

CCI Legal Services Ltd

Treating Customers Fairly Policy

1: INTRODUCTION

Treating Customers Fairly (TCF) is the practical realisation of one of the FSA's core principles: "A Firm must pay due regard to the interests of its customers and treat them fairly."

CCI Legal Services Ltd operates a policy of openness and transparency, managing any identified conflict of interest without prejudice to the interests of our clients. CCI adheres to well-defined internal policies and procedures, which relate to all members of staff throughout the company. By placing the fair treatment of customers as the focal point of CCI activities it is intended that the expectations of the FSA will be exceeded as the company strives to incorporate the standards expected. These TCF standards and culture are as important to Senior Management as they are to all other members of staff and the TCF culture flows from the Senior Management and down throughout the rest of the company in the all the day to day activities of the company. TCF is equally as important as other business needs and is considered alongside business needs at all times.

2: THE SIX TREATING CUSTOMERS FAIRLY OUTCOMES

The FSA have defined six consumer outcomes expected from a firm in the course of Treating Customers Fairly (TCF). These will be used as the FSA monitors TCF against the life cycle of each product.

Outcome 1: Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture.

Outcome 2: Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and targeted accordingly.

Outcome 3: Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.

Outcome 4: Where consumers receive advice, the advice is suitable and takes account of their circumstances.

Outcome 5: Consumers are provided with products that perform as firms have led them to expect and the associated service is both of an acceptable standard and as they have been led to expect.

Outcome 6: Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

3: MANAGEMENT INFORMATION

CCI have appropriate MI or other such measures in place, which includes developing responsibilities, processes, controls and standards, to test whether they are delivering the TCF consumer outcomes. CCI needs to be able to provide evidence to demonstrate that the desired outcomes are being delivered.

3.1 Principles of Good Management Information

Management Information covers any information collected during any period of business activity. The information may concern customers, staff, calls, visits, meetings, sales, opinions, parts of a process, predictions etc. All information relevant to a firm, from whatever source, can be described as MI.

Good MI will enable management to make informed business decisions. MI should be:

- **Accurate** – the correct numbers with any commentary contributed by the right people.
- **Timely** – sufficiently available to enable managers to act.
- **Relevant** – displaying what a manager can directly influence or something that they may need to escalate to facilitate the necessary action.
- **Consistent** – consistent on a period-to-period basis to allow managers to spot trends and make sound decisions.

3.2 Key Elements of Good Management Information

- Good Management Information should focus on how successfully CCI is delivering the TCF consumer outcomes rather than measuring processes as this is unlikely to be enough to demonstrate delivery of TCF outcomes.
- many cases simply require the expansion of existing MI to include extra analysis to enable firms to demonstrate delivery of TCF outcomes, as opposed to the creation of substantial amounts of new information.
- distinguish between fairness and customer satisfaction, as customers can be satisfied with unfair treatment and dissatisfied with fair treatment.
- measure performance and identify potential risks. Such as the presentation of information to help management see a pattern and make a decision.

3.3 Measuring and monitoring the success of Management Information

The necessary measures can be divided into two variables: **a standard** – the level of performance that the CCI decides demonstrates that it is treating customers fairly and delivering the TCF outcomes; and **a result** – how CCI performed against the standard.

3.4 The Five Steps

TCF is considered the responsibility of senior management; however, taking action to deliver TCF is the responsibility of everyone at CCI. It is important that the FSA can see evidence that the MI is used by the right people and in the correct manner.

Using MI should include the following **five steps**, so that the MI is:

- I. **Seen** – an appropriate level of management receives, understands and reviews the MI
- II. **Challenged** – anomalous or unexpected results are challenged
- III. **Analysed and monitored** – the right messages and conclusions are drawn from the data
- IV. **Acted on** – where appropriate, actions are taken to remedy the situation, to investigate further and to follow up on those actions
- V. **Recorded** – records are made of what is done and information is subsequently gathered to enable the success of those actions to be assessed

I. Seen

- MI must be reported to the level of management to whom it is relevant.

II. Challenged

Managers are expected to challenge the content of MI. This may involve:

- Challenging the reasonableness of numbers against their expectations or experience
- Asking internal audit to review the information that feeds into a report on which they rely.
- Reviewing and sense-checking information on a sample basis and satisfying themselves that the numbers are correct.

Management would also be expected to consider the substance and quality of the MI.

Considering whether:

- The MI is still relevant to the goals of the firm?
- There is another report that would provide more appropriate MI?
- A one-off exercise could be performed to demonstrate that it is comparable to another potential measure of an outcome?

Challenges should be performed with the TCF consumer outcomes in mind; careful design of processes can align MI with outcomes.

III. Analysed and Monitored

MI needs to be analysed critically, with a focus on the quality of the TCF consumer outcomes. In general, CCI should aim to avoid using the absence of poor results as a sign that the consumer outcomes are being delivered.

CCI is expected to monitor company performance against set standards so performance can be tracked over time. Even if the correct conclusions are drawn from MI, there are situations where the MI may not provide any indication of the root cause of the results. In such situations, senior management would be expected to perform more detailed analysis.

Incorporating additional detail into MI can be important in deciding appropriate action. Analysis of the MI can highlight potential inconsistency in the delivery of TCF outcomes but can also provide some of the analysis needed to solve the problem.

IV. Acted on

For CCI to be responsive to changes, the efficient internal communication of potential trends is required. The reporting lines can help in enabling efficient communication, but an element of ad-hoc cooperation between the area that sees the MI and the area that may need to act will also be required. In some cases, alternative reporting lines will need to be used e.g. a whistle-blowing line, internal audit, a TCF intranet site or a direct line to senior management.

V. Recorded

Where an issue has been identified, CCI is expected to produce evidence that actions have been taken to resolve it. In these situations, appropriate records should demonstrate that MI has been seen, challenged, analysed and acted on. MI that evidences a process, control, responsibility or even a project has been implemented will not by itself prove that the problem has been remedied. If the remedy involves something that can be measured, then further MI is equally important.

Remedial actions need to be documented and may even need their own MI to prove they are successful. MI is not just information which is collected on a routine basis, but contains the appropriate mix of routine and ad-hoc data.

4: DEALINGS WITH CCI

CCI have identified key principles which will enable customers to be treated fairly at all times.

- 1) **Transparency and Openness.** Customers should understand the nature of the services CCI provide, as well as the risks associated with the products and services we offer.
- 2) **Communication.** CCI will communicate in an open, transparent and comprehensible manner, with a clear understanding of our Customers investment objectives, investment experience, attitude to risk, financial standing and resources.
- 3) **Suitability.** All recommendations made to our customers must be suitable to their requirements and investment objectives.
- 4) **Assurance.** CCI will only promise to provide services to which it is equipped to deliver, while providing a complaints procedure which is clear, unambiguous and impartial.
- 5) **Training and Development.** The concept of “Treating Customers Fairly” will be integral to the training of all staff at all levels as CCI strives to provide excellent and fair service at all times.

4.1: A Culture of Treating Customers Fairly

CCI has embedded a culture of Treating Customers Fairly throughout the company; efforts to support this have been made in the following ways:

- All customers should clearly understand the nature of the services and products CCI provide, including terms, conditions and charges.
- All communications with customers should be fair, clear and not misleading. Marketing campaigns and literature should be balanced and informative in order to provide customers with the requisite information in order to make an informed decision. Efforts should be made to proactively explain all products, ensuring that an understanding of key points, risks and selling points.
- All customers must clearly understand the risks inherent in the products and services they purchase.
- CCI aim to be open and transparent throughout all dealings, ensuring that all products and services will meet the needs and expectations of our customers.
- CCI will only promise to provide services we are able or equipped to deliver.
- The CCI complaint procedures must be clear, unambiguous and impartial. The implementation of well-defined internal policies and procedures that are embedded and supported at all levels across the company.
- Placing the needs of our customers at the forefront of any decision regarding the impact of any strategic changes taking place within the organisation. TCF must be a major consideration and the first stage of any proposed changes.

- The consideration of TCF is important even when non-customer decisions are being made and Firms should be able to show that they have taken into account delivery of TCF principles throughout the decision making process.
- To identify and manage all conflicts of interest in an appropriate manner.
- To collect and assess relevant customer information, to ensure that customers are offered appropriate support and quality assurance. The correct collection of information will enable Senior Management to identify ways of improving the service offered to customers and to make informed judgments and strategic decisions moving forward.
- To constantly measure and review the effectiveness of our treating customers fairly policy by analysing Management Information from all business areas and amending our internal processes accordingly to improve the service we offer you.
- The effectiveness of all CCI policies, in respect of Treating Customers Fairly, will be regularly reviewed and updated.
- All CCI staff will receive continuous training to ensure they have the correct skills base in order to perform their jobs effectively. Extensive training will be given on Treating Customers Fairly and all staff should strive to ensure that the principles outlined here are adhered to at all times.

4.2 Supporting Procedures

Further areas in which CCI are keen to maintain fair and transparent treatment of all customers include the following:

- 1) **Gifts and Inducements.** The CCI gifts/inducements policy and procedures outlines in detail restrictions imposed on CCI employees with regards to offering, giving, soliciting or accepting any inducement if it is likely to conflict with any duty owed by CCI to its clients.
- 2) **Breaches Policy.** Details how CCI will identify, report and monitor any perceived breach by any Employee.

5: CATALYST TREATING CUSTOMERS FAIRLY INITIATIVES

The following initiatives have been identified by CCI as potential ways of generating quality MI and imbedding a culture of TCF throughout the company.

- 1) Continuously updating and refreshing the TCF Policy, allowing CCI to adapt to the changing requirements of TCF. Implemented by Senior Management this will filter down to all areas of the organisation.
- 2) Incorporating a TCF action plan containing key milestones which need to be addressed.
- 3) A TCF section will be included on the website.
- 4) A TCF customer service survey will be sent to clients with a view to obtaining quantitative and qualitative research in order to obtain quality MI, enabling CCI to identify areas for improvement.

- 5) Developing training methods so all staff members are aware of the importance of TCF and for this to be updated and revisited on a regular basis.
- 6) Using all relevant MI information to improve the service and products provided by CCI.
- 7) In depth monitoring by compliance. This will include monitoring calls and monitoring / responding to any complaints while recording any exchanges in order to continue.
- 8) Improve customer understanding of the various products, to ensure that they meet customer expectations and potentially open the market to customers who may show reservations due to a lack of understanding the nature of the products in question. Improved communication at all levels would benefit both CCI and its customers.
- 9) Full facts about any products must be disclosed and any supporting documents need to be simple, clear and accessible. The Fair, Clear and Not Misleading principle must play particular prominence. The use of plain English should be promoted at all times and any technical language or difficult terminology should be resolved through a comprehensive definitions page.
- 10) Supporting documents could be seen in any medium which would also encompass the CCI website which should be regularly updated with the most relevant information.
- 11) Any risks should be communicated to all customers and should be of equal prominence to the rest of the information provided.

6: COMPLAINTS

CCI aims to provide the very best level of customer service and will respond swiftly to acknowledge and deal with all customer queries and complaints in accordance with the CCI complaints procedures.

Where a complaint is received, CCI will aim to give a detailed response within eight weeks but will endeavour to provide an adequate response at the earliest opportunity, clearly communicating our understanding of events. All complaints are recorded by the compliance department, supporting efforts to produce quality MI