

**Press Release: 14 July 2025**

**FAIS Ombud Orders R786 000 Payout After Broker Fails to advise of new Tracker Requirement**

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The Office of the Ombud for Financial Services Providers (FAIS Ombud) has upheld a complaint brought by Ms Theresa Ralph against Efficient Insure Advisory Services (FSP No. 43044), following the insurer's rejection of her motor vehicle theft claim due to the failure to install a tracking device.

The Complainant had a short-term insurance policy covering her Toyota Prado Land Cruiser, which was added to the policy in December 2021. On 19 November 2023, the vehicle was stolen during an armed robbery. When she submitted a claim to the insurer on 13 May 2024, it was rejected on the grounds that she had failed to install a tracking device, which had become a new requirement in April 2023.

The Respondent submitted that emails informing her of the new requirement were sent to Ms Ralph's work email address, which had been used since the policy's inception. The Complainant disputed having received any of the emails informing her of the change to her policy.

The Respondent provided evidence of various emails sent via its internal policy administration system. However, it could not provide audit trail evidence proving that the specific emails sent on 28 April 2023 and 2 May 2023 regarding the tracker requirement were successfully delivered or read. While the Respondent was able to provide audit trail evidence for other emails, it was unable to do so for the specific emails in question.

The Office found that the addition of a tracker requirement constituted a material change to the policy and had serious consequences if not complied with. A reasonable broker would have emailed the

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Complainant to inform her of the new requirement and followed up with at least one email and a phone call to ensure that she was aware of the requirement.

In assessing the Respondent's conduct, the Office considered the following provisions of the General Code of Conduct for Authorised Financial Services Providers and Representatives:

Section 7(1)(a) states:

*"A provider must 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." This provision places an obligation on the provider to ensure the client is in a position to make an informed decision and to take appropriate action where necessary."*

Section 7(1)(c)(vii) further requires providers to disclose:

*"Concise details of any special terms or conditions, exclusions of liability, waiting periods, loadings, penalties, excesses, restrictions or circumstances in which benefits will not be provided."*

Section 3(2) states:

*"A provider must have appropriate procedures and systems in place to—*

*(i) record such verbal and written communications relating to a financial service rendered to a client as are contemplated in the Act, this Code or any other Code drafted in terms of section 15 of the Act;*

*(ii) store and retrieve such records and any other material documentation relating to the client or financial service rendered to the client; and*

*(iii) keep such client records and documentation safe from destruction."*

Section 2 states:

*"A provider must at all times render financial services honestly, fairly, with due competence, and in the interests of clients and the integrity of the financial services industry."*

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The Office found that the Respondent failed to meet these obligations and did not act with the required competence to ensure the Complainant was made aware of the new tracker requirement. As a result, the Ombud upheld the complaint and ordered the Respondent to pay the Complainant the sum of R786,300.00, which is the vehicle's retail value, together with interest at a rate of 11.25% per annum from the date of the determination until the date of final payment.

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](http://www.faisombud.co.za) and select 'Lodge Complaint'. Alternatively, you may submit a complaint in writing to [info@faisombud.co.za](mailto: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.*