

Treating Customers Fairly Policy



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Introduction

123 Debt Solutions is committed to a positive compliance culture. The purpose of this Policy is to demonstrate the way we implement, demonstrate and evidence this commitment in line with Treating Customers Fairly (TCF).

All Financial Conduct Authority rules and regulations are derived from the FCA's Principles for Business. They are the primary objectives for all firms who run an FCA regulated business. Since coming in to force one Principle in particular has been highlighted:

Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly.

What is TCF

The concept of treating customers fairly is not based on the back on just one Principle. There are other Principles which also apply when dealing with our clients:

Principle 1 – A firm must conduct its business with integrity.

Principle 7 – A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

Principle 8 – A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.

Principle 9 – A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgement.

The FCA Principles offer a flexibility, which allows us to tailor 'fairness' to our current client base. Alongside the Principles, the FCA has also released 6 TCF outcomes which explain what they wish to achieve through the TCF initiative. These are:

Outcome 1 – Customers can be confident they are dealing with firms where the fair treatment of customers is central to the corporate 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 provided with clear information and are kept appropriately informed before, during and after the point of sale.

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 an acceptable standard and as they have been led to expect.

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

Our Policy Statement

123 Debt Solutions is committed to developing a positive culture of compliance within the firm. We aim to assist all staff in complying with their obligations by incorporating regulatory requirements into departmental policies and procedures and by incorporating responsibility for compliance into our senior and Departmental Managers normal supervisory duties.

TCF will be considered and implemented at all levels throughout the business. To make sure that TCF is fully embedded, business objectives will be aligned with TCF objectives. We will measure the success of TCF through company MI through detailed analysis.

We expect all staff to incorporate TCF into their everyday work so that the TCF becomes 'business as usual.' TCF requirements must be included in every department's procedure.

Key considerations in our approach

We understand that TCF is not a 'buzz phrase.' We are committed to delivering a culture with TCF at the heart of our business. The following points show how TCF is applied within 123 Debt Solutions.

- Business and product knowledge - All staff go through a 3 week induction program to ensure their knowledge of the Debt Solutions Industry is to an appropriate standard. This ensures that clients receive the best advice possible dependent on their personal circumstances, showing compliance with Principles 1, 7 and 9 as well as TCF outcomes 1, 4 and 5.
- Documented policies, procedures, systems and controls – As part of our requirements under SYSC 3, 123 Debt Solutions has designed a number of processes to ensure both our employees and clients are protected, and give/receive information in line with TCF outcomes.
- Client communications - 123 Debt Solutions regularly reviews its communications with clients in line with TCF commitments. We try to ensure all communications (letters, SMS, emails and telephone) are written to a high standard, are clear and grammatically correct. We have written and implemented a policy and procedure for communication with clients, which has been written in accordance with CONC 3, in an attempt to ensuring our communications are clear, fair and not misleading in line with Principles 7 and 9 and TCF outcome 1, 2 and 3.
- Accurate record keeping -All company policies and procedures are stored in one location. All documents are version controlled to ensure 123 can identify the most recent policies and procedures are in place at all times in line with SYSC 3. We also keep comprehensive logs of key TCF areas such as training records, financial accounts and client files to help document honesty and openness (Principle 1 - Integrity) within the firm.
- Complaints handling - We view complaints as valuable customer feedback. We believe client complain not just because they are unhappy, but also because they believe we can do better. We aim to handle all complaints swiftly and efficiently in line with the FCA handbook DISP and TCF outcome 6. We have a dedicated Complaints Officer, and we are committed to ensuring all staff are aware of complaints policy and procedure. By increasing awareness and knowledge within the company we show compliance with TCF outcomes 1, 3 and 6, as well as moving towards being in full compliance with TCF outcome 5 and Principle 9.

- Training and Development - All training material considered all 6 TCF outcomes. We are committed to continually invest in the development of our staff by providing regular and ongoing training, which includes in house training and sponsorship for industry qualifications such as ICA certificates and diplomas
- Recruitment - 123 Debt Solutions has a detailed recruitment policy and procedure. We have job descriptions, person specifications, and qualification minimum standards that we measure against before offering any individual a role within our firm. All recruitment documentation is linked to TCF outcomes. We are committed to finding individuals to represent our firm who have the right knowledge and attitude to work in a regulated environment while upholding both the integrity of 123 Debt Solutions and the FCA's regulatory agenda.
- Due diligence of 3rd party relationships - 123 Debt solutions has created a policy and procedure for on-boarding any 3rd party. We acknowledge the risks involved should we not conduct appropriate checks on companies we wish to form a working relationship with. Poor relationships could lead to:
 - Increased complaints.
 - Lack of customer understanding.
 - Potential increased costs.
 - Reputational risk.
 - Regulatory action.
 - Inadequate training.
 - Loss of customers.

We are committed to ensuring all clients can be confident they are dealing with a firm with TCF at the heart of its culture (Outcome 1) and will endeavour to ensure our clients' needs are put before our own by conducting appropriate due diligence.

- Incentives and rewards – 123 Debt Solutions do not have any active incentive schemes that focus on the sale of debt solutions. We are fully committed to only releasing incentive schemes that consider the needs of our clients' needs for accurate, clear and fair advice in line with TCF outcomes 1, 3, 4 and 5.

Our Compliance Department and their role regarding TCF

All of the points identified in the previous section form part of our Compliance Monitoring Plan, which is owned and managed by our Compliance Department. Our Compliance Manager has full permission to review any of the above areas in line with the Monitoring Plan to give the firm valuable feedback on our regulatory and TCF position. The Compliance Department is independent of the Operations team and reports directly to the Company Directors to ensure feedback is delivered accurately.

Management Information and how it is used

On a weekly basis the Compliance Department produces reports based on the MI collated by our Complaints and Quality Assurance team to aid TCF decision making. The MI collected includes, but is not limited to:

- Calls listened to by department (weekly, monthly and annually).
- Calls that passed and failed by department (weekly, monthly and annually).
- Trend analysis of common errors, TCF and Regulatory breaches by department and advisor (where appropriate).
- Expression of dissatisfaction numbers (weekly, monthly and annually).
- FCA reportable complaint numbers (weekly, monthly and annually).

- Complaint process breaches with FCA DISP guidelines.
- Root Cause analysis and recommendations for change.

TCF Assessment

On an annual basis the business undertakes a TCF assessment of the business carrying out reviews of the solutions available to customers, financial promotions / marketing practices, information provided to customers in the life time of the solution, complaint handling, staff training, remuneration / incentives and any controls in place.

The assessment is used to gather information from the business regarding the customer journey and is incorporated within the TCF Dashboard to ensure that the business is proactive in enhancing the customer journey.

Our Compliance Committee

The Head of Compliance chairs the Compliance Committee Meeting, which occur at least once monthly. The committee meetings bring together the companies Senior Managers who have a direct influence, day to day, on the ability to communicate, demonstrate and promote good TCF behaviour. All company MI is collated for this meeting to enable the committee to discuss current trends and document changes that are required. All business decisions are made in the best interest of our clients. Each meeting is minuted to evidence the conversations that take place. This acts as a record of how we make decisions and how TCF was considered before changing any of our processes or messages to other employees.