

**IN THE OFFICE OF THE OMBUD FOR FINANCIAL SERVICES PROVIDERS
PRETORIA**

CASE NUMBER: FAIS-83819-24/25 WC 1

In the matter between: -

MZUVUYILE THEODORE MEKUTO

Complainant

and

LUVUYO BURIAL AND CONSULTING (FSP NO. 47550)

Respondent

**DETERMINATION IN TERMS OF SECTION 28(1) OF THE FINANCIAL ADVISORY AND
INTERMEDIARY SERVICES ACT NO. 37 OF 2002 (FAIS ACT')**

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

Fairness in Financial Services: Pro Bono Publico

Menlyn Central Office Building, 125 Dallas Avenue, Waterkloof Glen, Pretoria 0010
P O Box 41, Menlyn Park, 0063
Phone: (012) 762 5000; Fax: (012) 470 9097 Sharecall 086 066 3274
www.faisombud.co.za

THE PARTIES

- [1] The Complainant is Mzuvuyile Theodore Mekuto, an adult male.
- [2] The complaint was lodged with the FAIS Office on 26 November 2024.
- [3] The Respondent is Luvuyo Burial and Consulting (Pty) Ltd, a company duly incorporated under South African law, with the registration number (2014/207467/07). The Respondent was an authorized financial services provider (FSP) (license number 47550), with its principal place of business noted in the Regulator's records as 43484 Nkonkwa Crescent, Makhoza, Khayelitsha 7784. The license has been active since 08 November 2016. The licence was suspended on 17 April 2025.

THE COMPLAINT


- [4] On 25 June 2020, the Complainant took out a funeral insurance policy with the Respondent.
- [5] On 22 August 2024, Mrs. Patricia Mosia, a listed dependant under the policy, passed away.
- [6] On 29 August 2024, the Complainant submitted a claim upon the death of Mrs Patricia Gloria Mosia for the funeral benefit of R10,000 under the policy.
- [7] Mrs. Ayanda Mosia, is listed as the beneficiary under the policy. She lodged the complaint on behalf of the policyholder.
- [8] The Complainant has not received the claim payouts despite his attempts to follow up with the Respondent and seeks assistance with the claim payment of R10,000.

RESPONDENT'S RESPONSE

- [9] The Respondent did not deny any aspect of the complaint or the claim. On 23 January 2025, the Respondent agreed to pay the Complainant four equal instalments of R 2,500 from February 2025 to May 2025.
- [10] Despite this acknowledgement, no payments were made.
- [11] On the 20th of February 2025, a recommendation was sent to the Respondent, recommending that the Respondent settle the claim.
- [12] The Respondent made various promises to pay the outstanding balance; however, no payments have been made to date.

ASSESSMENT OF EVIDENCE

- [13] The deceased, Mrs. Patricia Mosia, was listed as a dependant under the funeral policy with a cover amount of R10,000.

DEPENDENTS DETAILS		
	Full names	Identity number
1	Ndumphiwe Hilfred Mosia	
2	Linet Olympia Mosia	
3	Ntemboxolo Agnes Raga	
4	Ntesithanga Jacob Mafenuka	
5	Agunda Mosia	
6	Samkalo Mafuya	
7	Patricia Gloria Mosia	
8	Neposile Cynthia Mafenuka	

- [14] In accordance with the Luvuyo Burial benefits guide, the Complainant was eligible to receive R 10,000.

C. Benefit selection	
Principal Life Assured Plus 9	
Age at entry	16 - 65
Assured Lives	Benefit Amount
Principal Life Assured	R 20 000
1st Dependent	R 20 000
Dependent age 10 to 101 years	R 10 000
Dependent age 6 to 9 years	R 8 000
Dependent age 0 to 5 years	R 1 000
Total Premium	R 200,00

- [15] The Respondent did not raise any dispute on any aspects related to the payment of premiums, waiting periods, the cover on the policy or the benefit amount. Based on the evidence available, the claim amount is payable to the Complainant.
- [16] Rule 2A.8.1 of the Policyholder Protection Rules (PPR)¹, provides 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”*.
- [17] Rule 2A.8.2 of the PPR states *“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.”*
- [18] The claims procedure outlined in Rule 2A.8 of the Policyholder Protection Rules has since expired, and the claim should have been finalised and paid in August 2024.
- [19] Treating Customers Fairly (TCF) is an outcome-based regulatory and supervisory approach designed to ensure that specific, clearly articulated fairness outcomes for financial services consumers are delivered. Regulated entities are expected to demonstrate that they provide products that perform as they have led customers to expect. Customers do not face

¹ Policyholder Protection Rules (Long-term Insurance), 2017 promulgated under the Long-term Insurance Act, 1998 as published in Government Notice 1407 of 15 December 2017.

unreasonable post-sale barriers imposed by firms to change products, switch providers, submit a claim, or make a complaint.

- [20] The Respondent failed to render the financial service in accordance with the PPR and TCF principles.
- [21] The policy was inceptioned on the 25th of June 2020 and, as per the policy document, was underwritten by Sanlam. Sanlam confirms that Sanlam Development Markets Limited became the underwriter of the scheme on the 1st of January 2020, but the relationship was terminated with effect from 1 May 2021.
- [22] This Office telephonically enquired with the Financial Sector Conduct Authority (FSCA) regarding information pertaining to the Respondent's new underwriter. This information could not be provided. In other similar complaints, the Respondent verbally confirmed that it currently has no underwriter.
- [23] The Respondent was a registered Financial Services Provider (FSP) when the complaint was lodged with the Office. Numerous determinations were issued against the Respondent in other matters relating to the non-payment of claims. The Respondent's registration as an FSP was subsequently suspended by the FSCA.

THE ORDER

- [24] The following order is made:
- The complaint is upheld.
 - The Respondent is ordered to pay the Complainant the amount of R10,000, and
 - Pay interest on the said amount at a rate of 11.00% per annum from the date of this determination to the date of final payment.

Please note that a person aggrieved by this decision has the right to apply for the reconsideration of the decision by the Financial Services Tribunal ("the Tribunal") as contemplated in section 230 of the Financial Sector Regulation Act.

An application for reconsideration must be made:

- (a) In accordance with the Tribunal rules ([link](#)); and*
- (b) Within 30 days as set out in section 230(2) of the FSR Act.*

The contact details of the Tribunal secretariat are as follows:

Ms. Kim Host / Ms Alitah Morudu

E-mail: Applications@fstribunal.co.za

Telephone: (012) 741 4300 / (012) 741 4302 / (012) 741 4303

Kasteel Office Park Orange Building (2nd Floor)

546 Jochemus Street

Erasmuskloof

Pretoria

DATED AT PRETORIA ON THIS THE 17th DAY OF JUNE 2025



ADV. JOHN SIMPSON

OMBUD FOR FINANCIAL SERVICES PROVIDERS