



OPEN UNIVERSITY STUDENT BUDGET ACCOUNTS LTD

TREATING CUSTOMERS FAIRLY POLICY

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CONTENTS

1. Introduction
2. Policy Statement
3. TCF Commitments
4. FCA Principles
5. Customer Outcomes
6. Achieving Desired Outcomes
7. Management Information
8. Monitoring and Record-keeping
9. Conclusion

1. INTRODUCTION

The Open University Student Budget Accounts Ltd (OUSBA) is committed to treating all of its student fraternity (hereafter referred to as customers for the purpose of this policy) fairly. Treating customers fairly (TCF) is about establishing a culture of fairness throughout the business that creates an understanding of the customer's needs and providing appropriate products and services.

To achieve this objective, TCF is more than just about having a policy; it is about instilling the right culture and values throughout the business from the top (executive) in strategy and decision-making, down through the team in recruitment, reward, controls and members performance. This ensures the right consumer outcomes are achieved.

This Treating Customers Fairly Policy is designed to set out the responsibilities for the fair treatment of customers and demonstrate how OUSBA continually assesses how it treats its customers fairly.

2. POLICY STATEMENT

In all circumstances OUSBA and its members must treat the firm's customers (students/ loan applicant) fairly. TCF will be a continuing and on-going process within the OUSBA's regulated business which all its relevant staff members will be required to follow and embed in all their dealings with the University's customers (loan applicants) at all times.

3. TCF COMMITMENTS

TCF is further supported by OUSBA's following customer commitments:

Keep things simple

Communicate clearly and explain things in plain English
Help ensure customers understand our products and services

Keep things easy

Provide customers with a named contact at each stage of the application

Contact customers at a time to suit them and provide them with regular updates

Keep things individual (personal)

Treat customers as individuals

Offer customers a product based on their specific needs and circumstances

Keep things open

Listen to customers' details/ views

Answer any questions honestly and deal with any problems quickly and fairly

Keep things professional

Treat customers fairly, with courtesy and respect

Observe the highest standards of integrity and professional conduct

4. FCA PRINCIPLES

FCA Principle 6 highlights the responsibility to pay due regard to the interest of customers and treat them fairly. However a number of other FCA Principles also apply in this area:-

Principle 1: A firm must conduct its business with integrity;

Principle 7: A firm must pay due regard to the information needs of its clients and communicate information to them in a way that is clear, fair and not misleading;

Principle 8: A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client;

Principle 9: A firm must take reasonable care to ensure the suitability of its advice.

The FCA has set out Treating Customers Fairly on a 'principle-based' approach and has provided high-level guidance on what fairness requires in the product life-cycle, based on the six key TCF outcomes, which all firms must deliver in their dealings with customers.

5. CUSTOMER OUTCOMES

The FCA has defined the following TCF Outcomes as essential for the fair treatment of customers:-

1. Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate structure;

2. Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and targeted accordingly;
3. Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale;
4. Where consumers receive advice, the advice is suitable and takes account of their circumstances;
5. 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;
6. Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

6. ACHIEVING DESIRED OUTCOMES

6.1 Delivering TCF

With a view to meeting the firm's TCF obligations, OU is committed to implementing and embedding TCF within its activities, as these principles are well aligned with its cultural ethos to help maintain the University's status as a premier and well respected institution of learning.

Product design and testing; The OU provides information relating to the loan products offered by OUSBA to the prospective students in need of financial support and help for funding the payment of course fees, which can be repaid by them over an agreed period. OUSBA's product development process takes account of the specific needs of target customers and the product design is undertaken and reviewed with the help and feedback from the University to ensure it serves the needs of the students.

Marketing and promoting the products, including provision of information to applicants; The University has a policy of complete transparency and will always communicate with the loan applicant-customers in a way that is clear, fair and not misleading. OUSBA will adhere to this principle by way of active communication and by engaging with the students on a timely basis with a view to ensuring the product features and the processes involved are clearly understood by them.

Monitoring the end result; OUSBA shall put in place a mechanism for collecting customer feedback with a view to evaluating and reviewing the products, and for checking whether the products are continuing to meet the general needs of the target students. The results of these reviews should be used in re-designing the products and improving service standards.

Delivery of post-sale services; OUSBA shall monitor its post sale services to ensure the delivery conforms to the level of service promised to and expected by the applicants, especially with regard to dealing with students who may be facing financial difficulties. This should include on-going review and analysis of customer complaints and examination of any feedback/ comments received from the students post-sale.

6.2 Monitoring TCF Compliance & Delivery of TCF Outcomes

The FCA expects all firms to demonstrate the achievement of the six customer outcomes through TCF initiative.

OUSBA collects appropriate management information (MI), including compliance review reports for the executive management to assess and monitor TCF compliance.

7. MANAGEMENT INFORMATION

OUSBA's TCF MI that identifies the specific TCF measures in relation to the six outcomes will be reviewed regularly by the management and actions taken to mitigate any TCF risks, as necessary. TCF MI forms an integral part of the University's compliance monitoring and review process.

8. MONITORING AND RECORD-KEEPING

Responsibility for the monitoring of TCF rests with the management (who exercise oversight over the credit broking activity) and an appropriate management action plan will be implemented for any TCF issues identified by compliance. This will ensure that progress is formally monitored, as required.

It is the responsibility of Finance Director and executive management to review and interpret the MI and to ensure that the desired TCF outcomes are delivered on a consistent basis.

9. CONCLUSION

The Senior Management are fully aware that the students/ customers are the lifeline of the University and treating customers fairly is a vital ingredient in maintaining OUSBA's premier position, reputation and ultimate financial well-being. This Policy is designed to set out the culture and ethos for the fair treatment of customers and demonstrate how OUSBA continually assesses the fair treatment of its customers.

This Policy will be reviewed and approved annually by the management.