

## **Treating Customers Fairly Update August 2008**

### **Introduction**

The Treating Customers Fairly initiative will have run its course by the end of this year and the FSA will cease viewing it as a separate item during the course of 2009. It will then be incorporated into their normal supervisory activity.

They have produced a lot of material which can be accessed using the link:

<http://www.fsa.gov.uk/Pages/Doing/Regulated/tcf/index.shtml>

It is not proposed to re-produce it all here, but there are some key points listed below which all firms affected by the initiative should be aware of.

### **Key Points**

- The FSA have been carrying out a significant amount of thematic work on implementation of TCF, particularly to small firms.
- They have reported that many organisations, although working hard towards meeting the 2 deadlines (end of March 2008 for Management Information and end of December 2008) failed to meet the initial deadline.
- They have identified many aspects of good (and bad) practice and have included them in their Update which can be accessed by using the following link
- [http://www.fsa.gov.uk/pubs/other/tcf\\_progress.pdf](http://www.fsa.gov.uk/pubs/other/tcf_progress.pdf)
- All firms should be asking how well TCF is embedded in their culture to ensure that this can be achieved by the end of this year.

### **Action Points**

In addition to taking the preceding points into consideration, the following is reproduced from CPA's earlier Regulatory Briefing on TCF.

- Compliance
- Internal Audit
- Risk Management
- Corporate Governance

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“All firms will be expected to have procedures in place which are proportionate to their business model and client base. The FSA leaves implementation of TCF in the hands of FSA firms, so there are a wide variety of ways of approaching it. For a small firm the following steps should serve as an adequate base for instituting TCF.

- TCF Policy.
- A Treating Customers Fairly Monitoring Programme.
- A presentation to be given to all staff so they are made aware of what is expected of them.
- Documentation produced regularly for the senior management that is seen and acted on. Any changes to systems and controls that come about because of incidents reported to senior management need to be documented.
- A risk assessment needs to be completed by the senior management to establish how much risk there is that the firm may not treat customers fairly.
- Regular review of FSA recommendations in regard to TCF.”

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