Financial Services Tribunal

THE FINANCIAL SERVICES TRIBUNAL

CASE NO: FSP95/2026

In the matter between:

SIMON MALOSE MOETJIE **APPLICANT**

and

CLIENTÈLE LIFE ASSURANCE COMPANY LIMITED **RESPONDENT**

Decision date: 22 October 2026

Subject: Reconsideration of Debarment – Substantive and Procedural Unfairness not established. In terms of Sections13(2) and section 14 of the Financial Advisory and Intermediary Services Act, 37 of 2002, –paragraphs 8(1)(a) of Determination of Fit and Proper Requirements, 2017 (Board Notice 194 of 2017) – personal character qualities of honesty and integrity. Application dismissed.

DECISION

INTRODUCTION

1 The Applicant, Simon Malose Moetjie, applies in terms of section 230 of the Financial Sector Regulation Act 9 of 2017 ('the FSR Act') for a reconsideration of Clientèle Life Assurance Company Limited's ("the Respondent") decision to debar him in terms of section 14 of the Financial Advisory and Intermediary Services Act 37 of 2002 ("the FAIS Act").

2 The Respondent is an authorised Financial Services Provider ("FSP") and a decision maker under section 14(2)(a) of the FAIS Act. The decision challenged relates to the debarment of the Applicant on the basis that he no longer complies with the fit and proper requirements of honesty and integrity.

3 The Applicant was employed by the Respondent as a mandated representative, rendering intermediary services to members of the public, from 30 June 2025 until his dismissal on 22 July 2026, following disciplinary proceedings in which he was found guilty of misconduct.

4 The parties waived their right to a formal hearing. This decision is accordingly based on the record and the parties' submissions.

BACKGROUND

5 On 8 July 2026, the Respondent served the Applicant with notice of a disciplinary and debarment enquiry, together with its Debarment Policy.[1] The notice alleged that the Applicant no longer met the fit-and-proper requirements applicable to a financial services representative, particularly those relating to honesty, integrity and good standing. He was invited to respond within 72 hours.

6 The charge against the Applicant was framed as follows:

> "*Code 1: Seriously dishonest practice.*
> *On 18 June 2026, you spoke to a client whose Funeral Plan had lapsed and whose Wealth Plan was paid up. During the call, you told the client that she could claim her money because she was unemployed. You made false statements and failed to provide full and transparent information. You did not follow the approved script and reinstated the Clientèle Wealth Plan without informing the client that monthly premiums would be payable from the captured debit date. Consequently, the client's consent to debit her bank account was manipulated. As a result of your misconduct and unethical behaviour, the client cancelled the policy."*

7 The disciplinary and debarment enquiry took place on 20 July 2026. The presiding officer considered the call summary, the Wealth Plan reinstatement record and the cancellation call.

8 The Applicant denied deliberately making false statements, manipulating the client or dishonestly recording her consent.

8.1 He maintained he had done everything in good faith; he had explained to the client that he was reinstating the Wealth Plan, read the script, checked that the client could hear and understand him, and obtained her permission.

[1] Notification of Disciplinary and Debarment Inquiry Pages 4-8: Part B of Tribunal Record

8.2 He further contended that he had not received training on the Wealth Plan and that his errors resulted from that lack of training. He requested proof that he had completed the relevant Wealth Plan assessment.

9 The Presiding Officer rejected his version and the Applicant was found guilty of seriously dishonest practice under Code 1 for the following reasons:

9.1 While calling to offer reinstatement of the client's paid-up Wealth Plan, he repeatedly suggested that she could claim her savings because she was unemployed, although no immediate claim was available and reinstatement required a monthly premium of R500 before benefits could accrue.

9.2 By linking the client's unemployment to the possibility of claiming money, failing to follow the approved script, and not clearly explaining the premium, debit date and payment obligation, the Applicant created a misleading impression and failed to obtain informed consent.

9.3 The Respondent accordingly concluded that based on the above, the Applicant's conduct demonstrated that he no longer met the fit-and-proper requirements under the FAIS Act, particularly those relating to honesty and integrity.

10 The Respondent communicated its decision in a letter of dismissal and notification of debarment dated 22 July 2026[2], issued in terms of section 14 of the FAIS Act.

GROUNDS FOR RECONSIDERATION

11 The Applicant challenged his debarment on substantive and procedural grounds[3] as follow

11.1 **Lack of dishonesty:** He asserted that the incident of 18 June 2026 resulted from inadequate training on the Wealth Plan and was an operational error rather than dishonesty. He relied on his 100% quality and compliance score for June 2026 and maintained that he had acted in good faith by selecting the system field identifying the

client as unemployed and proceeding only after receiving her verbal consent.

11.2 **Substantive unfairness & lack of training and competence**: He alleged that the Respondent debarred him for non-compliance with Wealth Plan requirements despite his not having received training, materials or deployment instructions for that product. He stated that his formal training, from 30 June to 15 July 2025, covered Funeral and Legal Plans only.

[2] Letter of Dismissal and Outcome of Disciplinary/Debarment Inquiry Pages 7-13 Part A of Tribunal Record

[3] Application for Reconsideration Form B Pages 14-16 and Amended Form B pages 17-18 Part A of Tribunal Record

11.3 **Procedural unfairness:** He alleged that the Respondent fabricated or produced an inaccurate internal test record showing that he had scored 100% on a Wealth Plan assessment before field deployment, and relied on it during the internal hearing.

11.3.1 He disputed the reliability of the training records, particularly an assessment bearing the system-generated date of Sunday, 31 August 2025, which he denied completing.

11.3.2 He further alleged that the Respondent relied on inaccurate or fabricated digital records and had failed to establish that he lacked honesty, integrity or competence. He sought the setting aside of his debarment.

RESPONDENT'S CASE

12 The Respondent submitted that the application should be dismissed. It maintained that the debarment was based on the Applicant's recorded representations to the client, MBM, on 18 and 19 June 2026, rather than on the disputed assessment date[4]. More particularly with regards to:

Claim of lack of dishonesty

13 The Respondent submitted that, on 18 June 2026, the Applicant telephoned MBM three times and contacted her again on 19 June 2026 to offer reinstatement of her paid-up Clientèle Wealth Plan.

13.1 During the calls, the Applicant introduced the possibility of claiming the client's investment and repeatedly represented that, because she was unemployed, she could claim her savings once the policy was reinstated. He recorded her as unemployed, obtained her verbal agreement to a monthly premium of R500 and directed her to authenticate the DebiCheck mandate.

13.2 The client's confusion became apparent when she asked whether the R500 would be debited from her account or paid to her. Although the Applicant acknowledged that it was a premium, he continued to suggest that reinstatement would enable her to claim her money. The Respondent's records showed that the policy was reinstated at a monthly premium of R500, with a full encashment value of R62.98.

13.3 When later contacted by the Respondent's agent, the client explained that she had understood that reinstatement would enable her to claim her previously invested money. On realising that no payment would be made to her, she requested cancellation, and the policy was cancelled accordingly.

[4] Record of Disciplinary Proceedings Pages 19-30 Part B of Tribunal Record

13.4 The Respondent submitted that the client's verbal consent had been obtained on a misleading premise. It argued that the June quality score did not negate the misconduct, that the debarment process complied with section 14(3) of the FAIS Act, and that debarment was a protective regulatory measure justified because the Applicant no longer met the honesty and integrity requirements.

Lack of training and training records

14 The Respondent maintained that the Applicant had received adequate training. It relied on the Skills Register, readiness assessment and training report, which recorded that he had completed the Wealth Plan assessment with a score of 100%.

14.1 The Respondent stated that the training explained the requirements to follow the approved script and provide clients with factually correct information when rendering intermediary services. Step 1 of the Clientèle Wealth Plan training addressed "The use of the Script to convert good-quality sales" which Applicant passed with 100% mark. Although this did not cover all aspect of the Wealth Plan it was enough to enable the Applicant to carry out his function effectively based on the level of his employment.

14.2 The Respondent conceded that the system-generated date of 31 August 2025 resulted from a system error. It maintained that the training report recorded completion on 8 July 2025.

14.3 The Respondent further argued that the misconduct did not depend on specialised product knowledge: the Applicant knew that the R500 was a premium payable by the client, yet represented that reinstatement would enable her to claim her savings

15 The Tribunal must therefore determine whether the debarment process was procedurally fair and, if so, whether the debarment was substantively justified under the FAIS Act

LEGAL FRAMEWORK

16 Section 13(2)(a) of the FAIS Act provides:

> *"(2) An authorised financial services provider must*
> *at all times be satisfied that the provider's representatives, and the key individuals of such representatives, are, when rendering a financial service on behalf of the provider, competent to act, and comply with—*
> *(i) the fit and proper requirements; and*
> *(ii) any other requirements contemplated in subsection (1)(b)(ii).*

17 Section 14(1)(a) of the FAIS Act provides that an authorised financial services provider must debar a person who is or was its representative or a key individual of such representative if, on the basis of available facts and information, the provider is satisfied that the person does not meet or no longer complies with the requirements in section 13(2)(a), or has materially contravened or failed to comply with the Act.

18 Section 14(2)(a) provides that, before effecting a debarment, the provider must ensure that the process is lawful, reasonable and procedurally fair

19 Section 14(3) of the Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS Act") provides that, before debarring a person, a financial services provider must:

> *(a) give adequate written notice of its intention to debar, setting out the grounds and reasons and any applicable terms, including measures to protect clients' interests in relation to concluded business;*
> *(b) provide a copy of its written debarment policy and procedure; and*
> *(c) give the person a reasonable opportunity to make submissions in response.*

20 Section 2 of the General Code of Conduct for Authorised Financial Services Providers and Representatives ("FAIS General Code") provides that a provider must at all times render financial services honestly and fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.

ANALYSIS OF FACT AND LAW

21 Two principal issues arise: (i) whether the debarment process was procedurally fair and complied with sections 14(2)(a) and 14(3) of the FAIS Act; and (ii), if so, whether the debarment was substantively justified.

22 Section 14(3) requires a provider, before debarring a person, to give adequate written notice of its intention and the grounds and reasons for the proposed debarment, provide its written debarment policy and procedure, afford the person a reasonable opportunity to respond, and consider the response before making a decision.

23 The following matters are common cause between the parties

23.1 The Applicant has not identified a specific failure to comply with sections 14(2)(a) or 14(3) of FAIS.

23.2 Although the Respondent charged the Applicant, led evidence in support of the allegations and

found him guilty. The Applicant did not materially dispute the factual allegations during the debarment process or in this reconsideration application. He denied dishonesty but maintained that the incident was an operational error caused by inadequate training on the Wealth Plan.

Procedural fairness

24 The Applicant alleged that the Respondent fabricated or produced an inaccurate internal test record showing that he had scored 100% on a Wealth Plan assessment before field deployment.

24.1 He disputed the reliability of the training records, particularly the assessment bearing the system-generated date of 31 August 2025, which he denied completing

24.2 He alleged that the Respondent relied on inaccurate or fabricated digital records and had failed to establish that he lacked honesty, integrity or competence.

25 Although the Applicant characterised this ground as procedural unfairness, his complaint principally concerns the accuracy of the training records and the adequacy of his training. It does not establish a defect in the pre-debarment process contemplated by sections 14(2)(a) and 14(3) of the FAIS Act.

26 **Finding**: The Applicant made an unsupported allegation of procedural unfairness and did not establish that the Respondent conducted the debarment process unlawfully, unreasonably or unfairly. The Tribunal therefore finds that the Respondent complied with section 14(2)(a) of the FAIS Act and Guidance Notice 1 of 2019.

Substantive fairness

27 The charge comprised two related allegations:

27.1 The Applicant failed to provide full, transparent and accurate information by repeatedly representing that the client could claim her savings because she was unemployed, contrary to the approved script and the actual position under her paid-up Wealth Plan.

27.2 He thereby misled the client into consenting to reinstatement of the policy and the debit of her bank account

28 Although the Applicant denied dishonesty, he did not materially dispute the substance of the statements recorded during the calls. He maintained that the incident resulted from inadequate training and an operational error rather than deliberate misrepresentation.

29 The Applicant relied on his alleged lack of Wealth Plan training.

29.1 He referred to his 100% quality and compliance score for June 2026, his use of the system field

identifying the client as unemployed, and the client's verbal consent to the R500 debit.

29.2 He also challenged the reliability of the Respondent's training records, particularly the assessment bearing the system-generated date of 31 August 2025.

29.3 The Respondent relied on the Skills Register, readiness assessment and training report as evidence that the Applicant had completed and passed the Wealth Plan assessment. It submitted that the debarment was based on his recorded representations to the client, not the disputed assessment date, and that his conduct could not reasonably be attributed to a lack of product knowledge.

Was it an operational error/ negligence or dishonesty

30 The central issue is whether the Applicant's conduct amounted to an operational error or negligence, as he contends, or was sufficiently serious to impugn his honesty and integrity for purposes of the fit-and-proper requirements.

30.1 Section 13(2)(a) requires an authorised financial services provider to ensure that its representatives are competent and comply with the applicable fit-and-proper requirements.

30.2 Section 3(1)(a) of the FAIS General Code requires representations and information

provided to clients to be factually correct, expressed in plain language, free from uncertainty or confusion, not misleading, and adequate and appropriate in the circumstances.

30.3 The distinction between negligence and dishonesty is material. *In Jones v Gordon,* the court distinguished honest carelessness from conduct in which a person suspects that something is wrong but deliberately refrains from making further enquiries because doing so would confirm that suspicion.

30.4 In ***Durr v ABSA Bank Ltd and Another 1997 (3) SA 448 (SCA)***, the court held that lack of skill or knowledge does not, in itself, constitute negligence. However, a person who voluntarily undertakes an activity must exercise the skill and knowledge ordinarily associated with its proper performance.

30.5 In ***Hammerstrand v Pretoria Municipality 1913 TPD 377***, negligence was described as a failure to exercise the care expected of a reasonable person in the circumstances.

31 Having considered both parties' versions and the applicable law, the Tribunal is not persuaded by the Applicant's explanation that his conduct was merely an error. The following considerations are Material:

31.1 At the disciplinary enquiry, the Applicant denied deliberately making a false statement, manipulating the client or dishonestly recording her consent; and

31.2 He related how he had told the client he was reinstating the Wealth Plan, read the script, checked that she could hear and understand him, and obtained her permission. He went through the process and finalised the reinstatement up to directing her to authenticate the DebiCheck mandate without a glitch. This suggests that Applicant was sufficiently proficient with the Wealth Plan script to implement it perfectly, notwithstanding the alleged lack of training.

31.3 What we found worth noting are the Respondent's allegation which the Applicant failed to address directly, namely:

31.3.1 He did not explain why he departed from the script and repeatedly linked the client's unemployment to the prospect of claiming her savings. Nor why he continued to suggest that she could claim her money after acknowledging that the R500 was a premium, when all he had to do was stick to the script.

31.3.2 He did not identify any part of the script that he found difficult to understand or explain how a lack of training affected the presentations he made.

32 **Finding**: The Applicant's departure from the approved script and his repeated representations support the conclusion that he misled the client to secure reinstatement. His explanation of an operational error does not adequately account for the nature and persistence of those representations. The Tribunal finds that the conduct supports an inference of deliberate and dishonest manipulation.

32.1 The Applicant's principal defence to the charges brought against him was that he had not received training on the Wealth Plan and that his formal training, from 30 June to 15 July 2025, covered Funeral and Legal Plans only.

32.1.1 However, on the record of the disciplinary inquiry[5] he is quoted as stating that he had received coaching only on the paid-up status and on a breach involving a representation that Client Services would call the client about a claim. He also did not refute the Respondent's evidence that he had received training on "Using The Script To Convert Good-Quality Sales". This suggests that the training on the Wealth Plan was not required for him to reinstate the policy.

[5] Outcome of Debarment Inquiry page 12 Part A of Tribunal Record.

32.1.2 The Applicant's reliance on inadequate training does not explain why he departed from the script in the manner alleged. He did not establish a link between the alleged training deficiency and the misleading representations.

32.1.3 The client's subsequent statements confirmed that she understood the policy was being reinstated so that money would be paid to her. Her verbal consent to the debit does not resolve the issue: the question is whether that consent was informed and obtained through accurate, non-misleading representations.

32.1.4 The Applicant did not refute the Respondent's submission that the debarment was based on his recorded representations to the client, rather than on the disputed date in the training record.

32.1.5 **Finding:** The alleged lack of training does not alter the fact that the Applicant failed to provide full, transparent and accurate information and obtained the clients consent through manipulation and misrepresentation of information. The decisive issue is whether the Applicant knowingly or deliberately departed from the script and conveyed misleading information to the client. The Tribunal finds no established link between the alleged training deficiency and the false or misleading representations.

Fit-and-proper requirements

33 In determining whether the dishonesty the Applicant was found guilty of was one that disqualifies him from holding a position of a representative guidance is sought in ***Fahdia Osman v First National, Case No. FSP44/2020,*** the Appeals Tribunal cautioned that a single act of dishonesty, negligence, incompetence or mismanagement does not necessarily establish a lack of honesty and integrity. The conduct must be sufficiently serious to impugn those qualities.

34 For Applicant to have repeated misrepresentations, the misleading link between unemployment and the right to claim savings, and the client's resulting misunderstanding; demonstrate a serious departure from the standards of honesty and integrity expected of a registered representative. The conduct was material because it induced the client to reinstate the policy under a false understanding of its purpose and financial consequences; and that therefore misconduct was sufficiently serious to impugn the Applicant's honesty and integrity, and that the Respondent had a substantive basis for concluding that he no longer met the relevant fit-and-proper requirements.

35 Sections 14(4)(a) and (b), read with section 14(9) of the FAIS Act, provide for the consequences of debarment, including withdrawal of any remaining authority to act on behalf of the provider, removal from the applicable register where required, and prohibition against rendering financial services or acting as a representative or key individual of a representative of a financial services provider.

CONCLUSION

36 For the reasons set out above, the Tribunal finds that the Respondent complied with the relevant procedural requirements and that the Applicant's conduct compromised his honesty and integrity. Therefore, Tribunal finds no basis to interfere with the Respondent's decision to debar the Applicant.

ORDER

37 In the premises, the Tribunal makes the following order:

(1) The application for reconsideration is dismissed.

SIGNED ON BEHALF OF THE PANEL ON THIS 22 DAY OF OCTOBER 2026.

__Sgd K E Moloto-Stofile_____

K E Moloto-Stofile (member of the Tribunal)
obo self; and
LTC Harms (chair)