

CCP establishes ID team to oversee the product registrations process

Focus on compliance has never been more relevant in the field of warranty products

Q Why has compliance become such an important area for Car Care Plan (CCP) to focus on?

A Compliance has always been an integral part of CCP business. With ever-evolving legislative requirements, it is important we continue to provide the level of service our distributors have come to expect from us.

CCP has a board governance framework, which details our approach including governance structures, principles, policies and procedures, all designed with the customer at heart.

CCP is committed to ensuring products offer value and utility to customers throughout the entire product lifecycle, that is from the point the product is designed, all the way through to when it is utilised by the customer.

A key part of this is maintaining oversight of the distribution chain by having proactive processes designed to tackle any potential customer detriment. The distribution chain is monitored by our 'Distributor Performance Dashboard' which allows for early identification of any potential issues.

Q How many CCP-related transactions do the business's car retail clients complete annually which require a compliance focus?

A As a business, we currently manage more than a million product registrations per annum; the ID team has been resourced to manage this accordingly.

The team has a great understanding of both the motor retail and insurance product market and can provide support to meet the requirements of our mutual customers.

At CCP, there is a compliance focus on all products sold within our distribution network, thus ensuring that all customers are always treated fairly and without prejudice.

Our distribution network is currently split 50/50 between distributors that are Financial Conduct Authority (FCA)-authorised, and those that are an authorised representative (AR) of a principal firm. It is therefore vital to maintain a strong business relationship with all parties even though their requirements can be different.

Q What is the aim of the new team (ensuring the customer comes first)?

A While CCP reviews performance of each stage of the product lifecycle, the ID team is responsible for maintaining oversight of the distribution chain to ensure products are being distributed to customers in a compliant manner.

Not having adequate oversight of the distribution chain may lead to customers being sold unsuitable products or being overcharged and could lead to mis-selling.

Some ways we do this include:

- Onboarding and due diligence – CCP carries out due diligence to ensure the distributor is reputable, financially sound and has the adequate processes in place for offering general insurance products. The ID team will work closely with the distributor to obtain all the necessary information required for set up and activation.
- Distributor training and compliance reviews – the team will arrange in-depth product knowledge training and the appropriate sales process training to ensure sales executives have the necessary expertise to offer the product.

Q Why the introduction of a new division within CCP to manage this process?

A The FCA expects CCP to maintain a greater degree of oversight over the distribution chain to ensure customers are receiving the intended value and utility from the products.

The introduction of the dedicated ID team allows CCP to effectively monitor and review performance of the distribution chain and take any necessary action where required.

This team's primary focus is to ensure customers are receiving value and utility from CCP-administered products.

CCP IS COMMITTED TO ENSURING PRODUCTS OFFER VALUE AND UTILITY TO CUSTOMERS THROUGHOUT THE ENTIRE PRODUCT LIFECYCLE

BEN RUSSELL, CAR CARE PLAN CEO

Q What are the practical steps being implemented to ensure car retailers' compliance (new staff to support retailers, new training, etc.)?

A With the advent of the ID team, one of our main areas of focus was achieving greater oversight of our existing distribution network. This was achieved by placing due diligence checks into action.

This exercise has provided us with a complete breakdown of our current distributors' activities, which includes the development activities that are currently undertaken within those businesses.

While face-to-face training will always be a part of our development process, we also have our own E-learning platform, which provides product knowledge and process training and can be tailored for an individual distributor's requirements.

All training material is agreed and signed off by our Compliance Division.

Q Can good compliance practice potentially result in increased sales, as well as good customer outcomes?

A Looking at it from a customer's perspective, the better the customer understands the features and benefits of the product being offered to them, the more informed their decision. Ensuring the customer journey is compliant, all products offered are suitable and the customer is eligible, results in lower cancellations, refunds and complaints.

This, in turn, would result in increased sales and profitability.

Putting the customer first and understanding their unique requirements not only shows how much you value the customer, but, consequently, has a higher yield and an increased downstream opportunity for customer retention and increased sales and revenue.

Ben Russell took up the role of chief executive officer at Car Care Plan in the summer of 2020



COMPANY PROFILE

Car Care Plan was founded in 1976 to provide warranty products to the automotive market. In the 45 years since, the company has gone from strength to strength to become one of Europe's leading providers of vehicle warranty and motor-related add-on products.

Today, the company registers more than 1.2 million products annually, with active policies in 70-plus countries worldwide managed through five strategically-based offices.

Our in-house insurer carries an A-rating from credit rating agency AM Best, with further backing from our fellow A-

AM Best-rated parent company AmTrust.

Car Care Plan has built relationships with more than 20 major manufacturers and in excess of 2,000 group and independent retailers.

Alongside this, the company has significantly expanded its products, offering a core product range of warranty, asset protection, cosmetic insurance, alloy wheel insurance and tyre insurance, with complementary additions including MOT test cover, roadside assistance and service plans. Each of its insurance products carries a five-star default rating.