2026

Investigation and Appeals Process

Compliance Department 24/03/26



GENISTAR
Financial Freedom For All

1.0 Purpose

The purpose of this policy is to provide a fair, transparent, consistent, and timely framework for:

- Investigating alleged misconduct, poor conduct, breaches, or regulatory concerns
- Managing any resulting disciplinary outcomes and appeals.

The firm is committed to conducting investigations impartially, confidentially, and without predetermination, ensuring procedural fairness and natural justice for all parties.

This policy aligns with:

- FCA Principles for Businesses, including:
  - Principle 2: Skill, care and diligence
  - Principle 3: Management and control
  - Principle 6: Customers' interests
  - Principle 11: Relations with regulators
- SYSC requirements for effective systems and controls
- Applicable contractual obligations
- UK GDPR and Data Protection Act 2018

The policy aims to protect customers, the firm, its representatives, and the integrity of the regulatory system.

2.0 Scope

This policy applies to all Genistar field members.

It covers, but is not limited to, matters relating to:

- Competency, conduct, and behavioural concerns
- Compliance findings and regulatory breaches
- Contractual issues (including commission arrangements)
- Conflicts within the field
- Abuse or manipulation of commission structures
- Persistency concerns and clawback-related behaviour
- Fraudulent activity, misrepresentation, or non-disclosure
- Client detriment
- Issues raised via whistleblowing, complaints, internal reviews, or third-party referrals (including insurers)

Common Key Risk Areas: Investigations may consider, but are not limited to, the following risk behaviours:

- **Commission and Incentive abuse**
  Churning or deliberate cancellation/replacement of policies to generate new commission payments.

- **Fraudulent practices**
  Misrepresentation, non-disclosure, fabrication of client intent, or misleading conduct.

- **Persistency manipulation**
  Artificial inflation of performance data, including re-broking policies or repeated rewrites.

- **Client detriment**
  Situations where client needs or interests have been compromised for personal or financial gain.

- **Discriminatory or abusive behaviour**
  Situations involving harassment, unwanted behaviour, racism, sexism etc.

3.0 Principles of Investigation

All investigations will be conducted in accordance with the following principles:

- Impartiality and independence
- Confidentiality
- Proportionality
- Timeliness
- Evidence-based decision making
- Right to respond
- Protection against retaliation for raising concerns in good faith

Individuals subject to investigation will be treated fairly and given a reasonable opportunity to respond to allegations and evidence before any final decision is made.

4.0 Investigation Procedure

Stage 1: Initiation of Investigation

An investigation may be triggered by:

- Data anomalies or performance trends
- Alerts or referrals from insurers (e.g. Vitality)
- Client complaints
- Whistleblowing reports
- Internal audits or monitoring activity
- Referrals from FSC or field members

Upon Receipt:

- A case ID will be assigned
- A lead investigator from Compliance will be designated
- The matter will be logged and triaged

Stage 2: Acknowledge and Preliminary Assessment

Acknowledgement: The Compliance Department will acknowledge the issue in writing within 5 working days. The complainant will be informed of the expected timeline for the investigation.

An initial assessment by the Compliance Department will determine:

- Validity of the concern
- Severity and regulatory risk
- Whether a full investigation is warranted

Decision to Investigate: If the preliminary assessment indicates the report is valid, a formal investigation is initiated. This decision is then communicated to those involved.

Stage 3: Confirm Investigation Team

- A formal investigation will be initiated where appropriate
- A conflict of interest check will be completed to ensure investigator independence
- The standard investigation timeframe is 4-8 working weeks
    - This may be extended for complex matters
    - Any extension will be communicated to parties with revised timelines

Stage 4: Evidence Gathering and Controls

Evidence Sources May Include:

- Call recordings (sales and application calls)
- Persistency reports (3, 6, and 12-month metrics)

- Commission and clawback report history
- Sales and replacement activity logs
- Internal communications (emails and tickets) and system records
- Client complaints or whistleblowing disclosures
- Intelligence shared with insurer fraud/compliance teams
- This may involve conducting interviews with the complainant, the accused, and any other relevant parties.

All evidence will be:

- Secured and preserved
- Detailed records and audit trails of all evidence collected including the interactions and actions taken during the investigation.
- Assessed in accordance with internal policy and FCA expectations

Individuals subject to investigation will be given an opportunity to provide explanations, evidence, and representations.

Stage 5: Interim Measures

Where necessary and proportionate to risk, interim measures may be implemented, including:

- Restriction of system access (Genistar Online)
- Temporary suspension of trading activity
- Enhanced supervision
- Suspension of commission payments where contractually permitted

Such measures are neutral and precautionary and do not imply wrongdoing.

Stage 6: Analysis and Findings

Evaluate the evidence to determine if there is sufficient proof of misconduct or breach of rules.

- Evidence will be assessed against:
    - Internal policies
    - Risk appetite
    - Regulatory and contractual obligations

- Behavioural patterns will be reviewed, including:
    - Coaching or scripting during calls
    - Repeat sales to the same household
    - High lapse rates followed by new policy issuance

Depending on the issue identified it may be necessary to inform Vitality of the concerns and provide regular updates to maintain a strong relationship. Vitality

reserves the right to conduct its own investigations and determine outcomes where appropriate. Vitality may withdraw or revoke licences at its discretion.

A formal summary of findings will be prepared to confirm any breaches of conduct or regulatory obligations.

Stage 7: Outcome and Recommendations

Following internal case review:

- **Decision:** A decision will be reached on appropriate action, which may include:
    - No further action
    - Training or remediation
    - Written warnings
    - Commission clawback or repayment
    - Suspension or termination
    - Referral to the FCA or other criminal and regulatory authorities

- **Communication:** The outcome will be communicated in writing (via email and post) within 3 working days of the decision. This will be communicated to both the accused and the complainant.

- **Documentation:** Compliance will document the rationale for the decision in the investigation file, including the following:
    - Trigger event and timeline
    - Assigned case ID
    - All supporting evidence
    - Interview notes
    - External correspondence (e.g. insurers)
    - Final investigation report
    - Outcome letter
    - Any remedial actions taken
    - Records will be stored securely in line with data protection requirements.

5.0 Regulatory and Reporting Considerations

Where required, the firm will consider:

- FCA notification obligations
- Conduct Rules reporting
- Breach reporting
- Notifications to insurers or partners

6.0 Appeals Process

An individual subject to an investigation outcome has the right to appeal. Appeals must be submitted **in writing within 14 working days** of the original decision.

Stage 1: Grounds for Appeal

An appeal must have grounds for an appeal, meaning it must meet one of the following grounds:

- New evidence has become available that was not considered in the original decision.
- The decision was not made in accordance with established procedures.
- The outcome was disproportionate or unreasonable based on the facts presented.
- There is evidence of bias or procedural irregularity.

Appeals that do not meet these thresholds will not be heard.

Stage 2: Submitting an Appeal

Appeals must be submitted in writing within 14 working days of the original decision. The appeal should include:

- The reason(s) for the appeal.
- Any supporting documentation or evidence.
- Contact details of the appellant.

Stage 3: Acknowledgement and Review Process

- The appeal will be acknowledged within 5 working days of receipt.
- The appeal will be reviewed by an independent panel, comprising:
    - Members not involved in the original decision
    - A balanced representation: 2 field members, 2 corporate members and an unbiased chair
    - Board still has the right to overrule the independent panel
- Additional information may be requested
- The review will be completed within 20 working days for straightforward appeals. For more complex cases this may take up to 30 days with interim updates.

Stage 4: Outcome

A written decision will be provided to the appellant within 3 working days of the review's conclusion.
The decision will include:

- The outcome of the appeal
- The rationale for the decision

- Confirmation that the appeal decision is final, and no further internal appeal is available

7.0 Confidentiality and Non-Retaliation

All investigations will be handled confidentially.

The firm prohibits retaliation against individuals who raise concerns in good faith or participate in investigations.

8.0 Periodic Review and Governance

This policy will be reviewed every 6 months or sooner where:

- Regulatory expectations change
- Significant cases highlight the need for amendment

9.0 Version Control

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