



National  
Risk  
Managers

## TREATING CUSTOMERS FAIRLY POLICY

**DOCUMENT MANAGEMENT**

<b>TITLE</b>	<b>TREATING CUSTOMERS FAIRLY POLICY</b>
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## **1. INTRODUCTION**

### **1.1. PURPOSE AND OBJECTIVES**

The purpose of this directive is to ensure that the fair treatment of customers is embedded within the culture of the Company.

### **1.2. SCOPE / FIELD / APPLICATION**

This directive applies to all employees of the Company. To ensure widespread understanding, all staff shall be thoroughly aware of the principles set out in this document.

### **1.3. AVAILABILITY**

The document is readily available to all employees and managers and all these stakeholders shall be appropriately and adequately informed of its provisions. Access to internal procedures, documentation and policies is available to external stakeholders on request.

### **1.4. RESPONSIBILITY AND AUTHORITY**

The responsibility of the implementation of this policy lies with all Managers, as well as the Compliance and Customer Facing Departments of the Company.

## **2. POLICY**

### **2.1. REGULATORY REQUIREMENTS**

The Financial Services Conduct Authority (FSCA), previously known as the FSB, published the TCF Roadmap in 2011, which formed the basis of the TCF framework. The six TCF outcomes have been adopted within the Company across all business practices, governance frameworks and day-to-day processes.

#### **2.1.1. OUTCOME 1: TCF CULTURE**

***“Policyholders can be confident that they are dealing with an insurer where the fair treatment of policyholders is central to the insurer’s culture.”***

Governance structures are put in place to maintain the Enterprise’s culture of honesty, integrity, and fair treatment of customers. The Enterprise has zero tolerance for dishonesty and poor conduct of staff towards policyholders.

#### **2.1.2. OUTCOME 2: PRODUCT DESIGN**

***“Products are designed to meet the needs of identified types, kinds or categories of policyholders and are targeted accordingly.”***

The Company’s target market is broad and defined as anyone who responds to an advertisement. Taking into consideration the product and client suitability, the Company takes necessary steps to ensure product suitability. The client is taken through a rigorous process which includes, amongst others:

- Needs analysis;
- Product description;
- Client income and expenses provision;
- Medical questioning;
- Product exclusions;
- Product suitability assessment.

This process allows the Company as well as the client to thoroughly review required information that allows both parties to make an informed decision catered to the client’s needs. Product explanations are simple and clear and advertising and promotional material is subject to a strict and rigorous approval process.

#### **2.1.3. OUTCOME 3: PROVIDING INFORMATION**

***“Policyholders are given clear information and are kept appropriately informed before, during and after the time of entering into a policy.”***

Representatives take special care to identify the needs of the client and information is communicated in a clear and fair manner without misleading the client or misrepresenting the product.

#### **2.1.4. OUTCOME 4: SUITABILITY OF ADVICE**

***“Where policyholders receive advice, the advice is suitable and takes account of their circumstances.”***

The Company is committed to ensuring that representatives meet the requirements set out in section 7 of the FAIS Act as well as any Fit and Proper requirements prescribed by the Act. Representatives only give advice on products of the Company for which they have received training. The quality assurance department also ensures that no advice is given on any other products.

#### **2.1.5. OUTCOME 5: PERFORMANCE**

***“Policyholders are provided with products that perform as insurers or their representatives have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.”***

Administrative processes are in place to identify if a product is not performing as it should. Also, members are given sufficient time to respond to any changes on their policy, as prescribed by law.

#### **2.1.6. OUTCOME 6: BARRIERS**

***“Policyholders do not face unreasonable post-sale barriers to change or replace a policy, submit a claim or make a complaint.”***

The Company has no unreasonable post-sale barriers. This includes barriers for changing the product type, switching providers, submitting a claim, or lodging a complaint.

### **2.2. MANAGEMENT RESPONSIBILITIES**

Management shall ensure that all outcomes which affect the processes followed within their department are integrated into the departmental Policies and procedures and these shall be evident in the Departments KPI's. Management shall ensure that TCF implications and risks are addressed in the product committee forum and communicated to the respective Board.

### **2.3. MONITORING OF TCF**

The Compliance Department shall ensure that the Company is compliant with TCF requirements by monitoring all relevant areas in terms of their policies and procedures to ensure that such requirements are met, and the appropriate risks are mitigated. Such monitoring shall result in comprehensive reporting from the Compliance Department to indicate sustainability and integrated reporting in terms of TCF.

## 2.4. MANAGEMENT INFORMATION

Below are examples of the Management Information that will be used to measure and improve TCF performance across the Company.

DEPARTMENT	TCF IMPLICATIONS
<b>Sales (Outcomes 2,3,4 &amp; 5)</b>	
<ul style="list-style-type: none"> <li>• Cancellation within the cooling off period</li> </ul>	High cancellation rates may indicate unsuitable advice or a misunderstanding of the product on the part of the client
<ul style="list-style-type: none"> <li>• Number of send backs</li> </ul>	Incorrect selling

DEPARTMENT	TCF IMPLICATIONS
<b>Complaints (Outcomes 1,2,3,4,5 &amp; 6)</b>	
<ul style="list-style-type: none"> <li>• Volume of complaints</li> </ul>	May indicate miss-selling
<ul style="list-style-type: none"> <li>• Complaints against a specific representative</li> </ul>	Miss-selling and representative may require further training
<ul style="list-style-type: none"> <li>• Volume and percentage of complaints referred to Ombud</li> </ul>	May indicate unfairness in complaints handling process
<ul style="list-style-type: none"> <li>• Percentage of complaints to Ombud that are upheld</li> </ul>	External measure of complaints handling process
<ul style="list-style-type: none"> <li>• Percentage of complaints to Ombud that are not upheld</li> </ul>	May indicate fair handling process

DEPARTMENT	TCF IMPLICATIONS
<b>Point of Sale (Outcomes 2, 3 &amp; 4)</b>	
<ul style="list-style-type: none"> <li>Score rating of mystery shopping</li> </ul>	Measure of the quality of financial services rendered

DEPARTMENT	TCF IMPLICATIONS
<b>After sales service (Outcomes 1, 2, 3, 4 &amp; 6)</b>	
<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> </ul>	May indicate fair treatment depending on the questions asked

DEPARTMENT	TCF IMPLICATIONS
<b>Culture and Values (Outcome 1)</b>	
<ul style="list-style-type: none"> <li>Percentage of staff who have completed general TCF training</li> </ul>	Indicates awareness and TCF culture
<ul style="list-style-type: none"> <li>Number of TCF goals in place by business area (financial services, complaints, advertising, customer care)</li> </ul>	Embedded TCF culture and TCF awareness
<ul style="list-style-type: none"> <li>Documented TCF policy and strategy</li> </ul>	Board, Management commitment and strategy
<ul style="list-style-type: none"> <li>Regular minutes of meeting (new product launch, enhancements to current product)</li> </ul>	Embedded TCF culture

**3. RISK IMPLICATIONS**

Risk is the consequences of potentially not adhering to the outlined guidelines within this document and how it could negatively affect the business.

### 3.1. WHAT WOULD HAPPEN IF THE PROCESS IS NOT FOLLOWED?

<b>Risk Type</b>	<b>Risk Description</b>
<i>Financial</i>	Poor TCF Culture leading to reputational damage resulting in financial loss.
<i>Regulatory/Legal</i>	Company not operating within regulatory standards/legislative requirements resulting in fines, licence suspension or withdrawal.
<i>Strategic</i>	Poor TCF Culture leading to policyholders leaving the business resulting in a drop in market share for the company.

## 4. COMPLIANCE AND DEVIATIONS

It is the responsibility of all Enterprise employees and representatives to comply with all statutory and regulatory requirements, as well as corporate policies. Any deviation from this or related procedure should be communicated, in writing, to the Head of Compliance for inclusion into exception reports. The communication should detail the reason for the deviation and should contain clear instructions of the alternate process to follow.

## 5. DEFINITIONS, ACRONYMS, ABBREVIATIONS AND TERMS

The terms in this document should be interpreted as meaning:

<b>No</b>	<b>Term/Acronym/Abbreviation</b>	<b>Definition</b>
(i)	<b>FAIS ACT</b>	Financial Advisory and Intermediaries Services Act
(ii)	<b>FSCA</b>	Financial Services Conduct Authority
(iii)	<b>TCF</b>	Treating Customers Fairly

## 6. REFERENCES

This Policy should be read in conjunction with the following Acts and/or Directives:

→ Regulatory and Legislative Compliance Governance Framework (REG-FRW/001)

→ Conduct of Business of Financial Services Providers

## **7. AMENDMENTS AND PROPOSED CHANGES**

The Compliance Department is the owner of the policy and is therefore responsible for ensuring that the information in this directive is kept up to date.

Any required amendments, adjustments and proposed changes must be channelled through the Head of Compliance for review prior to approval.

The Governance Department is responsible for the administration of all Company Directive Frameworks and supporting documentation. Only the latest approved version of Company directives, available from the Governance Department, may be used by employees and stakeholders.

## **8. APPROVAL AND REVIEW**

This directive is approved at Executive level, by the Executive Committee of the Company.

This directive is approved at Executive level, by the Head of Compliance.

It will be reviewed, at a minimum, every year, as well as in line with applicable changes to legislation or foundational documentation.

## **9. APPENDICES**

None