THE FINANCIAL SERVICES TRIBUNAL

CASE NO. FSP43/2026

In a matter between:

NONTOKOZO SHEZI Applicant

and

AVBOB MUTUAL ASSURANCE SOCIETY Respondent

TRIBUNAL PANEL: PJ Veldhuizen & LTC Harms

Appearance for Applicant: n/a

Appearance for Respondent: n/a

Date of hearing: n/a

Date of Decision: 24 July 2026

Summary: Debarment – Honest and Integrity – Application for Reconsideration.

DECISION

A: THE FACTS

1. The Applicant is Nontokozo Shezi, who was employed by the Respondent as a financial services representative.

2. The Respondent is a registered Financial Services Provider as contemplated in the Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS Act").

3. This is an application for reconsideration of the Respondent's debarment of the Applicant for misconduct.

4. The Applicant brings this application in terms of Section 230 of the Financial Sector Regulation Act 9 of 2017 ("the FSR Act").

5. The Applicant was debarred on 1 April 2026 following a Notice of Intention to Debar dated 7 July 2025.

6. As foreshadowed above, the Respondent debarred the Applicant after establishing that she no longer met the requirements of a fit-and-proper person, having ascertained that she contravened the FAIS Act by engaging in conduct that lacked honesty, integrity and good standing, as required in the financial services industry.

7. The Respondent alleged in the Notice of Intention to Debar that, pursuant to the findings of a forensic report which had established inter alia that the Applicant had submitted thirteen policy applications to the Respondent using a contact number linked to 3 of her own policy applications. The Respondent's online policy applications system generates a one-time pin (OTP) to serve as authorisation and consent to open a policy. It is tantamount to the intended policyholder's signature. Furthermore, the Applicant was charged with "churning business". She wrote and submitted seventeen policies for a single client, ten for another and sixteen for herself.

8. The Respondent provided the Applicant with an opportunity to provide submissions as to why she should not be debarred, and due to an administrative oversight, the Applicant's submissions did not come to the attention of the debarment committee prior to them reaching a decision to debar the Applicant. When the Applicant brought this oversight to the Respondent's

attention, they referred the decision back to the debarment committee for reconsideration. The Applicant's submissions indicated, *inter alia*, the following:

a. The policies were taken out in good faith.
b. The intended policyholders had trouble using their own phones and requested the Applicant to utilise her phone to receive the OTPs.
c. No clients complained.
d. Premiums had been deducted and claims processed.
e. She had an unblemished record and had been employed by the Respondent for over ten years.
f. She suffered from mental health issues which had be disclosed to her manager.
g. Her personal life impacted on her work life and conduct.

9. As foreshadowed above, the Respondent considered the Applicant's submissions and, nevertheless, maintained its decision to debar the Applicant.

C: REQUIREMENTS TO BE A FINANCIAL SERVICES REPRESENTATIVE

10. The fit-and-proper requirements for a financial services representative are established under the FAIS Act and detailed in Board Notice 194 of 2017. These requirements encompass several key areas, but for the purposes of this application, the Honesty, Integrity and Good Standing requirements are important to consider.

11. These requirements are designed to ensure that representatives act with due skill, care, and diligence, prioritising clients' interests and maintaining the integrity of the financial services industry.

D: RELEVANT LEGAL PRINCIPLES REGARDING DEBARMENT

12. The FAIS Act provides the legal framework for the debarment of financial services representatives. Section 14 of the FAIS Act sets out the circumstances

in which an authorised financial services provider (FSP) must debar a representative.

13. Debarment is required if the individual no longer meets the fit and proper requirements as stipulated in section 13(2)(a) of the FAIS Act or has materially contravened or failed to comply with any provision of the Act. The reasons for debarment must have occurred and become known to the FSP while the individual was a representative of the FSP.

14. The debarment process must adhere to principles of lawfulness, reasonableness, and procedural fairness. Before debarring a person, the FSP must provide adequate written notice, including the intention to debar, the grounds and reasons for the debarment, and any terms attached to the debarment. The FSP must allow the individual a reasonable opportunity to make submissions in response. The FSP must consider any response provided before making a final decision.

15. Once a decision to debar has been made, the FSP must immediately notify the individual in writing of the decision, the individual's rights under Chapter 15 of the FSR Act, and any formal requirements for reconsideration proceedings before the Tribunal. The FSP must also withdraw any authority for the individual to act on its behalf, remove the individual's name from the register of representatives, and ensure that the debarment does not prejudice the interests of clients. Additionally, the FSP must notify the Financial Sector Conduct Authority (FSCA) within five days of the debarment and provide the grounds and reasons for the debarment within fifteen days.

16. Debarment proceedings must commence within six months from the date the individual ceased to be a representative of the FSP, provided the reasons for debarment occurred and became known while the individual was still a representative.

17. In summary, the legal principles for debarring a financial services representative under the FAIS Act require the FSP to ensure that the process

is lawful, reasonable, and procedurally fair. The FSP must provide adequate notice, consider the individual's response, and comply with reporting obligations to the FSCA.

E: DISCUSSION

18. The Applicant submissions at the time of the debarment and contained in this application do not withstand scrutiny.

19. The following is apparent from the record:

    a. The Applicant was well aware of the relevance of the OTP and that it served as the intended policyholder’s signature, and that she was not permitted to utilise her personal cellphone in this regard, as she would be, in effect, signing the application on the intended policyholder’s behalf.
    b. It is not correct that claims were processed on the policies in question.
    c. At least 11 of the policies, in question, lapsed due to non-payment of premiums.
    d. The conduct of initiating new policies rather than reinstating lapsed policies supports the Respondent’s conclusion of churning practices rather than legitimate business.

20. In the circumstances, when the Respondent established that the Applicant no longer met the Fit and Proper Requirement or had materially contravened the FAIS Act, it was under a statutory obligation to debar the Applicant, which it did.

21. The Tribunal does not find fault with the procedure adopted by the Respondent, despite the initial internal oversight related to the Applicant’s submissions, nor its findings on the substantive issues.

G: CONCLUSION

22. In the premises, the application for reconsideration should be dismissed.

ORDER: The application for reconsideration is dismissed.

Signed on 24 July 2026

__*Sgd PJ Veldhuizen*_____

PJ VELDHUIZEN & LTC HARMS