

# TREATING CUSTOMERS FAIRLY 2024

# This report outlines the group's philosophy on and governance of the principles of treating customers fairly (TCF).

The fair treatment of customers is foundational to the FirstRand business strategy. The group has governance frameworks, policies and processes in place to support this objective and engages with regulators continually to ensure that it remains responsive to the evolving regulatory landscape.

## TCF principles

*The principles of TCF, also referred to as market conduct principles, are prioritised in all aspects of the group's businesses.*



1

### Culture, governance and accountability

The board of directors and senior executives are held accountable for treating customers fairly. At all levels of the organisation the application of TCF principles exists across the life cycles of all products and solutions. The sustainability and governance executive committee, supported by mandated governance committees and conduct pillars, ensures fair and sustainable outcomes for customers and that business practices are based on an ethical culture. Conduct committees comprise senior management members who ensure that TCF principles are integrated into business processes and decision-making. Conduct metrics are continually reviewed and enhanced to identify and address improvement areas. Market conduct is included in executive remuneration scorecards.

#### *The group:*

- captures and regularly updates its TCF principles and market conduct outcomes through the relevant frameworks, policies and procedures;
- chooses its partners carefully, and uses appropriate due diligence to mitigate potential conflicts of interest and/or reputational risk; and
- has implemented internal controls to proactively detect and mitigate conduct risks.



2

### Product design

Customer centricity is at the core of the group's business model, product design and services. Research and constant innovation ensure that products are designed for target market needs, drive positive customer experiences, offer value for money and promote financial access and inclusion.

#### *Product reviews have focused on:*

- improving access to products, particularly to customers in rural areas and townships;
- enhancing product features and related services; and
- providing easy, safe and trusted access to financial products and services.



3

### Fair, clear and accurate disclosure

Clear disclosure on necessary and important information is a key part of managing conduct risk, as it enables customers to make informed decisions. The group enhances service and product information by taking into consideration feedback from customers, the ombudsman and regulators. Designated stakeholders review business documents to ensure that information provided is clear, unambiguous and presented in plain language. Ongoing quality assurance measures have been implemented to independently evaluate whether the group is providing correct and appropriate product information to customers.

**TCF principles** *continued*

4

**Appropriate advice**

Products and services are offered to customers within a control framework that supports the delivery of quality advice. This framework includes governance structures, quality assurance processes and advice monitoring.

*Supporting practices include:*

- TCF and market conduct outcomes being considered within management/employee performance scorecards.
- Staff training to assess and provide products that appropriately meet the needs of the customer.
- Product-specific training modules that ensure that staff are aware of product features, benefits and pricing, and can easily explain these to customers.
- Continued professional development, which ensures ongoing learning and upskilling.



5

**Service levels and product performance**

Products are continually reviewed to ensure that they continue to deliver fair value. The group proactively monitors service levels and addresses service failures. The root causes of common service failure themes are addressed to prevent recurrence.



6

**Low or no barriers to claims or complaints**

Customers are informed of the channels available to submit claims or complaints and are supported through the process.

Claims and complaints are handled through both face-to-face and electronic channels. Dedicated teams manage complaints and claims, and engage with business units to resolve these within reasonable timelines. Escalation procedures to senior management exist to ensure the impartial and fair handling of customer complaints and claims.

During 2024, an independent review was conducted on the group's complaints management processes and procedures. This review resulted in enhancements aimed at improving efficiencies and supporting positive customer outcomes.



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