

COMPLIANCE BULLETIN



COMPLIANCE BULLETIN 2024, Edition 3

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Hey Team,

Welcome to the 3rd edition of the Compliance Bulletin, your monthly dose of news and updates from the world of compliance. This is where you can keep up with everything that affects your business activities, Genistar as a company, and the regulated financial sector as a whole. Happy Reading!

CLAIMS

Vitality has published their Claims Report for 2023. Here are some highlights for you:

- In 2023, out of all the claims Vitality received, 94.6% were paid out.
- £80 million was paid in life claims.
- £32.7 million was paid in serious illness cover claims.
- Engaged members with Vitality increase their life expectancy by up to 4.8 years.
- 1 in 6 claims paid by Vitality's serious illness cover would not have been paid out on typical enhanced critical illness policies with other providers.
- Vitality now has 100,000 members with Dementia and FrailCare.
- The youngest life claimant was 21 years old for accidental death.
- The oldest life claimant was 92 years old for pneumonia.

You can find the full report on the Info Hub.

Info Hub > Resources > Compliance and FSC Policies > Reports

Response Times: If Compliance sends you a ticket regarding an IBA, please respond within 2 weeks or the application will be reset to ensure the queues remain clear for new IBA applications and those who respond with progress updates.

IBA Supplementary Evidence: If you submit an IBA and know the applicant has a CCJ or is a non-UK passport holder, we suggest you submit supplementary evidence as a ticket at the point of application. Key things to include are CCJ payment plan information, any information relating to convictions, or for those with non-UK passports, their National Insurance number or proof of address. This will allow the compliance department to process your IBAs faster with fewer queries.

Right to Work: Applicants who have Certificates of Sponsorship for their visa status are not permitted to work for Genistar. This means they cannot be an Introducer or a Representative. Any applicants with this status will need to have their IBA fee refunded. Please ensure the right to work status is thoroughly checked before submitting an IBA.

IBA Refund Policy: Please note Genistar offers a 14-day refund policy for IBAs. The 14 days start from the point of approval by the compliance department. Please ensure applicants are fully aware of the duties and responsibilities of the Representative role and that the refund policy has been discussed prior to application.

REGULATORY

Automated Push Payment (APP) Scams

APP stands for automated push payment. There has been a significant increase in this type of fraud; more than £145 million was lost in the first half of this year which is 44% higher than the same period last year. This scam involves the fraudster tricking their victims into willingly making large bank transfers to them. Due to the nature of the fraud, many banks have refused to refund customers as the customer authorized the payment.

Examples of APP fraud include someone pretending to be from your bank or another trusted organization, a romance scam to gain your trust and money, or a criminal impersonating your builder to steal renovation money.

On October 7th, 2024, the Payment Systems Regulator (PSR) Reimbursement scheme is coming into effect. This means if a customer can prove the fraud type was APP, financial institutions will be required to reimburse customers.

Please see the links for full details:

- [APP scams | Payment Systems Regulator \(psr.org.uk\)](https://psr.org.uk)
- [What is Authorised Push Payment Fraud? \(experian.co.uk\)](https://experian.co.uk)

Compliance and the use of Artificial Intelligence (AI)

Genistar promotes the use of artificial intelligence (AI) to speed up and make processes more efficient.

Please note if you wish to use AI as part of your business processes, Genistar supports this, however, you must never put identifiable or client names into an AI programme. Useful AI websites you can use are [ChatGPT | OpenAI](#) or [Claude](#).

However, please note that you must NEVER put client names or identifiable information into an AI programme.

Thank you,

Genistar Compliance Department
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This e-mail has been sent to george.jenkins@genistar.net, [click here to unsubscribe](#).

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