

# TREATING CUSTOMERS FAIRLY POLICY

## Treating Customers Fairly Mission Statement

The Directors and Senior Management of JSE Investor Services CSDP Pty Limited (JIS CSDP) are committed to ensuring that the principle of Treating Customers Fairly (TCF) is applied in all areas of our day-to-day business activities.

In adopting the TCF principle we recognise that fair treatment of our customers is about adding value to the service we offer by aiming to:

- protect the interests of our customers.
- meet as best we can the needs of our customers by offering a transparent, efficient and professional service, and constantly reviewing our service to identify areas for improvement

We look at all areas of our business on a regular basis to ensure that:

- our customers can be confident that by dealing with JIS CSDP they are dealing with a company where the fair treatment of customers is central to JIS CSDP's culture.
- our customers are provided with clear information and are kept informed at all times
- we meet our customers' expectations, providing them with a level of service that is of an acceptable standard.
- customer complaints are assessed fairly, promptly and impartially
- we offer regular training in the principle of TCF at all levels of the business
- we regularly monitor and report on all of the above TCF activities as part of the monthly statistics/Management Information, in order to assess TCF performance across the business and recommend changes where appropriate
- the TCF values, which are set and communicated by Senior Management, are supported by all staff and understood in the same way

## 1. TCF CHAMPION

JSE Investor Services CSDP (Pty) Limited (JIS CSDP) has appointed a TCF Champion as part of its commitment to treat its clients fairly. The appointment of the TCF Champion is confirmed in Annexure C hereto.

The TCF Champion is actively involved with embedding TCF principles into JIS CSDP and instilling a culture where the fair treatment of clients is embraced and adopted. The TCF Champion will assist the governing body of JIS CSDP to implement and adopt business processes aimed at ensuring that the organisation is at all times achieving the outcomes of TCF.

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

The TCF Champion 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 clients fairly.

## 2. THE SIX TCF OUTCOMES

JIS CSDP respects the Regulator's mission to maintain a sound financial investment environment in South Africa and acknowledge its mandate to promote the:

- fair treatment of consumers of financial services and products

- financial soundness of financial institutions
- systematic stability of financial industries
- integrity of financial markets and institutions

To this end JIS CSDP welcomes the TCF initiative and commits itself to align JIS CSDP's organisational culture and business processes in such a way as to ensure that the six outcomes of TCF are at all times achieved.

The six outcomes of treating clients fairly will be achieved by JIS CSDP through ensuring that:

- our clients are at all times confident that their fair treatment is central to our corporate culture
- any products and services marketed and sold by us in the retail market are designed to meet the needs of identified client groups and that any related targeting of our clients is done so in accordance with this standard
- our clients are at all times provided with clear information and are kept appropriately informed before, during and after the point of sale
- where our clients receive advice, that the advice is suitable and takes into account the individual client's circumstances. **Note JIS CSDP is not licensed to provide advice to clients.**
- our clients are provided with products that performs as we have led them to expect and that any associated services are also of the standard that we have led them to expect
- our clients do not face any unreasonable barriers should they wish to submit a claim or submit a complaint about our services

## 2.1 OUTCOME 1

**Clients are confident that they are dealing with firms where the fair treatment of clients is central to the firm culture.**

### POLICY STATEMENT

It is our committed objective to ensure that all our clients or potential clients can be confident that they are dealing with an FSP where the fair treatment of clients is central to the corporate culture.

We use our best efforts to ensure that at all times we, our staff members and representatives render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.

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

### PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE POLICY OBJECTIVES

#### LEADERSHIP

- TCF is a standing item on the governing body of JIS CSDP meeting agenda where JIS CSDP's approach to TCF is analysed and discussed.
- All levels of management have adopted TCF deliverables and have been allocated specific responsibilities in terms thereof. Management in all areas of JIS CSDP that contribute to the rendering of financial services to clients (whether directly or indirectly), understand their respective roles in delivering TCF outcomes to those clients.
- Management conducts regular reviews of the main business processes with a view to identifying areas that do, or may, require improved TCF deliverables. Explicit allowance has been made to allow for and consider TCF

implications and deliverables during the strategic planning process of any new strategy or change in existing strategy.

- Adherence to the TCF deliverables is monitored as part of our Compliance Monitoring Programme. We ensure on a quarterly basis that accurate, meaningful and timely Management Information has been produced during the period and that management acts accordingly. Existing tests within our Compliance Monitoring Programme aid us in demonstrating our level of compliance and adherence to the TCF outcomes. Where there are TCF action points, these will be documented and carried over to a further (minuted) meeting.

## **DECISION MAKING**

- All requests by JIS CSDP's governing body for the approval of product and service innovations or project expenditure include due consideration of the possible impact it may have on TCF outcomes.
- JIS CSDP has established accessible forums or structures through which staff members and management are able to debate TCF related matters and refer any TCF questions or concerns.

## **GOVERNANCE AND CONTROLS**

- Oversight and monitoring of TCF delivery has been explicitly assigned to the governance and control structures of JIS CSDP tasked with risk management and the compliance function.
- Procedures have been implemented to ensure formal and regular reporting to the governing body and management on the progress in achieving TCF deliverables across all of the organisation's activities and functional departments.
- The management of TCF and market conduct risks are formally included in the risk management framework of the organisation and are regularly monitored and supervised by the Compliance Officer.
- Procedures have been implemented for identifying and reporting (at organisation-wide level) TCF risks or failures to management and the governing body.
- There is ongoing evaluation of whether the organisation's governance framework as a whole has been effective in achieving TCF outcomes.
- We have mechanisms in place to monitor and respond to changes in the broader environment such as economic and regulatory developments to enable us to proactively identify TCF related risks.

## **EMPLOYEE PARTICIPATION**

- All staff members (including senior management) whose roles require delivery of TCF outcomes have been identified.
- Performance evaluation criteria incorporate TCF objectives and are rigorously applied at all levels.
- Staff members undergo training on TCF principles and deliverables.
- All staff members are aware of the requirement to treat clients fairly. This Policy has been circulated to all staff members and staff members are encouraged to make suggestions to our TCF Champion on how the treatment of our clients might be further enhanced.

## **MANAGEMENT INFORMATION (MI)**

- Existing MI measures have been reviewed to determine which are useful for TCF monitoring and new measures have been identified where necessary (See Annexure B).
- Processes are in place to collate and summarise TCF related MI in such a way as to present a meaningful picture of organisation-wide TCF progress.

- Processes are in place to analyse and act on MI findings to improve TCF outcomes for our clients.
- We analyse and act on MI findings to identify staff training needs and to align performance management measures

## **COMMUNICATION**

- We communicate transparently with our stakeholders (including the Regulator) on our progress in achieving TCF outcomes.
- We make information regarding our progress in achieving TCF outcomes publicly available.

### **2.2. OUTCOME 2**

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

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

Our clients can typically be grouped into three broad categories:

- Low sophistication: Relatively inexperienced groups with a high level of dependence
- Moderate sophistication: General client groups falling into the mass market
- High sophistication: Institutional groups who have expertise

Our product approval and product selection processes include senior management confirmation that a product adequately meets the outcomes of TCF and that any such product will perform as clients are led to expect.

Our product approval and product selection processes also include the careful consideration of the elements listed below:

- When designing a product or selecting a product to distribute or to administer, we identify the particular client groups for which the product can be considered suitable.
- We obtain information from the product supplier regarding client groups in respect of which the product is regarded as most suitable.
- We have measures in place to identify and mitigate risks that a product or service may pose to particular client groups.
- We have measures in place to evaluate the client groups' understanding of products or services offered or provided to them.
- We have processes in place to mitigate risks where it becomes apparent that the product or the distribution or the administration method, or any combination of these elements, was not suitable for the identified client group, or that the product has been distributed to inappropriate client target groups.

### **2.3. OUTCOME 3**

**Clients are provided with clear information and are kept appropriately informed before, during and after the point of sale.**

- We assess the clarity, appropriateness and fairness of product information provided to clients, whether such information is produced by ourselves or by others and all product related information requires sign-off by senior management.
- Before any product information is issued, it is carefully tested to ensure that the content will be clear and understandable by the target audience and client group.
- We have implemented appropriate risk mitigation procedures that are designed to address any inaccurate, unfair or misleading information about our products or services that may be provided to clients by third parties.
- We have implemented appropriate procedures to ensure that any information we provide regarding any other party's products or services is accurate, clear, and fair and is not misleading.
- We have implemented appropriate procedures to ensure that we are able, as far as reasonably possible, to rectify any situation where it becomes apparent that any product information already in circulation (whether produced by JIS CSDP or not) is inaccurate, unclear, or unfair or is misleading.
- We regularly review standardised product information we use (whether produced by JIS CSDP or not) to ensure that it remains accurate, clear and appropriate to the applicable client groups.
- We monitor and act on feedback, complaints and suggestions received from clients, staff members or any other parties that communicate the need for improvement in product information.
- We provide all existing clients with written statements at least bi annually that identify any financial products that have been acquired by that client.
- We ensure that clients are informed of any recent or pending changes to our products, contractual events or any actions required from them, and that such information is provided in sufficient time to enable any client to reasonably respond to or act on that information.
- To the extent applicable, we control the accuracy and quality of any once-off or non-standard product information provided by staff members or representatives to clients or potential clients.
- We maintain up-to-date contact details of all our existing clients.
- We ensure that clients have current and accessible contact points if they need product or service information or need to get in contact with our functional departments for any reason.
- We have accurate, retrievable, secure records of all product information we have provided to clients and any other material interactions with clients.

## 2.4. OUTCOME 4

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

**NB: THIS OUTCOME IS NOT APPLICABLE TO JIS CSDP AS WE DO NOT HAVE A LICENCE TO GIVE ADVICE TO CLIENTS.**

## 2.5. OUTCOME 5

**Clients are provided with products that perform as the JIS CSDP has led them to expect, and the associated service is of an acceptable standard and as they have been led to expect**

- Processes are in place to mitigate the risk that products and services are unable to satisfy the reasonable expectations of clients.

- Processes are in place to alert clients to the risks of non-action on their part
- We have clear service standards in place for client service processes and communicate these to our clients.
- We research and test our service standards to determine whether they are in line with client expectations.
- We monitor and act on feedback, complaints and suggestions received from clients, intermediaries and staff members that identify the need for improvements in our services or service standards.
- Where it becomes apparent that products are not performing or are unlikely to perform as clients have been led to expect, we have implemented processes to mitigate the risks to our clients.
- We have adopted “Management Information” on client expectations (See Annexure B).
- Processes are in place to protect the confidentiality of all client information.

## **2.6. OUTCOME 6**

**Clients do not face unreasonable barriers imposed by JIS CSDP to submit a claim or make a complaint**

### **COMPLAINTS HANDLING**

- We test our complaints process to ensure it is accessible and appropriate to our client group/s.
- We have a robust complaints management, record keeping and root cause analysis process.
- We inform clients (before complaint stage) of the process that must be followed in order to submit a complaint and of the various options available for further recourse if the client is dissatisfied with the outcome of the complaint.
- Once a complaint has been received, whether we are dealing with the complaint ourselves or where we have referred the complaint to another party, we keep clients informed of its progress (including the contact details of the person responsible for processing the complaint)
- When responding to a complaint, we provide clear reasons for our response (including where the response is favourable to the client), with supporting evidence where relevant.
- Where a request for redress is declined, wholly or partially, we inform the client of the steps that may be followed in order to have the decision reviewed.
- We have clear service standards in place for processing complaints and we communicate such standards to our clients.
- We have specific staff training in place for complaints handling
- Complaints processes are structured in such a way as to ensure that there are no conflicts of interest and that all decisions are based on objective facts and criteria.
- Complaints processes are structured in such a way as to ensure that complaints of a similar nature have a similar outcome.
- Follow-up processes are in place to determine the client satisfaction levels of complaints that have been finalised.
- Processes are in place to ensure consistency in complaints handling.

## ANNEXURE A: AUTHORISED FINANCIAL PRODUCT CATEGORIES AND SUBCATEGORIES

| Category I Advisory FSP |  | Advice                   | Intermediary Services               |
|-------------------------|--|--------------------------|-------------------------------------|
| 1.1                     | Long-term Insurance: Subcategory A   | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.2                     | Short-term Insurance: Personal Lines   | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.3                     | Long-term Insurance: Subcategory B1  | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.4                     | Long-term Insurance: Subcategory C   | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.5                     | Retail Pension Benefits  | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.6                     | Short-term Insurance: Commercial Lines   | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.7                     | Pension Fund Benefits (excluding retail pension benefits)                                      | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.8                     | Securities and Instruments: Shares   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 1.9                     | Securities and Instruments: Money Market Instruments   | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.10                    | Securities and Instruments: Debentures and Securitised Debt                                    | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.11                    | Securities and Instruments: Warrants, certificates and other instruments<br>acknowledging debt | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.12                    | Securities and Instruments: Bonds  | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.13                    | Securities and Instruments: Derivative instruments excluding Warrants                          | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.14                    | Participatory Interests in one or more Collective Investment Schemes                           | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.15                    | Forex Investment Business  | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.16                    | Health Service Benefits  | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.17                    | Deposits as defined in the Banks Act – exceeding 12 months                                     | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.18                    | Deposits as defined in the Banks Act – 12 months or less                                       | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.19                    | Friendly Society Benefits  | <input type="checkbox"/> | <input type="checkbox"/>            |
| 1.20                    | Long-term Insurance: Subcategory B2  | <input type="checkbox"/> | <input type="checkbox"/>            |

## ANNEXURE B: MANAGEMENT INFORMATION

The data sets listed below are examples of Management Information (MI) that could be used to measure and improve TCF performance. All six outcomes are relevant across all areas of business activity.

Delete data sets that are not applicable. For the remaining sets of data, targets will need to be set that will alert the TCF Champion of the organisation's failure to achieve the outcomes of TCF.

Where the organisation fails to meet the TCF outcomes, the TCF Champion will be required to evidence the actions that were taken in order to investigate and rectify the failure.

### DATA SET: COMPLAINTS

(Outcomes 1, 2, 3, 4, 5 & 6)

| Data Measured   | Possible TCF Implications   |
|---|---|
| Volume of complaints  | May indicate faults affecting the fair treatment of clients   |
| Complaints against any particular representative  | May reveal a training need  |
| Complaints relating to information supplied by staff members  | May reveal a training need  |
| Complaints upheld internally – analysed by reference to whether there was negligence, failure to comply with statutory requirements of unfair treatment | May reveal trends depending on the underlying reasons and the need for improvements in the relevant areas. May be a measure of the fairness of the complaints handling procedures                 |
| Volume and percentage of complaints referred to FAIS Ombud  | May identify possible areas of misunderstanding by clients as to what constitutes a complaint (assess possible action to reduce this). May indicate unfairness in the complaints handling process |
| Percentage of complaints to FAIS Ombud upheld   | External measure of complaints handling process   |
| Percentage of complaints to FAIS Ombud not upheld   | May be indicative that the FSP's complaints handling process is fair and resulting in the right outcomes  |
| Percentage of complaints acknowledged within the time frame stipulated in the official Complaints Policy of JIS CSDP                                    | Performance measurement of timeliness of complaints handling process  |
| Percentage of complaints resolved within the time frame stipulated in the official JIS CSDP Complaints Policy   | Performance measurement of complaints being handled in a fair and timely manner   |
| Number of recommendations following complaint raised  | Action being taken to improve standards. Could be evidence of a TCF culture and embedding   |
| Number of recommendations following complaint that resulted in a change to procedure or policy  | Action taken to improve standards/reduce complaints. Could be evidence of a TCF culture and embedding   |

### DATA SET: SERVICE SATISFACTION

(Outcomes 1, 2, 3, 4 & 6)



| Data Measured  | Possible TCF Implications   |
|--|---|
| Overall service satisfaction score for this period out of 10 | May indicate whether clients are being fairly treated, depending on the questions asked |

**DATA SET: CULTURE AND VALUES**  
(Outcomes 1)

| Data Measured   | Possible TCF Implications   |
|---|---|
| Percentage of staff who have completed general TCF training   | May be indicative of TCF awareness and a TCF culture and communication strategy                                   |
| Percentage of staff who have completed additional TCF training specific to their area   | As above – likely to further enhance TCF awareness and the development of an embedded TCF culture                 |
| Number of staff members who received retraining following high volumes of complaints/file fail checks   | May be indicative of TCF awareness and a TCF culture – firm is routinely identifying and acting on TCF issues     |
| Number of TCF goals in place by business area (financial services, complaints, advertising, after-sales service)                                  | May be indicative of TCF awareness and an embedded TCF culture  |
| Percentage of TCF goals achieved by business area for this period   | May be indicative of TCF awareness and an embedded TCF culture  |
| Documented TCF Policy and strategy  | Senior management/business owner commitment and strategy  |
| TCF MI reports, regular minutes of meeting, reporting structures and review processes.  | Embedding of TCF culture and use of TCF MI is being identified, reviewed and acted on                             |
| Minutes evidencing monthly review of TCF MI by senior management or business owner and/or TCF Committee or Champion and actions taken in response | Embedding of TCF culture and use of TCF MI is being identified, reviewed and acted on                             |
| Staff surveys/opinions on how TCF is working and on how it could be improved  | Captures staff perception of how fairly JIS CSDP treats its clients. Further evidence of embedding of TCF culture |

## ANNEXURE C: TCF CHAMPION APPOINTMENT

JIS CSDP has appointed TCF Champions as part of its commitment to treat its clients fairly.

The TCF Champions are actively involved with embedding TCF principles into the organisation and instilling a culture where the fair treatment of clients 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 JIS CSDP 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 Champion 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 clients fairly.

| <b>The TCF Champions:</b>   |
|---|
| 1. Must be actively involved with embedding the TCF principles.   |
| 2. Must instil a culture where the fair treatment of clients is embraced and adopted at all levels of business i.e. management and staff                              |
| 3. Must assist the governing body of JIS CSDP to implement and adopt business processes aimed at ensuring that JIS CSDP is at all times achieving the outcomes of TCF |
| 4. Must have a thorough knowledge of the organisation's functional departments, business processes and the principles associated with treating customers fairly       |
| 5. Must ensure that the TCF evidence file is kept up to date at all times and is accessible for auditing immediately upon request                                     |

As Key Individual of the FSP, I **Adam Leslie Reeves** hereby appoint **Larnay Leslie** and **Shadon Moodley** as JIS CSDP's Treating Customers Fairly Champions.

**Key Individual Signature:**

**Date:**

**TCF Champion Signature:**

**Date:**

**TCF Champion Signature:**

**Date:**