

IMPORTANT NEW SURVEY REVEALS....

IN MONEY MATTERS, CONSUMERS SAY EQUALITY IS AN IMPORTANT PART OF BEING TREATED FAIRLY

The Metropolitan Fairness Feedback is **the first-ever, in-depth look at what policy holders and investors in the mass market really want in terms of fairness** and how the industry is perceived to be delivering on those needs.

Financial services industry regulator, the FSB, has recently established an important series of rules for insurance and investment companies under the title of **Treating Customers Fairly (TCF)** which defines fairness in terms of;

- clear information
- suitable advice
- fair treatment that is central to company culture
- product meeting needs
- product meeting expectations
- no unreasonable barriers to switching, claiming and complaining.

However, the survey conducted by Metropolitan shows that South Africans in the mass market have some of their own ideas about what treating customers fairly may mean. **One of the interesting observations was that they deem treating people equally as one of their requirements of fairness.**

Customers surveyed indicated that differentiation on grounds of demographics such as race, gender, age, location, disability and health status may be seen as unfair if not well understood.

WHAT MATTERS TO CONSUMERS IN BEING TREATED FAIRLY?



The survey also establishes that **industry players serving the mass market are doing reasonably well in treating customers fairly, but they need to improve markedly** in several areas especially in communicating clearly and constantly with consumers about their policies and benefits.

KEY FINDINGS

- Demographic differentiation in insurance benefits and price is not always accepted as fair by customers surveyed.
- The industry overall is scored at 8.5 out of 10 in this survey for its current fair treatment of customers.

CONSUMER SCORES:

	Industry Scores (i.e. all companies combined)
Customer Equality	8.70
Product Quality & Pricing	8.66
Transparency & Integrity	8.53
Service Excellence	8.49
Communication	8.46

- Of the existing FSB TCF principles South Africans say that 'frequent and open communication' is the highest priority.

OFFICIAL TCF PRINCIPLES RANKED BY CONSUMERS IN BEING TREATED FAIRLY.



MAJOR IMPLICATIONS

- Product design and pricing must be cognisant of market-held perceptions on fairness.
- The industry needs to improve its communication frequency as well as how understandable the communication is for customers.
- The industry needs to improve its performance in TCF – 8.5 in this generally uncritical market is viewed as a moderate score.

Comment from Metropolitan:

"It is important to apply the formal expressions of TCF but it is equally important to obtain the consumers' view of what matters to them in terms fairness and to align the two," said Belinda Faulkner, Metropolitan Brand Executive.

METHODOLOGY OF THE SURVEY

- The Metropolitan Fairness Feedback survey was conducted by Plus94 Research during 2013.
- 6 x focus groups (Gauteng, Cape Town & KwaZulu-Natal) to unpack consumer fairness definitions.
- Quantitative study on a nationally representative sample (1150 people) conducted to develop TCF scores.