

Press Release: 20 June 2025

FAIS Ombud Upholds Complaint Against Luvuyo Burial and Consulting

The Office of the Ombud for Financial Services Providers (FAIS Ombud) has issued a determination in favour of the complainant, Ms Pumelele Mantingani, in a matter involving a funeral policy claim against the financial services provider, Luvuyo Burial and Consulting (FSP No. 47550).

Ms Mantingani, who took out a funeral policy with Luvuyo Burial and Consulting in September 2020, lodged a complaint with this Office on 28 October 2024 after the respondent failed to honour a valid claim following the passing of her uncle, Mr Mbuyeni Katshi, on 17 July 2024. The complainant submitted her claim on 27 July 2024. The respondent acknowledged the claim and committed to payment, but only partially honoured the obligation, paying R5,000.00 of the R10,000.00 due. Despite further assurances, the balance remains unpaid.

Numerous attempts were made by this Office to resolve the matter amicably. Although the respondent undertook on more than one occasion to settle the outstanding balance, it failed to do so. During the investigation, it also came to light that the Respondent was operating without an underwriter, raising serious concerns regarding its compliance with regulatory requirements.

In assessing the evidence, the Office found that the policy was valid and that the deceased was indeed listed as an insured life. However, the Respondent failed to act in accordance with the Policyholder Protection Rules (PPR)¹, which require that: “An insurer must, within two business days after all required documents in respect of a claim under a microinsurance policy or a funeral policy have been received, (a) assess and make a decision whether or not the claim submitted is valid, and (b) (i) authorise payment of the claim; (ii) repudiate the claim; or (iii) dispute the claim and notify the claimant of the dispute.”

Call 0800 114 711 to anonymously report incidences of fraud at the FAIS Ombud

Fairness in Financial Services: Pro Bono Publico

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Rule 2A.8.2 of the PPR further provides that: “If a claim is disputed as referred to in rule 2A.8.1(b)(iii), the insurer within 14 business days after expiry of the period referred to in rule 2A.8.1(a) may further investigate the claim; (b) must make a decision whether or not the claim submitted is valid; and (c) must pay or repudiate the claim.”

Furthermore, the Respondent’s failure to process the claim appropriately reflected non-compliance with Treating Customers Fairly (TCF) Outcome 6, which states that “customers do not face unreasonable post-sale barriers when they want to change a product, switch providers, submit a claim, or make a complaint.”

As a result, the Ombud upheld the complaint and ordered that Luvuyo Burial and Consulting pay the Complainant the outstanding balance of R5,000.00, with interest at a rate of 11.25% per annum from the date of the determination until the date of final payment.

Given the Respondent’s failure to comply with regulatory requirements, a copy of this determination was referred to the FSCA for its attention and possible enforcement action. As a result, the Respondent’s licence as a Financial Services Provider was suspended by the FSCA on 14 April 2025.

Access full determination [here...](#)

Should you believe that you have been financially prejudiced because of the financial service rendered to you with respect to a regulated financial product, please lodge a written complaint directly with the service provider. If the complaint remains unresolved after six weeks, you can visit our Complaints Portal at www.faisombud.co.za and select ‘Lodge Complaint’. Alternatively, you may submit a complaint in writing to info@faisombud.co.za. You can also call our Client Care Centre at (012) 762 5000 or Sharecall at 086 066 3274 for assistance in submitting a complaint.