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## APPENDIX G: TREATING CUSTOMERS FAIRLY

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### Treating Customers Fairly – Statement of Objectives

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#### Overview

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The partners of the Firm are committed to ensuring that they meet the requirements of Principle 6 and 7 of the FCA's Principles for Businesses:

Principle 6: a firm must pay due regard to the interests of its customers (Professional Clients) and treat them fairly.

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.

Principles 6 and 7 apply in all areas of the Firm's day-to-day business activities. The Firm recognises that customers need to be confident that they will receive fair treatment no matter what size of firm they do business with. The aim of the FCA's Treating Customers Fairly (TCF) regime is to encourage a change in behaviour of the financial services sector to deliver and maintain good outcomes for customers. The appropriate firm culture is central to achieving this.

The Firm, and therefore its ARs, are not authorised to undertake activities for Retail Clients, the Firm is permitted only to undertake activities for Professional Clients and where relevant, Eligible Counterparties. The FCA's TCF focus and stated specific requirements in relation to Retail Clients do not apply to the Firm. However, the Firm is obliged to treat Professional Clients and Eligible Counterparties fairly and deliver the TCF outcomes ascribed to Principles 6 and 7.

A significant extension to the FCA's TCF initiative and its outcomes-based approach to regulation is the FCA's Consumer Duty (see chapter 2.4 of the Manual for more information on this). Amongst other things, the Consumer Duty brought in a new Principle to replace the application of Principles 6 and 7 for in-scope firms. Following an internal review, it is the Firm's view that, based on its own business model and that of its ARs, the Firm and its ARs are not in scope of the Consumer Duty, as neither the firm nor its ARs target retail customers or materially impact outcomes for retail customers. Therefore, Principles 6 and 7 will continue to apply to the Firm but not Principle 12.

The following Statement sets out how the Firm will achieve compliance with the relevant TCF Principles.

#### Objectives

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The TCF initiative is a continuous process, which has been engrained in the FCA's Principles and regulations for several years now. As such, it is expected to be embedded as 'business as usual' with firms operating an appropriate culture with full senior management support/buy-in and achieving good customer outcomes. This initiative complements the regulator's approach to good-outcomes-based regulation, whereby TCF must be included in all relevant business decisions and relevant TCF management information must be regularly reviewed by the Firm to demonstrate fair treatment of its customers but also identify any emerging risks to good customer outcomes.

The Firm acknowledges that the TCF regime is wider than its obligations contained in the FCA Handbook of rules and guidance. The Firm is committed to considering every possible situation both regulated and unregulated, which works within the spirit of Principles 6 and 7 and assessing whether compliance with specific rules is always sufficient to deliver the required fair treatment of customers.

Although not part of the FCA rules, the FCA have provided guidance as to the outcomes that firms should look to achieve for each and every customer:

- Fair treatment of customers is central to the corporate culture.
- Products and services marketed and sold by the Firm and its ARs are designed to meet the needs of the target market and appropriate customers/LP investors are targeted accordingly.
- Customers/LP investors are provided with fair, clear and not misleading information and kept informed appropriately before, during and after the point of sale.
- Suitable advice is given to customers and reflects their needs, priorities and circumstances. **(Advice must not be provided to LP investors.)**
- Products and services perform as customers/LP investors have been led to expect.
- Unreasonable post-sale barriers are not imposed when customers/LP investors wish to change product, switch provider, submit a claim or make a complaint, where not prevented from doing so by contractual obligations or legislation.

Following the introduction of the Consumer Rights Act 2015, the FCA updated previous guidance on unfair contract terms for contracts entered into on or after 1 October 2015. (The Unfair Terms Regulations will continue to apply to contracts entered into before 1 October 2015). The FCA's [Unfair Contract Terms Regulatory Guide \(UNFCOG\)](#) provides guidance in relation to potentially unfair terms in contracts that could render the contract, or certain elements of it, unenforceable. More information regarding unfair contract terms and the Consumer Rights Act can be found on the FCA's website:

<https://www.fca.org.uk/firms/unfair-contract-terms>

In adopting the TCF principle, the Firm recognises that the fair treatment of its customers is paramount and is committed to adding value to the services offered by aiming to:

- Protect the interests of customers at each stage of the product/service cycle, from promotion right through to after sales service which is proportionate to the nature, scale and complexity of the business.
- Meet, where possible, the unique needs of customers by offering a transparent, efficient and professional service and consistently reviewing its service to identify areas for enhancement or improvement.
- Ensure the Firm's senior management takes responsibility for identifying risks, having appropriate systems and controls in place to mitigate such risks, and receiving management information that enables them to assess their performance against the Firm's TCF objectives.

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## Financial Promotion and Marketing

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In practical terms TCF in marketing means ensuring that:

- The Firm, as a marketer of the funds, complies with the Principles of the [RPPD](#) (Responsibilities of Providers and Distributors for the Fair Treatment of Customers (RPPD)).
- That the Firm has considered its obligations (or those of its ARs) under the FCA's Product Governance Sourcebook (PROD) subject to its role either as a distributor and/or a manufacturer of a product.
- Promotional material in respect of such funds marketed to customers by the Firm by other Authorised Persons, is fair, clear and not misleading.
- Promotional material is compliant, jargon free and appropriately targeted and that there are appropriate processes in place for approving financial promotions of the Firm's or its ARs' products and services.
- The Firms' business partners are fully aware of their responsibilities towards the TCF Principles and Objectives when marketing the Firm's products and services.

- The Firm's business partners are fully compliant with the TCF Principles and Objectives when dealing with their customers both before and after any non-advised sales/services have been completed.

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## Complaints

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The Firm will ensure that any complaint which the Firm, or any third-party service provider, may receive is assessed fairly, promptly and impartially and in line with the Firm's complaints procedures. The Firm will also ensure it respects any rights an eligible complainant (as defined by DISP 2.7) may have to escalate the complaint where they remain dissatisfied including to any independent body that the complainant is eligible to refer the matter to and will co-operate fully, where appropriate, with the courts or any alternative dispute resolution provider the complainant decides to refer their unresolved complaint to, where permitted, after exhausting the Firm's own complaints procedure.

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## Senior Management

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Senior management will define and communicate the Firm's TCF values to all staff and particularly staff dealing directly with customers or undertaking marketing activities of the Firm's products and services.

As part of both internal Firm monitoring and routine annual monitoring of AR firms, assessment of how the Firm and its ARs are complying with TCF will be included routinely. This will include consideration of the 6 TCF outcomes. Should any gaps or weaknesses be identified, recommendations will be made with a view to improvements that should be made to policies, systems and controls, and procedures, how these should be implemented and who should be responsible.