

COMPLAINT MANAGEMENT

Industry Challenge

Broker-Dealers are subject to FINRA Rule 4530(a), which requires firms to promptly report specified events to FINRA no later than 30 calendar days after the firm knows or should have known of their existence. FINRA Rule 4530(b) requires a firm to report to FINRA within 30 calendar days after the firm has concluded, or reasonably should have concluded, on its own that the firm or an associated person of the firm has violated any securities, insurance, commodities, financial or investment-related laws, rules, regulations or standards of conduct of any domestic or foreign regulatory body or self-regulatory organization.¹

Relegating complaint management to anything less than a methodical, compliant and closed-loop process can greatly increase non-compliance risk exposure and the potential for financial consequences resulting from fines, sanctions and legal actions.

RegEd Solution

Complaint Management is part of RegEd's Compliance and Audit Management Platform, which comprises a broad offering of compliance applications for broker-dealers.

Complaint Management is workflow-driven and provides a single repository to house complaints and disclosures and memorialize the compliance and remediation actions that were undertaken. By automating the capture, tracking and reporting of complaints, firms can have confidence they are embedding best practices in their compliance program.

Complaint Management enables the management of the end-to-end processes associated with tracking and reporting customer complaints and disclosure event filings. Robust task management capabilities enable firms to track an event or complaint from the date of discovery to its disposition, including the electronic submission of the complaint to FINRA. The system integrates the ability to electronically report complaints and disclosures to FINRA, eliminating the need for redundant data entry across firm- internal and FINRA databases. And, in accordance with FINRA Rule 4530(d), statistical and summary information related to complaints and disclosures can be exported via .XML from the Complaint Management system and uploaded to meet quarterly filing requirements.

RELATED SOLUTIONS

Advertising Review

Audit Management

Complaint Management

Compliance Questionnaires

Form ADV Part 2B Supplement

Incident Management

Policies & Procedures Management

Regulatory Change Management

Regulatory Exam Management

¹ <http://www.finra.org/Industry/Compliance/RegulatoryFilings/CustomerComplaints/>

In addition, the system provides comprehensive and flexible reporting capabilities to facilitate the timely reporting of events and complaints. And, full documentation and audit trails are captured, enabling the firm to readily respond to requests from internal stakeholders, examiners and regulators.

Distinguishing Capabilities

- Single repository for complaints, disclosures, supporting documentation.
- Retain, search, update, report on active / historical event and complaint data from a central location.
- Hierarchy-driven reporting enables reporting at any level of the firm's structure.
- Associate representatives with events or complaints directly from firm hierarchy.
- Configure internal identifier codes for reporting, in addition to FINRA codes.
- Assign internal investigators to enable a central point of contact for open items.
- Electronically submit events, complaints to FINRA and memorialize the details of each submission.
- Receive systematic warnings for missing required fields and default filing values.
- Configure email notifications based on filing requirements.
- Identify the universe of U4/U5 forms that require updating within specified date ranges.
- Generate and analyze a statistical summary of complaints by a specified date range.
- Measure turn-around by elapsed time at each stage of the investigation and resolution process.

Key Benefits

- Fully automates and streamlines the process of reporting complaints and disclosures to FINRA, reducing the risk of non-compliance due to late or missing filings.
- Ability to track an event or complaint from discovery date to disposition, ensures that the loop is closed, reducing the risk of regulatory, reputational and financial consequences.
- Single repository and electronic reporting to FINRA eliminates the need for redundant data entry across firm- internal and FINRA databases, reducing compliance resourcing requirements.
- Captures full complaint and event documentation, filing and resolution details, enabling the firm to readily fulfill document requests from regulators, demonstrating a strong compliance posture.