

TREATING CUSTOMERS FAIRLY MANUAL

Last reviewed: March 2021



This internal guide is based on the discussion papers found on the Financial Sector Conduct Authority (FSCA) website. **It is of utmost important that all employees of Legal Hero understand, promote and implement the Treating Customer Fairly (TGF) campaign.**

How? By committing yourselves to the six 'fairness outcomes' as identified by the FSCA and National Treasury. These outcomes were developed to protect financial services consumers and furthermore, ensure a holistic consumer protection regulatory framework that applies consistently across the financial services sector.

The six 'fairness outcomes' are:

Outcome 1: Customers are confident that they are dealing with firms where the fair treatment of customers is central to the **firm culture**.

Outcome 2: 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: Customers are given **clear information** and are kept appropriately informed before, during and after the time of contracting.

Outcome 4: Where customers receive advice, the **advice is suitable** and takes account of their circumstances.

Outcome 5: 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**.

Outcome 6: Customers **do not face unreasonable post-sale barriers** to change product, switch provider, submit a claim or make a complaint.

How does Legal Hero Business aim to reach the abovementioned fairness outcomes?

Outcome 1: Customers are confident that they are dealing with firms where the fair treatment of customers is central to the firm culture.

- Legal Hero strives to keep in contact with customers even after the sale was made. The saying goes 'out of sight, out of mind,' something Legal Hero wishes to rule out by providing the customer with ongoing relevant information. This is achieved via:



- a) Direct marketers returning to their sources for after-sale;
 - b) Welcome calls to all Government Stop Order customers receive a welcome call to ask whether there are any further questions and also to advise that the reference 'Guardrisk' followed by the relevant membership number will appear on his/ her salary slip;
 - c) Social media acting as an affordable forum from which customers may raise their concerns;
 - d) A dedicated Admin Team ready to answer questions telephonically (0100011001 and press option 1).
- The abovementioned communication forums will allow Legal Hero to monitor whether a product or service meets the needs and expectations of customers and whether or not it is fair;
 - Legal Hero's fairness culture will be highlighted through promotion and marketing. Promotional material and advice given will not be misleading but sincere about where Legal Hero can help and where we cannot;
 - Promotional material, policy guides and any other documentation are in laymen's terms and mostly free from jargon. The definition clauses of our policy guides clearly explain terms and conditions relevant to the insurance industry and policyholders are furthermore urged to direct any queries to any of the abovementioned forums;
 - Legal Hero will furthermore strive to respond to changes in the wider environment that may affect products and impact on customers (for example legislation changes).

Outcome 2: Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.

- Research and a combined 40 years of experience brought about the products of Legal Hero;
- The UMA will continue to monitor and adjust products based on the likely needs and financial capability of customers;
- Quarterly meetings with minutes regarding any matter TCF related has been implemented as from 1 December 2017;
- The UMA and management of relevant companies will place a great deal of weight on the findings and suggestions conveyed by the abovementioned three communication forums concerning the needs of the consumer.



Outcome 3: Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.

- Before: suitably qualified direct marketers will provide sound and clear advice – not making any misleading statements and explaining clear exclusions;
- Before: all calls (inbound) are recorded;
- During: Policyholders are provided with a policy number and may direct any queries to the 0100011001 number;
- During: an active social media presence will keep customers informed during their lifespan;
- During: Phakama's online system provides direct marketers access to legal files – enabling the direct marketer to comment on the progress/ timelines and submit any change in personal details to the admin team directly. This ensures that customers are kept appropriately informed. This furthermore ensures transparency;
- After: 0100011001 number, social media, direct marketers, SMSes sent and recorded via our online member administration system.

Outcome 4: Where customers receive advice, the advice is suitable and takes account of their circumstances.

- Advisors receive extensive training, are qualified and fully equipped to provide advice that is suitable to the needs of the customer concerned;
- The advisors have received training on the TGF program;
- The advisors have received training on the conflict of interest policy;
- The advisors have received training on the complaints resolution policy;
- The advisors have receiving training on the major exclusions in terms of litigation cover;
- The advisors have received training on the Policyholder Protection Rules;
- The advisors have received training and tested on the internal FICA policy.

Outcome 5: 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.

- Disciplinary action will be taken against advisors (direct marketers, inbound telecom agents, promotional material advertised, Legal Officers) who provide inaccurate or misleading advice that create false expectations;
- Proper training of staff;
- Exclusions are explained in laymen's terms, this has also been added to a 'Hero Guide' which is included in the Welcome Pack Policyholders receive when joining Legal Hero.



Outcome 6: Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.

- Communication forums are accessible and affordable: online, email, 0100011001 number, direct marketers;
- Previously we had a 0861 number, however, many Policyholders complained as their employers (SAPS Stations/ Schools/ etc.) block 0861 numbers as they consider it to be a call centre. Accordingly, we had to change our number to 0100011001 in order to circumvent this and turn our main number in to a landline number for access;
- When an internal investigation finds that a false expectation was created, Legal Hero will offer the consumer redress;
- There is a 30-day cancellation period in terms of which the consumer will receive a full refund;
- It is easy and affordable to open a new legal claim: via email, social media, a 0100011001 call;
- The complaints resolution policy clearly sets out the complaints procedure and is made available on our website: www.legalhero.co.za;
- One of the TCF meetings held late during December 2017, highlighted that not each and every customer has access to a scanner and/ or a desktop computer at home. In order to avoid internet shops, which entail time and money, one of the Legal Officers suggested that we use Whatsapp. It has accordingly been implemented by the Legal Team.

Whatsapp-based solution in terms of Outcome 6; not creating post-sale barriers:

Legal Hero now uses a mobile office phone and offers the opportunity for a customer to send in his/ her documents via Whatsapp. This has proven to be very successful. The same applies for documents that need to be sent to customers, in that Whatsapp can now send links to documents (copies of legal letters, etc.).

For record purposes a screenshot is taken and uploaded to our online legal case file system, confirming the documents sent to a customer.



file 71840 attached by theojl on 2017-12-08 11:45 AM, 41 days ago

8 December

attachment: Screenshot_2017-12-07-16-36-21.png view save

size: 82460 content-type: image/png

comment 71839 posted by theojl on 2017-12-08 11:45 AM, 41 days ago

8 December

WhatsApp sent to ph with Referral letter attached.

15

file 71838 attached by theojl on 2017-12-08 11:45 AM, 41 days ago

8 December

attachment: Formal Referral Botes DCC.pdf view save

size: 433097 content-type: application/pdf

What if the financial services provider fails?

- The FSCA will intervene by engaging with senior management to resolve the issue and identify a course of action that will bring an end to the unfair treatment. For example:
 - Change the business processes;
 - Change the product design;
 - Withdraw the identified unfair products;
 - Withdraw the identified unfair promotional material from the market.;
 - Customers who were potentially or in actual fact treated unfairly should receive compensation;
 - Disciplinary action against firms responsible for unfair treatment;
 - Additional training of the firm/ employees that will be closely monitored by the FSCA;
- Where the firm (financial services provider) does not honour the course of action and outcomes identified by the FSCA during the first step (or where the unfair treatment is so serious that it requires immediate assistance), the FSCA Enforcement Committee will take formal action. The enforcement actions identified in the discussion papers include:
 - Administrative fines and penalties;
 - A court order declaring business practices undesirable and ordering the amendment thereof;
 - Suspension or withdrawal of regulatory licenses;
 - Removal of certain individuals from their capacities;

- Damages and compensation awards;
- Referral of certain matters to the High Court;
- Referral to the National Prosecuting Authority for criminal prosecution of individual wrongdoers.



CONCLUSION

The six 'fairness outcomes' can be seen as a tool/ regulatory framework within which all decisions should be made, from development to the service of a product. The TGF framework furthermore now forms an integral part of Legal Hero. All rewards in the form of promotions or annual increases will now be weighed against our TCF Performance Evaluation. Be warned that disciplinary action will be taken against anyone disregarding the internal TGF guide. Please ask your manager for a copy of our TCF Performance Evaluation annual assessment should you not be in possession of the guide.

Tel: 010 001 1001
Fax: 086 551 2705
PO Box 20013, Big Bay, 7448
info@legalhero.co.za | www.legalhero.co.za

Directors: Adv. Ben Myburgh (LLB), Simone Steinmair-Myburgh (LLB)
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