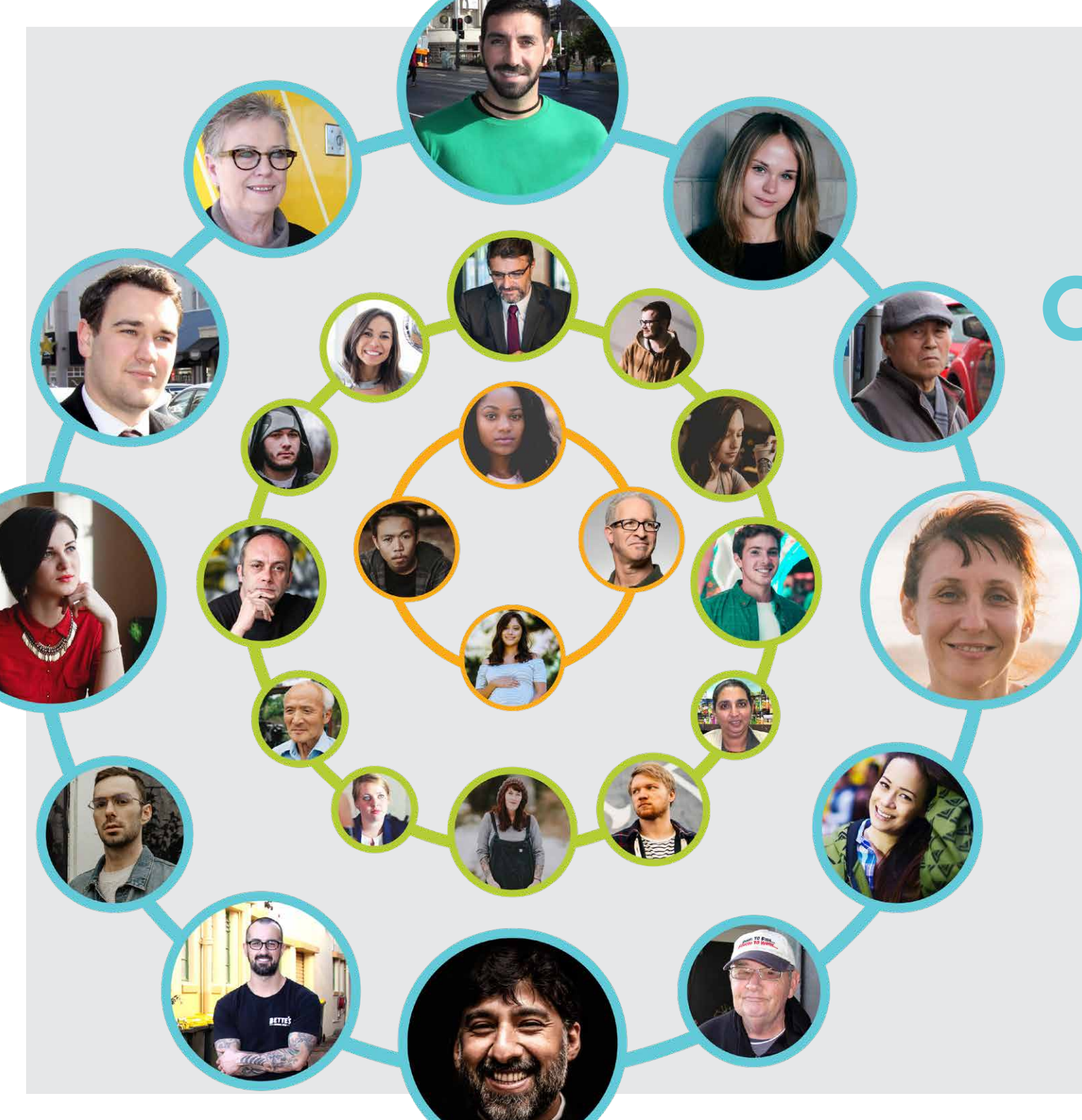


CODE OF CONDUCT

EDUCATIONAL MATERIALS
RESOURCE PACK

Financial Services
Council NZ



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PURPOSE OF THIS RESOURCE PACK

This resource pack is designed to help Financial Services Council (FSC) members understand their obligations under the FSC Code of Conduct and to deliver training to employees.

This resource pack builds on, and should be read alongside, the FSC Code of Conduct Guidelines document dated 4 February 2020

This resource pack is designed to provide a sufficient level of information on the new FSC Code guidance so that any FSC member can adopt, expand and personalise in the way that best fits their own organisation.

This resource pack provides a non-exhaustive set of examples and scenarios to help organisations hold conversations with their employees. We expect that FSC members will want to create further examples and case studies relevant to their own organisation.



THE CODE IN CONTEXT

CODE PURPOSE

This is a Code for FSC Members, designed to support the professionalism of the financial services industry.

It is about increasing trust and confidence in the providers of financial services and the products they deliver. The benefit is that Members can help more New Zealanders grow, manage and protect their wealth.



CODE OBJECTIVES

The objectives of this Code are to:

- Lift the professionalism of the financial services industry
- Help Members deliver good customer outcomes
- Increase trust and confidence in the financial services industry
- Enable more New Zealanders to build, manage and protect their wealth
- Build a sustainable financial services industry

WHAT IS THE CODE?

The Code consists of Code standards and additional guidance. The Code standards are enforceable by the FSC and the Disciplinary Committee may have regard to the guidance when considering a Member's compliance with the Code standards. The guidance provides a non-exhaustive list of prompting questions to help Members consider ways to drive good conduct and demonstrate compliance with the Code.

YOUR RESPONSIBILITIES AS AN FSC MEMBER



01 EDUCATION

You are responsible for educating your people in the way that works best for your organisation. This may mean you personalise the FSC's Code Resource Pack to make the content and delivery method fit for purpose for your organisation.

You should be able to demonstrate what, how and to who training has been delivered.

You should ensure your people understand the FSC Code of Conduct and have the ability to comply.

02 COMPLIANCE

You are responsible for complying with the FSC Code of Conduct's nine standards.

You should be able to demonstrate how you know that you comply with the FSC Code of Conduct.

You should have processes in place to escalate material breaches of the FSC Code of Conduct.

HOW TO USE THIS RESOURCE PACK



WHAT IS IN THIS PACK?

The resource pack consists of two learning modules:

1. Introduction to the FSC and the FSC Code of Conduct and
2. The Code in Practice.

WHO SHOULD I DELIVER THE CONTENT TO?

We suggest that you deliver the content to all staff.

HOW SHOULD I DELIVER THE CONTENT TO MY BUSINESS?

We suggest members start by delivering the 'Introduction to the FSC and the FSC Code of Conduct' to all employees, raising general awareness and encouraging discussion. Once employees have a good understanding of the purpose and context of the FSC Code of Conduct, we suggest FSC members deliver the second part resource pack 'The Code in Practice'.



HOW TO DELIVER THE EDUCATIONAL MATERIALS

This table shows how three example businesses deliver the content to their staff over a year.

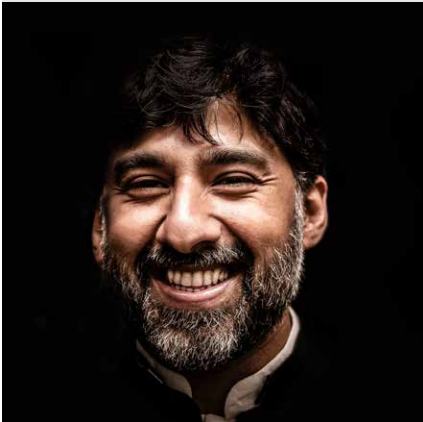
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
BUSINESS 1 (small business with limited existing training)	Delivers a 1.5hr face-to-face session to all staff. Sessions have 6-12 employees, mixed from around business. Content includes Introduction, and the scenarios from The Code in Practice.		Includes a case study and reflection questions each week in its business-wide newsletter. Employees are encouraged to discuss the case and questions at team huddles.		Managers are requested to create conduct case studies for their team.	Each team completes a 1hr face-to-face session, discussing the case study their manager has developed, and going through the discussion questions. They create an action plan to address any Code compliance issues that arise.		
BUSINESS 2 (large business with limited existing training)	Converts the introduction, and the scenarios from The Code in Practice into eLearning.	Delivers eLearning to all staff. Require that reflection question answers are emailed to managers.		Case studies are distributed to managers, to be discussed at team huddles. At each huddle, teams spend 5 minutes discussing a study, and how its learnings apply to them. Managers note interesting cases that arise from this.		Each team completes a 1hr face-to-face session, discussing the case studies their manager noted during huddles, and going through the discussion questions. They create an action plan to address any Code compliance issues that arise.		
BUSINESS 3 (large business with robust existing training)	Continues to assign conduct eLearning to all new starters.							
	Ensures that all content in existing conduct eLearning aligns with content in Modules 1 and 2.			Delivers eLearning to all staff as part of annual refresher.		Each team completes a 1hr face-to-face session, discussing the case studies from The Code in Practice, and going through the discussion questions. They create an action plan to address any Code compliance issues that arise.		

HOW TO TAILOR THE RESOURCE PACK FOR YOUR BUSINESS

DO I NEED TO ADAPT THE CONTENT?

Responsibility for amending the resource pack to make it fit for purpose for individual businesses sits with each FSC member.

We expect the two main areas that members may want to adapt are the scenarios and the extra discussion questions. The changes may be simply swapping out a product or service or it may be a re-write. There may be content that does not fit your services and product perfectly but does illustrate the guidelines to give your staff a sound understanding.



HOW SHOULD I ADAPT THE CONTENT?

If you are going to make changes and adjustments to the content, we recommend you consider the following:

- Try to use case studies from your own people that illustrate the Code Standards and Guidelines. These are invaluable for providing some context to learning and helping your team 'own' the Code.
- Reinforce messages more than once in a consistent way, reinforcement assists in retention and learning.
- Use similar wording consistently in your content, it makes it easier to understand and the focus can be on the learning points.
- Don't try to cover all the Standards and Guidelines in one go. It is too much to process.
- The discussion questions are designed to be used in a group setting with those in the group putting their ideas forward so everyone can process different perspectives and help embed knowledge. Don't discard the value of these sessions.
- Consider the balance between theory and practical, they are both good learning modes.

LEARNING MODULE ONE

INTRODUCTION TO THE FSC AND THE FSC CODE OF CONDUCT



LEARNING GOALS AND OUTCOMES

LEARNING GOALS

To introduce the FSC Code of Conduct to FSC members.

LEARNING OUTCOMES


After completing this module, participants will understand:

- The role of the Financial Services Council (FSC), its purpose and function
- Who are the FSC members and membership benefits
- Why the FSC and FSC Code of Conduct is important
- How the Code benefits the customer, employees and organisations
- The content and requirements of the Code
- How the Code applies to them, helping to identify areas to improve and act upon

For People Leaders, all of the outcomes above, plus:

- Understanding their responsibility as a leader and how the Code may impact their team



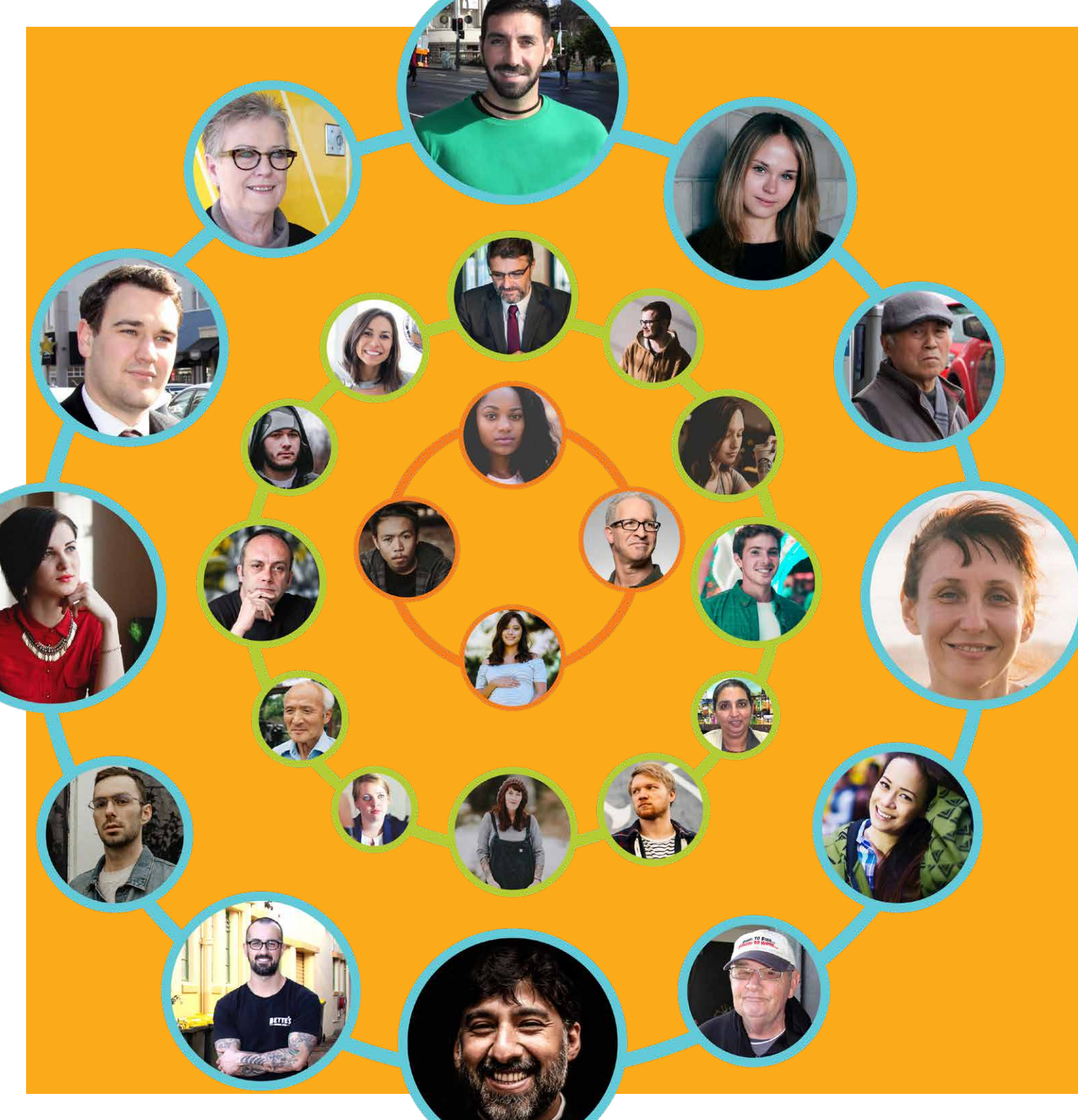


HOW TO USE LEARNING MODULE ONE

The following slides contain a presentation for organisations to use in workshop environments. We recommend the presentation is delivered as part of an interactive face-to-face group discussion.

The accompanying 'Facilitator Guide' provides guidance for workshop facilitators on ways to run the workshop.





INTRODUCTION TO THE FSC

GROWING THE
FINANCIAL
CONFIDENCE AND
WELLBEING OF
NEW ZEALANDERS

Financial Services Council.
Growing and protecting the wealth of New Zealanders



SESSION OVERVIEW

- 01 Introduction to the Financial Services Council (FSC)
- 02 FSC Members
- 03 Membership Benefits
- 04 Our Strategy and Vision
- 05 Why is the FSC Code of Conduct important
- 06 The FSC Code of Conduct
- 07 Code Standards and Guidance
- 08 Breaches and Disciplinary Action
- 09 Code Compliance



01 INTRODUCTION TO THE FINANCIAL SERVICES COUNCIL (FSC)

As the voice of the sector, the Financial Services Council is a non-profit member organisation with a vision to grow the financial confidence and wellbeing of New Zealanders. FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Our 99 members (as at 16 November 2021) manage funds of more than \$95bn and pay out claims of \$2.8bn per year (life and health insurance). Members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector.

OUR VISION

‘Our vision is to ‘Grow the financial confidence and wellbeing of New Zealanders’ through our purpose of being ‘The voice of New Zealand’s financial services industry’.



02 MEMBERS & ASSOCIATE MEMBERS*



































FINANCIAL SERVICES COUNCIL MEMBERS

Accuro Health Insurance	AIA Insurance	AMP Financial Services	ANZ Bank	AON	ASB	Asteron Life Ltd
						
BNZ Investments and Insurance	CIGNA Life Insurance NZ Ltd	Civic Financial Services	Consilium	Craigs Investment Partners	Fidelity Life Assurance Co Ltd	FNZ
						
Foodstuffs Provident Fund	Forsyth Barr	Generate KiwiSaver	Imperial New Zealand Superannuation Fund	KiwiWealth	Medical Assurance Society New Zealand Limited	Mercer (NZ) Ltd
						
Milford Asset Management Limited	Momentum Life	nib	New Zealand Post Superannuation Plan	Partners Life	Pinnacle Life	Police Association
						
Resolution Life	SmartsharesNZ	Southern Cross	Southsure Insurance	Te Rūnanga o Ngāi Tahu	The New Zealand Anglican Church Board	UniMed
						
Unisaver Limited	Westpac Bank					
						

3M Superannuation Scheme
 Baptist Union Superannuation Scheme
 BECA Super Scheme
 BOC NZ Retirement Plan
 BP New Zealand Retirement Plan
 Colgate-Palmolive Superannuation Plan
 Dairy Industry Superannuation Scheme
 DXC (New Zealand) Staff Superannuation Fund
 Government Superannuation Fund Authority
 Manchester Unity Friendly Society
 Maritime Retirement Scheme
 MISS Scheme
 MERBP Trustee Limited
 mysuper Superannuation Scheme
 Nestlé Pensions (New Zealand) Limited
 New Zealand Steel Pension Fund
 NZAS Retirement Fund
 NZ Fire Service Superannuation Scheme
 The Presbyterian Church of Aotearoa New Zealand Beneficiary Fund
 Police Superannuation Scheme
 Ports Retirement Plan
 Reserve Bank of New Zealand Staff Superannuation and Provident Fund
 Retirement Income Group Ltd
 Sealed Air (New Zealand) Superannuation Fund
 Shell New Zealand Pensions Limited
 The Trustees of the Church of Jesus Christ of Latter-Day Saints Deseret Benefit Plan for New Zealand

* As at 9 September 2021

FINANCIAL SERVICES COUNCIL ASSOCIATE MEMBERS

New Zealand Automobile Association	Anthony Harper	Bell Gully	BNP Paribas	Bravura Solutions	Chapman Tripp	Chatswood Consulting Ltd
						
Cygnus Law	Davies Financial & Actuarial Ltd	Deloitte	Dentons Kensington Swan	DLA Piper	Ernst & Young	Farmers' Mutual Group
						
Guardian Trust	GenRe	Hannover Life Re	Healthcare Plus	KPMG	Lane Neave	Link Market Services
						
Mahony Horner Lawyers	Melville Jessup Weaver	Minter Ellison Rudd Watts	MMC Limited	Mosaic	MunichRE	Price Waterhouse Coopers
						
Public Trust Corporate Trustee Services	RGA Reinsurance	SCOR Global Life	Strategi Group	Swiss Re	Trustees Executors Limited	
						

Davanti Consulting Ltd
New Zealand Home Loans Company Ltd

* As at 9 September 2021

03 MEMBERSHIP BENEFITS

REGULAR MEMBER BENEFITS



Ability to be nominated
to the FSC Board



Chair FSC
Committees



Voting Rights at
General Meetings



Government and
Regulator Meetings



Contribution to the
FSC Strategy



Plus associate
member benefits



Event discounts
and awards



Committee Membership
and Influence



Industry data
and insights



Regular Member
Updates



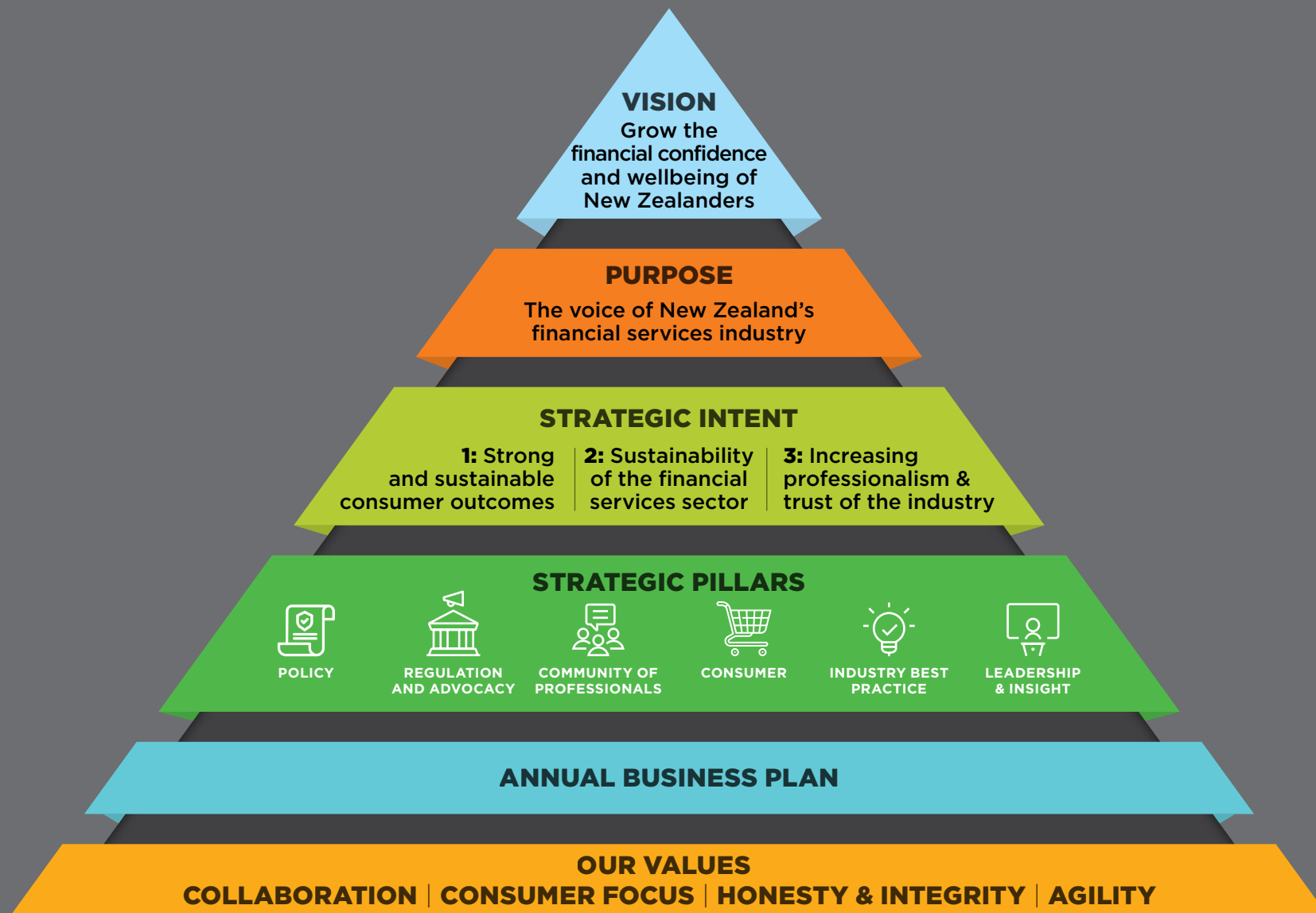
Contribution to
FSC Submissions



Engagement with
Policymakers



04 OUR STRATEGY AND VISION



05 WHY IS THE FSC CODE OF CONDUCT IMPORTANT?

- Good culture and conduct drives and ensures the right outcomes for customers
- The Royal Commission in Australia (2018) highlights the risk of getting things wrong
- NZ's regulators (especially the Financial Markets Authority (FMA)) expect organisations to be able to prove that their culture and conduct operates in the best interest of the customer
- It's important that the industry continues to improve and demonstrate we are doing the right thing by our customers
- The FSC Code of Conduct helps FSC members to say 'this is how we do things around here'



06 THE CODE OF CONDUCT

THE CODE PURPOSE

This is a Code for FSC Members, designed to support the professionalism of the financial services industry.

This Code is about increasing trust and confidence in the providers of services and products the financial services industry delivers. The benefit is that Members can help more New Zealanders grow, manage and protect their wealth.

THE CODE OBJECTIVES

The objectives of this Code are to:

- Lift professionalism of the financial services industry
- Help Members deliver good customer outcomes
- Increase trust and confidence in the financial services industry
- Enable more New Zealanders to build, manage and protect their wealth
- Build a sustainable financial services industry

The Code is a living document and the supporting guidance will evolve and mature as New Zealand's financial services industry evolves and matures.



07

CODE STANDARDS AND GUIDANCE



PRINCIPAL ETHICAL STANDARD

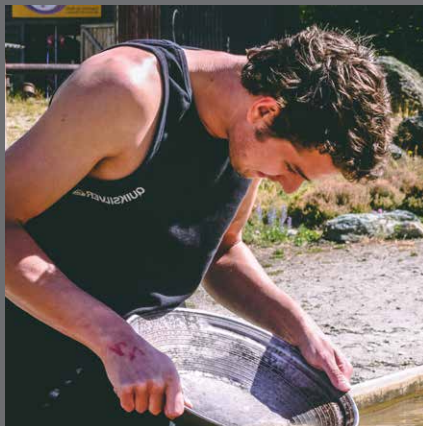
- #1** Members must carry out business professionally, with due care, competence and skill, and act with integrity.

They must behave in a way that promotes public confidence in the financial services industry.



07

CODE STANDARDS AND GUIDANCE



CUSTOMER PERSPECTIVE

- #2** Member must communicate with customers clearly and effectively.
- #3** Members must make reasonable efforts to ensure that customers are provided with sufficient information to make informed decisions about products and services.
- #4** Members must seek and consider customer feedback.



07

CODE STANDARDS AND GUIDANCE



DELIVERING GOOD OUTCOMES TO CUSTOMERS

- #5** Members must design and distribute products responsibly.
- #6** Members must provide employees and distribution channel personnel with appropriate training.
- #7** Members must maintain appropriate internal processes for explaining the risks to a customer of replacing or retaining an existing product or service.
- #8** Members must manage conflicts of interest fairly and in a way that promotes good customer outcomes.
- #9** Members must treat customers fairly.



08 BREACHES AND DISCIPLINARY ACTION

IF A POTENTIAL BREACH OF THE CODE OCCURS

The FSC Chief Executive Officer (CEO) will work with the Member to help minimise the risk of harm to customers and the risk of reputational damage to the financial services industry.

If the FSC CEO considers that the potential breach is material, the FSC CEO will commence disciplinary action by escalating the breach to the Disciplinary Committee.

If the Disciplinary Committee determines that a Member has breached a Code Standard and that breach is material, the Committee can recommend to the FSC Board that sanctions be imposed on the Member.

POTENTIAL SANCTIONS

The FSC Board will consider the Disciplinary Committee's recommendations and, in its sole discretion, can impose one or more of the following sanctions on the Member:

- A reprimand
- A reparation order
- A fine of up to NZ\$100,000
- A payment toward the FSC's costs of disciplinary action
- Suspension of membership
- Termination of membership



09 CODE COMPLIANCE

OUR CONDUCT RISK REPORTING

Having our employee's feel confident and at ease to communicate any areas of concern when it comes to the FSC Code of Conduct is essential.

Questions to consider:

- Do I know the key people in our organisation to contact if I have any concerns around Conduct Risk?
- Is there a clear process for staff to report concerns? If so, where can I find it?
- How are staff concerns treated?



WHAT ARE WE ALREADY DOING THAT MEETS THE FSC CODE OF CONDUCT?

Small group activity – write on flipchart / then feedback to the group:

- What are we as an organisation & in my team already doing that helps us adhere to the FSC Code of Conduct?
- Where are the potential gaps?
- **THERE IS ALWAYS ROOM TO IMPROVE!**
What could you and your team do to improve the way you adhere to the FSC's Code of Conduct?

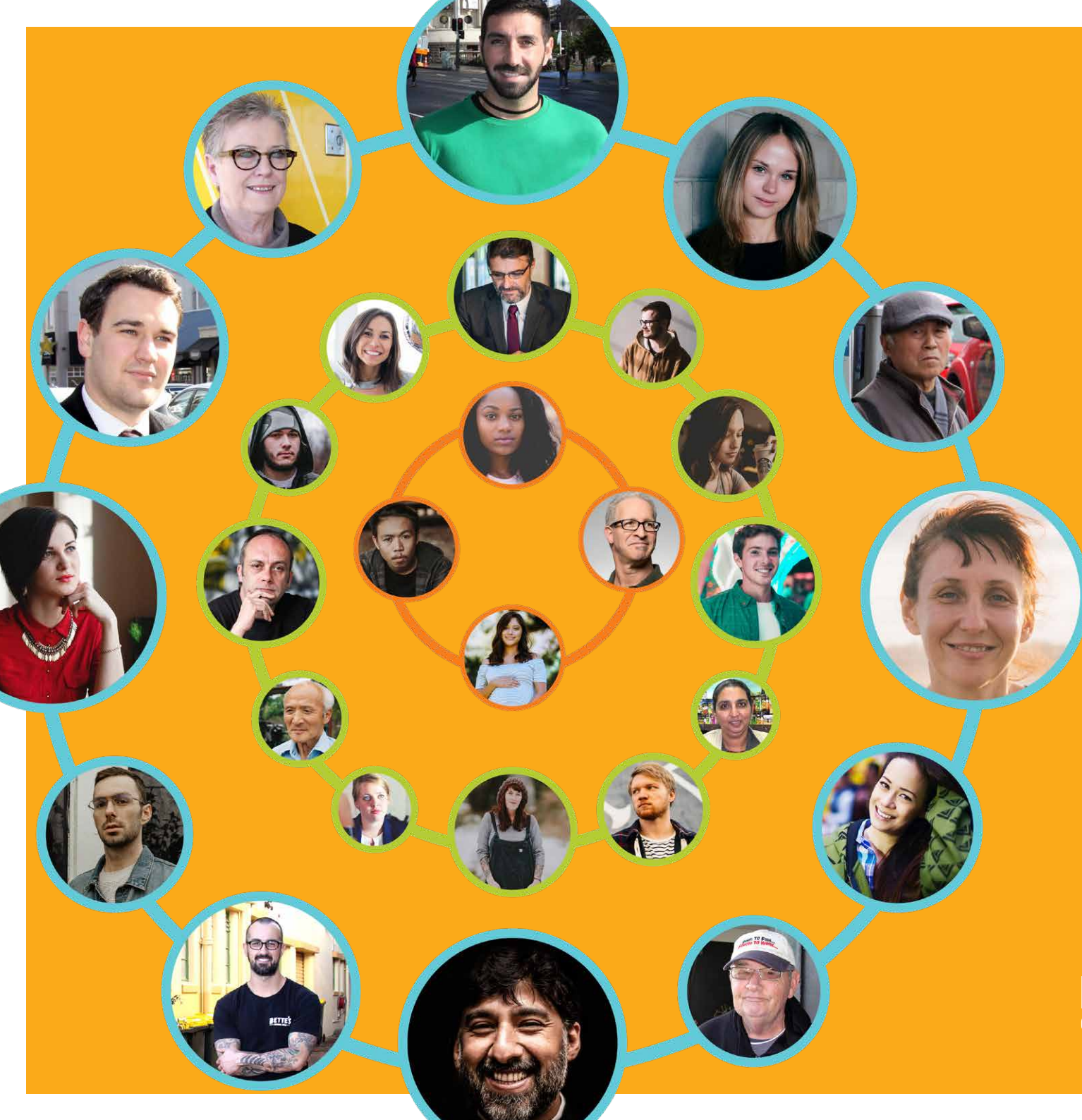
09 CODE COMPLIANCE

DELIVERING GOOD OUTCOMES TO CUSTOMERS

How will knowing about the FSC's Code of Conduct assist me?

- Helps ensure our service and communication is based on integrity and transparency for customers
- Helps ensure we are mindful of our own behaviours but also ensures we have an awareness of what to look out for collectively as a team





Financial Services Council.
Growing and protecting the wealth of New Zealanders

LEARNING MODULE TWO

THE CODE IN
PRACTICE



LEARNING GOALS AND OUTCOMES

LEARNING GOALS

To embed the FSC Code of Conduct within FSC members.

LEARNING OUTCOMES

By the end of this course you will:

- Understand Code guidance and its practical application in your business
- Understand what application of the Code looks like in other financial services organisations
- Identify, or be compelled to identify, gaps in your teams or organisations application of the Code
- Know who to contact if you don't believe your team is adhering to the Code



LEARNING MODULE TWO – CONTENT

This second learning module is made up of:

SCENARIOS

The scenarios are designed to help illustrate a number of different Code Standards using a consistent story and characters. The following pages indicate how you can use the scenarios. The scenarios include discussion questions that are designed to help the person doing the learning consider how the Code applies to their business.

If used in a group environment, the facilitator should encourage participants to come up with answers themselves. This group discussion is an opportunity to draw focus to the member's business, services and products. The group environment makes the most of diversity of thinking and experience.

CASE STUDIES

The case studies are examples provided by FSC members based on industry experience. The studies illustrate where the Code is being used in a living context and will help users to embed understanding and application of the Code. There is flexibility in this package to add in case studies from your own business which may make the content even more relevant for your people.



HOW TO USE THE SCENARIOS

The following slides contain scenarios designed for use as part of a face-to-face discussion, or an eLearning.

We recommend that you alter the scenarios and scenario questions to better suit your business.

Over the next two slides, we provide guidance on how the scenarios could be used for face-to-face learning or eLearning.

Scenario questions, options and outcomes.

Scenario correct answers are upside down in grey.



SCENARIO ONE

WHAT SHOULD HELEN DO NEXT?

A Nothing. Jenny is a very competent adviser with an excellent track record. John's medical information seems complete, and he's happy, so no harm done.

A few months later, Helen notices an article in a newspaper explaining that Jenny has been sanctioned by the FMA for signing insurance application forms in her customers' name. The investigation came from a complaint by a customer who had taken out a policy only to be declined for non-disclosure when they needed to claim. The article goes on to state that this is just another example of poor conduct by the insurance industry.

B Raise the issue via the correct channels.

Helen knows that a lack of complaints is not necessarily an indicator of good conduct. Often customers aren't aware of poor conduct by their adviser until they need to claim. Helen decides to raise her concerns with her line manager. Together with other internal colleagues, they undertake an investigation of Jenny's conduct by reviewing all of the applications that Jenny has lodged in the last 12 months. A proactive approach will enable Helen's company to discover the extent of the issue, identify if any of Jenny's customers have been disadvantaged by her actions and ensure appropriate action is taken against Jenny.

FSC. Code of Conduct

Scenario - What is the situation?

"Wait, sorry, can you just repeat that?" Helen says. In her three years working for Auroraz, she's never come across this before. She hears John, the customer on the other end of the phone, breathing as he mulls things over.

"I said that my adviser, Jenny, completed and signed the whole application on my behalf, because I've been really busy," he says.

Helen moves the conversation on without dwelling on the issue. After she's hung up, she stares blankly at her monitor, pondering her next action. Jenny is well regarded and is one of the top-selling advisers. Her record is spotless. She's never had any complaints against her.

Helen doesn't want to cause trouble for Jenny and it seems that Jenny has disclosed all of the customer's medical information. Helen isn't comfortable, however, with an adviser signing an application form in a customer's name.

	How confident are you answering these?			
CODE STANDARD ONE	Very	Quite	Not very	Not at all
What does good conduct look like in your organisation? Consider both customer and non-customer facing roles.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do your systems and processes support and promote good conduct - how do you make people feel safe to raise concerns? e.g. Whistle-blower processes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do new employees learn about your organisation's approach to conduct and culture? e.g. induction training, compliance training, performance appraisal.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How does your organisation identify poor conduct? How is poor conduct dealt with? e.g. consequence management, impact on bonuses?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

page 2.7

Code questions and rating scale.

HOW TO USE THE SCENARIOS

SCENARIO QUESTIONS

Consider adapting the questions to be specific to your business (e.g. How would someone in your business specifically raise a conduct issue? Who would you contact?)

HOW TO USE IN FACE-TO-FACE:

- You could give the questions as is, and have learners discuss in groups
- It may be more effective to ask them as open questions, without options

HOW TO USE IN eLEARNING:

- Ask the questions as is – allowing the user to choose an answer, then showing the outcome of their choice
- Some questions require multiple answers, and only give a single outcome

SCENARIO ONE

WHAT SHOULD HELEN DO NEXT?

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B Raise the issue via the correct channels.

Helen knows that a lack of complaints is not necessarily an indicator of good conduct. Often customers aren't aware of poor conduct by their adviser until they need to claim. Helen decides to raise her concerns with her line manager. Together with other internal colleagues, they undertake an investigation of Jenny's conduct by reviewing all of the applications that Jenny has lodged in the last 12 months. A proactive approach will enable Helen's company to discover the extent of the issue, identify if any of Jenny's customers have been disadvantaged by her actions and ensure appropriate action is taken against Jenny.

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FSC. Code of Conduct

page 2.7

HOW TO USE THE SCENARIOS

CODE QUESTIONS

These are summarised versions of the Code guidance questions.

HOW TO USE IN eLEARNING

Consider having the learner rate themselves against each question, then give them a summary of their ratings at the end, and suggested actions.

HOW TO USE IN FACE-TO-FACE

- In groups, learners could rate their confidence
- Or, learners could attempt to answer the questions



SCENARIO ONE

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8

FSC. Code of Conduct

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How confident are you answering these?

CODE STANDARD ONE

Very Quite Not very Not at all

What does good conduct look like in your organisation? Consider both customer and non-customer facing roles.

☐ ☐ ☐ ☐

How do your systems and processes support and promote good conduct - how do you make people feel safe to raise concerns? e.g. Whistle-blower processes.

☐ ☐ ☐ ☐

How do new employees learn about your organisation's approach to conduct and culture? e.g. induction training, compliance training, performance appraisal.

☐ ☐ ☐ ☐

How does your organisation identify poor conduct? How is poor conduct dealt with? e.g. consequence management, impact on bonuses?

☐ ☐ ☐ ☐

SCENARIO – SETTING THE SCENE



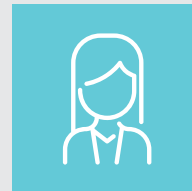
THE COMPANY

Auroraz Limited is a medium sized financial services firm.

Auroraz provides financial products to retail customers who are mostly inexperienced and unsophisticated investors.

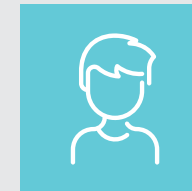
Sales are made by financial advisers employed by Auroraz and customers can use a number of different channels – face to face, online and telephone.

The products provided by Auroraz include: Life and general insurance products, KiwiSaver, and managed investments.



THE EMPLOYEE

Helen has been working for Auroraz for three years, she started as a financial adviser and is now working as an underwriter.



THE CUSTOMER

John has been an Auroraz customer for 12 years, he has his insurance and KiwiSaver with Auroraz.

SCENARIO ONE

“Wait, sorry, can you just repeat that?” Helen says. In her three years working for Auroraz, she’s never come across this before. She hears John, the customer on the other end of the phone, breathing as he mulls things over.

“I said that my adviser, Jenny, completed and signed the whole application on my behalf, because I’ve been really busy,” he says.

Helen moves the conversation on without dwelling on the issue. After she’s hung up, she stares blankly at her monitor, pondering her next action. Jenny is well regarded and is one of the top-selling advisers. Her record is spotless. She’s never had any complaints against her.

Helen doesn’t want to cause trouble for Jenny and it seems that Jenny has disclosed all of the customer’s medical information. Helen isn’t comfortable, however, with an adviser signing an application form in a customer’s name.

WHAT SHOULD HELEN DO NEXT?

- A Nothing. Jenny is a very competent adviser with an excellent track record. John’s medical information seems complete, and he’s happy, so no harm done.**

A few months later, Helen notices an article in a newspaper explaining that Jenny has been sanctioned by the FMA for signing insurance application forms in her customers’ name. The investigation came from a complaint by a customer who had taken out a policy only to be declined for non-disclosure when they needed to claim. The article goes on to state that this is just another example of poor conduct by the insurance industry.

- B Raise the issue via the correct channels.**

Helen knows that a lack of complaints is not necessarily an indicator of good conduct. Often customers aren’t aware of poor conduct by their adviser until they need to claim. Helen decides to raise her concerns with her line manager. Together with other internal colleagues, they undertake an investigation of Jenny’s conduct by reviewing all of the applications that Jenny has lodged in the last 12 months. A proactive approach will enable Helen’s company to discover the extent of the issue, identify if any of Jenny’s customers have been disadvantaged by her actions and ensure appropriate action is taken against Jenny.

How confident are you answering these?

CODE STANDARD ONE

What does good conduct look like in your organisation? Consider both customer and non-customer facing roles.

Very ☐ Quite ☐ Not very ☐ Not at all ☐

How do your systems and processes support and promote good conduct – how do you make people feel safe to raise concerns? e.g. Whistle-blower processes.

Very ☐ Quite ☐ Not very ☐ Not at all ☐

How do new employees learn about your organisation’s approach to conduct and culture? e.g. induction training, compliance training, performance appraisal.

Very ☐ Quite ☐ Not very ☐ Not at all ☐

How does your organisation identify poor conduct? How is poor conduct dealt with? e.g. consequence management, impact on bonuses?

Very ☐ Quite ☐ Not very ☐ Not at all ☐

SCENARIO TWO

Auroraz are ready to launch a new product – a product document has been prepared which sets out: key features; the risks involved; fees and charges; and obligations on the customer.

WHICH OF THE FOLLOWING SHOULD AURORAZ DO (YOU CAN SELECT MORE THAN ONE)?

- A

Conduct a plain English review.
- B

Ensure the document is available in both hard copy and email.
- C

Test communications on customers to ensure they're easily understood.

To make sure the document is easy for Auroraz's customers to understand, a 'plain English' review and consumer testing is carried out. The document will be available for customers in hard copy or via email.

A, B, C

CODE STANDARDS TWO, THREE AND FOUR

	How confident are you answering these?			
	Very	Quite	Not very	Not at all
How do you make sure that communications are clear and easy for your customers to understand?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What are some of the different channels you use to communicate with customers (email, social media, website, post, in store)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When are your customers provided with information about your products and services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you know that customers have received and understood your communications?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SCENARIO THREE

WHICH OF THE FOLLOWING CAN AURORAZ DO TO AVOID THE SAME MISTAKES AS PLUTOX?

(YOU CAN SELECT MORE THAN ONE)?

- A Design products with customer needs in mind.
- B Monitor suitability on an ongoing basis.
- C Ensure customers are not aware of incentives and commissions paid to sales agents.
- D Train staff on product suitability.
- E Increase incentives and commissions for product sales without monitoring who they're being sold to.
- F Monitor sales practices.

Following good practices aligned to the FSC Code of Conduct helps Auroraz deliver good outcomes to its customers.

A, B, D, F

FSC. Code of Conduct

One of Auroraz's peers Plutox Limited has been in the news – but not in a good way. The Regulator has taken action against them following their development of a new savings and insurance product.

Plutox's product suited a narrow range of needs but was sold widely to a broad range of customers by Plutox's sales force which was largely commission based.

The Regulator's review found that:

- Customers savings objectives had not been taken into account
- It was not clear that customers needed or could afford the product, and
- Compliance processes and controls had not been effective

		How confident are you answering these?			
CODE STANDARDS FIVE, SIX, SEVEN AND EIGHT		Very	Quite	Not very	Not at all
How do you ensure that your products are in line with customer needs?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you monitor the ongoing suitability of your products?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What training do you provide to employees involved in selling products and services? How are sales practices monitored?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do your processes ensure that customers understand the risks and benefits of a product or service?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do your remuneration and incentive arrangements promote good customer outcomes?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Are customers advised of relevant incentives and commissions?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SCENARIO FOUR

After his conversation with Helen, and following the media reports about Plutox Limited, John is concerned about his products with Auroraz and wants to check that everything is in order. John decides to try and speak to an adviser at Auroraz directly – following an accident at work he is not able to hear very well and finds using the telephone frustrating.

During his conversation with an Auroraz adviser John is upset, he feels that he isn't being listened to and is concerned that the instructions he has given have not been carried out. He is now worried that this is going to affect him financially.

HOW CAN AURORAZ HELP JOHN REACH A GOOD OUTCOME?

(YOU CAN SELECT MORE THAN ONE)?

A Identify and support him as a vulnerable customer.

B Record John's dissatisfaction as a complaint.

C Explore options for communicating more effectively with John.

D Wait for John to make a formal complaint before providing additional support.

A robust complaints process gives customers a voice. Recognising and supporting vulnerable customers makes it easier for those most in need to have a good outcome.

A, B, C

CODE STANDARD NINE

How confident are you answering these?

Very Quite Not very Not at all

What is your complaints process?
Is it easy to find and follow?

☐ ☐ ☐ ☐

What analysis of complaints data do you do and what does this tell you?

☐ ☐ ☐ ☐

What is your definition of a vulnerable customer?

☐ ☐ ☐ ☐

How are vulnerable customers identified and supported?

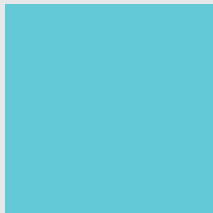
☐ ☐ ☐ ☐

What proof points do you have to show:

- your complaints process is working?
- vulnerable customers are being supported?

☐ ☐ ☐ ☐

CASE STUDY ONE



Julie has been recruiting for a new Product Manager within her team. She is close to offering the role to a candidate but while completing their reference checks she notices an inconsistency with the information provided by the referee compared to the candidate, regarding the length of time the candidate was in their past role. Julie was under pressure to fill the role but knew the position required a high level of trust and proven experience.

After raising her concerns with the Human Resources team, Julie choose to discuss her concerns with the candidate directly. During this conversation, and evidenced later in the company's background check of the candidate, it was found that the candidate had started in their role as a contractor at their previous company. Therefore, they had the necessary experience Julie required but their employment record was split as a contractor then employee.

ASK YOURSELF

- Which Code Standards and do you think this relates to?
- What can we learn from this case study?
- How did Julie bring the FSC Code to life in this case study?
- What examples do we have in our own organisation?
- Identify, or be compelled to identify, gaps in your teams or organisations application of the Code
- Know who to contact if you don't believe your team is adhering to the Code

CASE STUDY TWO

It's Jade's first day working at a financial services company and she takes a call from a customer who is unhappy about the service she's received. While the customer is dissatisfied she doesn't say she wants to make a complaint. Before Jade has the chance to respond the customer bursts into tears and hangs the phone up. Jade asks Moana, who has been allocated as her training buddy, what resources will help her to understand how to respond to the customer? Moana provides Jade with the company's:

- Definition of a complaint
- Complaints process
- Vulnerable Customer Policy

Moana also shows Jade how to access the complaints management system and where in the customer records you can add customer care notes. Moana and Jade work together on responding to the customer.

ASK YOURSELF

- Which Code Standards and do you think this relates to?
- What can we learn from this case study?
- How did Jade and Moana bring the FSC Code to life in this case study?
- What examples do we have in our own organisation?
- Do you know who to contact if you don't believe your team is adhering to the Code?



CASE STUDY THREE

Jenna in the Claims Team was allocated a redundancy claim. The customer had been on Leave without pay for around 7 months at the date of his redundancy because he had been looking after his critically-ill 12 year old daughter who had been diagnosed with Hodgkin's Lymphoma. Because of this, he did not meet the definition of Earner under the policy wording and therefore would not be eligible to claim for redundancy.

Jenna felt this was not the right outcome for this customer. Jenna sought out additional information and explored the different processes within her organisation, including talking to her manager and raising the case at Claims Committee. She ultimately clarified the right approach and was able to deliver a good outcome for the customer.

ASK YOURSELF

- Which Code Standards do you think this relates to?
- What can we learn from this case study?
- How did Jenna bring the FSC Code to life in this case study?
- What examples do we have in our own organisation?



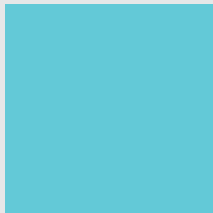
CASE STUDY FOUR

At the onset of the Covid-19 Pandemic, many KiwiSaver members were concerned about the impact of the pandemic on their balances. At the beginning of the downturn, there was limited information in the media about what people should do. Upon hearing her staff complain about this, the area manager of a large retail chain requested advice from Bianca, the Financial Adviser who serviced her stores.

Over the next two Saturdays, Bianca went to the stores, sat down with small groups of staff, explained what was happening in the financial markets, and what their options were. Bianca gave the staff reassurance and knowledge to be comfortable with their decisions relating to their KiwiSaver.

ASK YOURSELF

- Which Code Standards and do you think this relates to?
- What can we learn from this case study?
- How did Bianca bring the FSC Code to life in this case study?
- What examples do we have in our own organisation?



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