

The FSCA takes regulatory action against Hernell Funerals (Pty) Ltd, Mr Shaun Andre Peterson and Mrs Carol-Ann Peterson

The Financial Sector Conduct Authority (FSCA) has imposed an administrative penalty of R4.4 million on Hernell Funerals (Pty) Ltd (Hernell Funerals), Mr Shaun Andre Peterson (Mr Peterson) and Mrs Carol-Ann Peterson (Mrs Peterson). The FSCA also debarred Mr Peterson for a period of 5 years and Mrs Peterson for a period of 10 years. The regulatory action against Hernell Funerals, Mr Peterson and Mrs Peterson followed an investigation by the FSCA into complaints it received from their clients.

The findings of the FSCA investigation were that Hernell Funerals, Mr Peterson and Mrs Peterson breached section 7(1) (a) of the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS Act) and section 5(1) of the Insurance Act No. 18 of 2017 (Insurance Act). Hernell Funerals, Mr Peterson and Mrs Peterson rendered financial services by offering life-insurance policies (funeral cover) to members of the public without the necessary authorisation to do so. These financial services required Hernell Funerals, Mr Peterson and Mrs Peterson to be authorised as a financial services provider and licensed as a long-term insurer, which they were not.

Mr Peterson and Mrs Peterson is accordingly prohibited from:

- 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.

Members of the public should always check:

- that an entity or individual is authorised by the FSCA to provide financial products and services, including for 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 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

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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-EntitiesPersons.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

ENDS

Enquiries: Financial Sector Conduct Authority
Email address: Communications@fsca.co.za
Telephone: 0800 203 722

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