



Success with unclaimed benefits

In April 2018 Fairheads Benefit Services took over two unclaimed benefit funds from the Sygnia group and launched the Fairheads Unclaimed Benefit Preservation Pension Fund and the Fairheads Unclaimed Benefit Preservation Provident Fund.

It was logical for us to take over the administration of these funds as we have a proven track record in tracing those who are unaware of the benefits that are due to them. Our intention is to use these capabilities to help alleviate the huge unclaimed benefits problem our country faces.

Judy McKenzie, Team Leader at Fairheads Benefit Services, says: “Since inception of our two unclaimed benefit funds, we have made successful contact with and paid out 89 members. A further 345 members have been contacted and we’re awaiting documentation from them to prove their address, ID and proof of employment linking them to our records.”

The team say they are pleased with the success thus far as in some cases the initial information they had was very scant. Judy says when they started out, they developed a bespoke system, covering training, forms and processes, trying to tailor it around a client centric approach.

Fairheads needs to tread a fine line between risk and “return” – unclaimed benefits have a high rate of attempted fraud and Fairheads’ internal audit requirements will not allow tracers to push too hard for personal information. Yet at the same time they are keen to encourage the member to know what is due to them.

Indeed, this is the very problem that Bernard Wentzel, Unclaimed Benefit Specialist, describes: “You can imagine if you call up someone out of the blue to say that benefits are due to them and ask them to prove their address and ID, they will more often than not think it is a scam and at the very least want to know who Fairheads is. This can be very frustrating when you are genuinely

wanting to verify that you are speaking to the right person and you know that a pay-out could possibly turn their life around.”

Bernard says the answer to the challenge lies partly in referring the member to the website of the Financial Sector Conduct Authority (FSCA) where a national database exists of those to whom benefits are owed. In addition, he will refer people to the Fairheads website where they can see the company is a registered financial services provider and has a long and robust track record as a service provider and administrator in the employee benefits industry. Members are also encouraged to visit a Fairheads walk-in centre.

How we go about it

Various means are used, which include telephone calls, SMS and letters to previous addresses. We search for people using home affairs and credit bureau checks as well as tapping into employer networks.

Some examples of success

- We managed to trace a 77-year-old disabled man who was initially highly sceptical but finally believed our approach was genuine. His landlord brought him into our Cape Town offices with all the necessary papers, but it transpired that he did not have a tax number and so needed a directive from SARS. We took him in person to SARS to apply for the directive, not an easy task for a disabled person, and all we are waiting for now is the directive before being able to proceed with the pay-out of around R190,000.
- In another example, we had a death benefit due to a member who could not be traced. We sent letters to multiple previous addresses, with one of them reaching the daughter of our member. She was able to confirm that her father had passed away in 2012 and she did not know there was a benefit of some R50,000 due to her. After processing all the paperwork and completing the Section 37C investigations, we were able to pay out the lump sum benefit to her.
- In another instance, we were able to track down the ID number of the daughter of one of our members. We contacted her and she confirmed that her mother had worked for a certain employer and exited in the 1980s. After processing all the paperwork, we were able to pay out the lump sum benefit of over R80,000 to the member.

We have learned through our beneficiary fund experience that tracing members requires out-of-the-box thinking, and often just taking that one extra step can result in success. As an example of this, we have been successful at tapping into past employee networks. By finding one or two past employees of a company, we are often able to find others who worked there and have benefits outstanding. It would be impossible to do this if we simply did credit bureau searches.

It is this approach to focus on the outcome, and not the process which sets us apart from other unclaimed benefit providers.

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