

Isn't Treating Customers Fairly Just Good Marketing?

All financial services organisations governed by the FSA's "Treating Customers Fairly" standard, are required to demonstrate that they can meet the standards outlined by 6 stated outcomes (see below) which collectively add up to "**doing the right thing by customers**". In this code of conduct surely the aim is to demonstrate customer-centricity in how products are created, targeted, promoted and serviced. And actually isn't that really what defines good marketing?

As the FSA says:

"TCF is about a culture - doing business in a way that will help ensure customers get fair treatment."

As a manager how do you know that on a day to day basis your people are focused on customers, that they understand their role in TCF and that how they carry out their activities would meet the standard? Changing practice can be hard to drive from the inside and, more importantly, it can be hard to challenge some behaviours without some objectivity and sometimes another perspective. Of course, you can always just assume that everyone is doing things right and hope that the FSA agrees with you! So what are the FSA actually looking for from these standards?

ICD believes TCF should be 'business as usual' in organisations and are bemused at the cottage industry that it can quickly become by creating posts specifically meant to focus on TCF – or, some might more cynically say, ensuring that the regulator does not find fault with existing custom and practice. **So, how does marketing play its part in ensuring that the culture really does support customers and that TCF is embedded in it, and not simply an add on?**

The marketing plan provides an outline of how marketing objectives will help achieve the business strategy and goals. It clarifies the context in which the business operates and identifies the threats and opportunities that arise from that. **The customer IS part of that context** and arguably where it all starts and ends in marketing.

Done properly, research and transaction data input to creating the marketing plan improves marketing effectiveness and efficiencies, by clarifying your target markets and ensuring that the characteristics, requirements and behaviours of key segments are understood. It can help to determine the appropriate metrics that ensure that you are, and importantly from an FSA perspective, you are actually demonstrating that you are **"treating customers fairly"**.

How ICD can help marketing teams structure their activities appropriately to ensure that the outcomes are more easily achieved and demonstrated:

First a reminder of the outcomes:

- **Outcome 1** - Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture (*as demonstrated by good process, well-trained professional sales and marketeers*)
- **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 (*research and development process needs to be robust*)
- **Outcome 3** - Consumers are provided with clear information and kept appropriately informed before, during and after the point of sale (*so campaigns, marketing communications and sales literature have to hit the mark*)
- **Outcome 4** - Where consumers receive advice, the advice is suitable and takes account of their circumstances (*e.g. illustrations, and IFA support materials, campaigns segmented appropriately*)
- **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 (*e.g. service measurement metrics, illustrations and statements – after sales customer experience*)
- **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 (*i.e. process and after-sales experience, retention activity*)

How ICD can help:

- ◆ A free initial **consultation** to establish what would be involved
- ◆ A short **audit** of your current marketing practices
- ◆ A **review** of your marketing plans and campaigns
- ◆ An **assessment** of current behaviours (principles and activities) amongst the marketing family
- ◆ Presentation and **recommendations** to team leaders

For a small team of up to 10 staff this might take no more than 10 days to complete so we're not talking about a huge intervention or prohibitive costs and delays in establishing your action plan for TCF.

For a free consultation then please call Liz Moody on +44 (0)7773427249 or contact liz@icd-partnership.co.uk and let us provide you with an objective perspective on whether or not you are conforming with the standard.