

**FSCA Press Release**

**16 October 2024**

**The FSCA takes regulatory action against the former key individual of Gundo Wealth Solutions (Pty) Ltd, Mr Ralliom Razwinane.**

The Financial Sector Conduct Authority (“FSCA”) has finalised its investigations into Gundo Wealth Solutions (Pty) Ltd) (now known as “Private Wealth Insight (Pty) Ltd”) (“Gundo Wealth”) and its appointed representative and key person; Mr Ralliom Razwinane (“Mr. Razwinane”). The investigation into Gundo Wealth and Mr. Razwinane was in respect of suspected breaches of financial sector laws regarding the advice rendered to clients to invest in Venda Building Society Mutual Bank Limited (“VBS Bank”).

The FSCA’s investigation found that Gundo Wealth and Mr. Razwinane advised two of its clients, namely the Community Schemes Ombud Services (“the CSOS”) and Polokwane Local Municipality (“Polokwane Municipality”) to invest surplus funds in deposits with VBS Bank. The FSCA found the advice to be inappropriate because it circumvented the Public Finance Management Act, 1 of 1999, Municipal Finance Management Act, 56 of 2003 and Treasury Regulations. Moreover, it was found that the advice was not based on a demonstratable analysis of these clients’ risk profiles and financial or investment needs. Thus, Gundo Wealth and Mr. Razwinane contravened section 8(1) of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003 (“General Code”).

The FSCA further found that Gundo Wealth and Mr. Razwinane did not render financial services honestly, fairly with due skill, care, and diligence as required in terms of section 2 of the General Code. Additionally, Gundo Wealth and Mr. Razwinane were found to have contravened section 3(1) of the General Code by failing to disclose to their clients the fees and commission that they earned from VBS Bank, as a result of rendering the aforementioned advice. The FSCA found that Gundo Wealth and Mr. Razwinane failed to fully co-operate with the investigators, in contravention of section 139(2) of the Financial Sector Regulation Act, 9 of 2017.

Taking all relevant facts into account, the FSCA concluded that Gundo Wealth and Razwinane no longer meet the fit and proper requirements relating to honesty and integrity and therefore contravened section 8A(a) of the Financial Advisory and Intermediary Services Act, 37 of 2002.

The FSCA has imposed an administrative penalty of **R3 million** on Razwinane and debarred him for a period of **10 years**. Razwinane is accordingly prohibited from:

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**Executive Committee:**

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

- providing, or being involved in the provision of, financial services;
- acting as a key person of a financial institution; and
- providing specified financial services to a financial institution, whether under outsourcing arrangements or otherwise.

The FSCA previously communicated its intention to withdraw the financial services provider (“FSP”) licence of Gundo Wealth and to impose an administrative penalty of R2 million on Gundo Wealth. However, in the meantime and before making final decisions, information came to the FSCA’s attention that Gundo Wealth was finally liquidated on 17 August 2021. Gundo Wealth’s licence has lapsed as a result of its liquidation. It is therefore not authorised nor licenced to render financial services, effective from the date of its liquidation.

The FSCA once again urges members of the public to always check:

- that an entity or individual is authorised by the FSCA to provide financial products and services, including giving recommendations about how to invest.
- what category of advice the person is registered to provide, as there are instances where companies or people are registered to provide basic advice for a low-risk product and then offer advice on far more complex and risky products.
- that the FSP number utilised by the entity or individual offering financial services matches to the name of the FSP on the FSCA database.

One of the following methods may be used to confirm the status and FSP number of a service provider or a person that claims to be an authorised service provider:

1) **Toll-free number:** 0800 110 443

2) Online search for authorised financial institution **by license category:** <https://www.fsca.co.za/Regulated%20Entities/Pages/List-Regulated-Entities-Persons.aspx>

3) Online search for a financial institution that is an **authorised FSP in terms of the FAIS Act:** [https://www.fsca.co.za/Fais/Search\\_FSP.htm](https://www.fsca.co.za/Fais/Search_FSP.htm)

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