



## **Treating Customers Fairly – The FSA Deadlines approach**

If you are already a user of MortgageKeeper, you have already taken a massive step forward and have the tools to demonstrate how you are complying with TCF.

You will know that there was an interim deadline at the end of March 2008 where you had to have the appropriate management information or measurements in place to test whether you are treating customers fairly.

Note that:

- MI does not have to be delivered by a computerised system, but increasingly this will become not only a requirement but also the only way to efficiently run your business
- The FSA requirements are expressed in terms of general principles, not specific information. It is up to you how you run your business and meet these requirements. The flexibility of MortgageKeeper to adapt to your processes keeps you in control of how you want to operate.
- The main assessed deadline will be in December, where you will need to be in a position to demonstrate that you are consistently operating in accordance with TCF. The FSA assessment process will be a more simplified one for smaller firms.

### **How can we at MortgageKeeper help you further with TCF?**

With MortgageKeeper, you have the flexibility to develop your approach to TCF, capture the required information and put systems in place so you can be completely confident by the December deadline.

Here are some suggestions. We will be developing further reports and other tools to assist, and are taking in feedback from all our customers in this period. Please contact us if you have further specific questions.



## TCF – MortgageKeeper has been helping you to conform since the beginning. This is how:

### ➤ Impartiality of Advisers

**TCF - Do you monitor advisers' sales to assess any potential for product and commission bias?**

- *MK's Case tracking page shows how the system captures all products being sold. This data can be used to highlight trends in any advisers' sales processes and to allow you to identify areas to be addressed.*

**TCF - Do your advisers consider non-commission-earning recommendations for customers?**

- *Within the flexible 'Categories' section, an entry can be created to enquire if the transaction is a 'non-commission-earning recommendation' with a Yes or No dropdown answer. This can then be subsequently searched on through the 'Advanced Search Tool'*

**TCF - Have you considered performance-related incentives where remuneration is dependent on advisers meeting company standards through agreed key performance measures (e.g. persistency, complaints, replacement contracts, file reviews)?**

- *Searches through the 'Advanced Search Tool' under the 'Task' tab will allow you to specify and extract precise data for assessing performance measures. Using the 'Complex' option in this tab will offer further options to search on cancellations.*

### ➤ Assessing Customer Needs

The flexibility in the MortgageKeeper 'Fact Find' will allow you to capture information directly relating to customer needs.

By extending and amending your 'Fact Find' template, you can achieve the following:

- Ask questions not currently held on the existing structure. This would allow your advisers to capture all pertinent customer details including customer needs and objectives, attitude to risk, affordability, tax status and entitlement to state benefits.
- Use the functionality to prompt specific statements to explain any potential limitations and risks as a result of advice given.
- Prompt to explore future customer events or potential changes to their circumstances.
- Clarify the advice where a customer has requested a product or service that may or may not suit their needs.



- Capture where a customer may not require any financial products.

➤ **Recommendations, including research**

**TCF - Are advisers carrying out research to identify the most appropriate product and provider and then clearly explaining to the customer why the particular product and provider have been chosen over and above others?**

- *This can be added as a 'Free Text' box in the Fact Find. Subsequently, a merge field can be created and inserted into a 'Suitability Letter' created within the MK as a letter template. Additionally, all of the search results can be attached to the customer file for audit purposes.*

**TCF - Do the recommendations fit with the customer objectives and circumstances, taking account of factors such as debt levels, tax status, entitlement to state benefits, affordability, attitude to risk, etc?**

- *This can be added in the Fact Find. Subsequently, a merge field can be created and inserted into a 'Suitability Letter' created within the MK as a letter template.*

**TCF - Is appropriate consideration given to areas where no product would be sold e.g. emergency cash funds, debt repayment?**

- *A specific question or questions in the 'Fact Find' can prompt this discussion with the client and record the answer. Subsequently, a merge field can be created and inserted into a 'Suitability Letter' created within the MK as a letter template.*

**TCF - Are advisers making a clear distinction between offering 'full advice' and 'limited advice'? Is suitability considered on a case-by-case basis in the context of each individual customer without the assumption that a 'limited advice' approach would be suitable for everybody?**

- *The 'Fact Find' can be set up to offer 'full' and 'limited' routes, and will prompt for information dependent on the route chosen.*

**TCF - In analyzing the customer's situation are advisers identifying other key areas of need that may exist and, where the customer agrees on 'limited advice', highlighting the implications of not addressing them?**

- *Again, this can be added in the Fact Find. Subsequently, a merge field can be created and inserted into a 'Suitability Letter' created within the MK as a letter template. Furthermore, additional 'Application Tasks' can be created to record products and outcomes.*



➤ **Post Sale Communication**

**TCF - General after-sales service – if you use customer service surveys do you recognise that a customer may be satisfied with the service, but this may not necessarily mean the customer has been treated fairly.**

- *Customer service survey can be created and attached to the 'Completed' stage, prompting the user to send this letter. Results can be captured and stored in newly created 'Categories'. Within the 'Reports' tool, documents can be created for each Adviser, showing numbers and percentages.*

**TCF - Where you have committed to carrying out regular reviews for customers are you offering this in practice and delivering on your promise?**

- *MK allows you to create 'Diary Notes', which can be date specified, carrying a bespoke message for each individual case entry to ensure customer promises are satisfied.*
- *Further to the 'Diary Note' option, MK will actively prompt the Adviser when mortgage product expiry dates are ending so that a review can be arranged with the customer.*

➤ **Corporate Culture / Systems & Controls**

- *Utilising the 'Advanced Search' and 'Reports' tools, management information to monitor advice practices, persistency and file reviews can be produced.*