

JUNE 2007

If you use a customer survey think about the questions you are asking and if they help you identify areas where your firm and its advisers are/are not treating customers fairly and therefore areas where improvements are needed. This document is intended as a prompt to help you consider how you can capture fairness as well as satisfaction. A customer may be satisfied with the service but this does not necessarily mean they have been treated fairly.

Question asked...	The response...
Please describe the options you were given for paying for our services?	<i>Treating Customers Fairly (TCF) Risk – the customer did not understand the options and costs/the adviser did not explain them clearly.</i>
Please describe your understanding of our firm’s scope of advice (e.g. Tied, Multi Tied, Whole of Market)?	<i>TCF Risk – the customer does not understand the remit of the firm’s advice offering.</i>
Please describe your understanding of the advice given i.e. was it a full financial planning review or was it focussed in any way? If advice was focussed, please describe your understanding of what this means for you.	<i>TCF Risk – the customer does not appreciate the implications of only receiving focussed advice.</i>
Did you feel the adviser gained enough information from you about your personal and financial circumstances (e.g. present financial circumstances and personal details, long/short term financial goals and aspirations) before making their recommendations?	<i>TCF Risk – the adviser did not obtain enough information to give suitable advice.</i>
Did you feel the adviser considered all aspects of your financial needs and objectives (e.g. income/capital growth, short/long term goals and aspirations, other future funding requirements)?	<i>TCF Risk – the adviser did not obtain enough financial needs / objectives information in order to make a suitable recommendation.</i>
What is your understanding of investment risk and what level of risk are you willing to take in respect of this transaction (e.g. risk of capital erosion?).	<i>TCF Risk – the customer does not understand the concept of investment risk and the different levels of risk available.</i>

Question asked...	The response...
What is your understanding of the investment risk attached to the product you purchased?	<i>TCF Risk – the risk level of the product purchased does not match the customer’s expectations.</i>
How do you think this product will meet with your own personal goals and objectives?	<i>TCF Risk – the customer does not understand the reasons for the recommendation and how they will meet with their objectives.</i>
Was the recommendation letter clear and are there any areas of the letter that you do not understand or that do not reflect your discussion with the adviser?	<i>TCF Risk – the suitability report does not provide the customer with a clear record of the reasons for the recommendation.</i>
Do you require any further information or advice in relation to any other areas of financial planning?	<i>TCF Risk – post sale, significant other areas were not explored and discussed leading to actual or potential consumer detriment.</i>

Points to consider when using a customer survey...

- Think about who you may wish to consult with when using a customer survey (e.g. your Professional Indemnity Insurers).
- Consider how and when you could use the survey to get most value from it.
- Consider giving it to customers who didn’t proceed with a recommendation – that might reveal why!
- Consider reviewing survey responses in conjunction with compliance file reviews to get an overall view of the process and advice provided by each adviser.