



TREATING CUSTOMERS FAIRLY POLICY AND PROGRESS DOCUMENT

EXECUTIVE SUMMARY

The purpose of this document is to provide an overview of the way Treating Customers Fairly are implemented and managed.

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.

DEFINITIONS

1. "Client" means a Financial Service Provider or Insurer, who is a client of the Organisation, who is responsible for the marketing, sales and advice functions for the insurance products (policies) or the provision of products.
2. "Customer" means a policyholder of the Client or the Insurer.
3. "Organisation" means Legal Hero Business (Pty) Ltd, who is a Financial Service Provider.
4. "TCF" means Treating Customers Fairly.
5. "KI" Key Individual.

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.

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Directors: Adv. GPB Myburgh (LLB), S Steinmair-Myburgh (LLB). Legal Hero (Pty) Ltd is an authorised FSP 45377

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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.

The organisation 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) Confirmation calls on all applications to submitted in order to:
 - i) Welcome new Policyholders;
 - ii) Confirm contact details;
 - iii) Answer any questions that the Policyholders may have.
 - iv) Confirm the identity of the relevant business consultant who signed up the relevant Policyholder.
- c) Social media acting as an affordable forum from which customers may raise their concerns.
- d) Integrated WhatsApp communication tool for our dedicated legal CRM system, which improves communication with Policyholders drastically.
- e) A dedicated Admin Team ready to answer questions telephonically via (010) 001 1001 or e-mail admin@legalhero.co.za.
- f) The organisation has established an internal TCF Committee that meets on a regular basis and through which management is able to debate TCF related matters and refer any TCF questions or concerns.
- g) Employees are aware of the requirement to treat customers fairly. This Policy is accessibly to all employees and they are encouraged to make suggestions to the TCF Committee on how the treatment of the organisations clients/customers might be further enhanced.

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.

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- Research and a combined 50 years of experience between the directors brought about the products of Legal Hero;
- Policy benefits have been designed to meet the needs of the organisation's identified customer group, taking into consideration costs, needs and susceptibility to various legal issues.
- Quarterly meetings with minutes regarding any matter TCF related has been implemented as from 1 December 2017.

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

- Before contracting:
 - a) Suitably qualified direct marketers will provide sound and clear advice – not making any misleading statements and explaining clear exclusions;
 - b) All marketers are monitored by the Head of Business and Key Individual (KI) in terms of a dedicated internal monitoring agreement.
 - c) All calls inbound and outbound are recorded and available upon request.
 - d) Comprehensive complaints procedure should any customer wish to lodge a formal complaint.

- During contracting:
 - a) Policyholders are provided with a policy number and may direct any queries to the (010) 001 1001 number;
 - b) An active social media presence will keep customers informed during membership;
 - c) Open dialogue with the marketing team should there be any complaints or concerns at any stage of the customer's membership.

- After contracting:
 - a) The organisation is available via our national (010) 001 1001 number;
 - b) Active social media presence;
 - c) Direct marketers have constant communication with customers at all stages of contracting;
 - d) The organisation has a National Source Register to keep track of the various sources where we have contracted customers;
 - e) SMSes are sent and recorded via our online member administration system. This includes a welcome pack, birthday well wishes and other important communications.

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

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- Legal 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 TCF and have to write an annual TCF test;
- The advisors are aware of our identified customer group and take into account their needs and circumstances;
- 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 advisors) who provide inaccurate or misleading advice that create false expectations;
- Proper training of staff and access to an online portal where all operation manuals and training documentation is stored;
- Service calls are conducted monthly in order to constantly monitor customer satisfaction; 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.
- Processes are in place to mitigate the risk that services are unable to satisfy the reasonable expectations of customers.
- Processes are in place to protect the confidentiality of all Client and Customer information.

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, e-mail, (010) 001 1001 number, direct marketers and WhatsApp;
- When an internal investigation finds that a false expectation was created, Legal Hero will offer the customer 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 e-mail, website, social media, or a (010) 001 1001 call;

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- 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 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.

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GUARDRISK 
TAILORED RISK SOLUTIONS



ANNEXURE A

TCF COMMITTEE

The organisation has established the TCF Committee as part of its dedication to upholding the principles of treating customers fairly.

This committee is actively engaged in integrating TCF principles throughout the organisation and fostering a culture that embraces and adopts the fair treatment of clients and customers.

The TCF Committee, appointed by the directors of the organisation, play a key role in implementing and adopting business processes to ensure that the organisation consistently achieves TCF outcomes. The TCF Committee has the authority to engage with staff members at all levels regarding the delivery and accomplishment of TCF goals. While specific qualifications are not mandatory, TCF Committee members must possess a comprehensive understanding of the organisation's functional departments, business processes, and the principles associated with treating customers fairly.

The following individuals have been appointed as members of the TCF Committee for the organisation:

- Adv Theo-John Louw: Key Individual
- Jolane van der Walt: Head of Legal Department
- Mzuvukile Jonas: Senior Business Consultant.

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