

Phillips Capital Ltd

Treating Customers Fairly and Vulnerable Customers Policy

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1 INTRODUCTION

This policy deals with Phillips Capital Ltd (PCL)'s responsibilities to comply with the FCA's Treating Customers Fairly ("TCF") initiative.

2 THE FCA'S TCF INITIATIVE

The aim of FCA's Treating Customers Fairly (TCF) initiative is to ensure that firms meet the requirements of Principle 6 to "pay due regard to the interests of its customers and treat them fairly". What constitutes fairness is evidenced differently for each firm, depending on their type of business, product and service range, target customers and the channels used to sell and support their products and services.

The TCF initiative focuses on six customer outcomes:

1. Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture.
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.
3. Consumers are provided with clear information and are kept appropriately informed before, during, and after the point of sale.
4. Where consumers receive advice, the advice is suitable and takes account of their circumstances.
5. Consumers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and also as they have been led to expect.
6. Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

The FCA expects TCF to cover every aspect of the our business including staff training, marketing, suitability of customer transactions, meeting customer expectations, complaints handling and conflicts of interest.

The FCA views the corporate culture and having effective management information tools as the key to delivering fairness to customers. Elements of the corporate culture from the TCF initiative which are relevant to all firms include:

- Effective leadership which sets TCF as central to the firm's culture
- Ensuring recruitment and remuneration enforce the TCF message
- Measurement of appropriate performance and service standards throughout the firm
- Ensuring customer communications are clear and not misleading
- Ensuring complaints are properly and fairly handled

The principal requirement of the FCA's message on effective management information is that the firm should have information which is relevant to the TCF outcomes either directly or through the elements of the firm's stated corporate culture. This will include monitoring the systems and controls that the firm has put in place to ensure customers are treated fairly.

3 PCL'S TCF POLICIES AND PROCEDURES

3.1 CONSUMERS CAN BE CONFIDENT THAT THEY ARE DEALING WITH FIRMS WHERE THE FAIR TREATMENT OF CUSTOMERS IS CENTRAL TO THE CORPORATE CULTURE.

- On a monthly basis, our Management Committee meets. As necessary, the committee will discuss compliance with TCF outcomes.
- The Executive Management will regularly, at least annually, remind staff in writing of TCF expectations.
- At least annually, all employees will be required to undertake TCF training. All new hires need to complete TCF training within 90 days of their hire date.
- Monthly, the Management Committee will review the customer complaints log. If there are any complaints impacting TCF, a complete review will be completed to determine the root cause issue.

3.2 PRODUCTS AND SERVICES MARKETED AND SOLD IN THE RETAIL MARKET ARE DESIGNED TO MEET THE NEEDS OF IDENTIFIED CONSUMER GROUPS AND ARE TARGETED ACCORDINGLY.

- The Management Committee will review all new proposals for products and services, prior to implementation, for TCF compliance. After the Committee approves new products and services the proposed new product offerings will be discussed with all impacted parties within the firm to provide the opportunity to identify risks and give feedback.
- We will establish training materials for staff explaining new products and services. Compliance reviews internal training on products and services to ensure clear disclosures and that they clearly define the product and service to the client.

- We set employees performance targets each year, embedded within those targets will be goals relating to TCF.

3.3 CONSUMERS ARE PROVIDED WITH CLEAR INFORMATION AND ARE KEPT APPROPRIATELY INFORMED BEFORE, DURING, AND AFTER THE POINT OF SALE.

- Compliance reviews marketing materials, communications, and contracts used in connection with our products and services.
- Compliance will be involved in subsequent disclosures involving our products and services.

3.4 CONSUMERS ARE PROVIDED WITH PRODUCTS THAT PERFORM AS FIRMS HAVE LED THEM TO EXPECT, AND THE ASSOCIATED SERVICE IS BOTH OF AN ACCEPTABLE STANDARD AND ALSO AS THEY HAVE BEEN LED TO EXPECT.

- Annually, a client satisfaction survey will be sent to our clients. The survey results will be reviewed by the Management Committee and any TCF concerns will be investigated.

3.5 CONSUMERS DO NOT FACE UNREASONABLE POST-SALE BARRIERS IMPOSED BY FIRMS TO CHANGE PRODUCT, SWITCH PROVIDER , SUBMIT A CLAIM OR MAKE A COMPLAINT.

- Compliance will perform monitoring for TCF compliance.
- The Management Committe will review, on a monthly basis, the complaint logs to ensure consumers do not face post-sale barriers.

4 VULNERABLE CUSTOMERS

We recognise that some of our customers may be categorised as vulnerable, due to either financial profile or some mental and/or physical impairment.

As a firm we pay due regard to the needs of all of our customers and do not exclude particular client groups but rather assess every customer or potential customer on their particular circumstances.

In dealing with vulnerable customers, as with all other customers we ensure:

- That any credit we offer to a customer is appropriate, suitable and affordable given the customers particular circumstances
- That the customer fully understands the nature of the obligation.
- That our staff are trained to deal with customers in a fully appropriate way, treating all our customers with respect and communicating in a clear and friendly way, assessing the clients understanding and offering support as an individual client requires.
- That our staff are trained to discuss with clients their vulnerabilities
- That through our interaction we assess the clients personal circumstances and determine whether they fully understand what is being discussed, if deemed appropriate the customer may be encouraged to consult with family and/or friends.
- The client is given as much time as they individually require to consider the finance that they have requested
- That where we deem the circumstances appropriate that we recommend that the customer seeks free independent advice