

FSCA Press Release

19 October 2021

The FSCA warns the public against Smartbold Funeral Policy

The Financial Sector Conduct Authority (FSCA) would like to warn the public to be cautious when conducting financial services business with Smartbold Funeral Policy (Smartbold). Smartbold is not authorised to render any financial advisory and/or intermediary services in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS Act). The FSCA received information from a member of the public that has raised material concerns with the FSCA.

The FSCA has reason to suspect that Smartbold is conducting unregistered long-term insurance business by selling and offering funeral policies to its funeral policyholders and general members of the public. In terms of Section 5(1) of the Insurance Act No. 18 of 2017 (“Insurance Act”), no person may conduct insurance business in the Republic unless the person is licensed under the Insurance Act. Smartbold is not registered in terms of the Insurance Act.

Based on the information available, the FSCA believes that Smartbold is conducting financial services business and requires a Financial Services Provider licence from the FSCA. It is also highly likely that they are conducting unregistered business, which is a criminal offence.

Members of the public should always check that an entity or individual is registered with the FSCA to provide Financial Advisory & Intermediary Services and what category of advice it is that the entity is registered to provide. There are instances where persons are registered to provide basic advisory services for a low-risk product and then offer services of a far more complex and risky nature. The FSCA again reminds consumers who wish to conduct financial services with an institution or person to check beforehand with the FSCA on either the toll-free number (0800 110 443) or on the website www.fsc.co.za as to

Executive Committee:

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whether or not such institution or person is authorised to render financial services, and in particular which financial products they are licensed for.

ENDS

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