

# Treating Customers Fairly

## 1. INTRODUCTION

The Treating Customers Fairly (TCF) is a key component of the Financial Sector Conduct Authority's (FSCA's) broader consumer protection and market conduct mandate. It consists of a regulatory and supervisory outcomes-based approach aimed at increasing customers' confidence and satisfaction in Financial Service Providers (FSP's). The principal objective of TCF is to ensure that customers are treated fairly in all instances. Customers that receive any form of financial service from an FSP are entitled to the same protection as they would have enjoyed under the Consumer Protection Act, 2008. It is designed to ensure that specific, clearly articulated fairness outcomes for financial services consumers are delivered by regulated financial firms, including FSP's.

At Lima Mbeu Investment Managers (Pty) Ltd ('**Lima Mbeu**'), client centrality is at the core of our business. The principles and outcomes of TCF are deeply entrenched in the way we conduct business daily. We continuously strive to render financial services honestly, fairly, with due skill, care and diligence, that is in the interests of our customers and the integrity of the financial services industry. It is our objective to ensure that the mindset of putting the customer first remains central to our culture. We take great effort to raise standards in the way we conduct ourselves with our customers and to increase their confidence in the financial services industry.

## 2. OUR APPROACH TO INTEGRATING TCF PRINCIPLES AND OUTCOMES

We have adopted the TCF principles and outcomes within our business. This includes the day-to-day interactions with our customers to protect the consumers of financial products and reduce market conduct risk. We achieve this in the following manner:

### 2.1. Outcome 1: fair treatment of customers

All spheres of our business will be affected by TCF and must adhere to the requirements of TCF. The TCF policy is a critical part of the culture at Lima Mbeu as reflected by our customer-centric organisational values:

- Hard work

- A long term focus
- A risk conscious mindset

We ensure that this mindset is continuously embedded within the business through our governance structures such as quarterly board meetings and monthly management committee meetings. Our customers can be confident that they are dealing with an FSP where the fair treatment of customers is central to its culture. General measures have been implemented to ensure that this outcome is achieved. These measures include but are not limited to the following:

- Recruitment processes that adhere to TCF objectives as set out in the Recruitment Policy.
- Regular training, TCF updates and newsletters are made available to staff.
- Quarterly audits that are conducted by the compliance officer to determine compliance with TCF and to implement improvements as per the TCF policy.
- Disciplinary processes that are instituted in cases of non-compliance should it be necessary.

## 2.2. **Outcome 2: products and services selection**

Products and services marketed to the retail market are designed to meet the needs of identified customer groups and targeted accordingly. When products are selected, product analysis is done to ensure that the product is suitable to the market segment in question, that it satisfies the needs of that market segment and the commission or fee is justifiable. Financial needs analysis is done on each consumer. The financial needs analysis will set out:

- that the consumer understands the products and services offered as well as
- that the consumer understands the explanations given and the information supplied

## 2.3. **Outcome 3: providing information**

Customers will be given clear information and be kept appropriately informed before, during and after the time of contracting. Before selling the product we will ensure that:

- All sales and marketing material are written using plain English.
- Technical terms will be fully explained; the product material will contain sufficient risk warnings where applicable
- All costs and charges are accurate and disclosed to the customer.
- Restrictions/exclusions/opt-ins and opt-outs associated with the product will be clear and in simple terms.
- All charges, including any early redemption/early termination charges, will be highlighted and made clear.
- The product literature will state clearly who the products are most suitable for

All correspondence with customers, during and after the sales process, will be stored and will be easily retrievable. A record of provision of all the disclosure documents (initial disclosure, product disclosure, quotations, fund fact sheets, performance figures and/or any other written document explaining or containing information on the product) will be kept, notes on telephone calls and meeting conversations will be kept and easily retrievable. We will keep in contact with customers after the product has been sold. All customer contacts will be recorded.

Clarity, appropriateness and fairness of information will be assessed before communicating this to customers. All marketing material will be signed-off by the Chief Investment Officer. Contact details of customers will be maintained, and customers will have accessible contact points if they need information.

#### **2.4. Outcome 4: suitability of advice**

Where customers receive advice, it will be suitable and will take account of their circumstances. Advice processes are sufficiently robust to limit instances that are detrimental to the consumer.

We take reasonable care to ensure the suitability of our advice and the discretionary decisions for customers who rely upon our judgment. Knowledge is tested regularly.

We will, before deciding to market a product, assess whether we have the appropriate skills and business processes in place to provide advice and service that will be suitable for the target market and the product concerned.

Lima Mbeu's Conflict of Interest Management policy is personalised. This gives key individuals and representatives the ability to identify, and address, any conflicts of interest between the FSP and the customers.

#### **2.5. Outcome 5: product performance and service levels are of expected standard**

We ensure that our customers are provided with products that perform as they have been led to expect, and the associated service is both of an acceptable standard.

On a regular basis, we provide the customer with a written statement identifying such products where they are still in existence, through clear/understandable factsheets to our retail clients and monthly/quarterly reports to our non-retail clients.

#### **2.6. Outcome 6: customers are not barred from making changes or instituting claims and complaints**

There are no unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint. Customers will be informed timeously of how to make changes or modifications to products should their needs change and will be informed of the risk of switching providers. Complaints will be dealt with in terms of our Complaints Procedure Policy which is available on our website and upon request.

### **3. THE PRODUCT LIFE-CYCLE STAGES**

The product life-cycle of any financial services product can be divided into three stages.

- Stage 1 pertains to the product itself and includes the design, the promotion and marketing of the product.
- Stage 2 entails the rendering of advice and intermediary services as well as the point of sale of the product mentioned in stage 1.
- Stage 3 includes the information provided after point-of-sale and complaints and claims handling.

In adopting the TCF policy, we recognise that the fair treatment of our customers is about adding value to the service we offer them by ensuring all six outcomes of TCF are adhered to throughout the product life-cycle. We aim to protect the interest of our customers at each stage of the product life cycle, from promotion right through to after the sale. We ensure adequate protection for customer assets that fall under our responsibility and understand that without our clients' assets, we do not have a business. Lima Mbeu is an investment manager that strives wholeheartedly to deliver on its promises to clients. Lima Mbeu is fully committed to adhering to the TCF principles and adopting the TCF Outcomes as a central part of our business.

### **4. POLICY APPROVAL**

Any variation to the Policy must be approved by the Board.