



# SA INC 2010 and BEYOND

ASISA

## Treating Customers Fairly (TCF)

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## Why is TCF important?

- It is a growing global trend.
- TCF is central to our own Regulators work on consumer protection.
- In future TC unfairly will result in firmer action being taken.
- It is the right thing to do.



## What is TCF?

All about companies paying due attention to the interest of it's customers by:

- Helping customers understand better the features, benefits, risks and costs of financial products they buy.
- Minimizing the sale of unsuitable products by encouraging best practice before, during and after the sale.
- Embedding a culture of doing business in a way that ensures fair treatment of customers.



## What TCF is not?

TCF does not mean:

- Creating satisfied customers. A satisfied customer can still be treated unfairly and not even know it.
- That every firm must offer an identical level of service. The Regulator should recognize that businesses have different resources and ways of doing things.
- That the Regulator should have the final say on which products consumers should want or be sold so that customers are no longer expected to make decisions or take responsibility for them.



## What does TCF hope to achieve?

- Consumers can be confident that they are dealing with firms where fair treatment of customers is central to corporate culture.
- Retail products and services marketed and sold are designed to meet the needs of identified consumer groups and are targeted accordingly.
- Consumers are provided with clear information and kept appropriately informed before, during and after point of sale.



## What does TCF hope to achieve?



- Where consumers receive advice, the advice is suitable and takes account of their circumstances.
- Consumers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard as promised to them.
- Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.



## TCF in SA

Already supported by some key regulatory themes:

- Transparency and disclosure.
- Avoiding conflicts of interest.
- Cost containment.
- Raising professional standards of advisers.
- Access to effective dispute resolution channels.



## What should Firms be doing?

Don't wait. Do a TCF gap analysis in your own company. Develop a checklist of best practice in areas such as:

- Promotional material - Sales advice process.
- Customer contact information & flow of information to customers.
- Complaint handling - Staff training and awareness.
- Remuneration/incentives - Management information and record keeping systems.
- Product design and understanding - Risk assessment of non compliance.



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THANK YOU