

TO BE PUBLISHED BY THE FSCA

Case No: 0469

In the matter between:

The Financial Sector Conduct Authority

And

Zama Nonyane

Ntokozo Thela

Madadeni Funeral Services CC t/a Madadeni Funeral Association

**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 **Madadeni Funeral Association**.

Executive Committee:

Deputy Commissioners: A. Ludin | K. Gibson | F. Badat

D.N.T.

- 1.4. **"FAIS Act"** means the Financial Advisory and Intermediary Services Act No. 37 of 2002, as amended.
- 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. **"Madadeni Funeral"** means **Madadeni Funeral Services CC t/a Madadeni Funeral Association** 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. **"Ms Nonyane"** means **Zama Nonyane**, a key person (as defined in section 1 of the FSR Act) of **Madadeni Funeral**.
- 1.10. **"Ms Thela"** means **Ntokozo Thela**, a key person (as defined in section 1 of the FSR Act) of **Madadeni Funeral**.
- 1.11. **"PPR"** Policyholder Protection Rules (Long-term Insurance) 2017.
- 1.12. **"Safrican"** means the **"Safrican Insurance Company Limited"** is a public company registered with CIPC with registration number 1935/007463/06, a licensed life insurer in terms of the Insurance Act, and an authorised financial services provider (FSP No. 15123) in terms of the FAIS Act
- 1.13. **"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 from Rebecca Simplicity Vilakazi (complainant) that Madadeni Funeral deducted R20 000.00 in fees from her policy benefits.
4. Ms Nonyane and Ms Thela confirmed that Madadeni Funeral deducted R20 000.00 in fees from the complainant's policy benefits. Ms Nonyane and Ms Thela further confirmed that during the period from **1 January 2020 to 30 April 2025**, Madadeni Funeral deducted fees from 26 other claimants' policy benefits as reflected on the attached **Annexure "A"**. The reason for the deduction of fees was to recover the extra costs Madadeni incurs overtime directly and indirectly and would not ordinarily charge the client if there has been no breach of agreement.

INVESTIGATION AND CONTRAVENTIONS

5. The Authority commenced an enquiry into the conduct of Madadeni Funeral and its key persons, as empowered by section 135(1)(a) of the FSR Act. The enquiry was in respect of their conduct during the period **1 January 2023 to 30 April 2025**, to determine whether there was a reasonable suspicion that the aforementioned persons *contravened*:
 - 5.1. 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.*
6. The investigation revealed that Safrican was the underwriter of Madadeni Funeral book of business. The investigation further finds that during from **1 January 2023 to 28 February 2025**, Safrican paid a total amount of R_13 360 000.00__ in policy

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benefits to Madadeni Funeral in favour of 778 claimants (including the complainant's R30 000 policy benefits).

7. During from **1 January 2023 to 28 February 2025**, Ms Nonyane and Ms Thela caused and/or permitted Madadeni Funeral to deduct a total amount of R161 750.00 from the 26 claimant's policy benefits. Madadeni Funeral refunded all the claimants including the complainant the amounts deducted from their policy benefits.
8. Rule 2A.4.7 of the PPR 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*".
9. In deducting R161 750.00 in fees from the policy benefits of the 26 claimants including the complainant, Madadeni Funeral contravened Rule 2A.4.7 of the PPR.
10. Ms Nonyane and Ms Thela did not dispute their involvement in the conduct of Madadeni Funeral and as a result, they caused and/or permitted Madadeni Funeral to contravene Rule 2A.4.7 of the PPR. Madadeni Funeral, Ms Nonyane and Ms Thela have admitted the contravention.

ENFORCEABLE UNDERTAKING

11. Madadeni Funeral, Ms Nonyane and Ms Thela tender the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act.
 - 11.1. They will ensure that at all times claimants are paid the full policy benefits paid by an insurer to Madadeni Funeral; and

NON-COMPLIANCE WITH THE UNDERTAKING

12. Madadeni Funeral, Ms Nonyane and Ms Thela, understands that if they breached or contravene any term contained in this Enforceable Undertaking, the Authority:

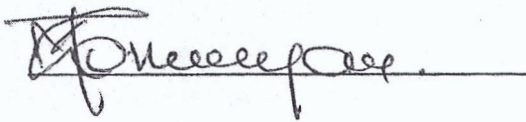
12.1 may impose an administrative penalty against Madadeni Funeral, Ms Nonyane and Ms Thela, on the basis of joint and several liability;

12.2 may delist Madadeni Funeral, Ms Nonyane and Ms Thela; and/or

12.3 may approach the Tribunal to make certain orders in respect of the Enforceable Undertaking.

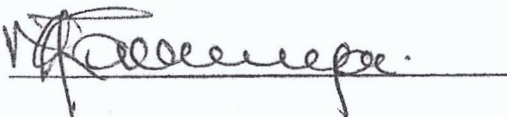
13. Madadeni Funeral, Ms Nonyane and Ms Thela acknowledged that they are familiar with all the provisions of section 151 of the FSR Act.

SIGNED AT Madadeni ON THIS 16th DAY OF July 2025.



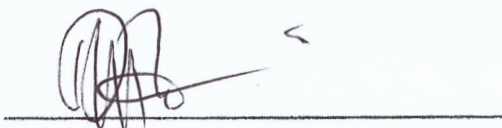
Zama Nonyane

(On behalf of Madadeni Funeral)



Zama Nonyane

(In her personal capacity)



Ntokozo Thela

(On behalf of Madadeni Funeral)

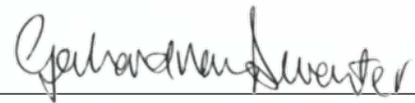


Ntokozo Thela

(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 PRETORIA ON THIS 20 DAY OF JULY 2025.



Gerhard van Deventer

(For the Authority)