



Treating Customers Fairly

This internal guide is based on the discussion papers found on the Financial Services Board (FSB) 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 FSB 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 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) Social media acting as an affordable forum from which customers may raise their concerns;
 - c) A dedicated admin team ready to answer questions telephonically (0861 22 99 22 and press option 3);
- 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 30 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;
- The UMA and senior 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.

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Legal Hero (Pty) Ltd Company Registration No 2014/046729/07
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- 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;
- Before: Legal Hero has a clear definition of a complaint and makes available its Complaints Resolution Policy via www.legalhero.co.za for example;
- During: Policyholders are provided with a policy number and may direct any queries to the 0861 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: 0861 number, social media, direct marketers, online 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 been tested on the TGF program;
- The advisors have been tested on the conflict of interest policy;
- The advisors have been tested on the complaints resolution policy;
- The advisors have been 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) who provide inaccurate or misleading advice that create false expectations;
- Proper training of staff;
- Exclusions are explained in laymen's terms.

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, 0861 number, direct marketers;
- 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 0861 call;
- The complaints resolution policy clearly sets out the complaints procedure and is made available on our website: www.legalhero.co.za.

What if the financial services provider fails?

- The FSB 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 FSB;
- Where the firm (financial services provider) does not honour the course of action and outcomes identified by the FSB during the first step (or where the unfair treatment is so serious that it requires immediate assistance), the FSB 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.



Please note that the FSB will furthermore identify an Ombud as an easy first point of department for customers who feel that they were/ are being treated unfairly.

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' client care rules. Be warned that disciplinary action will be taken against anyone disregarding the internal TGF guide.