

TCF Audit Tool

This checklist is intended to help the typical IFA small firm to identify risks that may impact on their ability to treat customers fairly. Principle-based regulation does not easily lend itself to a 'tick box' approach but this tool may help to formulate a view on where your firm is in regard to TCF, and what it still needs to do. It is not exhaustive.

Any gaps (that are relevant to your business) identified by this tool should be addressed by an action plan. The tool can be used at outset and on an ongoing basis to monitor how TCF is implemented and embedded. The tool can also be used with advisers, support staff and management to get a 360 degree view of the business.

TCF is central to our corporate culture

1=poor; 5=Excellent

Area	1	2	3	4	5	Comment
Senior management can demonstrate how TCF is embedded in our business strategy						
The fair treatment of customers is central to our Firm's culture						
Senior management practice what they preach and re-inforce TCF on a day to day basis						
Senior management have undertaken a TCF audit / gap analysis						
An action plan has been agreed and is/has been implemented						
Critical elements of TCF are included within our MI. This is regularly reported and acted on						
Staff routinely share best practice and can explain what TCF looks like to them						
Adherence to TCF practices are rewarded						
Remuneration policy and staff rewards support TCF						
Actions taken demonstrate adherence to TCF obligations are recorded						
Feedback processes are in place to gauge client satisfaction						
Responsibilities for TCF are clear, e.g. for taking action, monitoring results / identifying improvement areas						
Staff are engaged, motivated and trained in what TCF means						
Everyone within the business is truly client focussed						
All our people are well trained for the roles they perform						

Products and services marketed....meet the needs of identified customer groups and are marketed accordingly

1=poor; 5=Excellent

Area	1=poor; 5=Excellent					Comment
	1	2	3	4	5	
Advisers are able to identify target markets for specific products						
Financial promotions are regularly reviewed for relevance and clarity						
Advisers/managers demonstrate their knowledge of products						
The sign-off process for advertising and promotions is rigorous						
We are confident in our expertise to recommend and manage in our chosen markets						
Our promotions are targeted to ensure they are aimed at the right clients						

Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale

1=poor; 5=Excellent

Area	1=poor; 5=Excellent					Comment
	1	2	3	4	5	
TCF principles are reflected within T&C documentation, e.g. observation form						
Content of documentation is not overly technical, e.g. suitability letter						
Clients can clearly see the advice given and why, e.g. it isn't buried in other documentation						
Clients always understand the benefits of the advice / products recommended						
Clients always understand the limitations and risks associated with the advice / products recommended						
Documentation (such as suitability letters) are always tailored to individual clients						

Advice is suitable and takes account of their circumstances

1=poor; 5=Excellent

Area	1	2	3	4	5	Comment
Attitude to risk is clearly identified, understood by the client, documented, and matched by recommendations						
Advice covers, where appropriate, non-income earning recommendations, e.g. National Savings, utilizing IHT annual allowance, repayment of debt						
Soft facts are always collected on the fact find – not only what, but why?						
Knowledge of adviser / supervisor products and associated advice areas is spot on – this is current and has been objectively assessed						
There is no sales bias						
Clients fully understand the status of the adviser and clearly understands the merits of the different remuneration methods						
'Know your customer' requirements are fully documented, e.g. limited advice or 'client not prepared to disclose' are the exception rather than the rule						
We take time to understand our clients' needs						
We regularly review our stance on investment and technical issues						
The fact find document readily captures all of the information we need about the clients circumstances for us to fully advise them						

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 as they have been led to expect

1=poor; 5=Excellent

Area	1	2	3	4	5	Comment
Advice process includes a measurement of client satisfaction						
Service standards (where agreed with a client) are met, e.g. time to write a report						
Ongoing client reviews are always conducted as agreed with the client						
Advice to existing clients is always the same as that to potential new clients, e.g. some advisers would not now recommend WP investments to new clients – what do we do about existing clients with WP investments?						
Client reviews / contact methods are established with each client						
Whatever client contact is agreed, this is followed through for both new and existing clients						
Information is reviewed for relevance, accuracy, and clarity						
Ensure clients expectations match provider service						
Clients regularly complement us on our service						

Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint

1=poor; 5=Excellent

Area	1	2	3	4	5	Comment
Complaints data / client feedback is reviewed to identify TCF issues						
Staff and advisers know what a complaint is defined as and what to do when one is received						
Service standards are in place and adhered to						
Complaints investigated in a impartial manner without confrontation						
Complaints processes in place and regularly reviewed (as applicable)						
All client data is accurate, up-to-date, easy to use and accessible						
Our database enables most client queries to be dealt with by support staff						
Our software supports the main advice and business process						