

**T**here are many terms that we use interchangeably, with the intention that they mean the same thing. Words such as ethics, morals, values or Code of Ethics and Code of Conduct are synonymous with each other and essentially have the same meaning, but are they really? Behavioural science unpacks the differences of each of the terms and phrases above.

### Ethics versus morals

While they are closely related concepts, morals refer mainly to guiding principles, and ethics refer to specific rules and actions, or behaviours.

A moral precept is an idea or opinion that is driven by a desire to be good. An ethical code is a set of rules that defines allowable actions or correct behaviour.

### Code of Ethics versus Code of Conduct

A Code of Ethics is broad, giving employees or members a general idea of what types of behaviour and decisions are acceptable and encouraged at a business or organisation.

A Code of Conduct is more focused. It defines how employees or members should act in specific situations.

is evidenced in, for example, the Treating Customers Fairly (TCF) principles, the General Code of Conduct and the Fit and Proper requirements for regulated persons.

The question we need to ask ourselves is why this legislation was necessary in the first place, to which there are differing answers. Yes, it included the capital stabilisation of the industry, but more than that, it was evident that few individuals took advantage of clients, and others emanating from greed and power.

The OSTI Report has provided helpful statistical evidence to prove this point. In the Report, released this year, the short term insurance industry reported 3.75 million claims processed in 2019 to the FSCA. Of those claims processed, 1573 resulted in complaints that the OSTI overturned in favour of the client. That is a result of 0.0004% of total claims processed.

Whilst one can argue that not all cases that should be reported to the OSTI are submitted by clients, these are the reported figures and they are a great advert for the good the short term insurance industry achieves, for their clients and the public at large.

Then why are we still debating ethics so many years down the line?



### Five Codes of Ethics

**1 Integrity** is the honesty and truthfulness of one's actions, regardless of circumstances, and the consistency and uncompromising adherence to ethical and moral principles.

**2 Objectivity** is the evaluation of facts and truth, without being swayed by any opinion, bias or conflicts of interest or undue influence of others.

**3 Professional competence** is the key distinguisher between simply having skills and having a true sense of professionalism in an occupation.

**4 Confidentiality** is ensuring that the information of others (clients, colleagues, employees etc) is restricted to those who are authorised to have access to such information, and with the consent of the person to share information.

**5 Professional behaviour** is the qualities that characterise a professional person, demonstrating respect for key moral principles of all individuals and in all situations.

### What does this look like practically?

In our financial services industry, our legislative and regulatory structures strive for these ethical principles to be achieved. This

Here are a few observations:

- Company partnerships do not always turn out the way we intended them to in our initial discussions for various reasons. One such reason is that robust processes are not in place to maintain our service standards to customers;
- Some companies have become complacent in ensuring transparency, and the required communication is presented on public platforms such as websites for clients and partners to access; and
- Some companies have missed the mark of the agreed ethical standards and good business practices of the legislation, and their ticks are falling off their compliance checklist, as the ethical principles were never embedded in their businesses.

The only way to maintain and publish the good name of our industry is to remain unwavering in our adherence to good sustainable ethical business.



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