



## TREATING CUSTOMERS FAIRLY

### INTRODUCTION:

Each and every person is a customer in some or other manner and as such we would like to be treated fairly. This expectation is fundamental to every transaction or interaction that we may have with any product or service provider.

Unfortunately there are many reported instances where customers receive products or services which are sub-standard or which do not deliver the value they were purported to deliver.

The Financial Services Board, the regulatory authority governing the financial services industry, has launched a **“TREATING CUSTOMERS FAIRLY”** initiative. This initiative aims to ensure that all members of the financial services industry treat their customers fairly with regard to the products that they sell or the services that they provide.

This is set out broadly in terms of the 6 fairness outcomes and essentially the requirement is that the customer receives fair treatment at every stage of the relationship with the financial service provider. This includes pre-sales and post-sales treatment.

We fully endorse this initiative by the Financial Services Board. We have always prided ourselves on the fact that we have been committed to ensuring that our clients are treated fairly and equitably.

This policy document seeks to define our stance and to explain what we are doing to ensure that **“TREATING CUSTOMERS FAIRLY”** is entrenched into our corporate culture.

### OUTCOMES AS DEFINED BY THE FINANCIAL SERVICES BOARD:

The Financial Services Board has defined 6 outcomes as part of their **“TREATING CUSTOMERS FAIRLY”** initiative. These regulatory themes of the outcomes are set out below:

#### OUTCOME 1:

Customers are confident that they are dealing with firms where the fair treatment of customers is central to the firm’s culture. [Treating Customers Fairly Culture]

#### OUTCOME 2:

Products and services marketed and sold in the retail market are designed to meet the needs of the identified customer groups and are targeted accordingly. [Appropriate targeted design and marketing of products and services]

**OUTCOME 3:**

Customers are given clear information and are kept appropriately informed before, during and after the time of contracting. [Clear Information]

**OUTCOME 4:**

Where customers receive advice, the advice is suitable and takes account of their circumstances. [Suitable Advice]

**OUTCOME 5:**

Customers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect. [Products perform as expected and acceptable service]

**OUTCOME 6:**

Customers do not face unreasonable post-sale barriers to change a product, switch provider, submit a claim or make a complaint. [No unreasonable post sale barriers]

These outcomes are key to ensuring that the customer perceives that they are being treated fairly and that they are receiving the service and/or benefit that they have contracted to receive and have paid for.

**WHAT ARE THE IMPLICATIONS OF THESE OUTCOMES IN PRACTICAL TERMS?**

These outcomes place the following obligations on the financial service provider:

- The product or service must be designed with the customers' best interests in mind and must meet the needs of the customer. It is also essential that the obligations or terms and conditions of the product are not excessively onerous or prejudicial to the client.
- All marketing related communications and material must be clear and simple and must provide the customer with ALL the relevant information to enable them to make an informed decision. The marketing material must not misrepresent any features, terms or conditions of the product.
- When advice is provided, it must accurately inform the client. The advice should not be structured to merely induce the customer to purchase the product, but should rather be aimed at aiding the customer to identify whether the product adequately meets their needs.
- The sales process should be transparent and should in no way seek to pressurize or coerce the customer to purchase the product or service. The sales process should rather allow the customer to make an informed decision based on their needs and sound judgment.

The after sales service is essentially the delivery of the "promise" of the product that was made at the time of the sale. It is therefore essential that the product should deliver according to that "promise" and the realistic expectations of the client

**HOW DO WE GO ABOUT CREATING A CULTURE OF TREATING CUSTOMERS FAIRLY?**

- 1) Creating a culture of treating customers fairly is imperative to the success of any organization. No organization can succeed in the long term if the customers do not receive fair treatment, great customer service and value for money.
- 2) The challenge is that the financial service provider needs to illustrate that their products and processes do treat the customer fairly and that they need to have procedures in place to monitor and measure whether they are delivering on this expectation.
- 3) Firstly it is essential that every member of staff understands that without satisfied customers, there is no business. However being treated fairly is not merely about customer satisfaction, but also extends to ensuring that customers fully understand what they are paying for and that they receive the benefit or service as “promised” by the product.
- 4) It is imperative that all communication with the customer is clear and understandable. The customer needs to understand what is expected of them, what they can expect from the product and service and what they should do if they are not satisfied with the outcomes.
- 5) In order to establish a culture of treating customer fairly, a fundamental requirement is that all staff are made aware of what this means within their organization and if required that they receive the necessary training to ensure that they fully understand the expectations of the customers.

#### **BENEFITS OF THE “TREATING CUSTOMERS FAIRLY” INITIATIVE:**

- 1) It should be obvious that there are immense benefits of treating the customer fairly. These include:
- 2) Increased levels of trust between the customer and the service provider
- 3) Better informed customers
- 4) In the long term this should result in fewer complaints from the customers as they will have a better understanding of the products and services that they have purchased
- 5) The upside will be increased profitability. This will be an indirect result of customer wanting to do business with the organization

#### **WHAT HAVE WE DONE SO FAR?**

The importance of the customer has influenced our broad form objective of customer centricity. Whilst we do not design our own products and merely sell products designed by other product providers, we acknowledge that we have an obligation to ensure that the customer receives fair treatment from ourselves as well as the intermediaries that sell insurance products for and on our behalf.

To this end we are embarking upon conducting training with all the intermediaries to ensure that they represent the products we sell correctly and that there is clear communication with the customer.

Our compliance Officer has included **“TREATING CUSTOMERS FAIRLY”** as a permanent item on his compliance monitoring program, to ensure that the fair treatment of our customers goes beyond the regulatory framework but that it is a principle building block for the ethical treatment of all stakeholders with whom we do business.

## OUR COMMITMENT

We are committed to ensuring that all our customers are treated fairly. This means that in several aspects of our business we:

- will seek to ensure that all the products we market meet the needs of the customer
- our interactions with the customers are transparent and truthful
- that we will deliver according to the reasonable expectations of our customers.

## SIGNED AND ADOPTED FOR IMPLEMENTATION:

FULL NAME & SURNAME:

Tshifhiwa Muhangane

DESIGNATION:

Managing Director

SIGNATURE:



DATE:

22 January 2024