

FSCA Press Release

17 December 2020

FSCA withdraws the licence of Dikwena Funeral Parlour (Pty) Ltd (FSP 43519) and debars Mr. Simon Mahlaola

The Financial Sector Conduct Authority (FSCA) has withdrawn the financial services provider licence of Dikwena Funeral Parlour (Pty) Ltd (“Dikwena”), debarred Mr. Simon Mahlaola and imposed an administrative penalty of R3.9 million (inclusive of costs) on Dikwena.

Dikwena was previously authorised by the FSCA as a Category I financial services provider to only render financial advisory and intermediary services in respect of long-term insurance subcategory A (“assistance policies”).

The FSCA commenced an investigation after having received a complaint from a member of the public. The investigation revealed that Dikwena deliberately failed to ensure that all its clients were underwritten by a registered long-term insurer.

Dikwena therefore materially contravened section 7(1) of the Long-Term Insurance Act No. 52 of 1998 (LTI Act) and section 5(1) of the Insurance Act No. 18 of 2017 (Insurance Act). The clients of Dikwena, for the period 1 January 2017 to 31 October 2018, suffered losses of at least R3.9 million.

The FSCA has therefore decided to:

- Impose an administrative penalty of R3.9 million (inclusive of costs) on Dikwena in terms of section 167(1)(a) of the Financial Sector Regulation Act No. 9 of 2017 (FSR Act);
- Withdrawal the licence of Dikwena (license number 43519); and
- Debar Mr. Simon Mahlaola, who is the sole director and Key Individual (KI) of Dikwena, for a period of 10 years.

Transitional Management Committee:

OB Makhubela (Commissioner) DP Tshidi JA Boyd MM du Toit LP Kekana K Gibson

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