



Phakama Administration Services (Pty) Ltd (FSP 1473)

Treating Customers Fairly (TCF) Policy

EXECUTIVE SUMMARY

The purpose of this document is to provide an overview of the manner in which the TCF processes and procedures are implemented in line with Treating Customers Fairly.

EXPLANATION OF WORDING

“Client” means a Financial Service Provider or Insurer, who is a client of the Organisation, who is responsible for the marketing, sales and advice functions for the insurance products (policies) or the provision of products.

“Customer” means a policyholder of the Client or the Insurer.

“Organisation” means Phakama Administration Services (Pty) Ltd, who is a Financial Service Provider.

“TCF” means Treating Customers Fairly.

REGULATION AND RESPONSE

The Financial Sector Conduct Authority (FSCA), previously known as the Financial Services Board (FSB) initially issued guidelines relating to Treating Customers Fairly (TCF) standards in 2014.

This framework will include reference to Rule 1 of PPR, which states the following:

1.1	For the purposes of this rule, “policyholder” includes a member, potential policyholder and potential member.
1.2	The Organisation has an obligation to act with due care skill and diligence towards policyholders.
1.3 (a)	Whenever the Organisation engages with policyholders on behalf of the Client, the Organisation must act honourably, professionally and with due regard to the fair treatment of the person.
1.3 (b)	The purpose of any engagements initiated on behalf of the Client should be explained clearly.
1.4	The Organisation must have appropriate policies and procedures in place to achieve the fair treatment of policyholders. The fair treatment of policyholders encompasses achieving the 6 TCF outcomes.
1.5	In circumstances, due to the nature of the policy i.e. group policy, it is not reasonably practicable for the Organisation to engage, on behalf of the Client, directly with the individual member in the normal course of business, rule 1.4 applies as follows:- <ul style="list-style-type: none"> ▪ rule 1.4 requires that the Client must have arrangements in place with the policyholder concerned that facilitate and support the provision of the required information by the policyholder to the member;

	<ul style="list-style-type: none"> ▪ in cases where advice is provided by the Client to the policyholder, rather than the members, rule 1.4 requires that the advice should be suitable in relation to both the circumstances of the policyholder and the known or reasonably assumed circumstance of the members; ▪ rule 1.4 requires that the Client must have arrangements in place with the policyholder concerned that facilitate and support the member's ability to make changes in relation to the member's interest in the policy or to submit claims or make complaints without unreasonable barriers.
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TCF POSITIONING

The Organisation recognises the importance of delivering fair treatment to customers throughout the life cycle of the customer relationship, and will continue to embed the principles of TCF into its culture. A core part of this is to ensure that decisions relating to its business are made, with full regard to the fair treatment of customers.

The Organisation evidences the delivery of fair treatment to its customers through TCF Management, which measures performance against the six TCF outcomes.

THE SIX TCF OUTCOMES

The Organisation respects the Regulator's mission to maintain a sound financial service environment in South Africa and acknowledges its mandate to promote the following TCF outcomes:

- **TCF Outcome 1** – Clients/Customers can be confident they are dealing with an institution where TCF is central to the corporate culture.
- **TCF Outcome 2** – Where products and services are marketed and sold in the retail market, they are designed to meet the needs of identified Customer groups and are targeted accordingly.
- **TCF Outcome 3** – Clients/Customers are provided with clear information and kept appropriately informed before, during and after point of sale.
- **TCF Outcome 4** – Where advice is given, it is suitable and takes account of Customers circumstance.
- **TCF Outcome 5** – Products perform as institutions have led Customers to expect, and service is of an acceptable standard.
- **TCF Outcome 6** – Clients/Customers do not face unreasonable post-sale barriers imposed by institution to change product, switch providers, submit a claim or make a complaint.

The Organisation, as an Intermediary and non-advice institution, commits itself to ensuring the fair treatment of Customers/Clients where it relates to intermediary services, and to aligning its organisational culture and business processes in such a way as to ensure that the outcomes, applicable to it, are at all times achieved.

The six outcomes of TCF will be achieved by the Organisation as identified below.

OUTCOME 1

Clients/Customers can be confident they are dealing with an institution where TCF is central to the corporate culture.

POLICY STATEMENT

It is the Organisations committed objective to ensure that all Clients, potential Clients and Customers can be confident that they are dealing with an Organisation where fair treatment is central to the corporate culture.

The Organisation applies best effort to ensure that at all times it, and its employees, render services honestly, fairly, with due skill, integrity, care and diligence, and in the interest of the Clients and Customers it services.

Delivery of the TCF outcomes is a core feature of the Organisations stated values, code of conduct and ethics policy.

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE POLICY OBJECTIVES

- TCF is a standing item on the governing body of the Organisations meeting agenda where the Organisations approach to TCF is analysed and discussed.

Management in all areas of the Organisation, that contribute to the rendering of intermediary services to Clients/Customers (whether directly or indirectly), understand their respective roles in delivering TCF outcomes to those clients.

Responsible person	Responsible area
CEO and KI	Oversight
Legal, Risk and Compliance Manager	On-boarding of new clients and oversight
Financial Director	Payment to clients and related
Key Account Managers	Relationship with Clients and Policyholder assistance

- The organisation has established an internal Compliance Task Team that meets on a regular basis and through which management is able to debate TCF related matters and refer any TCF questions or concerns.
- Employees are aware of the requirement to treat customers fairly. This Policy has been circulated to all employees and they are encouraged to make suggestions to the TCF Champions (Annexure B) on how the treatment of the Organisations Clients/Customers might be further enhanced.

- The Organisation analyses and act on findings to identify employee training needs and to align performance management measures.

OUTCOME 2

Services rendered are designed to meet the needs of identified Client groups and are targeted accordingly.

Administrative and intermediary services provided by the Organisation are designed to meet the needs of identified Clients. Any related targeting of the Organisations Clients is done so in accordance with this standard.

The Organisation provides intermediary services on products that fall within the categories and sub-categories of the financial products listed in Annexure A.

Potential new services require senior management involvement and approval to ensure the services adequately meet the outcomes of TCF and that any such services will perform as Clients are led to expect.

OUTCOME 3

Clients/Customers are provided with clear information and are kept appropriately informed.

- The Organisation assesses the clarity, appropriateness and fairness of product information provided by Clients. All product related information requires sign-off by the Insurer.
- Insurers regularly review product information used by Clients to ensure that it remains accurate, clear and appropriate.
- The Organisation monitors and acts on feedback, complaints and suggestions received from Clients, Customers, employees, or any other party that communicates the need for improvement in product information, which is then referred to the responsible party for action.
- The Organisation, in conjunction with the Client, sends out annual communication to Customers which identifies:
 - the financial products that have been acquired by the Customer;
 - ongoing monetary obligations of the Customer in respect of such products;
 - the main benefits provided by the products;
 - relations insured under the product;
 - terms and conditions of the product; and
 - important contact details of necessary role players.
- The Organisation ensures that Clients have current and accessible contact points if they need service information or need to get in contact with its functional departments for any reason.

- The Organisation has accurate, retrievable, secure records of all product information it administers on behalf of Clients.

OUTCOME 4

Where Clients give advice, the Organisation ensures that they are suitably registered to do so.

- The Organisation does not give advice.
- Prior to contracting with any Client, the Organisation conducts the appropriate level of due diligence to satisfy itself that the Client is suitably registered.
- The Organisation has controls in place to prevent its employees from rendering any financial advice to any Customer.
- In order to ensure that the highest level of service is rendered to Clients and potential Clients, the Organisation identifies any risk of inappropriate service and monitors feedback or complaints received from Clients, Customers, product suppliers or other third parties regarding the quality of service they may have received from the Organisations employees.
- The Organisation monitors the published decisions of the FAIS Ombud, communications from the Regulator and any other relevant information sources in relation to advice practices, to ensure that its controls and practices in relation to this TCF outcome remain relevant and effective.

OUTCOME 5

Services are performed as Clients have been led to expect, and the service is of an acceptable standard.

- Clients are provided with administrative and intermediary services that perform as the Organisation has led them to expect.
- Processes are in place to mitigate the risk that services are unable to satisfy the reasonable expectations of Clients.
- The Organisation analyses the early termination behaviour of the Clients to identify the possible risk that services are not meeting expectations.
- The Organisation monitors and acts on feedback, complaints and suggestions received from Clients, intermediaries and employees that identify the need for improvements in its services or service standards.
- Processes are in place to protect the confidentiality of all Client and Customer information.

OUTCOME 6

Clients do not face unreasonable post-sale barriers should they wish to change administrator, switch to another Financial Service Provider, submit a claim or make a complaint.

- The Organisation has clear service standards in place for processing switches to other providers and to facilitate communication with Customers.
- When the Organisation receives a request to switch providers it informs the Client of any potential risks associated with the switch.
- The Organisation informs Clients (not only on request or at claim stage) of the process that must be followed in order to submit a claim and what information is required in order to process a claim.
- The Organisation informs its clients of service standards when processing claims.
- The Organisation informs Clients prior to contracting, of the circumstances under which claims requests will not be processed and explain the client's obligations in this regard.
- Once a claim has been received, the Organisation keep Customers informed of the progress of the claim.
- Where a claim is repudiated, wholly or partially, the Organisation provides the Customer with clear reasons for the decision as indicated by the Insurer.
- The Organisation provides the Insurer with the Customers reasonable benefit expectations, taking into consideration TCF objectives, when submitting a claim for repudiation in order for the Insurer to make an informed decision regarding the repudiation of a claim.
- The Organisations complaints process is accessible and appropriate to Clients/Customers.

ANNEXURE A

AUTHORISED FINANCIAL PRODUCT CATEGORIES AND SUBCATEGORIES

Category I	Intermediary Services
Long-term Insurance: subcategory A	X
Short-term Insurance: Personal Lines	X
Long-term Insurance: subcategory B1	X
Long-term Insurance: subcategory B2	X
Long-term Insurance: subcategory C	X
Participatory Interests in a collective Investment scheme	X
Category IV	
Assistance business FSP	X

ANNEXURE B**TCF CHAMPION APPOINTMENT**

The Organisation has appointed TCF Champions as part of its commitment to treating its customers fairly.

The TCF Champions are actively involved with embedding TCF principles into the Organisation and for instilling a culture where the fair treatment of Clients and Customers is embraced and adopted. The TCF Champions will assist the governing body of the Organisation to implement and adopt business processes aimed at ensuring that the Organisation is at all times achieving the outcomes of TCF.

The TCF Champions have the authority to approach and speak to staff members at all levels about the delivery and achievement of TCF outcomes.

The TCF Champions need not have any specific qualifications but must have a thorough knowledge of the organisation's functional departments, business processes and the principles associated with treating customers fairly.

The following persons have been appointed as the Organisations TCF Champions.

Name	Role
Elsie van Tonder	CEO and KI
Myra Grobler	Legal, Risk & Compliance Manager
Rentia Minnaar	Financial Director