

## **TREATING CUSTOMERS FAIRLY (TCF) POLICY**

Bluestone Mortgages Ltd ("We / Bluestone") is committed to paying due regard to the interests of its customers and treating them fairly and consistently. It is important for all members of staff and its corporate partners to embrace and apply TCF into their 'business as usual' practices. Bluestone's Board believes that TCF is essential in the governance of the Company and the way it is managed.

Specifically TCF aims to:-

- Help customers fully understand the features, benefits, risks and costs of the financial services they buy.
- Minimise the use of unsuitable products by encouraging best practice before, during and post sale.
- Ensure that the provision of services for all customers is consistent with customer expectations and desired outcomes.

The fair treatment of customers is firmly rooted in FCA Principles – not just Principle 6 (*"a firm must pay due regard to the interests of its customers and treat them fairly"*) but is also related to Principle 2 (on conducting business with due skill, care and diligence); Principle 3 (taking reasonable care to organise and control affairs responsibly and effectively with adequate risk management systems); Principle 7 (on client information needs); Principle 9 (on suitability of its advice and discretionary decisions for customers); and Principle 5 (responsible market conduct).

Bluestone's customers can be confident that they are treated fairly during the entire life of their mortgage held with the Company and that all its staff and outsource providers pay due consideration to the FCA's six TCF Consumer Outcomes (see below) when making decisions on customer accounts.

- Customers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture
- Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly
- Customers are provided with clear information and are kept appropriately informed before, during and after the point of sale
- Where customers receive advice, the advice is suitable and takes account of their circumstances
- Customers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect
- Customers do not face unreasonable post sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint

Bluestone does not itself provide advice to customers on its' mortgage products. However, as part of its' *Know Your Broker* onboarding and Conduct Risk monitoring programme, Bluestone will ensure that its' mortgage intermediary partners adhere to the regulatory requirements in place.

### **What TCF means at Bluestone**

As identified above, Bluestone pays due regard to the six TCF Consumer Outcomes, emphasising the following:-

- Culture
- Clear and appropriate communication
- Customer experience (application to redemption)
- Administration (application to redemption)
- Oversight and Governance

### **Culture**

Bluestone's culture of commercially focused regulatory compliance stems from the Board's belief that TCF is essential to the success of the Company. This is achieved through robust governance arrangements, the way it is managed and its long term success as a business. Furthermore, Bluestone's expectation is that this culture is embedded into its corporate partners and has appropriate contractual and oversight measures in place to underpin it.

This is reflected in the Bluestone Group's' mission statement:-

*"Bluestone's goal is to be a market-leading, dynamic and innovative specialist lending and asset management business. As a lender, we provide flexible products to customers that don't fit traditional lending criteria. We do so in a fair, transparent and efficient way, keeping our customers interest upper-most in our mind. ... We treat customers as we would our own members of staff or members of our family. We strive for outcomes that balance customers interests with our responsibilities as a prudent, diligent manager of financial assets".*

and its' key Values

- Transparency and openness
- Nimbleness and flexibility
- Respect and candour
- Fair, balanced outcomes
- We tackle little issues early before they become big issues

The Board leads by example through its clear, consistent and fair treatment of all customers and recognises that its staff and those of its corporate partners need to have been robustly recruited; suitably trained; are able to demonstrate ongoing competence; are empowered to take responsibility for TCF delivery; have clearly defined objectives reflecting TCF measures; and are appropriately rewarded.

## **Communication**

Bluestone considers effective communication with Customers to be central to its' TCF delivery. This is specifically promoted through its' Contact Objectives, which emphasise the importance of identifying potential customer vulnerability and follow documented guidelines.

We operate open communication channels for customers from mortgage application through to redemption.

For mortgage applicants who need to speak to us, our telephone helpdesk is available between the hours of 9.00 and 5.30 Monday to Friday. Additionally, our contact centre is available between these hours to help customers with general mortgage enquiries.

For arrears customers where contact is by telephone, then it will normally be between the hours of 9.00 and 5.30 Monday to Friday and they will be encouraged to contact Bluestone on a regular basis. This will ensure that we understand both their financial situation and circumstances; to identify how we can best help them resolve their financial situation fairly, without further disadvantaging them.

For customers who are not in arrears contact will typically be the annual mortgage statement and (if applicable) notice of change of the interest rate charged.

All written communications will be clear, concise and use plain English, with any jargon, e.g. SVR fully explained.

Appropriate records of all customer interactions will be retained and will be subject to assessment via reviews by Bluestone Operations and Compliance monitoring, which will seek to evidence adherence of both written and oral communications with customers to the required levels of clarity, consistency, accuracy and the resulting actions taken.

We periodically conduct customer surveys and follow up calls. This includes obtaining views on experiences with Bluestone, which helps to evaluate how we treat our customers. Examples include 'welcome calls' to customers following completion of their mortgage and communication styles on aspects such as providing options during periods of financial difficulty.

## **Customer Experience and Administration**

Customers can expect to receive good level of service standards all at times and are be encouraged to inform us if they feel that they haven't. We will clearly define our product range and market it appropriately, so that customers can make an informed decision (with external financial/mortgage advice) if the products are suitable for their needs.

We ensure that there are no unreasonable post-sale barriers preventing our customers from changing products (where and/or if applicable).

We ensure that there are no unreasonable post-sale barriers preventing our customers from making a complaint. We have a clearly documented complaints policy with complaints being treated individually but consistently, thereby ensuring fairness for all our customers. Appropriate records of all complaints will be retained. Bluestone Operations and Compliance case reviews will seek to evidence adherence of clear and consistent application of the complaints policy. Where there is evidence that this is not the case, further review activity, remedial training and actions will be taken as necessary.

## TCF Oversight and Governance

Bluestone's Regulatory & Compliance Committee has formal responsibility for ensuring that our customers are treated in accordance with this policy. It is further charged with:-

- Assessing Bluestone's performance in achieving desired outcomes and reporting its findings to the Board
- Overseeing that all staff working within the Bluestone Mortgages UK environment are trained and fully conversant with TCF requirements; and TCF training records are recorded and monitored.
- Identifying and developing appropriate qualitative and quantitative MI to assess the achievement of desired customer outcomes against agreed, benchmarked targets
- Determining the impact of any changes in processes or products on the delivery of desired customer outcomes
- Identifying any process changes that would improve the achievement of desired customer outcomes
- Seeking any information it requires from outsourced Third Party Servicers, to assess customer outcomes from the respective services

## Customer Responsibility

While recognising that we cannot impose responsibilities on our customers (over and above their common law duties to tell the truth and act honestly) and in some instances limited mortgage and general financial knowledge of our customers, we still have a duty to ensure the fair treatment of all Bluestone's customers.

It is therefore reasonable to expect individual customers to protect their own best interests by engaging actively with Bluestone (and its service providers, eg Intermediaries, Arrears Field Agents,) regarding their mortgage application(s) and their account(s), which they can do by:-

- Reading Bluestone documentation provided to them
- Reading materials provided to them, e.g. mortgage product literature, the Money Advice Service's [Problems paying your mortgage](#)<sup>1</sup> leaflet
- Asking questions where they feel uncertain
- Thinking about their financial position and considering the possible impact of changes in their circumstances

This responsibility is recognised by the courts and by the Financial Ombudsman Service and the absence of reasonable care by customers can in particular circumstances be taken into account when determining the outcome of a legal case or complaint.

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