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**MSM Property Fund (Pty) Ltd's  
TREATING CUSTOMERS FAIRLY ("TCF")  
POLICY**

**Table of contents**

- 1. INTRODUCTION ..... 3
- 2. OBJECTIVES ..... 3
- 3. THE SIX OUTCOMES OF TREATING CUSTOMER FAIRLY ..... 4
- 4. ACHIEVING THE OUTCOMES ..... 5

## **1. INTRODUCTION**

MSM Property Fund (Pty) Ltd (Pty) Ltd took a decision to formally adopt the Treating Customers Fairly (TCF) outcomes as a guide and we embrace the spirit of the principle-based outcomes as published by the Financial Sector Conduct Authority (“FSCA”) in the TCF Roadmap.

Our ethos and culture has always been to ensure that our customers and stakeholders receive the very highest standard of quality in service and integrity in all we do.

## **2. OBJECTIVES**

As an authorised financial services provider (“FSP”) or MSM Property Fund (Pty) Ltd (Pty) Ltd is fully committed to ensuring that customers of are treated fairly at all times.

To ensure that a culture is cultivated within our organisation in which high quality service delivery, fair treatment of customers and transparency remains the centre of our focus as an organisation at all times.

To ensure that quality management systems, measures, processes, procedures and controls are formulated, implemented, reviewed and monitored to ensure as far as possible that clients experience professional servicing standards and fair treatment on all levels of interaction.

To provide training and development which equips each staff member on the principles contained herein, also to be and remain active participants in cultivating the TCF culture.

### **3. THE SIX OUTCOMES OF TREATING CUSTOMER FAIRLY**

As a financial services provider, we embrace the spirit of the principle-based outcomes as published by the Financial Sector Conduct Authority; we are committed and will continuously strive to comply with these outcomes:

#### **OUTCOME 1**

With our organisational values, our clients and stakeholders have peace of mind that treating customers fairly is the cornerstone of our organisational culture.

#### **OUTCOME 2**

All our service offerings are designed to meet the needs of all of our identified stakeholders and are targeted to meet their needs through an open process of consultation.

#### **OUTCOME 3**

With our consultative and collaborative approach, we ensure that our clients and stakeholders are kept well informed before, during and after every point of sale and service process.

#### **OUTCOME 4**

In instances where we provide advice, our advisers have been trained to provide advice that is suitable to our customer's needs. At all times, the objectives of TCF are followed and, no conflict of interest exists.

#### **OUTCOME 5**

Our products and services are designed and developed for specific market segments and are based on research and needs analysis of each customer grouping. When marketing these products and services we will ensure that the communication is not misleading but rather provides concise and clear information allowing our customer segments to make informed decisions. Any risks, contractual commitments, charges and limitations of our products and services will be transparent.

#### **OUTCOME 6**

All complaints are handled in promptly and fairly. All complaints will be tracked and outcomes feedback will be used to improve the level of service we provide. We will provide an escalation matrix, communicate the length of time taken to deal with a complaint and outcome – all of which will be communicated ensuring that we are treating our customers fairly at all times.

#### **4. ACHIEVING THE OUTCOMES**

We realise that the success of achieving the fairness outcomes first and foremost lies in the way that we manage our organisation as a FSP. We believe that quality management systems, policies, procedures, controls and appropriate training are necessary for animating and bringing to fruition our best intentions which rise from these outcomes.

We further agree that each role player within MSM Property Fund (Pty) Ltd (Pty) Ltd will embrace the TCF outcomes and understand that each person has an important contribution to make in order for the company to consistently achieve these goals, collectively.

We also aim to demonstrate through our behaviour and monitoring that we are consistently treating customers fairly through our governance structures as well as throughout the stages of the product life cycle, which are summarised below:

##### **4.1 LEADERSHIP**

- 4.1.1 The TCF objectives have been adopted by the organisation's governance body and management has taken responsibility for them;
- 4.1.2 Management shall conduct regular reviews of the main business processes to identify areas requiring improved TCF outcomes;
- 4.1.3 TCF objectives are to be communicated to all staff across the business;
- 4.1.4 A process for assessing staff and management understanding of TCF and the organisation's TCF commitments will be sourced and implemented;
- 4.1.5 Staff and representatives who contribute to the provision of financial services to retail customers are required to understand their role in delivering TCF outcomes to those customers this also applies to our customers in terms of consulting services;
- 4.1.6 Delivery of the TCF outcomes are incorporated as a feature of the company's vision, mission and values proposition.

## **4.2 STRATEGY**

1.2.1 MSM Property Fund (Pty) Ltd's strategic planning process provides for the explicit consideration of TCF implications of any new strategy or change in strategy and the organisations strategic plan shall include the TCF deliverables.

1.2.2 The current strategic plan will be adjusted to include the TCF deliverables.

## **4.3 DECISION-MAKING**

4.3.1 Any future motivation for approval of a business case or project (including expenditure) by MSM Property Fund (Pty) Ltd (Pty) Ltd will be required to consider TCF implications at all times.

4.3.2 An internal TCF platform (forum) will be established for the purpose of providing all role players within the organisation in order to raise any questions or concerns in respect of TCF related matters and engage in healthy debate thereof.

## **4.4 GOVERNANCE & CONTROLS**

4.4.1 Oversight with continuous monitoring and evaluation of the TCF delivery has been assigned to MSM Property Fund (Pty) Ltd's compliance function which is overseen by a designated external compliance officer;

4.4.2 The company shall formulate, implement, regularly review and monitor processes

4.4.2.1 To ensure formal and regular reporting of the progress of the implementation of TCF deliverables;

4.4.2.2 for identifying and reporting TCF risks or failures;

4.4.3 The management of TCF and market conduct risks shall be formally included in the risk management framework of the organisation;

4.4.4 MSM Property Fund (Pty) Ltd's governance framework shall be evaluated continually to ensure that it is effective in achieving the TCF outcomes.

#### **4.5 PERFORMANCE MANAGEMENT**

- 4.5.1 Staff members are to be identified who will be responsible for the delivery of the TCF outcomes within MSM Property Fund (Pty) Ltd (Pty) Ltd
- 4.5.2 Performance evaluation criteria shall be formulated and implemented to incorporate TCF objectives and must be rigorously applied at all levels;
- 4.5.3 All staff members are required to undergo continuous training on TCF principles, standards and deliverables;
- 4.5.4 Recruitment processes must be formulated and implemented to ensure staff in relevant positions will have the necessary skills to deliver the company's TCF objectives.

#### **4.6 REWARD**

- 4.6.1 MSM Property Fund (Pty) Ltd (Pty) Ltd may formulate remuneration and incentive schemes that are meaningfully linked to the achievement of TCF objectives, at all levels;
- 4.6.2 Reward and recognition processes may be formulated and implemented to compliment TCF objectives;
- 4.6.3 The organisation may formulate and implement meaningful consequences (such as retraining, re-assignment or disciplinary action, as appropriate) for staff or management who do not achieve agreed TCF deliverables.

#### **4.7 MEASUREMENT AND MANAGEMENT INFORMATION**

- 4.7.1 Management Information (MI) measures shall be designed and implemented which are vital for TCF monitoring;
- 4.7.2 MSM Property Fund (Pty) Ltd (Pty) Ltd shall determine processes to obtain MI on customer expectations and how these expectations are being met by the organisation.
- 4.7.3 Processes are to be formulated and implemented to collate and summarise the organisations TCF related MI in a meaningful way that provides a complete overview of the progress and extent to which MSM Property Fund (Pty) Ltd is delivering TCF outcomes to customers including concrete examples of such progress;
- 4.7.4 Processes are to be formulated and implemented to enable MSM Property Fund (Pty) Ltd (Pty) Ltd to analyse and act on MI findings to improve TCF outcomes for customers;
- 4.7.5 MI findings will be analysed to identify staff training needs as well as for performance management purposes;

- 4.7.6 MSM Property Fund (Pty) Ltd (Pty) Ltd shall communicate transparently with our stakeholders (including the market conduct regulator) on our progress in achieving TCF outcomes and also make information regarding our progress publically available;
- 4.7.7 Over and above “business as usual” MI, the company shall have mechanisms in place to monitor and respond to changes in the broader environment, to enable us to pro-actively identify TCF related risks;
- 4.7.8 The Organisation will provide concrete examples, supported by MI, of improvement in the extent to which we are delivering TCF Outcomes to customers, particularly in respect of products and services.

#### **4.8 PRODUCTS AND SERVICES**

- 4.8.1 When selecting a product or service to distribute or administer, MSM Property Fund (Pty) Ltd (Pty) Ltd shall identify the particular customer group(s) the product will be suitable for and shall obtain relevant information from the product supplier in respect of the suitability of the product to identified customer groups;
- 4.8.2 Most importantly, the company will be required to assess the product and service information to determine whether such material is suitable for the identified customer group;
- 4.8.3 MSM Property Fund (Pty) Ltd (Pty) Ltd shall ensure that staff and representatives are provided with such appropriate information regarding which customer groups the product or service offering suits;
- 4.8.4 The organisation will satisfy itself that its distribution and/or administration methods are suitable for the product and target market;
- 4.8.5 The company’s product or service approval or selection process must include senior management confirmation and sign-off that a product adequately meets the TCF outcomes, including the requirement that the service will maintain the highest standard of quality as customers are led to expect;
- 4.8.6 MSM Property Fund (Pty) Ltd (Pty) Ltd shall formulate, implement, regularly review, monitor and evaluate a product and services selection and approval process (including any add-on products and services) which includes an assessment and sign-off of the suitability of promotional or other material for the identified customer group. I.e. the company shall ensure that any information provided by MSM Property Fund (Pty) Ltd (Pty) Ltd regarding another party’s products or services, is clear, fair and not misleading and shall be reviewed regularly. This process shall also ensure fair treatment of customers with regard to customer incentives, such as loyalty programmes, bonuses or discounts, including mitigating any conflicts of interest risks;



4.8.7 MSM Property Fund (Pty) Ltd (Pty) Ltd shall formulate, implement, regularly review monitor and evaluate processes:

4.8.7.1 for evaluating the financial understanding of products and services by customers;

4.8.7.2 To mitigate risks where it becomes apparent that the product or distribution and/or administration method was not suitable for the identified customer group, or has been distributed to inappropriate customer target groups;

4.8.7.3 To mitigate risks that a product or service may pose to particular customer groups;

4.8.7.4 To monitor and analyse routine complaints and communicate them to the relevant product suppliers;

4.8.7.5 To rectify a situation where it becomes apparent that any product or service information already in circulation (whether produced by our organisation, or not) is inaccurate, unclear, unfair or misleading;

4.8.7.6 To review the range of products/product suppliers we distribute or administer which includes our TCF objectives;

#### **4.9 CLEAR AND APPROPRIATE INFORMATION**

4.9.1 MSM Property Fund (Pty) Ltd (Pty) Ltd shall be required to assess the clarity, appropriateness and fairness of product and service information provided to customers, whether produced by the organisation, or others in order to ensure that any information we provide regarding another party's products or services is accurate, clear, fair and not misleading;

4.9.2 The organisation shall formulate, implement, regularly review, monitor and evaluate an approval process for all product and services related information for which compulsory sign-off by senior management is required;

4.9.3 in the event where MSM Property Fund (Pty) Ltd (Pty) Ltd has produced its own product or service information, the company may test the clarity of the information with the target audience before issuing it;

4.9.4 Where MSM Property Fund (Pty) Ltd (Pty) Ltd has designed any products which may be distributed through other FSPs, the company shall implement a risk mitigation process to monitor whether any inaccurate, unfair or misleading information about our products or services are provided by third parties;

4.9.5 MSM Property Fund (Pty) Ltd (Pty) Ltd will be required to rectify the situation where it becomes apparent that any product or service information already in circulation (whether produced by us or not) is inaccurate, unclear, unfair or misleading;

- 4.9.6 MSM Property Fund (Pty) Ltd (Pty) Ltd shall regularly review standardised product and services information we use (whether produced by us or not) to ensure that it remains accurate, clear and appropriate to the applicable customer groups;
- 4.9.7 MSM Property Fund (Pty) Ltd (Pty) Ltd is required to monitor, evaluate and act on feedback, complaints and suggestions received from customers, staff or any others that identify the need for improvement in product information;
- 4.9.8 The organisation shall ensure relevant and adequate product information is provided to customers (whether by our own staff/representatives or by others) at an appropriate time to enable them to make an informed decision as to whether to enter into the relevant contract;
- 4.9.9 MSM Property Fund (Pty) Ltd (Pty) Ltd will provide existing customers with key information on their products and services on a regular ongoing basis after contracting, through appropriate channels;
- 4.9.10 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that clients are informed of any recent or pending changes to the products, services and contractual events or any actions required from them, in sufficient time to enable them to reasonably respond to or act on the information;
- 4.9.11 The organisation shall control the accuracy and quality of any once-off or non-standard product information provided by staff or representatives;
- 4.9.12 MSM Property Fund (Pty) Ltd (Pty) Ltd will maintain up-to-date contact details of existing customers;
- 4.9.13 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that customers have current and accessible contact points if they need product or service information or need to get in touch with the FSP for any reason;
- 4.9.14 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that accurate, retrievable, secure records are maintained of all product and service information which has been provided to customers and any other material interactions with customers;

#### **4.10 ADVICE**

- 4.10.1 Prior to any decision to market a product or service available, MSM Property Fund (Pty) Ltd (Pty) Ltd is required to assess whether or not we have the appropriate skills and business processes in place to provide advice and service that will be suitable for the target market and product concerned;
- 4.10.2 Prior to contracting with any product or service supplier to market their products or service, MSM Property Fund (Pty) Ltd (Pty) Ltd shall conduct an appropriate level of due diligence to satisfy itself that such products and service levels are likely to meet the FSP's customers' reasonable expectations;

- 4.10.3 MSM Property Fund (Pty) Ltd (Pty) Ltd must insist that product and service suppliers provide representatives with adequate training on the specific products and services marketed to enable them to provide suitable advice on those products and services;
- 4.10.4 MSM Property Fund (Pty) Ltd (Pty) Ltd will design and implement controls to prevent representatives providing advice on products where they do not have adequate product training;
- 4.10.5 Prior to contracting with any product or service supplier, the organisation will make satisfactory arrangements to ensure that the provider and representatives will have reasonable access to any product and service information required from the supplier in order to provide suitable advice;
- 4.10.6 MSM Property Fund (Pty) Ltd (Pty) Ltd shall monitor, evaluate and act on feedback or complaints received from customers, product suppliers or other third parties regarding the quality of advice they have received from our representatives, to identify any training needs and/or risk of inappropriate advice;
- 4.10.7 Processes shall be formulated and implemented to identify instances and mitigate the risk to customers where our representatives have provided inappropriate advice or misleading information to customers;
- 4.10.8 Over and above complaints, MSM Property Fund (Pty) Ltd (Pty) Ltd will monitor potential TCF indicators such as insurance claims experience, product and service retention, early termination data, investment portfolio switching, type and frequency of product or service changes, etc. in relation to the customers associated with our representatives, to identify and mitigate risks of inappropriate advice or poor customer outcomes attributable to the representatives concerned;
- 4.10.9 MSM Property Fund (Pty) Ltd (Pty) Ltd will provide product and service suppliers and other 3<sup>rd</sup> parties in the customer value chain with feedback in relation to any aspects of their products or services which inhibit our ability to provide suitable advice or deliver other TCF outcomes to customers;
- 4.10.10 MSM Property Fund (Pty) Ltd (Pty) Ltd will formulate and implement controls to identify and address any conflicts of interest between ourselves, our customers and product and service suppliers whose products we market;
- 4.10.11 Incentive and remuneration targets are to include clear TCF measures that our representatives are required to satisfy, regardless of whether such remuneration or incentives is determined by the product or service supplier, or by us;
- 4.10.12 Agreements between MSM Property Fund (Pty) Ltd (Pty) Ltd and any product or service suppliers must clearly set out the parties' respective responsibilities in relation to providing customers with advice, information and service support. Customers must be able to

understand who they should look to in relation to different aspects of the financial products or service provided to them;

4.10.13 MSM Property Fund (Pty) Ltd (Pty) Ltd will formulate and implement controls to identify and act on instances where our representatives have provided advice which they are not authorised to provide, either in terms of their specific contract or mandate with us and/or with any product or

service supplier, or as a result of non-compliance with our FAIS licence conditions or other legal requirements;

4.10.14 MSM Property Fund (Pty) Ltd (Pty) Ltd shall formulate and implement a fair compensation of customers' policy for the compensation of customers who have been financially prejudiced as a result of inappropriate advice provided by our representatives;

4.10.15 MSM Property Fund (Pty) Ltd (Pty) Ltd will be required to ensure that published decisions of the FAIS Ombud, guidance from the regulators and other relevant information sources in relation to advice practices are analysed by management so as to evaluate whether our existing practices remain relevant and effective.

#### **4.11 PRODUCT PERFORMANCE EXPECTATIONS**

4.11.1 MSM Property Fund (Pty) Ltd (Pty) Ltd will thoroughly analyse the product and service retention, portfolio switching, early termination behaviour of or customers to identify risks that products or services are not meeting expectations created;

4.11.2 MSM Property Fund (Pty) Ltd (Pty) Ltd shall formulate and implement:

4.11.2.1 Processes to alert customers to the risks of particular actions on their part (such as early termination, non-payment of contributions, investment portfolio switches, and benefit reductions) in reasonable time for them to respond to or act on the information;

4.11.2.2 Processes to alert customers to the risks of non-action on their part, such as a failure to review insurance cover needs, investment goals and risk profiles, beneficiary nominations and other relevant requirements;

4.11.2.3 Clear service standards for customer service processes which shall be communicated to customers;

4.11.2.5 MSM Property Fund (Pty) Ltd (Pty) Ltd shall formulate and implement processes to protect the confidentiality of all customer information;

4.11.3 MSM Property Fund (Pty) Ltd (Pty) Ltd may conduct research or test the FSP's service standards to determine whether they are in line with customer/member expectations;

- 4.22.4 Although the provider explicitly cannot accept responsibility for the performance of products of product suppliers, processes are to be formulated and implemented to mitigate the risks to our customers/members where it becomes apparent that products and services are not performing or are unlikely to perform as customers have been led to expect;

#### **4.12 CHANGING PRODUCTS**

- 4.12.1 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that customers are informed (in good time, not only on request) of the types of changes they may make to their products or services if their needs or circumstances change and of any important limitations on their ability to access funds or make changes;
- 4.12.2 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that when we become aware of a change in a customer's needs or circumstances (including affordability difficulties), they are informed of changes they may consider making to their products to meet their changed requirements;
- 4.12.3 MSM Property Fund (Pty) Ltd (Pty) Ltd will have clear service standards in place for processing product changes (including where we need to refer the request to another party to deal with) and communicate these to our customers;
- 4.12.4 Where a request for a product change is declined by any party in the value chain, the organisation will give the customer clear reasons for this;
- 4.12.5 When a request is received to change a product (whether directly or through another party) the organisation will inform the customer of any potential risks associated with the change, in reasonable time for them to respond to or act on the information;

#### **4.13 SWITCHING PROVIDERS**

- 4.13.1 MSM Property Fund (Pty) Ltd (Pty) Ltd will have clear service standards in place for processing switches to other external providers which shall also form part of the customer servicing mandate;
- 4.13.2 When we receive a request to switch providers (whether directly or through another party) the provider shall inform the customer of any potential risks associated with the switch;

#### **4.14 CLAIMS AND DISBURSEMENT HANDLING**

- 4.14.1 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that customers are informed of how to submit a claim or disbursement request and of our service standards for claims and disbursement processing and what information we will need to process the claim or request;
- 4.14.2 MSM Property Fund (Pty) Ltd (Pty) Ltd shall ensure that customers are informed prior to contracting, of the circumstances under which claims or disbursement requests will not be processed and must ensure that the customer's obligations are explained;
- 4.14.3 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that once a claim has been received, that customers/members are constantly informed of progress;
  
- 4.14.4 MSM Property Fund (Pty) Ltd (Pty) Ltd shall analyse types of claims and claims repudiation experience of our different representatives to identify any miss-selling risks;

#### **4.15 COMPLAINTS HANDLING**

- 4.15.1 MSM Property Fund (Pty) Ltd (Pty) Ltd will test our complaints process to ensure it is accessible and appropriate for our customer groups;
- 4.15.2 MSM Property Fund (Pty) Ltd (Pty) Ltd shall implement a robust complaints management, record keeping and root cause analysis process;
- 4.15.3 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that customers are informed (before complaint stage) of how to complain and of options for further recourse if they are dissatisfied with the outcome of a complaint;
- 4.15.4 MSM Property Fund (Pty) Ltd (Pty) Ltd may benchmark our complaints handling (volumes, resolution rates, Ombud complaints) against competitors;
- 4.15.5 MSM Property Fund (Pty) Ltd (Pty) Ltd will ensure that once a complaint is received we keep customers informed of the progress (including the contact person details) whether we are dealing with the complaint ourselves or have referred it to another party;
- 4.15.6 MSM Property Fund (Pty) Ltd (Pty) Ltd must, when responding to a complaint, provide clear reasons for our response (including where the response is favourable to the customer), with supporting evidence where relevant;
- 4.15.7 MSM Property Fund (Pty) Ltd (Pty) Ltd must ensure that where a request for redress is declined, wholly or partially, we inform the customer/member of what steps they can take to have the decision reviewed;
- 4.15.8 MSM Property Fund (Pty) Ltd (Pty) Ltd must have clear service standards in place for processing complaints and ensure they are communicated to our customers;

- 4.15.9 MSM Property Fund (Pty) Ltd (Pty) Ltd shall ensure that specific training is provided to staff that are tasked with complaints handling;
- 4.15.10 MSM Property Fund (Pty) Ltd (Pty) Ltd shall ensure that complaints processes are structured to ensure that decisions will be objective, consistent for similar complaints and that decision makers do not have a conflict of interest;
- 4.15.11 MSM Property Fund (Pty) Ltd (Pty) Ltd may implement follow-up processes to determine customer satisfaction levels after complaints are finalised;
- 4.15.12 MSM Property Fund (Pty) Ltd (Pty) Ltd is required to implement processes to ensure consistency in complaints handling;
  
- 4.15.13 MSM Property Fund (Pty) Ltd (Pty) Ltd may put a policy in place for fair compensation of customers who have been financially prejudiced by unfair treatment, and is not limited only to those customers who complain;
- 4.15.14 MSM Property Fund (Pty) Ltd (Pty) Ltd must analyse complaints to identify any risks of miss-selling by representatives;
- 4.15.15 MSM Property Fund (Pty) Ltd (Pty) Ltd is required to consider the nature of complaints received and complaints handling performance of different product suppliers in deciding whether to do business with them or recommend them or their products to customers;