arrangements in place for monitoring the conduct of participants on or in relation to the market. This includes investigating complaints by investors.

BSX Business Rule 4.17 provides that:

*“BSX will consider any complaint against a BSX broker submitted to it in writing by a person who is not a BSX broker”.*

BSX Business Rule 4.18 provides that BSX will assess and if thought fit investigate a dispute between a BSX broker and a non BSX broker unless it considers that

- (a) *the issue in dispute is such that it does not warrant an investigation by BSX; or*
- (b) *it would be more appropriate for the dispute to be investigated and heard by a court or other body with jurisdiction to make a decision in respect of the dispute.*

BSX’s general approach in this area is to play an initial role in attempting to resolve complaints between BSX brokers and their clients quickly and effectively. If early resolution of a complaint is not possible and the parties appear unable to resolve the complaint themselves BSX will encourage the parties to refer the complaint to FICS or another appropriate forum for resolution.

BSX has established a close working relationship with FICS. This ensures FICS obtains the benefit of BSX’s experience in relation to the BSX market to help it develop the most effective procedures for resolving complaints by clients against BSX brokers. BSX also has an interest in complaints against BSX brokers as at times they will also raise issues that may result in BSX taking disciplinary action against a BSX broker.

**Scope of Guidance Note**

This guidance note is intended to assist BSX brokers comply with their obligations under the BSX Business Rules. It is not exhaustive, does not in

any way act as a substitute for any BSX Business Rules and is not binding on BSX in its application of the Rules in any particular case.

This guidance note does not constitute legal advice by BSX. Where appropriate, BSX brokers should obtain their own professional advice about compliance with their obligations under the BSX Business Rules.

**Queries**

If you have queries about this guidance note please contact the BSX Brokers Office on:

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Tel: 03 5444 0055

Fax: 03 5444 0033