

TREATING CUSTOMERS FAIRLY (TCF)

Internal policy

October 2020 | Version 1.0



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1. INTRODUCTION

The principle of Elevate Life's culture and values is that our customers come first. Elevate Life is committed to the fair treatment of all our customers and this is the foundation upon which Elevate Life builds a long-term sustainable business. This is not limited to any single part of the Elevate Life business but rather the responsibility of the business as a whole. Without customers we have no business. Hence, any legislative requirements aside, putting our customers' needs at the forefront of what we do is a key business priority.

2. TREATING CUSTOMERS FAIRLY: The Financial Sector Conduct Authority

The Treating Customers Fairly (TCF) programme is implemented by the Financial Sector Conduct Authority (FSCA) and consists of a principle-based approach. TCF is a regulatory and compliance framework aimed at increasing customers' confidence and satisfaction in Financial Service Providers (FSPs). In particular, the FSCA requires firms to measure their activities against six TCF fairness outcomes (the "Outcomes") that aim to reduce market conduct risks and protect consumers of financial products:

- **Outcome 1** ("Culture"):
Customers are confident that they are dealing with a financial services provider where the fair treatment of customers is central to its culture;
- **Outcome 2** ("Products and Services"):
Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly;
- **Outcome 3** ("Clear and Appropriate Information"):
Customers are given clear information and are kept appropriately informed before, during and after the time of contracting;
- **Outcome 4** ("Customer Advice"):
Where customers receive advice, the advice is suitable and takes account of their circumstances;
- **Outcome 5** ("Product Performance Expectations"):
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 and
- **Outcome 6** ("Post-Sale Barriers"):
Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.



Elevate Life fully supports the FSCA's TCF Outcomes. These Outcomes need to be achieved for consumers at all stages of the Elevate Life product life cycle. The life cycle of our products can be divided into three stages. During the product life cycle all six Outcomes of TCF are adhered to:

- **Stage 1** is with regards to our products themselves and includes the design of our products and the promotion and marketing of the product.
- **Stage 2** entails the rendering of advice and intermediary services as well as the point of sale of the product mentioned in Stage 1.
- **Stage 3** includes the information provided after point-of-sale and complaints and claims handling.

The principal objective of TCF is to protect the customer against any form of unfair business practice and to ensure that customers are treated fairly in all instances. Customers that receive any form of financial service from an FSP are entitled to the same protection as they would have enjoyed under the Consumer Protection Act of 2008.

Furthermore, Section 2 of the General Code of Conduct states that a provider must at all times render financial services honestly, fairly, with due skill, care and diligence, and in the interest of clients and the integrity of the financial services industry, which ties in with TCF principles.

3. EXAMPLES OF ELEVATE LIFE'S TCF PRINCIPLES

The TCF Principles that we follow include, but are not limited to:

- **Customer's Interest:** We pay due regard to the interest of our customers and treat them fairly in all our dealings with them.
- **Integrity:**
We conduct business with integrity.
- **Skill, care and diligence:** We conduct business with due skill, care and diligence.
- **Management and control:** We take reasonable care to organise and control our affairs responsibly and effectively, with adequate risk management systems.
- **Financial Prudence:** We maintain adequate financial resources.
- **Market Conduct:** We observe proper standards of market conduct.
- **Client Communications:** We pay due regard to the information needs of our customers and communicate information to them in a way that is clear, fair and not misleading.
- **Conflicts of Interest:** We manage conflict of interest fairly, both between ourselves and our customers and between customers and other clients.



- **Customer relationship of trust:** We take reasonable care to ensure the suitability of our advice and discretionary decisions for any customer who is entitled to rely upon our judgment.
- **Client assets:** We arrange adequate protection for customer assets that fall under our responsibility.
- **Relations with the Regulator:** We deal with the Regulator in an open and cooperative way and appropriately disclose to the FSCA anything relating to the business of which the FSCA would reasonably expect notice.

4. OUTCOME 1 ("Culture")

All our business spheres are affected by TCF and must adhere to the requirements of TCF:

- Recruitment processes adhere to TCF objectives as set out in the Recruitment and Selection Policy, which stipulates the minimum standards and qualifications when appointing personnel.
- A TCF Forum has been established comprising senior management members and Key Individuals of the Elevate Life. This forum is accessible to all employees with regards to TCF complaints or queries.
- Senior management and Key Individuals are responsible for the implementation and enforcement of TCF principles and objectives.
- TCF information letters are circulated amongst staff on a regular basis.
- Monthly TCF reports are to be submitted to the TCF Forum.
- Quarterly audits will be conducted by the appointed compliance officer of Elevate Life to determine the compliance and progress with TCF.
- TCF training is provided to all the employees on an annual basis which forms part of their Continuous Professional Development (CPD).
- Remuneration of employees is linked with the reaching of TCF objectives which includes a negative reward and a positive reward. Disciplinary processes will be instituted in cases of non-compliance should it be necessary.



5. OUTCOME 2 ("Products and Services")

Products and services marketed and sold in the retail market are designed to meet the needs of Elevate Life's identified customer groups and targeted accordingly. Customers can be broadly grouped into three categories:

- Low sophistication group (relatively inexperienced groups with a high level of dependence);
- Moderate sophistication group (general consumers group falling into the mass market);
- High sophistication group (investment groups who have expertise).

When products are selected, an assessment of promotional and information material is performed to ensure that it is suitable for the customer group. The product is analysed to ensure that it is suitable to a particular market segment, satisfy the needs of that market segment and the commission or fee will be justifiable.

A financial needs analysis is done on each consumer. Correct information is collated in order to draft the financial needs analysis. The financial needs analysis sets out that the consumer understands the products and services offered as well as the explanations given, and the information supplied.

Furthermore, an in-depth analysis is conducted of each product supplier. An annual critical review of all products will be performed where after the TCF forum will decide on discarding or promoting the specific products.

6. OUTCOME 3 ("Clear and Appropriate Information")

Customers are to be given clear information and be kept appropriately informed before, during and after the time of contracting. Financial advisors must pay due regard to the information needs of the customers and communicate information to them in a way which is clear, fair and not misleading. Before and at the point of sale, all financial promotions are to be clear, fair and not misleading.

Appropriate advice consists of the quality of advice, impartiality of advisors, assessing customer needs, point of sale communications and ongoing advice.

Effective point of sale disclosure is essential to enable customers to understand the characteristics of the product they are buying and to help them understand whether and why it meets their requirements.



Post-sale disclosure plays an important role in helping to ensure that customers are kept aware of product performance, their opportunities to act at certain points in the product life cycle and changes in the terms and conditions.

Prior to the selling of the product, we ensure that all sales and marketing material are written using plain English, jargon and technical terms fully explained, the product material contains sufficient risk warnings where applicable, all costs and charges are accurate and disclosed to the customer, restrictions/exclusions/opt-ins and opt-outs associated with the product are clear and in simple terms, all charges, including any early redemption/early termination charges, are highlighted and made clear, the product literature states clearly who the products are most suitable for and the promotional and product material is tested with a non-expert.

During and after sales, all correspondence with customers is kept and easily retrievable. A record of provision of all the disclosure documents (initial disclosure, product disclosure, quotations, performance figures and/or any other written document explaining or containing information on the product) is kept, notes on telephone calls and meeting conversations are kept and easily retrievable. We keep in contact with customers after the product has been sold. All customer contacts are recorded.

Clarity, appropriateness, and fairness of information are assessed prior to being communicated to customers. All marketing material is signed-off by a member of the TCF Forum. Before and during contracting, the financial advisors ensure that information provided is accurate and applicable to the customer in order for the customer to make an informed decision. Customers are adequately informed of product changes in good time. Contact details of customers are maintained. Customers have accessible contact points if they need information.

7. OUTCOME 4 **(“Customer Advice”)**

Where customers receive advice, it must be suitable and take account their circumstances. Elevate Life's advice processes are sufficiently robust that instances of consumer detriment are extremely rare. Financial advisors are subject to financial penalties and commission clawback for poor advice. Financial advisors always receive detailed training on product technicalities with a strong focus on risks. Knowledge is always tested with case studies. Financial advisors are actively encouraged to achieve a qualification.

Before deciding to market a product, we assess whether we have the appropriate skills and business processes in place to provide advice and service that will be suitable for the target market and the product concerned.



The Conflict of Interest Management policy is personalised to enable us and our representatives to identify and address any conflicts of interest between Elevate Life, the customers and the product providers whose products are marketed.

A policy for fair compensation of customers who have been financially prejudiced as a result of inappropriate advice provided by our representatives has been implemented.

We regularly monitor the published decisions of the FAIS Ombud, guidance from the FSCA and other relevant information sources in relation to advice practices, to ensure that our controls and practices in relation to the suitability of advice remains relevant and effective.

We expect of product providers to, before contracting with any product provider to market their products, conduct an appropriate level of due diligence to satisfy them that their products and service levels are likely to meet our customers' reasonable expectations.

Product providers must provide Elevate Life and our representatives with adequate training on the specific products that Elevate Life markets to be in a position to provide our customers with suitable advice on those products. The training register must always be kept up to date.

We have reasonable access to any product information required from the product provider in order to provide suitable advice.

We provide product suppliers with feedback in relation to any aspects of their products or services which inhibit our ability to provide suitable advice or deliver other TCF outcomes to customers.

Agreements between Elevate Life and the product providers whose products we market must set out the respective responsibilities in relation to providing customers with advice, information and service support. Customers must understand who they should look to in relation to different aspects of the financial products or service provided to them.

We must regularly test our representatives' knowledge and skills on Elevate Life's products sold and others sold in the market, and prevent our representatives providing advice on products where they do not have adequate product training.

We record and monitor feedback or complaints received from customers, product suppliers or other third parties regarding the quality of advice they have received from our representatives, to identify any training needs and/or risk of inappropriate advice.

We conduct regular monitoring on the advice and services that our representatives provide customers to identify instances and mitigate the risk to customers where the representatives have provided inappropriate advice or misleading information to customers.



We record and analyse insurance claims, product retention / early termination data, investment portfolio switching, type and frequency of product changes in relation to the customers associated with the representatives, to identify and mitigate risks of inappropriate advice or poor customer outcomes attributable to the representatives concerned.

Clear TCF measures are included in the criteria that the representatives are required to satisfy to meet incentive or remuneration targets, regardless of whether the remuneration or incentive is determined by the product provider or by Elevate Life. We implement controls to identify and act on instances where the representatives have provided advice which they are not authorised to provide, either in terms of their specific contract or mandate with Elevate Life and/or with any product provider, or as a result of non-compliance with Elevate Life's FAIS licence conditions or other legal requirements.

8. OUTCOME 5 ("Product Performance Expectations")

Elevate Life's products must perform as we have led our customers to expect and the associated service must be of an acceptable standard.

The foundation of complying with this is found in the General Code of Conduct speaking about the annual review process:

"Section 7(4) A provider who has provided advice to a customer or is rendering ongoing financial services to the customer in respect of one of more financial products, must on a regular basis (but not less than annually) provide the customer with a written statement identifying such products where they are still in existence, and providing brief current details of:

- *Any ongoing monetary obligations of the customer in respect of such product*
- *The main benefits provided by the products*
- *Where any product was marketed or positioned as an investment or as having an investment component; the value of the investment and the amount of such value which is accessible to the customer*
- *Any ongoing incentives, consideration, commission, fee or brokerage payable to the provider in respect of such products."*



In support of the above, Elevate Life has 3 (three) processes in place, namely an annual review process, a process to stay abreast of product and market developments, and a process to gather and analyse our customers' behaviour.

1. **Annual review process:**

This includes keeping close to the customers, keeping them informed and delivering on the promises made, provide the customers with an annual written statement containing the information as set out in Section 7(4) above and processes in place to alert customers of the risks of non-action on their part, such as a failure to review insurance cover needs, investment goals and risk profiles and beneficiary nominations.

2. **Process to stay abreast of product and market developments:**

This is in place to mitigate the risks to the customers where it becomes apparent that products are not performing or are unlikely to perform as they have been led to expect. Additional processes are in place to alert customers to the risks of particular actions on their part (such as early termination of a product, non-payment of contributions, product switches, benefit reductions) in reasonable time for them to respond to or act on the information.

3. **Process to gather and analyse our customers' behaviour:**

This involves:

- (1) analysis of the product retention / product switching / early termination behaviour of our customers to identify risks that products or services are not meeting expectations created,
- (2) conducting research or testing of the service standards to determine whether they are in line with customer expectations and monitor and act on feedback, and
- (3) addressing complaints and suggestions received from customers or staff that identify the need for improvements in types of services or service standards.

Service standards are clearly set and communicated to customers. Regular testing of standards or conduct surveys are conducted to test customer satisfaction. Processes are in place to protect customer information as required by legislation.



9. OUTCOME 6 ("Post-Sale Barriers")

There are no unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint. We have appointed a dedicated complaint handler with appropriate authority to resolve the complaint and to ensure a consistent message and regular updates for the customer. Senior management routinely sit in the complaints handling unit to listen to calls. Root cause analyses are consistently carried out, reported to senior management and the underlying issues resolved promptly.

There are no after sales barriers.

Customers are informed timeously of how to make changes or modifications to products should their needs change. Customers are informed of the risks of switching providers.

Complaints are responded to in writing and reasons for the decisions provided.

10. CONCLUSION

The fair treatment of customers is central to Elevate Life's culture and customers must be confident that they are dealing with such a firm when obtaining any form of financial advice. At Elevate Life, TCF is about an ethical way of doing business in a sustainable manner.