



# MANAGEMENT POLICY ON PRINCIPLES OF TREATING CUSTOMERS FAIRLY

Applicable to Financial Services Provider acting as  
Category I and II Financial Services Provider in  
terms of the Financial Advisory and Intermediary  
Services Act

Implemented for:

**FKC (2015/324537/07)**





*(hereinafter referred to by name or as “FSP”)*



# DECLARATION OF IMPLEMENTATION AND COMPLIANCE

I, the undersigned, being the authorised and approved Key Individual of the above FSP, hereby declare as follows:

- ✓ I have made myself aware of the contents of this document
- ✓ I confirm that the processes herein contained are implemented in my FSP
- ✓ I will ensure that this document is updated and/or reviewed on at least an annual basis.

	
	[NAME] KEY INDIVIDUAL
	DATE: 05-10-2023

## REVIEWS

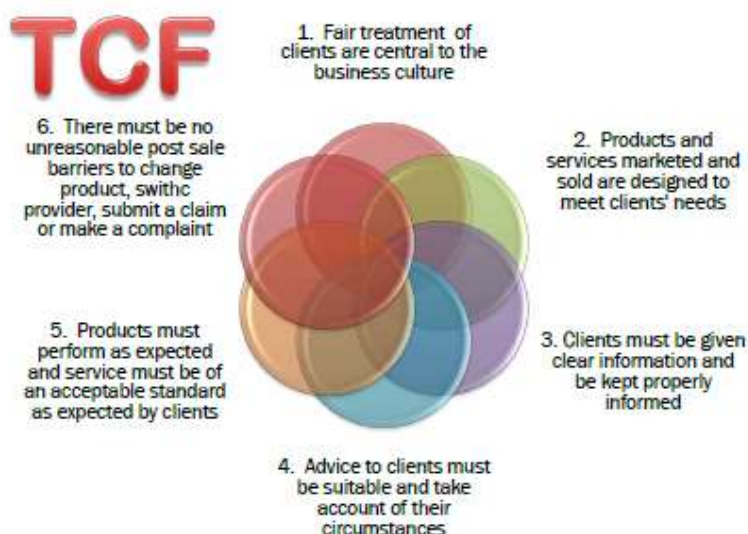
Date of review:	Completed by:
10/09/2023	Review and update by Compliance Officer

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## 1. BACKGROUND

As Financial Services Provider (FSP) we must be able to demonstrate that we have a TCF culture embedded in our business, proven and supported by appropriate controls, governance structures, management information and self-assessments.



Delivering these outcomes will require action by both the FSCA and FSP. The FSCA will expect a great amount of disclosure from us as financial services provider, including certain reports and evidence that we have embedded TCF in our culture. The FSCA will develop a regulatory framework consisting of conduct principles as well as explicit rules within which we should conduct our business and adherence to the framework will be enforced.

According to the FSCA, implementing TCF should not be regarded as a compliance project, or a once-off project. It is an ongoing, evolving and ultimately permanent feature of an FSP's approach to its business.

FKC Wealth has implemented this policy to ensure that any financial services are rendered in the interest and fair treatment of clients.

## 2. SCOPE OF POLICY

This policy shall apply to all persons who deal with clients of the FSP. The policy covers our commitment to providing the highest standards of customer-centric financial services. It will cover how the Treating Customers Fairly principles (TCF) are applied across all business sectors in the course of our general business activities.

## 3. POLICY CONTEXT

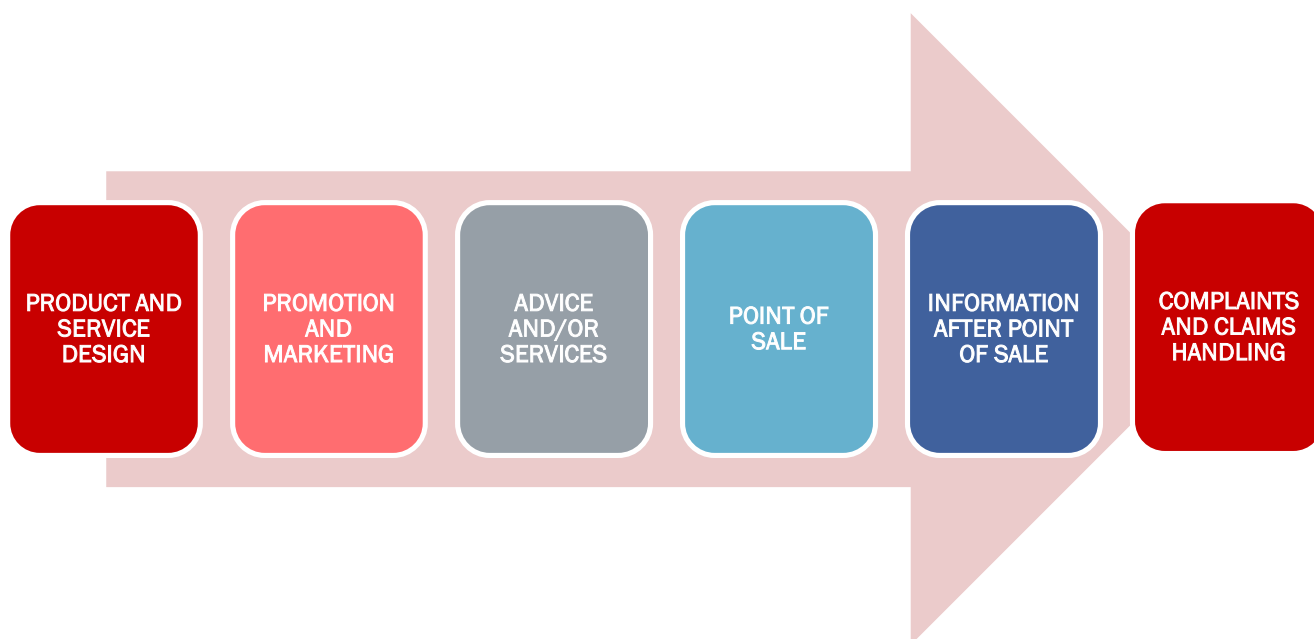
The FSP believes that the fair treatment of clients is essential to the success of its business. Customers are our most valuable asset and are a key stakeholder in the business, both directly, where our clients are intermediaries, or the clients of such intermediaries and because of the influence the quality of the customer experience has on the businesses' relationships with other stakeholders.

We are fully committed to providing the highest standards of customer-centric financial services and our aim is to ensure we deliver a user-friendly, robust, reliable and cost-effective service. Treating Customers Fairly principles (TCF) are applied across all business sectors in the course of our general business activities.

Our treating clients fairly (TCF) policy is centred around the guidance provided by the Financial Services Conduct Authority (FSCA) to ensure we consistently deliver fair outcomes to our clients and take responsibility for the business and staff (at all levels) providing an enhanced service quality to clients, based on a culture of openness and transparency.

This Policy Statement has been prepared in order to document the various controls and processes that exist enabling the business to demonstrate compliance with the six desired outcomes of the FSCA's 6 TCF Principles.

The expectations of the FSCA can be summarised as below:



As financial services provider we will ultimately have to demonstrate that we are consistently treating clients fairly.

#### 4. GENERAL APPLICATION

In general terms for the different areas of our business this means:

1. Encouraging and responding to valuable customer feedback allowing us to continually improve our service offering.
2. Ensuring that promotional material issued is clear, compliant, jargon free and appropriately targeted.
3. Ensuring that we support our intermediaries in proper product provider and products selection.
4. Ensuring an ongoing flow of customer pertinent information which is relevant and timeous.
5. Ensuring that staff have thorough training on all products they provide services on, are able to assist intermediaries, understand who they are and are not suitable for, and are encouraged to provide feedback where they spot inconsistencies, ambiguities or potential unfairness in the product literature or product features.
6. Operating remuneration systems which assure fairness to the customer as well as customer satisfaction.
7. Finding ways to encourage staff to implement TCF in their day-to-day business activities.
8. Keeping detailed records of customer instructions and the required financial services we have been requested to assist with, to help ensure we treat customers fairly and can deal with any complaints that may arise swiftly and fairly.
9. Encouraging feedback from intermediaries and end user customers where appropriate to correct or improve on the service already offered.
10. Ensuring that customer complaints are assessed fairly, promptly and impartially, and in line with deadlines and rules.
11. Encouraging staff to recommend improvements to service following customer complaints – and monitoring the outcome.
12. Ensuring that staff are kept up to date with relevant training in relation to competence, data protection and other matters directly affecting the quality of service offered to customers.
13. Offering regular training in the principle of TCF at all levels of the business.
14. Regularly monitoring and reporting on all of the above TCF activities as part of the company's monthly statistics/MI, in order to assess TCF performance across the business and recommend changes where appropriate.
15. Ensuring that TCF values, which are set and communicated by Senior Management, are supported by all staff and understood in the same way.

#### 5. TCF PRINCIPLES AND IMPLEMENTATION

## OUTCOME 1: CULTURE

**Clients can be confident that they are dealing with firms where the fair treatment of clients is central to the corporate culture**

According to the FSCA, the primary responsibility of financial services providers will be to demonstrate achievement of the first fairness outcome: that the fair treatment of clients is central to our business' culture.

Furthermore, according to the FSCA, if such a culture is truly embedded in a financial services business, delivery of the remaining five fairness outcomes should follow as a matter of course. In order to get embedded in the culture, TCF should be built into certain structures and processes within a business.

The following structures in our business are accordingly aligned with the principles of TCF:

### 1. Leadership

Management will be held accountable for TCF.

As management we have to provide direction to the rest of the business and monitor the delivery of TCF behaviours and outcomes.

### 2. Strategy

TCF is built into all strategic and business plans and forms part of the continuous strategic planning of the business.

Our priority from a strategic and operational perspective is to provide our clients with excellent service underpinned by quality and choice. We are committed to ensuring our employees, clients and advisers prefer and retain our services throughout the entire value chain of financial services.

### 3. Decision-Making

The interests of clients are always taken into account when business decisions are made.

Decisions are tested for the impact on clients and staff are free to evaluate and challenge decisions from a TCF perspective.

### 4. Governance and Controls

Governance structures and control mechanisms in the business are designed around TCF considerations.

There are information systems in place to monitor and measure our business' performance in delivering the six outcomes.

We are able to supply evidence that this information was used to identify shortcomings and risks and for setting goals and raising TCF standards.

### 5. Performance Management

Staff with appropriate values and skills are recruited, while continuous training will be provided on TCF practices.

TCF will form part of performance contracts, which have clear objectives linked to the fair treatment of consumers.

Performance will be evaluated in terms of TCF competence and expectations.

To ensure success and the consistent provision of excellent customer service, employees receive appropriate training and are aware that TCF is at the heart of our culture.

Employees are encouraged to feedback any concerns, observations or suggestions to enable improvements to be implemented across the business.

### 6. Remuneration

Remuneration, incentive and reward policies will provide for and entail consequences for TCF successes and failures.

We provide a clear and full disclosure of remuneration as required in terms of the Financial Advisory and Intermediary Services Act (FAIS), where required. It is our policy to ensure our team is fairly and properly remunerated for the work done, as it is in the interest of our clients, shareholders and staff alike that we have the capacity and resources to deliver a quality, professional service.

We avoid operating incentive schemes that could breach the principle of TCF and risk consumer detriment. We remunerate and incentivise our employees to encourage them to deal with all clients fairly, and to continually find ways to improve.

## 7. Conflicts of Interest

We are committed to ensuring its business is conducted in a way which is legal, professional, fair and in accordance with the best interests of its clients.

Our conflict of interest policy is monitored and reviewed on a regular basis. The policy provides guidance and sets out various requirements for all employees (including the offering and receiving gifts and hospitality) as well as oversight of relationships with clients and suppliers.

We do not engage with end user clients, and provide all financial services to the appointed intermediary, as agent to the customer. We identify potential conflicts of interest within our business process and ensure that individual and business objectives are linked to quality service, TCF and regulatory compliance.

We acknowledge that should conflicts of interest arise either:

- a) between our interests as a business and those of clients; or
- b) between the personal interests of a team member and those of the customer; either because of a relationship, or a financial incentive or inducement we offer or which is offered by any third party, these will be managed in accordance with our internal policy.

We will neither seek nor accept anything that may influence, or appear to influence, any of our business decisions. We may accept limited business courtesies such as meals, entertainment or business support provided they are customary, commonly accepted and are offered with no express or implied understanding of creating an obligation on us by the act of acceptance. These are recorded in our gifts register, a copy of which is available on request.

Potential conflicts of interest between the FSP and its clients are constantly monitored. Where a potential or actual conflict arises, we have operating processes which are designed to eliminate the risk of detriment to the customer or/and any other stakeholder and preserve the reputation and good standing of our business.

Any team member found not to be operating to these processes will be subject to disciplinary procedures, which could lead to a variety of outcomes, including dismissal.

The decision whether or not to commence such procedures and the conduct of disciplinary procedures shall in each case be by leaders who do not have a direct financial or other interest in the outcome of any such procedures.

## 8. Confidential Information

We will use confidential information supplied by the client only for the business purposes for which it is intended and not reveal it to anyone outside our business unless authorised by the customer in writing, or as required by law.

We keep information about our business and business partners confidential and do not reveal this to anyone outside our business except where authorised or as required by law. We expect all parties to any transaction to maintain the confidentiality of the information we supply.

## 9. Legal Obligations

We will ensure that our business decisions and actions are in line with the appropriate legal and regulatory requirements. We will make every effort to confirm that both the business and its staff remain in compliance with all applicable, legal and regulatory requirements.

### **How do we as FKC Wealth achieve Outcome 1 to ensure that clients can be confident that they are dealing with firms where the fair treatment of clients is central to the corporate culture?**

- Our business strategy is focussed on our clients – our TCF policy this has been approved by our Board/senior management.
- We live out our business values and strategy in our daily operations and dealings with clients.
- We train staff on the principles of TCF and how it applies in our business.
- Regular monitoring of FSCA and industry sites websites as well as compliance officer's mails for any news and other releases to ensure that we are up to date with all relevant information to ensure proper compliance.
- Our risk management framework takes TCF related risks into account as TCF is one of the risk parameters that we built into it.

## OUTCOME 2: TARGETING CLIENT GROUPS

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

### 1. New product design and launch

While it also remains the product supplier's responsibility to ensure that a product is appropriate for a particular target market, the FSCA has made it clear that an intermediary should also take responsibility for ensuring that a product is suitable for the particular client concerned (in line with the client's needs and risk appetite and their ability to afford the product).

We constantly pursue ways to improve the quality of our financial services where this is possible and ensure that we engage in a fair and efficient service level agreement, in order to be able to measure this. We encourage, and where appropriate act upon stakeholders' comments and suggestions for improvement in our service and invite all our clients to provide us with valuable feedback.

#### How do we as FKC Wealth achieve Outcome 2 to ensure that products and services marketed and sold in the retail market and designed to meet the needs of identified consumer groups and are targeted accordingly

- The products we are contracted to provide cater for client's identified needs and objectives.
- The products are risk profiled and will be disclosed as such.
- The product elements are discussed in clear language to ensure that the client is in a position to make an informed decision so as to address the client needs clearly.
- We have the skill set to render the financial services for which we have been authorised and in order to meet the clients' needs.
- We perform needs analyses to find suitable products for each client's identified risk profile.

## OUTCOME 3: INFORMATION

Clients are provided with clear information and are kept appropriate informed before during and after the point of sale

### 1. Client communications, marketing and financial promotions

Clients will be given clear information and be kept properly informed before, during and after the time of contracting.

We ensure our services are delivered with clarity and transparency and do not contain hidden conditions or rely on complex technical definitions.

We will fully supply information to relevant parties in order to provide an environment conducive to informed consent. We will ensure our intermediaries are enabled to ensure clients have all the information they require in order that they can make an informed decision in relation to the financial service under consideration.

We will keep accurate, retrievable and secure records of all product information provided to clients.

#### How do we as FKC Wealth achieve Outcome 3 to ensure that Clients are provided with clear information and are kept appropriate informed before during and after the point of sale?

- Comprehensive disclosure of product elements.
- Detailed disclosure in application form.
- Financial advisors who are accessible to our clients.
- Confidentiality of client information.
- Use of client-friendly market material, where available.
- Regular reviews of clients' financial portfolios.

## OUTCOME 4: ADVICE

Where clients receive advice, the advice is suitable and takes account of their circumstances

### 1. Third Party and Product Provider selection

Before contracting with a product supplier and marketing certain products and services, as intermediary we should ensure that the products (and services) are likely to meet our clients' expectations.



We shall therefore assess whether we have the proper skills and expertise to provide the correct intermediary services.

We will identify and address any conflicts of interest there may be between the intermediary, supplier and client.

Incentive or remuneration targets of all representatives will include TCF measures.

**How do we as FKC Wealth achieve Outcome 4 to ensure that where clients receive advice, the advice is suitable and takes account of their circumstances?**

- We ensure that we comply with FAIS in all aspects and we outsource an external compliance officer to assist us in monitoring our processes, etc to ensure that we do so.
- We maintain a complaints' register and follow up all client queries and complaints as soon as possible. Where a complaint is lodged about poor advice, we follow up to resolve the complaints but also advise the client of his rights to approach the Ombudsman.
- We employ processes that ensures that client's needs and risks are matched and we monitor and review our advisors' advice records on a regular sample basis.
- Where relevant, our advisors meet with clients on a regular basis to ensure that their financial portfolio is still suitable for their circumstances.

**OUTCOME 5: DELIVERY**

**Clients are provided with product that performs as firms have led them to expect, (product integrity) and the associated service is both of an acceptable standard and also as they have been led to expect**

**1. After sales service: product performance**

The products provided to clients should perform as financial services providers have led them to expect and the associated service should both be of an acceptable standard and what clients have been led to expect.

Where third parties (such as product suppliers, administrators, etc.) are involved in providing products or services to our clients:

- An appropriate due diligence of the third party will be conducted before dealing with them to ensure TCF principles are adhered to by such party;
- Agreements are in place regarding each party's responsibilities to ensure fair treatment of clients;
- The third party's treatment of clients should be monitored.

We will closely monitor environmental, regulatory and economic developments that could impact the extent to which products will meet clients' expectations.

We utilise available management information to identify and respond to aftersales performance matters.

**How do we as FKC Wealth achieve Outcome 5 to ensure that clients are provided with products that performs as firms have led them to expect, (product integrity) and the associated service is both of an acceptable standard and also as they have been led to expect?**

- We only hold contracts with reputable product suppliers and providers.
- We ensure that we complete regular training and keep updated on the products that we market to clients.
- We value relationships with product suppliers and providers whose client services are in line with the client's expectations.
- We have regular reviews with clients to ensure that the products still meet their expectations and perform as they have been led to expect.

**OUTCOME 6: POST-SALE TREATMENT**

**Clients do not face unreasonable post sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.**

**1. Complaints handling**

Clients will not face unreasonable post-sale barriers to change a product, switch provider, submit a claim or make a complaint.

We respond in a timely manner to our clients' and prospective clients' questions and queries and address any issues or concerns promptly. All customer complaints are dealt with and escalated as appropriate and as required by us in order to meet our obligations to our clients and our regulator.

We have detailed complaints handling procedures and training in place that are in compliance with FSCA rules and guidelines. This ensures all customer service employees are able to identify complaints and complaints handlers investigate complaints, competently, fairly and consistently in line with the prevailing policies and procedures.

## 2. Changing products

Clients are informed of the changes we may make to products if their needs or circumstances change and when the intermediary becomes aware of a change in a client's needs or circumstances, the client will be informed about the changes we may need to consider to meet changing requirements.

Clients will also be informed of the service standards for processing changes and when a request for a product change is received, the client will be informed of the potential risks associated with the change. Where a request for a product change is declined, the client will receive clear reasons for it.

## 3. Switching providers:

There are industry standards regarding replacement of certain financial products and what should be disclosed to the client in such an event.

We also disclose the existence of any restrictions and penalties to changing products or providers.

Clients will be informed of how to submit a claim or disbursement request, of the service standards, as well as the information needed to process the claim or request. Once a claim has been received, clients will be kept informed of the progress.

The client's expectations and the intermediary's TCF objectives have to be considered before repudiating or declining a claim or disbursement request.

Where a claim gets repudiated or a disbursement request declined, the client will be given clear reasons for this.

### **How do we as FKC Wealth achieve Outcome 6 to ensure that clients do not face unreasonable post sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint?**

- We disclose all relevant product information at the start of a new transaction and also explain what the impact and process would be to change products, where required.
- Advisors are available in person and via email and telephone, to deal with client questions or queries.
- A complaints policy is in place and accessible to all clients.
- We take responsibility for all our clients and their financial products and portfolio.

## 6. CONCLUSION

For intermediaries, TCF responsibilities do not only refer to the advice provided to clients; we span the entire culture and day-to-day operation of the business.

The fact that TCF regulations are principles-based makes them open to interpretation, which makes it imperative for financial services providers to keep evidence that we have made every effort to ensure client fairness throughout every process.

We acknowledge that the FSCA will not accept an intermediary's abdication of responsibilities on any of the outcomes, as we are expected to retain a certain amount of responsibility on each.

In summary, financial services providers will be expected to have a culture to which TCF is central; we should ensure the correct product is targeted at the correct individual client; we should provide clear information to clients, which falls within the realm of suitable advice that takes account of clients' circumstances and we should also ensure that we are familiar with the products we sell, including any post-sale barriers.

## 7. REVIEW

This policy document will be reviewed on an annual basis and amended where necessary.