



**THE FINANCIAL SERVICES TRIBUNAL**

**CASE NO. FSP21/2025**

In a matter between:

**KGOMOTSO DIKOBE**

**APPLICANT**

and

**FIRST NATIONAL BANK  
A DIVISION OF FIRSRAND BANK LIMITED**

**RESPONDENT**

**TRIBUNAL PANEL:** Advocate W Ndinisa (Chair), Ms PKE Moloto-Stofile, Prof M Sigwadi

Appearance for Applicant: In person – Ms Kgomotso Dikobe

Appearance for Respondent: Advocate Joshua Davis

Date of hearing: 14 July 2025

Date of Decision: 18 August 2025

Summary: Application for reconsideration of the decision of the Respondent to debar a representative; fit and proper requirements of “honesty” and “integrity”.

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**DECISION**

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## INTRODUCTION

1. The Respondent, First National Bank, debarred the Applicant, Ms Dikobe, as a financial services representative in terms of section 14(1) of the Financial Advisory and Intermediary Services Act 37 of 2002 (“the FAIS Act”) on the grounds that she no longer meets the fit and proper person requirements set out in the FAIS Act.
2. The Applicant challenges the debarment and applies to this Tribunal for the reconsideration of her debarment in terms of section 230 of the Financial Sector Regulation Act 9 of 2017 (“the FSR Act”).

## THE PARTIES

3. The Respondent is a registered Financial Services Provider (“FSP”) as defined in section 1 of the FAIS Act and is a bank institution.
4. The Applicant was employed in 2022 as a financial services representative by the Respondent at the FNB Diepsloot branch. She acted in the position of a branch advisor and FAIS representative at the Respondent’s Centurion branch until her dismissal on 27 November 2024.

## FACTUAL BACKGROUND

5. The Applicant as a branch advisor was responsible for, *inter alia*, opening customer bank accounts and concluding relevant agreement with customers for this purpose.
6. She was required to accurately capture customers’ bank details and ensure that the relevant customer signs the relevant documents once those details have been captured. Where a branch advisor fails to record these details properly,

they are recorded as having a “KYC Fail” (Know Your Client Fail), meaning they have failed to discharge their function.

7. The Respondent submitted that its employees undergo training to ensure that they understand the importance of this process. They are trained that they cannot alter documents without a customer’s consent and without the customer signing the relevant document.
8. In addition, the Respondent’s employees are required to read and understand its Code of Ethics, which emphasises the need for utmost good faith and honesty.
9. As the Respondent’s employee, the Applicant signed the Code of Ethics and underwent extensive training about the Respondent’s employees’ requirements.
10. The Respondent’s employees are also required to familiarise themselves and agree to its Disciplinary Policy which states, *inter alia*, that an employee will face summary dismissal for “*altering or falsifying any certificates or documents*”.
11. The Respondent submitted that the Applicant, like all the Respondent’s employees, understood that no documents can be altered without express customer consent.

## **CHRONOLOGY OF EVENTS**

12. The incident which forms the subject of this application for reconsideration relates to the following events:

12.1 On 24 October 2024, the Applicant assisted a customer in concluding a business customer agreement and opening a business account.

12.2 In terms of the Respondent's policies, the Applicant was therefore required, *inter alia*, to ensure that the customer's details were accurately captured on the agreement and all relevant forms.

12.3 After the customer had left, the Applicant's line manager, Ms R (O... /or the line manager), alerted the Applicant to the fact that she had incorrectly captured the customer's name on the agreement.

12.4. The Applicant then amended the customer agreement to rectify this error and contacted the customer telephonically, but it appears the customer was at that time not willing to come back and sign the amended agreement at the branch (it was by then after 5 pm.).

12.5 Thereafter, the Applicant attempted to "cut and paste" the signature previously provided by the customer onto the corrected agreement. That is, she attempted to physically cut the signature from the original incorrect agreement and insert it on the amended agreement.

12.6 The line manager advised that this was prohibited conduct and was grounds for dismissal. She (the line manager) advised the Applicant that the customer was required herself to sign the amended agreement. It is alleged that the Applicant responded by saying that if the line manager reported this misconduct, people would think she had "*a personal vendetta against*" her.

12.7 The Applicant admitted during her subsequent disciplinary proceedings that she "*didn't want a KYC failure*".

12.8 The Respondent submitted that the Applicant inserted the entire page of the first agreement, which the customer had signed, into the agreement she had amended to reflect the correct details. In other words, the Applicant transposed the

entire signed page onto the reformulated agreement. The Tribunal takes note that this submission was not refuted by the Applicant.

## **DISCIPLINARY HEARING**

13. A disciplinary hearing was held on 18 November 2024.<sup>1</sup>

14. While the Applicant disputed that she was guilty of misconduct, she did not dispute that she had amended the customer's agreement without the customer signing for those amendments.

15. The Applicant was thus summarily dismissed in term of the Respondent's Disciplinary Policy. The Applicant unsuccessfully appealed the decision.

## **NOTICE OF INTENTION TO DEBAR**

16. On 12 December 2024, the Respondent notified the Applicant of its intention to debar her and invited her representations. She was also advised of all relevant facts.

17. The grounds and reasons for the intended debarment were that the Applicant no longer meets the fit and proper requirements of honesty, integrity and good standing in terms of section 13 of the FAIS Act and Board Notice 194 of 2017("the Board Notice").

18. The 'charge' against the Applicant was, essentially, one of misconduct in that she fraudulently altered an official document, namely:

*"Altering or falsifying of documents in terms of paragraph 4.26 of the Bank's Disciplinary Code and Procedures in that it is alleged that on 24 October 2024 in your capacity as Branch Advisor you falsified the Business Account*

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<sup>1</sup> See para 18 below regarding the explanation of the charge which is the basis for the reasons why the Applicant, according to the Respondent, no longer complies with the fit and proper requirements. The Notice of Debarment dated 12 December 2024 is found at page 30 of the Tribunal Record.

*Customer Agreement for Mrs. O... VL M..., when you cut and pasted the customer details and signature from a previous agreement and used it as confirmation that the agreement was in fact accepted and signed by the customer”.*<sup>2</sup>

19. On 21 January 2025, the Applicant delivered her representations and waived a right to an oral hearing.

20. The Respondent’s FAIS Debarment Panel considered those representations and concluded that debarment was justified because, *inter alia*:

- The Applicant had altered a customer agreement without the client’s signature, presence, or consent.
- This contravened the Respondent’s policies.
- The Applicant had been expressly advised against this conduct; and
- She nonetheless proceeded.

21. The Respondent proceeded to debar the Applicant on 27 January 2025 and on the same day delivered a notice of debarment to her.

22. The reasons for debarment mirror those contained in the notification of intention to debar.

## **APPLICANT’S GROUNDS FOR RECONSIDERATION**

23. The Applicant denied that she cut and pasted the customer’s signature to the new agreement. However, she explained that she generated and printed a new agreement with the correct names of the customer, replaced a page in the original agreement that had the incorrect names with a page that had the correct

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<sup>2</sup> See page 13 of the Tribunal Record.

names.<sup>3</sup> It is noted that this amendment or altering of the agreement was done by the Applicant without the customer's consent or knowledge.

24. The Respondent opposes the application because:

- The Applicant altered a customer's contract without that client's consent or signature.
- The Respondent submit that this action constituted a direct breach of its policies.
- The Applicant was advised that her actions were grounds for dismissal.
- The Respondent submits that the Applicant also sought to influence her line manager to conceal the misconduct.
- The Respondent argues that the Applicant demonstrated that she is not fit and proper to serve as a financial representative, as she lacks the characteristics of honesty and integrity.

## **ISSUES IN DISPUTE BEFORE THE TRIBUNAL**

25. The primary issue for determination is whether the Applicant's actions, including but not limited to the alleged altering a customer's contract without that client's consent or signature, demonstrate a lack of honesty, integrity, and good standing as required by the FAIS Act; and, whether this conduct breaches the fit and proper requirements stipulated in the FAIS Act.

26. Central to this aspect is the critical inquiry of whether the Applicant's conduct justifies debarment under section 13(2)(a) of the FAIS Act. The Tribunal must determine if the debarment action aligns genuinely with the purpose of the

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<sup>3</sup> See para 53 below where the Applicant's conduct is explained.

debarment provisions in the FAIS Act or if the decision to debar the Applicant pursues an ulterior motive.

## LEGISLATIVE PROVISIONS

27. Section 14 of the FAIS Act provides a legislative framework for a debarment process. These provisions have been discussed in detail in many Tribunal decisions and need not be repeated in this matter.

28. In terms of section 14(1) of the FAIS Act, an FSP is statutorily obliged to debar a person from rendering financial services if the FSP is satisfied based on available facts and information that the person does not meet the fit and proper requirements referred to section 13(2)(a) of the FAIS Act.

29. Section 14(2) of the FAIS Act provides guidance.

30. In respect of debarment processes, section 14(2) (a) of the FAIS Act requires that before effecting a debarment, the provider must ensure that the debarment process is lawful, reasonable and procedurally fair. While the Act does not explicitly define “fit and proper person”, the accompanying regulations and industry guidelines provide essential context.

Section 6A(2)(a) of the FAIS Act provides that:

*“(2) Fit and proper requirements may include, but are not limited to, appropriate standards relating to –*

*(a) personal character qualities of honesty and integrity.”*

31. Section 7(1) of the Board Notice provides that fit and proper requirements relating to honesty, integrity and good standing apply to all FSPs like the Applicant who was a representative of the Respondent, a registered FSP.

32. Section 8(1)(a) of the Board Notice states that a person referred to in section 7(1) must be a person who is honest and has integrity.

33. The Board Notice outlines specific criteria for assessing an individual's fitness and propriety, emphasizing honesty, integrity, and good standing as fundamental attributes. These qualities are essential for maintaining public trust in the financial services industry.

### **ENQUIRY INTO FIT AND PROPER REQUIREMENTS**

34. The ambit of the enquiry determining fit and proper characteristics is that a representative must conduct herself with honesty and integrity and be of good standing. Further, the representative must meet certain prescribed standards of competence in that she must have the skill, knowledge and expertise needed for a proper discharge of her FAIS Act responsibilities.

35. The issue for consideration is, did the Applicant's conduct justify a debarment? In other words, the issue is whether the Applicant lacks the personal qualities of honesty and integrity.

36. When considering one's character, one cannot always determine same by having regard to one's act or one class of act. A character analysis is necessary to draw one's conclusion. It can therefore not be gainsaid that in determining honesty and integrity, it is necessary to know as much as possible about that person.<sup>4</sup>

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<sup>4</sup> *Fahdia Osman v First National Bank a Division of FirstRand Bank Limited* (Case No: FSP44/2020) para 25 referring to *AJ Davis v AC & E Engineering Underwriting Managers (Pty) Ltd* Case no: FSP4/2018 dated 24 October 2018.

37. In this instance the Tribunal in *Osman* referred to *Hamilton Smith & Company v The Registrar of Financial Markets* (at p. 5) where the Appeal Board expressed the following:

*“To determine whether a person is ‘of good character and integrity’ involves a moral judgment. In arriving at that judgment, it is necessary to have regard to the matter in which the person concerned has conducted himself not only in his private life but also in his dealings with those with whom he has come into contact professionally or in the course of the business. A distinction is sometimes drawn in this context between ‘character’ and ‘reputation’.”*<sup>5</sup>

38. The Tribunal in *Osman* explained that the judgment of *Hamilton Smith & Company v The Registrar of Financial Markets* at length laid down the precedent for defining the concept “honesty and integrity” – in summary:

- *The dictionary meaning of integrity is “soundness of moral principle; the character of uncorrupted virtue, especially in relation to truth and fair dealing; uprightness, honesty, sincerity.”*
- *A person’s “character” is what he in fact is, whereas his “reputation” is what other people think he is.*<sup>6</sup>

39. The understanding of what constitutes honesty and integrity must be considered in the context of the facts and circumstances of each matter.<sup>7</sup> The Applicant’s character requirements of fitness and proper must further be considered in light of any ill-founded motives at the time she committed the misconduct.<sup>8</sup>

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<sup>5</sup> *Ibid.* para 26.

<sup>6</sup> *Ibid.* para 27 referring to *AJ Davis v AC & E Engineering Underwriting Managers (Pty) Ltd* Case no: FSP4/2018 dated 24 October 2018.

<sup>7</sup> *Ibid.* para 29.

<sup>8</sup> *Ibid.* para 29.

40. It must be emphasized that a single act of dishonesty, negligence, incompetence or mismanagement may not by itself constitute *prima facie* evidence or absence of honesty and integrity.<sup>9</sup> Such dishonesty, negligence or incompetence or mismanagement must be sufficiently serious to impugn the honesty and integrity of the person concerned.<sup>10</sup> The Applicant's conduct, even one which constitutes dishonesty had to be serious to impugn her character of "honesty and integrity."<sup>11</sup>
41. The Tribunal takes note that there is no evidence that the Applicant altered the client's contract with ulterior motives. Reading of the tribunal record indicates that the motive behind the altering of the client's contract was to expediate the execution of the client's application of a business account and to avoid a KYC fail.<sup>12</sup> There was no intention to defraud or otherwise harm the client or causes her loss.
42. The Respondent alleges that the Applicant's actions, specifically the altering of a client's contract without that client's consent or signature, constitute a serious breach of the fit and proper requirements.
43. Since the correct contract is an essential part of the transaction, the consequence of an altered document without authorisation could undermine the transaction should a dispute ever arise between the Respondent and the customer. This the Applicant fails to appreciate by downplaying the nature of her conduct in altering the contract.<sup>13</sup>

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<sup>9</sup> *Ibid.* para 31.

<sup>10</sup> *Ibid.* para 31.

<sup>11</sup> *Ibid.* para 31.

<sup>12</sup> See para 6 above about the KYC Fail.

<sup>13</sup> See para 53 below where the Applicant explained her conduct.

44. Thus, the issue is whether the conduct of a representative in altering the client's contract without their authorisation offends the FAIS Act and the principles of honesty and integrity. We find that it does.
45. The Tribunal's difficulty in accepting the Applicant's ground for her reconsideration application is that she (the Applicant) was aware that what she was doing was wrong and that it would land her in trouble, but she proceeded. That is a serious conduct affecting her moral character.
46. Altering a client's contract without that client's consent or knowledge is undeniable dishonest and reflects a blatant disregard for the principles of integrity and good standing expected of a financial services representative. This is a serious dishonest conduct, which demonstrates a lack of the honesty and integrity required of an FSP.
47. Such conduct undermines the public's confidence in the financial services industry and creates a significant risk of harm to clients. The Respondent's decision to debar the Applicant was, therefore, based on sound legal and regulatory principles.
48. The protection of the public is a paramount consideration in debarment proceedings. Financial services representatives occupy a position of trust, and their conduct must be beyond reproach. The allegations against the Applicant demonstrate a fundamental failure to meet this standard.
49. The Applicant's debarment is essential to safeguard the public interest and maintain the integrity of the industry.
50. The Respondent acted in accordance with its duties under FAIS Act and brought the complaints to the FSCA's attention.

51. Section 8(2) of the Board Notice provides that in determining whether a person complies with the fit and proper requirements relating to honesty, integrity and good standing (which applies to the Applicant), the Respondent may refer to “any information” in possession of the Respondent or brought to the attention of the Respondent.

52. The Applicant’s grounds for reconsideration do not deal with the merits of the debarment decision of 27 January 2025 and failed to address the allegations that are levelled against her.<sup>14</sup>

53. The Applicant conceded the following:

*“I logged in on the system and I changed the names, and I realised my mistakes and changed that and generated the new agreement which had the correct names of the customer, the first page, page 7 is the first customer agreement, it does not have the L.*

*The customer had already signed on this agreement and had already left, she mentioned she is going to study and is writing exams, which then I told O..., O... then told me other advisors paste the name and copy it on the agreement, we did/t even mention the signature.*

*I didn’t touch the signature, I didn’t falsify and cut and paste the customer names, I printed the second agreement, and I had the VL, I scanned the first original page on the second agreement which had the L and I also scanned the other pages, I was aware the full names were not there.*

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<sup>14</sup> The Applicant’s grounds for reconsideration fail to address the fundamental issue of her dishonest conduct, which constitutes a clear breach of the fit and proper requirements.

*So, in other words I added the first page of the amended agreement to the original agreement and scanned that. I didn't cut anything. That is all I wanted to add.”<sup>15</sup>*

54. We are satisfied that the evidence adduced proves that the Applicant no longer complies with the requirements of section 8A of the FAIS Act,<sup>16</sup> read with the fit and proper requirements, particularly the character qualities of honesty and integrity.

55. The Applicant failed to render financial services honestly, fairly, with due skill, care and diligence, and in the interest of client and that of the integrity of the financial service industry when she altered a client's contract without that client's consent or signature.

56. It is not in dispute that the Applicant altered a client's contract without that client's consent or signature. The Applicant submitted that the contract was eventually cancelled by the Respondent. We are of the view that whether the client suffered any loss is beside the point.

57. The Applicant's approach to the serious charges levelled against her demonstrates that she neither has any appreciation nor remorse for the seriousness of her conduct.

58. Accordingly, the facts support the Respondent's finding that the Applicant lacked honesty and integrity.

## **CONCLUSION**

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<sup>15</sup> See Tribunal Record at page 131 (Applicant's response to Arguments – Employee defence at the disciplinary hearing) where the Applicant made this concession.

<sup>16</sup> Section 8A of the FAIS Act provides: “An authorised financial services provider, key individual, representative of the provider and key individual of the representative must – (a) continue to comply with the fit and proper requirements; and (b) comply with the fit and proper requirements relating to continuous professional development.”

59. The Tribunal finds that the Applicant has failed to demonstrate that the debarment was unjustified or that the decision -making process was flawed.

60. It is the view of the Tribunal that there is no question about the Applicant's dishonesty, in that she altered a client's contract without that client's consent or signature and on the merits the debarment was warranted and justified.

61. The Applicant's conduct is incompatible with the high standards of integrity and trust required of financial services representatives.

62. The Tribunal finds no grounds to interfere with the Respondent's decision to debar the Applicant.

## **ORDER**

(a) The application for reconsideration as contemplated in section 230 of the FSR Act on both procedural issues and on merits is hereby dismissed.

Signed at PRETORIA on this 18<sup>th</sup> day of August 2025 on behalf of the Panel.

\_\_\_*Sgd Prof /Dr M Sigwadi*\_\_\_\_\_

**Prof/Dr M Sigwadi (Member)**

With the Panel consisting also of:

Advocate W Ndinisa (Chair of the Panel), and

Ms PKE Moloto-Stofile