

Dispute Resolution Process – South Africa

What happens if there is a Dispute between Transacting Parties – a Buyer and a Seller in a transaction?

INTRODUCTION

As a Truzo user (a “transacting party”), your awareness and understanding of the Truzo dispute resolution process is crucial to your use of Truzo.

Arbitration is a form of dispute resolution with the objective to obtain a fair solution of disputes amongst parties by an impartial third party (“Arbitrator”) without the unnecessary expense and/or delay of the judicial system.

Most disputes do not go to arbitration, so you won’t have to deal with the procedures below in most cases.

But a small minority of cases do go to arbitration, so it is very important that you are aware of the procedures and implications of the dispute resolution process.

Please note that the dispute resolution process refers only to any disputes you have with the other party to a Truzo transaction. Either party (Buyer or Seller) of a Truzo transaction can raise a dispute for as long as the funds are still held by Truzo in escrow.

Should you have a dispute with Truzo relating to our payment services, such a dispute will be dealt with by Truzo through our internal complaints procedure. If it cannot be resolved through our internal procedure, you can then contact the Financial Ombudsman Service (FOS).

Once money has been paid to Truzo and a transaction is funded and is ‘live’, then at any stage you or your counterparty to the transaction may dispute the transaction where it is believed that the terms of the transaction have not been adhered to or met (i.e. payment amount and/or condition of the goods). Please note, successfully completed transactions cannot be disputed.

The first course of action, would be to contact the other party and ideally try to resolve the disputed issue amongst the parties involved in the transaction. However should this approach fail, and as a last resort, arbitration by an Arbitrator should be sort.

We recognise that there will be times when arbitration may be necessary, and that is why we provide the Dispute Resolution as a part of the Truzo process.

PROCEDURE

Step 1: Click on the button marked ‘Dispute’ for the particular transaction under dispute. A message will be displayed for you to re-confirm and accept that you want to dispute the transaction. Refer to the Terms and Conditions (T&C’s), you accepted when you registered on Truzo.com, specifically the section on the Dispute Terms and Conditions (T&C’s) and associated Arbitration costs.

Please note:

For transaction amounts Under R 3, 000, 000.00 Truzo will facilitate the Dispute Resolution process with an independent Arbitrator. The process will continue from **Step 2** below.

For transaction amounts Above R 3, 000, 000.00 this value exceeds Truzo's Dispute Resolution threshold, we will provide you with a list of Truzo's Panel Arbitrators to select from and we recommend that you liaise directly with the Arbitrators Foundation of Southern Africa (AFSA) to help you resolve your dispute.

Step 2: An electronic Dispute Form will be displayed to be completed with all the applicable details relating to the dispute by the initiating party. This form will be shared with the assigned Arbitrator.

Step 3: An e-mail notification message will be sent to the counterparty to the transaction, informing them about the dispute that is being lodged. They will also receive an electronic Dispute Form to be completed with all their applicable details relating to the dispute which will also be shared with the assigned Arbitrator.

Step 4: Truzo will place a hold on all the funds for this transaction, pending the final outcome from the Arbitrator.

Step 5: You and the other party will both be asked to pay the full Truzo Dispute Management Resolution Fee Reserve via the Truzo platform. These fees will be as determined from time-to-time by Truzo's Arbitrator Panel and included in Truzo's Standard/Dispute Terms & Conditions (T's&C's). Until both parties have paid the arbitration fee, the transaction will not be considered for arbitration. The fees paid will be held safely by Truzo in escrow and will only be released once the final outcome has been received from the Arbitrator.

Step 6: *Important:* Once the dispute fee of one party has been received by Truzo, the other party has a set number of **5 working days** (agreed by you as part of your transaction T&C's) to also pay the requested dispute fee.

If the fee is not received within this time, then this non-payment is taken as an **admission by the non-payer that payment is due in full to the other party!** Payment of the full transaction amount currently held will be immediately paid to the other party, together with a refund of the Arbitrator fee that has been paid.

Please note, for this reason, it is important to check in on Truzo from time to time to ensure that the other party has not raised a dispute and requested arbitration, and you have not responded, awarding default judgement to the other party (in case your email notifications do not reach you). Your email address as provided under your registered Truzo Profile will be used for this notification.

Step 7: Once both parties' fees have been received by Truzo, Truzo will then assign an Arbitrator to the dispute case.

Step 8: The transaction reference code, transaction details and completed Dispute Forms from both parties will be shared with the Arbitrator. The Arbitrator will take evidence from both parties by email where possible.

In addition, the Arbitrator may then liaise directly with both parties to:

- ask both sides to explain their case,
- ask questions to make sure both sides understand all the issues,
- allow both parties to present their case and evidence,
- discuss the case with both sides,
- ask both sides to sum up the main points for them to consider.
- physical inspection of the condition of any merchandise being disputed.

Step 9: Once the Arbitrator is satisfied that he has taken sufficient evidence from both sides, he will advise Truzo and the Parties of his decision in writing and authorise payment to the party he/she decides has correctly met the transaction conditions. The Arbitrator is also able to decide to split the payment in whatever proportion he sees fit between the two parties, if he/she decides that a split is more equitable.

Since both sides have paid for the Arbitrating fee, effectively double paying them, the Arbitrator will also authorise the repayment of these amounts to one party (this repayment can also be split by the Arbitrator). This ensures that where the Arbitrator decides one party is innocent and the other fully to blame, then the innocent party incurs no net expense from the Arbitrating process whatsoever.

As soon as the payment instruction is received from the Arbitrator, Truzo will transfer the money into the relevant party's bank account. This ends the transaction. **There is no appeal against the Arbitrator's decision.**

Please note:

a) Once Truzo confirms that the Arbitration Fees have been received by both parties and are being held in escrow, they will give the Arbitrator 48 hours to quote on fees and accept the instruction to be the Arbitrator for the disputed case. Should the Arbitrator decline, then Truzo will assist to appoint a new Arbitrator and get the necessary acceptances.

b) The assigned Arbitrator will have **5 working days** from date of acceptance to provide the parties and Truzo with an outcome. Truzo would like to support the resolution in a timely manner, ensuring that your money is not unnecessarily tied up awaiting the Arbitrator's outcome.

c) The Arbitrator may decide that not enough time has elapsed to yet be able to ascertain whether the transaction conditions have been met or not, and that more time is needed to conclude the transaction. If that is the case then the Arbitrator may close the dispute case. Truzo will now return back to the state that the transaction was in immediately before arbitration was requested, and party can continue with the process, fund and release the payment ensuring that the transaction conditions have been met or then call for new arbitration.

d) The Arbitrator is not entitled to amend the fees once the quote has been submitted upfront. The Arbitrator fees are only payable by Truzo to the Arbitrator once Truzo has received the final outcome of the Dispute from the Arbitrator.

e) The Arbitrator, as part of his/her arbitration, will advise Truzo to return one set of expenses to the appropriate party (or split the amount between the parties if he feels this to be more appropriate).

f) Should both parties object to the use of a specific Arbitrator and request a new Arbitrator, then we need the request in writing, with acceptable reasons why the assigned Arbitrator is not suitable. A new Arbitrator can be assigned, which will entail additional Arbitration costs and the dispute resolution process will then re-start again.

The Arbitration Foundation of Southern Africa (AFSA):

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