

## **Treating Customers Fairly Policy**

The Board of Pendragon PLC (“the Company”) has adopted this policy reflecting how it intends in the context of its motor retail business, to operate to the “Treating Customers Fairly” (TCF) principle in the mediation of sales of general insurance products.

### **Introduction**

The Company believes that the fair treatment of customers is essential to the success of its business. Customers are a key stakeholder in the Company’s motor retail businesses, both directly and because of the influence the quality of the customer experience has on the businesses’ relationships with other crucial stakeholders, principally vehicle manufacturers and suppliers of general insurance products.

This policy is adopted for the purposes of general insurance mediation business, and all references to “products” are to general insurance products, and to “customers” are to customers for general insurance products. The Company recognises that the customer’s demand for or need of a general insurance product is ancillary to his requirement for a motor vehicle. Each customer for a vehicle is potentially a customer for a general insurance product.

Accordingly, the process for the selection, marketing sales and advice, aftersales service and complaint handling for general insurance is inextricably linked with the sale or supply of a high value product (motor vehicle) which represents a considerable investment for most customers.

The fair treatment of the customers is therefore required to be embedded in the whole process and reflected in all the behaviours of the Company’s team members.

### **Values and TCF Policy Statement**

To ensure they are memorable and easily understood by our team members and stakeholders, our core values and TCF policy are encapsulated in brief statements.

The Company has adopted core values reflecting its relationship with its five key stakeholders. Its core value for customers is:

“We provide a good value, personalised service to existing and potential customers.”

Treating customers fairly is an inherent requirement for the fulfilment of this core value.

The Company’s processes, policies and behaviours will ensure that customers are treated fairly at each stage of our relationship with them.

The Company selects and retains only those suppliers of general insurance products and associated services who are able to demonstrate their respect and fulfilment of TCF principles for those aspects of the customer relationship for which they are responsible.

The Company's core value for suppliers is: "We provide long term, profitable partnerships in return for quality service and competitive pricing".

Our core values and TCF policy is included in induction and training of all team members.

Our TCF policy is available on our internal intranet and external website and made available in hard copy upon request.

### **Product design, governance and marketing**

We do not supply general insurance independently from the supply of a motor vehicle.

We require our product suppliers to provide us with information about the outcome of our sales to inform our decisions on our product portfolio and our assessment of the fair treatment of our customers.

As mediators of products designed by third party suppliers, our concern is to ensure that our product portfolio meets the following requirements:-

- the supplier is of adequate financial standing and will enable us to fulfil our core values
- the products are suitable to our potential customers, as purchasers of new and used motor vehicles

We regularly review product terms and conditions and all customer feedback and engage with product suppliers to redress imbalances against customer expectations

### **Sales and advice processes and Aftersales care**

We mediate insurance products from multiple retail locations to customers for motor vehicles who potentially will have contact with a variety of our team members. Our concern is to ensure that our customers' experience meets the following requirements:-

- whether for general insurance or other products or services, only appropriately trained competent team members deal with the customer
- team members receive the appropriate knowledge and skills training and support to provide a service which treats customers fairly
- where practicable, our information systems incorporate means of assurance of the fair treatment of customers
- we regularly review the effectiveness of our sales and advice systems and processes in achieving the fair treatment of customers
- we use our management information to identify behaviours which fall short of our expectations and inform corrective training

We identify potential conflicts of interest within our sales process and ensure that individual and business objectives are linked not only to sales performance but also to customer satisfaction, TCF and regulatory compliance.

Whilst aftersales care is delivered by our selected providers, we satisfy ourselves of their capabilities in our provider selection process and require them to operate to defined performance standards. We utilise management information to identify and respond to aftersales performance matters.

### **Complaint Handling**

We provide customers with easy access to team members, both those who made the sale and ones unconnected with the sale, to receive, record, investigate and respond to complaints.

We allocate clear responsibilities to team members for:-

- investigation of a complaint; and
- resolution of a complaint; and
- communication with the customer at appropriate stages

We give clear explanations of our complaints handling process and of conclusions reached at the end of our process.

We keep the customer informed in a timely manner of the progress and status of their complaint.

We advocate on behalf of customers with any supplier which responds unreasonably to a legitimate claim or complaint.

We use identified trends in complaints received to inform our product and supplier selection.

### **Management Support for TCF**

Senior Management:-

- prescribes management information disciplines which allow regular score-keeping against our TCF and customer satisfaction objectives
- ensures business leaders' and team members' role responsibilities clearly set out their TCF and regulatory compliance objectives
- ensures there is available to all relevant team members training and coaching which equips them to understand their responsibilities
- regularly reviews and moderates remuneration schemes and attendant performance objectives to ensure consistency with the businesses' TCF approach
- ensures that the Company rigorously promotes our customer core value, among our five core values, in all available training interfaces with our team members, to embed a culture of Treating Customers Fairly
- ensures that our incentive schemes reward and recognise excellence in customer satisfaction, embracing the fair treatment of customers.