



Fast Guide

Treating Customers Fairly



In July 2006, the Financial Services Authority launched 'Treating Customers Fairly' (TCF), outlining key requirements they aimed to achieve on consumers' behalf with deadlines for compliance. The six TCF outcomes are:

Outcome 1 - Consumers can be confident that 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 consumer groups and are targeted accordingly

Outcome 3 - Consumers are provided with clear information and 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 firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect

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

Problems with progress

The FSA's June 2008 report acknowledged the efforts of the financial services sector so far, but criticised the number of firms lagging behind. The FSA warned

against simply using existing measures as a proxy for TCF, with the following specific problems noted:

- One overall index where the underlying questions were nothing to do with fairness
- One overall satisfaction question that could not address all six outcomes
- Ineffective questions that customers could not answer

Failure to test clarity of information from the customer's perspective rather than the organisation's perspective of its design.

December deadline

Fast approaching is The FSA's December 2008 deadline when firms must:

- Demonstrate that senior management have instilled a TCF culture
- Have accurate measures of all 6 TCF outcomes and be acting on the results
- Demonstrate through the measures that they are delivering fair outcomes
- Have no serious failings whether seen through the measures or known directly to the FSA.

Checklist for compliance

To meet the requirements we've created a simple checklist as a sound starting point:

- Conduct exploratory research to understand customers' perception of fair treatment in relation to your organisation.
- Use information from exploratory research to develop a questionnaire with relevant, unambiguous questions
- Ensure your scale provides enough discrimination to identify gaps in performance which allow you to effectively target actions to improve
- Regularly measure the customer experience and collect sufficient data for robust analysis (minimum sample 200)
- Establish a baseline of current performance on fair treatment as a benchmark for continuous improvement
- Identify business areas that are failing to meet requirements. Look for root cause analysis.
- Capture specific customer feedback that can be used to build a compelling case for change
- Provide extensive feedback of the results within the organisation to demonstrate senior management commitment and build a TCF culture – further advanced by appropriate reward and recognition initiatives.

Benefits of compliance

In September 2009 the FSA plans to publish the extent to which companies are complying with TCF, so it makes sense now to get robust measures in place to demonstrate compliance. Moreover, as consumers become more vigilant with their money companies that can display superior performance on satisfaction and fairness will lead the day. **S**

HALF DAY BRIEFING



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London	October 14th
Manchester	November 11th
Edinburgh	November 27th

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