

# **SHACKLETON RISK MANAGEMENT**

## **Treating Customers Fairly (TCF) Policy**

*Updated: April 2014*



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### Access to Decision Makers

There are no ivory towers at Shackleton Risk Management! Our senior management team is hands-on, with the power and the skills to make informed decisions. All members of Shackleton Risk Management executive are available to deal directly with the customer.

### Proven Track Record

Shackleton Risk Management was established in 2002, and its company footprint and market share has grown considerably in the past years. We believe that such growth is impossible without satisfied clients.

### Expert Advice

Shackleton Risk Management believes its greatest asset is its personnel. We employ not only qualified, but knowledgeable and insightful staff as well. We strongly encourage an ethos of “going the extra mile”.

At Shackleton Risk Management, we believe that the **fair treatment of customers is central to our company’s culture**.

However, for TCF to be successful within the company we recognise that Shackleton Risk Management will need to provide objective evidence that we are treating our customers fairly and have embedded TCF in our organisational culture. To this end, Shackleton Risk Management’s has embarked on the following additional steps:

- In early April 2014, Steven Main (Shackleton Risk Management’s Compliance Officer) circulated a TCF introductory document summarising the available literature provided by the FSB and other sources to Shackleton Risk Management staff and management team.
- In early April 2014, Steven Main (Shackleton Risk Management’s Compliance Officer) made all of the Shackleton Risk Management staff aware of how to deal with “Internal Complaints Procedures”. This was summarised in 2 document and distributed to all staff.
- In early April 2014, Michael John Damant uploaded a complaints policy and complaints register onto the Shackleton Risk Management website [www.shackletonrisk.co.za](http://www.shackletonrisk.co.za).
- Michael John Damant, one of the Key Individuals at Shackleton Risk Management has undertaken to keep the complaints register up to date.
- Michael John Damant, one of the Key Individuals at Shackleton Risk Management has undertaken to ensure that staff are kept up to date with any changes to the TCF framework that may be implemented by the FSB from time to time.
- The senior and middle management have been briefed that they need to provide direction and monitor the delivery of TCF behaviours and outcomes to all staff.

Implementing TCF in Shackleton Risk Management is not a once-off event, but is perceived as an on-going, evolving and permanent feature of our approach to our business.

### TCF GOING FORWARD

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Shackleton Risk Managements decision makers believe that TCF procedures need to be carried through to implementation as part of the brokerage’s broader business strategy.

It is envisioned that TCF deliverables should form part of future recruitment and performance management strategies within Shackleton Risk Management. This should not apply only at the level of staff who deal with customers and brokers, but at all levels to ensure that both staff and management are appropriately held to account for TCF successes and failures.



## SHACKLETON RISK MANAGEMENT

("Shackleton Risk Management" or "the Company")

### INTRODUCTION

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In a nutshell, TCF (a Financial Services Board regulatory initiative) aims to ensure that SA's market conduct regulation is effective in protecting consumers, by creating consistent standards of consumer protection across the financial sector. The anticipated outcome is improved customer confidence, the supply of appropriate products and services to customers by financial services brokerages, and enhanced transparency and discipline in the sector.

The FSB has identified implementation date as 1 January 2014 but in order for brokerages to be adequately prepared by this date, brokerages must in anticipation consider their treatment of customers at all stages of their relationship with the customer, from product design and marketing, through to the advice, point of sale and after sale stages, and should simplify and align all processes with the customer at the core.

While brokerages are required to develop their own TCF processes that will be suitable for their business model and customer base, TCF has the following six fairness outcomes, and brokerages will need to demonstrate they have the controls and measures in place to deliver on each of these in their day-to-day business dealings with the customer:

#### OUTCOME 1: TCF culture and governance

- Consumers can be confident that they are dealing with a brokerage where the fair treatment of customers is central to the corporate culture.
- Regulatory theme: fit and proper requirements for management, audit, risk and compliance requirements, board and committee structures, whistleblower protection rules, management incentives.

#### OUTCOME 2: Product design

- Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly through clear and fair communications that are not misleading.
- Regulatory theme: regulation of product features, charging structures, product governance and approval processes, unfair terms, undesirable business practices, regimes for particular consumers such as products aimed at addressing inclusion; and marketing and advertising restrictions and standards.

#### OUTCOME 3: Disclosure

- Customers are provided with clear and fair information to enable them to make informed decisions about transacting with the brokerage, its products and services. This means that product risks, commitments, limitations and charges must be transparent.
- Clients are kept appropriately informed before, during and after the point of sale.
- Regulatory theme: specific disclosure obligations, disclosure standards, plain language, language policies, electronic and telephonic communications, misleading representations.

#### OUTCOME 4: Suitable advice

- Where customers receive advice, the advice is suitable and takes account of their circumstances, all the while balancing the commercial objective of increasing sales within the objectives of TCF and avoiding conflicts of interest.

- Regulatory theme: financial advisory obligations (primarily under FAIS), distribution models, legal relationships between intermediaries and product suppliers, conflicts of interest (under FAIS and more broadly), adviser remuneration.

### **OUTCOME 5: Performance and service against expectation**

- Customers are provided with products that perform as the brokerage has led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.
- Regulatory theme: product and performance monitoring, on-going communication, reasonable benefit expectations, service levels, operational ability and capacity, outsourced suppliers, business continuity, record keeping, information security, fraud risk management, succession planning.

### **OUTCOME 6: Claims, complaints and charges**

- Consumers do not face unreasonable post-sale barriers to changing product, switching provider, submitting a claim or making a complaint.
- Brokerages need to honour representations, assurances and promises that lead to legitimate customer expectations. Legitimate expectations must not be frustrated by unreasonable post-sale barriers.
- There is a requirement for fair and consistent handling of claims and a mechanism to deal with complaints timeously and fairly. Brokerages should undertake to identify common underlying causes of complaints and take action to eliminate the root cause.
- Regulatory theme: access to information, complaints handling, claims handling, alternative dispute resolution, product flexibility, product portability, termination charges.

At this stage TCF is principle-based with few rules, but after implementation, the FSB is likely to adopt methods similar to their international counterparts on reporting requirements. True success in delivering TCF will require evidence that fair customer treatment is embedded in the brokerage's culture at all levels, that brokerages have identified and are managing any risks of unfair customer treatment in their business, and that they can demonstrate actual improvements in customer experience. Successful TCF implementation depends heavily on senior management support and visible adoption from the top of the company.

## **WHAT IS SHACKLETON RISK MANAGEMENT DOING ABOUT TCF?**

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Shackleton Risk Management believes that the principles of TCF already act as the cornerstone of our brokerage's culture. Shackleton Risk Management started out by brokering liquidation court bonds and then expanded its product range to include Professional Indemnity, Fidelity Guarantee and Misappropriation of Trust Fund Insurance for Attorneys, Liquidators and Business Rescue Practitioners. Despite experiencing extensive growth over the years, we've retained our commitment to serving our client. Shackleton Risk Management is regulated by the stringent controls of the FSB, whilst retaining the core philosophy that our clients are seen and treated as individuals with specific needs, rather than just policy numbers.

Shackleton Risk Management is steeped in the following principles, all of which place the needs and positive experience of the customer at the centre of our business processes:

### **Fair and Fast**

We prioritise all correspondence from our clients, whether it is a query, a claim or feedback. In all our business processes, we seek to eliminate reasons for delay in responding to clients. In all our dealings with clients, we pride ourselves on being above-board, ethical, fair and fast.



## CONCLUSION

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TCF deserves a process owner within the company, whose focus should be designing processes, measuring customer experience, conducting surveys, identifying problem areas, liaising with the FSB, training staff, on-boarding new people, liaising with operations and marketing. Just as the identity of TCF is evolving and expanding within Shackleton Risk Management and the wider financial services industry, so should this policy document be understood not as a static concept or framework, but as a developing work-in-progress which should be re-visited regularly.

## ACKNOWLEDGEMENTS

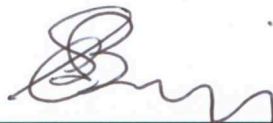
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*Treating Customers Fairly: The Roadmap*. 31 March 2011. Financial Services Board ([www.fsb.co.za](http://www.fsb.co.za)).

SAIA TCF Task Team. Minutes of TCF committee meetings, self-assessment tools and other correspondence.

Training Leadership Consulting (Debbie McCarthy) ([www.tlcglobal.co.za](http://www.tlcglobal.co.za)).

## DULY APPROVED FOR AND ON BEHALF OF SHACKLETON RISK MANAGEMENT



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Craig Brigg (Managing Director)

29-4-2014.

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Date