

Treating Customers Fairly Policy

Version No.	Date Issued	Details of Change
V1.0	September 2013	First version of document
V2.0	March 2014	Minor amendments pertaining to forthcoming FCA regulation
V3.0	17 July 2015	Minor updates
V4.0	11 December 2015	Minor amendments and clarifications
V5.0	20 July 2017	Updated details for collections and repossession procedure

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1. Introduction

Amendments and Review

This policy is agreed by the managing director and any amendments will require approval from him.

The policy will be reviewed on at least an annual basis, or as required by business activities and regulatory requirements.

Document Purpose

The Company is committed to treating all of its customers fairly. Treating customers fairly ("TCF") is about establishing a culture of fairness throughout the business that creates an understanding of the customer's needs and providing appropriate products and services.

To achieve this objective, TCF is more than just about having a policy; it is about instilling the right culture and values throughout the business from the top (executive) in strategy and decision-making, down through the team in recruitment, reward, controls and staff performance. This ensures the right consumer outcomes are achieved.

This Treating Customers Fairly Policy is designed to set out the responsibilities for the fair treatment of customers and demonstrate how the Company continually assesses how it treats its customers fairly

Policy Statement

In all circumstances the Company and its staff must treat the Company's customers fairly. TCF will be a continuing and on-going process within all parts of the Company's business which all staff will be required to follow and embed in all their dealings with the Company's customers at all times.

2. TCF Commitments

TCF is further supported by the Company's following customer commitments:-

Keep things simple

- Communicate clearly and explain things in plain English.
- Help ensure the customer understand our products and services.

Keep things easy

- Provide the customer with a named contact at each stage of the application.
- Contact the customer at a time to suit him/her and provide regular updates.

Keep things personal

- Treat the customer as an individual.
- Offer the customer a choice of products based on his/her individual circumstances.

Keep things open

- Listen to the customers views.
- Answer any questions honestly and deal with any problems quickly and fairly.

Keep things professional

- Treat the customer fairly, with courtesy and respect.
- Observe the highest standards of integrity and professional standards

Where we engage with any other company in a way that brings that company into contact with customers, we will hold that company to the same standards as ourselves, and expect them to demonstrate compliance with this policy. This will be audited by the MVF board at appropriate intervals.

3. FCA Principles

FCA Principle 6 highlights the responsibility to pay due regard to the interest of customers and treat them fairly. However a number of other FCA Principles also apply in this area:-

- **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 that 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 judgment.

The FCA is approaching Treating Customers Fairly on a 'principle-based' approach and does not intend to provide detailed guidance or rules on what fairness requires in particular.

There is emphasis on ensuring that owners and senior managers of businesses make it clear that they support TCF and there appears support for linking TCF to corporate brand and values.

4. Customer Outcomes

The FCA has defined the following TCF Outcomes as critical for the fair treatment of customers:-

- **Outcome 1 - Consumers can be confident that they are dealing with a Company where the fair treatment of customers is central to the corporate structure;**
- **Outcome 2 - Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and targeted accordingly;**
- **Outcome 3 - Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale;**
- **Outcome 4 - Where consumers receive advice, the advice is suitable and takes account of their circumstances;**
- **Outcome 5 - Consumers are provided with products that perform as companies have led them to expect and the associated service is both of an acceptable standard and as they have been led to expect;**
- **Outcome 6 - Consumers do not face unreasonable post-sale barriers imposed by companies to change product, switch provider, submit a claim or make a complaint.**

5. Achieving Desired Outcomes

Delivering TCF

With a view to meeting the Company's TCF commitments fully, the Company has a strategy of implementing and embedding TCF across the whole business. The core areas of TCF focus within the Company, identified with reference to the extensive thematic study carried out by the FCA in this area over the last few years shall be:

Product design and testing; Product development process at the Company shall take account of the specific needs of target customers within the overall car finance loan market. While the Company will seek to provide market-leading rate of cost to its customers a risk based pricing methodology will be adopted for customers that takes into account their individual needs and circumstances before assigning an appropriate risk based price premium to the product. The risk based pricing model shall aim to offer the best rate to an individual customer, depending upon their characteristic circumstances.

Identifying target markets & selection of distribution channel; the target market will be identified before undertaking product design in order to address the related TCF issues. The main distribution channels will be selected beforehand as part of the business strategy, though any selection of an additional channel must be subjected to a detailed examination of its suitability in terms of the business objectives and delivery of TCF.

Marketing and promoting the products, including provision of information to distributors; The Company shall communicate with the customers as well as the distributors in a way that is clear, fair and not misleading. The Company will adhere to this principle by way of actively communicating and engaging with the distributors and customers on a regular basis with a view to ensuring the product features and the processes involved are clearly understood by them.

Monitoring the end result; The Company shall put in place a mechanism for collecting customer feedback with a view to evaluating and reviewing the products, and for checking whether the products are continuing to meet the general needs of the target customers. The results of these reviews will be used in re-designing the products and improving service standards.

Delivery of post-sale services; The Company shall monitor its post-sale services to ensure the delivery conforms to the level of service promised to and expected by the customers, especially with regard to dealing with customers in financial difficulties. This will include on-going review and analysis of customer complaints and examination of any feedback/ comments received from the customers and distributors. Policies and procedures for complaints and claims handling as well as for arrears and collection management will be documented.

Monitoring TCF Compliance & Delivery of TCF Outcomes

The FCA is targeting the achievement of the following six customer outcomes through TCF initiatives:

The Company collects appropriate management information (MI), including compliance review reports and complaints analysis, for the Board to assess and monitor TCF compliance by the Company and its distributors as well as the outsourced service providers.

Management Information

The Company's TCF Management Information will be reviewed regularly by the Managing Director.

Monitoring and Record-Keeping

Responsibility for the monitoring of TCF rests with the Managing Director. This ensures that progress is formally monitored regularly. It is the responsibility of the Managing Director to review and interpret any MI and to ensure that the desired TCF outcomes are delivered on a consistent basis and that any TCF issues identified are duly escalated to the board with the recommendations for a suitable remedial action plan, as required.

Conclusion

The Senior Management are fully aware that customers are the 'lifeblood' of the business and treating customers fairly is a vital ingredient in maintaining the Company's competitive position, reputation and ultimate financial well-being. This Policy is designed to set out the responsibilities for the fair treatment of customers and demonstrate how the Company continually assesses how it treats its customers fairly.

This Policy will be reviewed and approved annually by the Board.