

[TO BE PUBLISHED BY THE FSCA]

Case No: 111

In the matter between:

The Financial Sector Conduct Authority

And

Marlien De Bont

Mosaic Funeral Group East Rand (Pty) Ltd

**ENFORCEABLE UNDERTAKING IN TERMS OF SECTION 151(1) OF THE FINANCIAL
SECTOR REGULATION ACT, 2017**

DEFINITIONS

1. For purposes of this undertaking, the following definitions shall apply:
 - 1.1. **"Authority"** means the Financial Sector Conduct Authority
 - 1.2. **"Effective Date"** means the date on which this undertaking becomes enforceable which is upon signature by a duly authorised officer acting on behalf of the Authority.
 - 1.3. **"Enforceable Undertaking"** means this undertaking duly signed and concluded between the Authority and **Mosaic Funeral Group**.
 - 1.4. **"FAIS Act"** means the Financial Advisory and Intermediary Services Act No. 37 of 2002, as amended.

Executive Committee:

Commissioner: U. Kamlana | **Deputy Commissioners:** A. Ludin | K. Gibson | F. Badat



- 1.5. **"FSR Act"** means the Financial Sector Regulation Act No. 9 of 2017 as amended
- 1.6. **"General Code"** General Code of Conduct for Authorised Financial Services Providers and representatives.
- 1.7. **"Insurance Act"** means Insurance Act No. 18 of 2017 as amended.
- 1.8. **"Mosaic Funeral Group East Rand (Pty) Ltd"** means **Mosaic Funeral Group** duly incorporated and registered in accordance with the company laws of the Republic of South Africa, under registration number 2017/481292/07, with its principal place of business situated at 128 Station Street, Brakpan, 1541
- 1.9. **"Mr De Bont"** means **Gerhard De Bont**, a director of **Mosaic Funeral Group**.
- 1.10. **"Ms De Bont"** means **Marlien De Bont**, a director of **Mosaic Funeral Group**
- 1.11. **"PPR"** Policyholder Protection Rules (Long-term Insurance) 2017.
- 1.12. **"Tribunal"** means the independent Financial Services Tribunal, a statutory body established in terms of section 219 of the FSR Act, with its principal place of business at Kasteel Office Park, Orange Building, 546 Jochemus street, Erasmuskloof, Pretoria, Gauteng.

COMPLAINT

- 2. The Authority is the market conduct regulator of financial institutions that are licensed or required to be licenced in terms of financial sector laws. The Authority is empowered by the FSR Act to supervise and enforce compliance with financial sector laws.
- 3. The Authority received a complaint that Mosaic Funeral Group partially settled a funeral claim.



4. Mr De Bont and Ms De Bont has confirmed that during the period from **July 2023 to March 2024**, Mosaic Funeral Group deducted fees from the claimants cover amounts as reflected on the attached **Annexure "A"**. The reason for the deduction of fees was that the claimant did not use the funeral services of Mosaic Funeral Group.

INVESTIGATION AND CONTRAVENTIONS

5. The Authority commenced an enquiry into the conduct of Mosaic Funeral Group, as empowered by section 135(1)(a) of the FSR Act. The enquiry was in respect of their conduct during the period **1 January 2022 to 30 October 2024**, to determine whether there was a reasonable suspicion that the aforementioned persons *contravened*:
- 5.1. section 7(1) of the FAIS Act which states that a person may not act or offer to act as a financial services provider unless such person has been issued with a license under section 8, or, unless such a person has been appointed as a representative of an authorised financial services provider under section 13;
 - 5.2. Rule 2A.4.7 of the PPR which states that when a policyholder or member chooses to receive policy benefits in money as set out in rules 2A.4.4 and 2A.4.5, an insurer or any person on behalf of an insurer, may not charge the policyholder or member any administration or similar fee in respect of that benefit; and
 - 5.3. Section 5(1) of the Insurance Act which states that no person may conduct insurance business in the Republic unless that person is licensed under the Act.
6. The investigation revealed that Shield Life Limited (Shield Life) is the current underwriter of Mosaic Funeral Group book of business. The investigation further find that during from **July 2023 to March 2024**, Shield Life paid a total policy cover amount of R72 000 to Mosaic Group in favour of ten complainants. Mosaic Group deducted a total amount of R25 600 from the claimants' total policy cover amount. In doing so Mosaic Group contravened Rule 2A.4.7 of the PPR made under section

62 of the Long-term Insurance Act, 1998 and did not render financial services in the interests of clients (the complainants) as required by section 2 of the General Code.

7. Mr De Bont and Ms De Bont caused and/or permitted Mosaic Funeral Group to deduct R6 000 from the claimant's policy cover amount of R20 000. Section 2 of the General Code stipulates that:

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

8. Mr De Bont and Ms De Bont did not dispute their knowledge and/or involvement in the conduct of Mosaic Funeral Group and as a result, they caused and/or permitted the contravention of sections 2 of the General Code. Mosaic Funeral Group, Mr De Bont and Ms De Bont have admitted the contravention.

ENFORCEABLE UNDERTAKING


9. Mosaic Funeral Group, Mr De Bont and Ms De Bont tender the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act.
 - 9.1. They will ensure that at all times claimants are paid the full cover amount paid by an insurer to Mosaic Funeral Group; and
 - 9.2. They will pay the R6 000 deducted from the complainant's policy cover amount within five days from the date of receipt of this Enforceable Undertaking.
 - 9.3. They will pay R25 600 to all the other claimants as reflected on the attached **Annexure "A"** within five days from the date of receipt of this Enforceable Undertaking.

NON-COMPLIANCE WITH THE UNDERTAKING

10. Mosaic Funeral Group and De Bont, understands that if any term contained in this Enforceable Undertaking is breached or contravened, the Authority:
 - 10.1. may impose an administrative penalty against Mosaic Funeral Group Mr De Bont and Ms De Bont, on the basis of joint and several liability;



SIGNED AT Bakpan ON THIS 05 DAY OF March 2025.


Gerhard De Bont

(On behalf of Mosaic Funeral Group)


Gerhard De Bont

(In his personal capacity)



Marlien De Bont

(On behalf of Mosaic Funeral Group)



Marlien De Bont

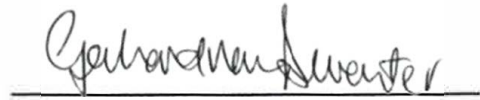
(In her personal capacity)

The aforesaid Enforceable Undertaking is accepted by the Financial Conduct Authority in terms of section 151(1) of the Financial Sector Regulation Act, 2017

SIGNED AT Bakpan ON THIS 05 DAY OF March 2025.

The aforesaid Enforceable Undertaking is accepted by the Financial Conduct Authority in terms of section 151(1) of the Financial Sector Regulation Act, 2017

SIGNED AT PRETORIA ON THIS 20 DAY OF MAY 2025.

A handwritten signature in black ink, appearing to read 'Gerhard van Deventer', written over a horizontal line.

Gerhard van Deventer

(For the Authority)

A handwritten signature in black ink, consisting of several stylized, overlapping strokes.